

## FRANCHISE DISCLOSURE DOCUMENT



**Mulberrys Franchising, LLC**  
a Texas limited liability company

126 Macfarlane Drive  
Delray Beach, Florida 33483  
877-814-5421  
franchise@mulberryscleaners.com  
www.mulberryscleaners.com

The franchise offered to master franchisees is for a master franchise business. As a master franchisee, you will (1) grant to subfranchisees the right to develop and operate, under the "Mulberrys Garment Care" trademark, businesses that offer premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, pick-up and drop-off delivery services and locker services, and related products and services using proprietary cleaning products and equipment and methods of operation; and (2) provide support services to your subfranchisees.

The total investment necessary to begin operation of a Mulberrys Garment Care master franchise business is \$173,000 to \$480,000. This includes \$0 to \$1,000 that must be paid to the franchisor or our affiliate.

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

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

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

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 Dan Miller at 126 Macfarlane Drive, Delray Beach, Florida 33483 and 877-814-5421.

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

**Issuance Date:** May 1, 2024

## How to Use This Franchise Disclosure Document

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

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

## **What You Need To Know About Franchising *Generally***

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

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

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

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

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

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

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

### **Some States Require Registration**

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

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

## Special Risk(s) 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, or litigation only in Florida. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in these locations than in your own state.
2. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
3. **Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

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

**NOTICE MANDATED BY SECTION 8 OF  
MICHIGAN'S FRANCHISE INVESTMENT ACT**

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

- (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).
- (i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

**The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.**

If the franchisee has any questions regarding this notice, those questions should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Attn.: Franchise, 525 West Ottawa Street, G. Mennen Williams Building, 1<sup>st</sup> Floor, Lansing, Michigan 48909, telephone: (517) 373-7117.

## TABLE OF CONTENTS

ITEM		PAGE
Item 1.	The Franchisor and Any Parents, Predecessors, and Affiliates .....	1
Item 2.	Business Experience.....	5
Item 3.	Litigation.....	5
Item 4.	Bankruptcy .....	5
Item 5.	Initial Fees .....	5
Item 6.	Other Fees .....	6
Item 7.	Estimated Initial Investment.....	8
Item 8.	Restrictions on Sources of Products and Services.....	11
Item 9.	Franchisee's Obligations.....	13
Item 10.	Financing.....	14
Item 11.	Franchisor's Assistance, Advertising, Computer Systems, and Training .....	14
Item 12.	Territory .....	19
Item 13.	Trademarks .....	21
Item 14.	Patents, Copyrights, and Proprietary Information.....	22
Item 15.	Obligation to Participate in the Actual Operation of the Franchise Business .....	23
Item 16.	Restrictions on What the Franchisee May Sell .....	24
Item 17.	Renewal, Termination, Transfer, and Dispute Resolution .....	25
Item 18.	Public Figures .....	27
Item 19.	Financial Performance Representations.....	28
Item 20.	Outlets and Franchisee Information.....	28
Item 21.	Financial Statements.....	31
Item 22.	Contracts .....	31
Item 23.	Receipts .....	31
 <b>EXHIBITS</b>		
Exhibit A.	State Specific Addenda to Disclosure Document	
Exhibit B.	List of State Agencies and Agents for Service of Process	
Exhibit C.	List of Master Franchise Businesses	
Exhibit D.	Financial Statements	
Exhibit E.	Master Franchise Agreement and State Specific Addenda to Master Franchise Agreement	
Exhibit F.	Authorized Territory Amendment to Master Franchise Agreement	
Exhibit G.	Operations Manual Table of Contents	

**ITEM 1.**  
**THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES**

To simplify the language in this Disclosure Document, the “Company,” “we,” “us,” “our,” or the “Franchisor” means Mulberrys Franchising, LLC. “You,” “your,” or the “Franchisee” means the person, corporation, limited liability company, partnership, or other business entity that buys the master franchise.

**The Franchisor**

We are a Texas limited liability company formed on July 31, 2019. Our principal business address is 126 Macfarlane Drive, Delray Beach, Florida 33483. We do business only under our company name, “Mulberrys Garment Care”, “Mulberrys”, and “Laundry Locker by Mulberrys”.

We previously offered Mulberry Garment Care unit franchises from October 2019 to April 2020 and again since May 2022. Our predecessor previously offered Mulberrys Garment Care unit franchises from January 2012 to January 2013. As of December 31, 2023, we had 6 franchised and 6 company-owned Mulberrys Garment Care businesses in operation (which we intend to sell to a franchisee in 2024). Although our affiliates have operated similar businesses that you will subfranchise, we have never directly operated a business of the type being subfranchised. We began offering franchises for Mulberrys Garment Care master franchise businesses in the United States in summer 2023. We generally do not offer unit franchises in our master franchisees’ Authorized Territories. However, we may sell products or services to these subfranchisees. Neither our master franchisees, nor their subfranchisees, are affiliates of ours. Therefore, we are in the business of offering new Mulberrys Garment Care master franchises and unit franchises for Mulberrys Garment Care cleaning facilities and retail stores, and supporting and selling products to our existing franchisees and, in some cases, our master franchisees’ subfranchisees. We have not offered franchises in any other line of business nor do we conduct business in any other line of business.

Our agents for service of process are disclosed on Exhibit B.

**The Master Franchise Business**

We offer to qualified master franchisees the right to enter into a Master Franchise Agreement with us in the form attached to this Disclosure Document as Exhibit E (the “Master Franchise Agreement” or “MFA”), for the operation of a Mulberrys Garment Care master franchise business (the “Master Franchise Business”) within a specific geographic territory (the “Authorized Territory”). Under the Master Franchise Agreement, you will be granted the right to:

- Grant subfranchises for the development and operation of Mulberrys Garment Care Cleaning Facilities and Retail Stores physically located in the Authorized Territory (“Mulberrys Garment Care Stores”) to your affiliated subfranchisees and to third party subfranchisees that meet our requirements (“Subfranchisees”) by entering into Subfranchise Agreements and Other Agreements.
- Provide training and other support to your Subfranchisees in connection with the development and operation of their Mulberrys Garment Care Stores.

If you are an existing master franchisee, and we agree to grant you additional Authorized Territory to operate your existing Master Franchise Business, we may amend your existing Master Franchise Agreement’s Authorized Territory to encompass the additional Authorized Territory in lieu of signing a new Master Franchise Agreement. The form of Authorized Territory Amendment to Master Franchise Agreement is attached to this Disclosure Document as Exhibit F.

The Master Franchise Agreement will grant you the right to use our Mulberrys Garment Care trademark and logo and other trademarks, trade names, service marks, and commercial symbols we may authorize



(the “Marks”) and our unique operating system, which will include product and service sourcing; proprietary equipment and tracking information systems; and other methods of operation and other know-how, information, trade secrets, and confidential information, as well as our standards, designs, methods of trademark and service mark usage, and research and development (the “System”). We may change or otherwise modify the Marks and System at any time as we see fit.

The Master Franchise Agreement will require you to grant, develop, and open for business, through Subfranchisees pursuant to Subfranchise Agreements, the cumulative number of Mulberrys Garment Care Stores, net of closures, within the Authorized Territory by the development milestones in the Master Franchise Agreement. If you fail to meet this “Development Schedule,” we may charge you the Development Default Fee or terminate your Master Franchise Agreement (subject to applicable state law and any cure periods).

We prefer master franchisees who will be owner-operators. Each Master Franchise Business will also require additional staff for preparing documents, selling subfranchises, training Subfranchisees, and providing other support to Subfranchisees. We only grant master franchises to master franchisees who have prior business experience in the dry cleaning and laundry industry or prior business experience as a franchisor or master franchisee operating a franchise system.

## **Subfranchised Mulberrys Garment Care Stores**

### Subfranchise Agreement and Other Agreements

Under the Master Franchise Agreement, you are responsible for preparing and obtaining our approval of the form subfranchise agreement (“Subfranchise Agreement”) and any other form agreements, including addenda, area development agreements or development rights agreements, and lease addenda (“Other Agreements”) that you intend to sign with your Subfranchisees. We will not unreasonably withhold our approval of any Subfranchise Agreement or Other Agreement, and if we do not reject a form of Subfranchise Agreement or Other Agreement within 14 days of our receipt, the form(s) will be deemed to have been approved by us. Your form Subfranchise Agreement and Other Agreements must include terms and conditions consistent with your Master Franchise Agreement and as we require, including the maximum size of the territory granted under any Subfranchise Agreement or Other Agreement. This Disclosure Document describes the Master Franchise Business. You are required to prepare and disclose to your prospective Subfranchisees, including your affiliates, a separate FDD for the offer and sale of a subfranchise (as discussed below). In addition, you may not offer or sell subfranchises in a franchise registration state until such time as you have an effective registration application in that state.

### Subfranchisee Approval Process

You will be required to conduct an approval process to confirm that each potential Subfranchisee and each potential Mulberrys Garment Care Store meet all of our then-current minimum requirements and approval procedures and guidelines for new subfranchisees and new Mulberrys Garment Care Stores. You may not directly operate Mulberrys Garment Care Stores under the Master Franchise Agreement, but may only do so through an affiliate that meets the same approval requirements and enters into a Subfranchise Agreement with you.

### Mulberrys Garment Care Stores

Upon granting a Mulberrys Garment Care subfranchise, you will sign the approved form of Subfranchise Agreement and Other Agreements with the Subfranchisee. Under the Subfranchise Agreement, each Mulberrys Garment Care Store will offer premium, toxin-free dry cleaning and wet cleaning, wedding dress cleaning, laundry services, shoe shine and repair, tailoring and alterations, leather cleaning, and bedding and rug cleaning, and, optionally for Cleaning Facilities, pick-up and drop-off Delivery Services and Locker Services, and related products and services that we may approve or authorize using proprietary cleaning products and equipment and methods of operation. All products and services offered

or sold through Mulberrys Garment Care Stores must be approved by us. These Mulberrys Garment Care Stores will be operated under the Marks and System and will be operated in a Cleaning Facility or Retail Store format.

A “Cleaning Facility” includes a retail storefront offering our approved products and services that is attached to a dry cleaning and laundry plant where dry cleaning and laundry services are performed on-site. The Cleaning Facility will require cleaning equipment and storage equipment, along with the point of sale system and furniture, fixtures, and equipment required for a retail storefront. The Cleaning Facility will use biodegradable, non-toxic, and non-hazardous (perchloroethylene-free) cleaning solutions, recyclable and reusable packaging and recycled wooden hangers, and offer collar stay replacement. A Cleaning Facility may also offer off-site pick-up and drop-off lockers or kiosks under the name “Laundry Locker by Mulberrys” that the Subfranchisee installs and services within its territory, which lockers may be located in publicly-accessible locations or in locations serving a private or captive audience (“Locker Services”). Locker Services allow the Subfranchisee’s customers to drop off items for cleaning at a nearby locker, which the Subfranchisee then pick-ups for servicing, before returning the items to the locker for pick-up by the customer. The Subfranchisee may also offer pick-up and drop-off delivery services within its territory (“Delivery Services”). Delivery Services allow the Subfranchisee’s customers to schedule a pick-up of items for cleaning from their home or work, which the Subfranchisee then pick-ups for servicing before delivering the items back to their home or work. Locker Services and Delivery Services will use our proprietary Internet-based software and mobile app for scheduling, notifications, and routing.

A “Retail Store” includes a retail storefront offering our approved products and services, but where on-site dry cleaning and laundry are not provided. All services performed or sold through the retail storefront must be processed at the Subfranchisee’s or its affiliate’s Cleaning Facility or the Cleaning Facility of another Mulberrys Garment Care franchisee or yours or our Cleaning Facility, or of your or our affiliates. Each Retail Store will be required to contract with a Cleaning Facility for processing. Subfranchisees may not offer Locker Services or Delivery Services from a Retail Store. The Retail Store will require an approved point of sale system and furniture, fixtures, and equipment required for a retail storefront.

### **Parents, Affiliates, and Predecessors**

We have no parents.

Although we do not operate any Mulberrys Garment Care businesses, our affiliate does. Our founder is the owner of King Street Trading LLC, a California limited liability company. The principal business address of our affiliate is 1050 Elmer Street, Belmont, California 94002. King Street Trading LLC has never offered Mulberrys Garment Care franchises or offered franchises in any other line of business. However, King Street Trading LLC has operated Mulberrys Garment Care businesses in California since 2016, and as of December 31, 2023, had 6 Mulberrys Garment Care businesses in California. King Street Trading LLC is in the process of selling these Mulberrys Garment Care businesses to a franchisee in 2024. Our affiliate may sell certain products and services to you.

In August 2019, our affiliate, King Street Trading LLC, and our predecessor, Mulberrys, LLC, assigned all of their respective interests in certain principal Marks to us, along with certain other rights to the System, and therefore King Street Trading LLC and Mulberrys, LLC are considered predecessors of us. Another predecessor of us, Mulberrys Ventures LLC, a Delaware limited liability company, was formed on September 21, 2011. Mulberrys Ventures LLC previously offered Mulberrys Garment Care franchises from January 2012 to January 2013, but has not operated a business of the type being franchised and has not offered franchises in any other line of business. In August 2019, Mulberrys Ventures LLC assigned to us all of its intellectual property and trade secrets related to the Mulberrys Garment Care business, including certain principal Marks, which will be part of the System that you will use. The principal business address of Mulberrys, LLC and Mulberrys Ventures LLC was 2579 Fairview Avenue North, Roseville, Minnesota 55113.

## **Market and Competition**

The general market for dry cleaning unit franchisees is well developed. You will have to compete with brokers, franchisors, national chains, and independently owned companies that may be offering dry cleaning franchises or operating dry cleaning businesses.

The general market for retail dry cleaners is well developed and established, particularly in urban areas. Mulberrys Garment Care Stores will compete with other independently-owned, franchised, and chain dry cleaning and laundry businesses and fabric and garment care providers. Competition may also include home laundry facilities, certain laundromats providing laundry and garment cleaning and delivery services, and retailers selling dry cleaning and laundry products marketed for in-home use.

## **Industry-Specific Regulations**

We are not obligated to provide you with guidance about these laws and regulations and you are solely responsible for knowing about and complying with, and ensuring that all of your Subfranchisees know about and comply with, all laws and regulations applicable to your and their businesses. We recommend that you consult with your attorney for an understanding of these laws.

### Master Franchise Business

You are responsible for complying with all applicable federal and state laws relating to the offer, sale, maintenance, default, termination, non-renewal, and transfer of franchises and subfranchises, including the FTC Franchise Rule, state franchise registration and disclosure laws, state relationship laws, and state business opportunity laws, as they may be amended (the “Franchise Laws”). Further, you are solely responsible for preparing, amending, and annually updating a franchise disclosure document to use in offering and selling subfranchises for Mulberrys Garment Care Stores to prospective Subfranchisees (“FDD”) in accordance with all Franchise Laws (although, upon your request, we will provide relevant information about ourselves and our business to include in your FDD), registering your FDD with the states, as applicable, properly disclosing your FDD to prospective Subfranchisees and complying with all applicable waiting periods and related requirements before a prospective Subfranchisee pays any consideration to you or your affiliates or signs a binding agreement, and requesting information from us to allow you to prepare, amend, update, and register your FDD in a timely manner. You must also comply with Franchise Laws that govern the default, termination, non-renewal, and transfer of franchises and subfranchises, which may restrict your ability to terminate, not renew, or deny a transfer of your Subfranchise Agreements.

In addition to the specific laws discussed above, your Master Franchise Business will be subject to national, state, and local regulations that apply to all businesses, such as the Americans With Disabilities Act, wage and hour laws, occupational health and safety, equal employment opportunity, taxes, and business licensing and permitting requirements.

### Subfranchised Mulberrys Garment Care Stores

The U.S. Environmental Protection Agency prescribes air quality regulations specific to dry cleaning businesses, which may require your Subfranchisees to obtain a permit, install pollution control equipment, and comply with various good housekeeping, monitoring, recordkeeping and reporting, and leak detection and repair specifications at their Mulberrys Garment Care Stores. Subfranchisees will also need to comply with federal, state, and local hazardous waste treatment, storage, and disposal requirements and wastewater treatment requirements. Many states have additional environmental regulations applicable to dry cleaning businesses that may be more stringent than the federal requirements, such as environmental fees imposed in some jurisdictions on dry cleaning processes and operations. Subfranchisees must also comply with all zoning laws and regulations that apply to their Mulberrys Garment Care Stores.

In addition to the specific laws discussed above, Subfranchisees and their Mulberrys Garment Care Stores will be subject to national, state, and local regulations that apply to all businesses, such as the Americans With Disabilities Act, wage and hour laws, occupational health and safety, equal employment opportunity, taxes, and business licensing and permitting requirements.

## **ITEM 2. BUSINESS EXPERIENCE**

### **Daniel Miller (President)**

Mr. Miller has been our President since our formation. He was the President of our predecessor, Mulberrys, LLC, from June 2008 to December 2018, located in Roseville, Minnesota, and the President of our predecessor, Mulberrys Ventures LLC, from September 2011 to August 2019.

## **ITEM 3. LITIGATION**

No litigation is required to be disclosed in this Item.

## **ITEM 4. BANKRUPTCY**

No bankruptcy information is required to be disclosed in this Item.

## **ITEM 5. INITIAL FEES**

Except as provided below, we do not require you pay us or our affiliates any initial fees before you commence operation of your Master Franchise Business. We did not collect any initial fees from master franchisees in our fiscal year ending December 31, 2023.

### **Initial Training Program**

You, and your pre-approved personnel, must successfully complete our Initial Training Program within 60 days after you sign the Master Franchise Agreement but in any event before you commence operation of the Master Franchise Business. We do not charge for the Initial Training Program for 5 attendees attending the Initial Training Program together (including you and your employees), but the charge for any additional attendee(s) is currently \$1,000 per attendee per day if they attend with you. These amounts are nonrefundable.

**ITEM 6.  
OTHER FEES**

<b>Type of Fee</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Master Royalty Fee	1/3 of all royalties due to you from Subfranchisees within your Authorized Territory	Within 30 days of the end of each month for the previous month	(Note 1)
Additional Training Fee	(Note 2)	Upon demand	(Note 2)
Supplies and Inventory and Equipment Purchases	Varies depending on the type and quantity purchased	Upon demand	We may sell certain supplies and inventory and equipment used in the Master Franchise Business.
Development Default Fee	(Note 3)	Upon demand	(Note 3)
Renewal Costs	Reimburse us for our legal fees and costs incurred	Before you renew your master franchise	Payable only if you want to renew your master franchise.
Transfer Costs	Reimburse us for our legal fees and costs incurred	Before you transfer your master franchise	Payable only if you seek to sell or transfer your Master Franchise Business or a majority interest in it.
Insurance	Costs of premiums plus 10% administrative fee	Upon demand	If we obtain insurance coverage for you, you must reimburse us for the costs of the premiums, plus an administrative fee equal to 10% of the insurance premium.
Audit	Cost of audit	Upon demand	Payable only if we audit your records and the audit shows an understatement of Master Royalty Fees or other amounts due based on gross sales.
Indemnification	Varies	As incurred	You must reimburse us if we are sued or held liable for claims arising from your Master Franchise Business or any Mulberrys Garment Care Store.
Cost of Enforcement or Defense	All costs including accounting and attorneys' fees	As incurred	Payable only if we retain counsel following your breach of any obligation you have to us, or if we are successful in defending any claim you bring against us.

Type of Fee	Amount	Due Date	Remarks
Interest	Lesser of 1.5% per month or highest rate of interest allowed by applicable law	As incurred	Payable on all overdue amounts.

All fees are paid to us and are nonrefundable (except as provided below). All fees are uniform for all new master franchisees.

You must pay fees and other amounts due to us via electronic funds transfer or other similar means. You will make the funds available to us for withdrawal by electronic transfer no later than the payment due date.

If your state, or any governmental body in your state, charges a tax on any fee you owe to us or to our affiliates, then you are required to pay an additional amount equal to the amount of this tax. This does not apply to any federal or state income taxes we or our affiliates have to pay, or to residents or businesses domiciled in Washington.

Note 1. Within 30 days of the end of each month, you must pay us a Master Royalty Fee equal to 1/3rd of all royalties due to you from Subfranchisees for all Mulberrys Garment Care Stores located in the Authorized Territory during the previous month. If the royalty fee due from a Subfranchisee to you is less than 4.5% of that Subfranchisee's gross sales, the Master Royalty Fee due for that Subfranchisee will be 1.5% of that Subfranchisee's gross sales. You must charge each Subfranchisee a royalty fee equal to at least 1.5% of that Subfranchisee's gross sales except for certain temporary royalty reliefs you may grant to a Subfranchisee.

"Gross sales" means the total amount of revenues, income, receipts, and other fees received from customers for all business activities taking place by or through a Mulberrys Garment Care Store, including, all amounts received from the sale of products and services whether made at or away from the Mulberrys Garment Care Store, delivery fees, and all other services and products, if any, sold under the Marks, or otherwise related to the Mulberrys Garment Care Store, and including amount of all sales assumed to have been lost by the interruption of business to be determined upon the basis upon which proceeds of any business interruption insurance that are paid or are payable to you or your Subfranchisees. Excluded from gross sales are customer refunds a Subfranchisee actually makes and amounts collected by the Subfranchisee and remitted by the Subfranchisee to any governmental taxing authority in satisfaction of sales or occupation taxes.

For example, you would pay us the Master Royalty Fee set forth below based on the royalty fee due from the Subfranchisee:

Royalty Fee due from Subfranchisee (as % of Subfranchisee gross sales)	Master Royalty Fee due to Franchisor (as % of Subfranchisee gross sales)
6.00%	2.00%
5.50%	1.83%
5.00%	1.67%
4.50% or less	1.50%

The Master Royalty Fee continues for the duration of any and all Subfranchise Agreements (including any renewals or extensions thereof). Your obligation to pay the Master Royalty Fee to us continues after the termination or expiration of the Master Franchise Agreement until you assign all Subfranchise Agreements to us.

Note 2. During the first Term Year, we will accompany and advise you on your inspection of existing Mulberrys Garment Care Stores provided that you reimburse us for our reasonable travel and lodging expenses (not to exceed \$1,000 per day). We may also provide additional training to you upon your request provided that you pay our current training fee (not to exceed \$1,000 per day) plus reimburse us for our reasonable travel and lodging expenses.

Note 3. If you fail to meet any development quota of any Development Schedule under your Master Franchise Agreement by the date required (a “Development Default”), you must pay us upon demand a Development Default Fee equal to the greater of \$10,000 or the Average Annual Master Royalty Fees for each Mulberrys Garment Care Store that you are short of the applicable development quota in the applicable Development Schedule per partial or full Term Year until you meet the applicable development quota by curing the Development Default and continuing in compliance with the applicable development schedule. If you pay the Development Default Fee as applicable and are otherwise in compliance with the Master Franchise Agreement, you will not be deemed in default or breach of the Master Franchise Agreement solely as a result of that Development Default.

“Average Annual Master Royalty Fees” means the average annual Master Royalty Fee due to us for all Mulberrys Garment Care Stores that operated for a full, continuous 12-month period as of the last day of the calendar month immediately before the Development Default.

“Term Year” means the 12-month period starting on the date the Master Franchise Agreement is signed, and each subsequent 12-month period during the term of the Master Franchise Agreement (including any renewals).

**ITEM 7.  
ESTIMATED INITIAL INVESTMENT**

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure (Note 1)</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Training Program and Travel Costs (Note 2)	\$5,000	\$20,000	As incurred	As incurred during training	Us and vendors
Professional Fees (Note 3)	\$60,000	\$180,000	As incurred	As incurred	Vendors and government agencies
Business Licenses and Permits	\$5,000	\$15,000	As incurred	As incurred	Government agencies

<b>YOUR ESTIMATED INITIAL INVESTMENT</b>					
<b>Type of Expenditure (Note 1)</b>	<b>Low Amount</b>	<b>High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Office Equipment and Supplies	\$10,000	\$50,000	As incurred	As incurred	Us and vendors
Technology Hardware (Note 4)	\$5,000	\$10,000	As incurred	Before opening	Vendors
Office Lease – 3 Months (Note 5)	\$9,000	\$30,000	As incurred	As incurred	Landlord
Insurance (Note 6)	\$5,000	\$15,000	As incurred	As agreed	Vendors
Additional Funds – 3 Months (Note 7)	\$74,000	\$160,000	As incurred	As incurred	Us, vendors, and government agencies
<b>Total (Note 8)</b>	<b>\$173,000</b>	<b>\$480,000</b>			

#### **Notes to All Tables**

Note 1. This table is an estimate of your initial investment to start a new Master Franchise Business. These estimates do not include any initial investment to start a Mulberrys Garment Care Store. None of these payments are refundable (except as provided below).

Note 2. We do not charge for the Initial Training Program for the first 5 attendees, but the current charge for any other attendee(s) is \$1,000 per attendee if they attend with you. You must also pay for airfare, meals, transportation costs, salaries, benefits, lodging, and incidental expenses for all attendees. The low estimate assumes only you, as the owner-operator of your Master Franchise Business, attend the Initial Training Program and that you either drive to training or obtain a discounted airfare and budget hotel accommodations. The high estimate assumes you and 4 others attend the Initial Training Program together and that your travel costs are higher. The Initial Training Program will be held in Minnesota or at another location we specify. Your actual costs will vary depending on the distance to be traveled, your method of travel, and your personal circumstances. Your costs will also be higher if you have additional people attend this training, or if you have people attend a different training session than the one you attend.

Note 3. You will incur professional fees to employ an attorney, accountant, and other professionals to assist you in evaluating the Master Franchise Business, help you negotiate and review forms, contracts, and agreements, and obtain all required business licenses and permits and otherwise comply with applicable law. You must employ legal counsel to assist in complying with all applicable Franchise Laws, and your legal counsel must be familiar with all applicable Franchise Laws, including the preparation and registration of an FDD for the offer and sale of subfranchised Mulberrys Garment Care Stores within the Authorized Territory.

Note 4. You must purchase and use at a minimum, 1 computer, dedicated telephone lines and related hardware, and 1 fax/printer for your Master Franchise Business. All of these



items must meet our specifications, including those related to model, brand, and functionality, but can be purchased from any vendor.

- Note 5. We have not projected any cost for the purchase of any land or building because we do not recommend you purchase a building for your Master Franchise Business. Instead, we recommend that you lease an office space for your Master Franchise Business. We do not have any minimum requirements as to the office space square footage required, however we have assumed that you lease office space for between 1,000 to 2,000 square feet. These estimates are for 3 months of rental costs based on a \$3 to \$5 per square foot per month rent. It will vary in other markets, and depending on whether the location is urban or rural, the surrounding demographics, ease of access and visibility, the age and condition of the building, and other factors. You may also be required to pay a security deposit or escrow, which we have not included. Our estimates assume the location has been prepped with lighting, electricity, and waste removal, and has suitable places for storing any supplies, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, and printed materials. You will have additional build-out costs if you receive the premises in any other condition than what we have assumed. We recommend that you interview several contractors and check their references before engaging a contractor.
- Note 6. You must carry the types and amounts of insurance we specify. Insurance costs will vary based on policy limits, types of policies, nature and value of physical assets, number of employees, square footage of your Master Franchise Business office space, and other factors pertinent to risk exposure. We currently require you to carry commercial general liability insurance against claims for bodily and personal injury, death, and property damage caused by, or incurred in conjunction with, the operation of, or conduct of, business by you; general casualty insurance (including the perils of fire, broad form extended coverage, vandalism, and malicious mischief) on the premises and its equipment; business motor vehicle liability insurance; data breach insurance; workers' compensation insurance; and employee dishonesty and employment practices. This estimate is for an initial deposit of 3 months for these insurance policies.
- Note 7. This amount includes estimated operating expenses you should expect to incur during the first 3 months of operation of your Master Franchise Business, which includes payroll (excluding any compensation you may take), marketing expenses (including for the offer and sale of subfranchises), utility costs, telephone, waste and recycling removal, permits and licensure, and maintenance and repair costs. These estimates are based on our experience as a franchisor offering and selling Mulberrys Garment Care unit franchises since 2019.
- Note 8. This total is an estimate of your initial investment and the estimated expenses you may incur during the first 3 months of the operation of your Master Franchise Business. Your costs may vary based on a number of factors, including the location and size of the Authorized Territory, applicable economic conditions, and your skills at operating the Master Franchise Business or your experience in franchising. You should review this amount carefully with a business advisor before deciding to purchase the Master Franchise Business. These estimates are based on our experience as a franchisor offering and selling Mulberrys Garment Care unit franchises since 2019.

**ITEM 8.**  
**RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

**Required Purchases and Suppliers**

Specifications

Most of the computer hardware and software, technology, advertising materials and branded items, and insurance you purchase for use through your Master Franchise Business must meet our specifications. In addition, we will approve or reject your FDD, including form Subfranchise Agreements and Other Agreements, although you are solely responsible for preparing these items and ensuring compliance with all applicable Franchise Laws. Subfranchise Agreements and Other Agreements not rejected by us within 14 days of our receipt will be deemed approved by us. Most of the inventory and supplies, furniture, fixtures, and equipment, design and décor, branded items and signage, computer hardware and software, technology, payment processing services, advertising materials, vehicles, insurance, and products your Subfranchisees purchase for use or sale at their Mulberrys Garment Care Stores must also meet our specifications. You are responsible for ensuring that your Subfranchisees meet our purchase specifications as well as your purchase specifications.

These specifications may include minimum standards for delivery, performance, design, appearance, and quality. We will issue the specifications to you before you begin operating. We may include these specifications in the Operations Manual that we provide to you either hard copy or on-line, or we may issue them separately. You must obtain our approval before you or your Subfranchisees use any advertising materials not prepared by us or previously approved by us, and before you or your Subfranchisees establish any web page, social media, and/or social networking site, profile, account, or hashtag that refers to us, your Master Franchise Business, a Mulberrys Garment Care Store, or the System.

We currently require you to carry commercial general liability insurance against claims for bodily and personal injury, death, and property damage caused by, or incurred in conjunction with, the operation of, or conduct of, business by you (\$1,000,000 per occurrence and \$2,000,000 aggregate); general casualty insurance (including the perils of fire, broad form extended coverage, vandalism, and malicious mischief) on the premises and its equipment (\$1,000,000 per occurrence and \$1,000,000 aggregate); business motor vehicle liability insurance (\$1,000,000 per occurrence and \$1,000,000 aggregate); data breach insurance (\$1,000,000 per occurrence and \$1,000,000 aggregate); workers' compensation insurance (amounts required by law); and employee dishonesty and employment practices (\$500,000 per claim).

You can expect that the items you purchase to meet our specifications will represent 20% to 30% of the total purchases you will make to begin operations. Once you begin operating, we expect the items you purchase that meet our specifications will represent between 5% and 10% of your total annual expenses.

Approved Suppliers

We may require you or your Subfranchisees to purchase certain products, inventory and supplies, branded items, equipment, lockers, services used or offered, and other items from vendors we approve, in which case we will provide you with a list of approved suppliers. You are responsible for ensuring that your Subfranchisees purchase these items only from approved suppliers. Although we do not currently have an arrangement with any supplier to pay any rebates to us based on purchases by our master franchisees or their subfranchisees, we do anticipate negotiating these types of arrangements in the future. There are no caps or limitations on the amount of rebates we may receive from suppliers as a result of franchisee purchases.

You must purchase from us or our affiliates, and require your Subfranchisees to purchase from us or our affiliates, certain inventory and supplies and branded items. These inventories and supplies may include cleaning supplies, detergents, solvents, formulas, tools, devices, garment care products and laundry

products, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, printed materials, and all other supplies needed to operate your Master Franchise Business or a Mulberrys Garment Care Store. We, our affiliates, or our master franchisees may be the only approved suppliers for some or all of these items, and other items that we may specify, or we may approve another third-party supplier for these items. We intend to have a reasonable wholesale mark-up on any items or services we or our affiliates sell to you, including the items described above. As of December 31, 2023, neither we nor our affiliates received any payments from master franchisees or their subfranchisees for the purchase or lease of goods or services. Our officers do not own any interest in any of our suppliers other than any affiliates of ours.

Except as described above in this Item 8, you are not required to purchase or lease any other products or services for the operation of your Master Franchise Business from us or our affiliates, or any other approved or designated suppliers.

### **Approval of Alternative Specifications or Suppliers**

If you want to purchase items for your Master Franchise Business that differ from our specifications or from a supplier we have not approved, you must notify us in writing. If we request, you must submit samples and other information we require for testing or to otherwise determine whether the product, material, or supply meets our specifications and quality standards. We do not impose any fee for our consideration.

Although we do not make available the criteria we review when approving suppliers, we consider various factors including whether the product or service is consistent with our concept and brand; how the supplier and/or their products or services would enhance our brand; if the product or service is already available through other sources, would approval of another vendor enhance competition or dilute our ability to maximize pricing benefits; and is the product of a commercial quality with a proven record of durability. We will generally notify you of our approval or disapproval within 30 days of our receipt of all the information and samples we request. If we revoke approval of any supplier or any item offered by a supplier, we will send you written notice of our revocation of an approved supplier or item.

### **Cooperatives**

We do not have any purchasing or distribution cooperatives as of the issuance date of this Disclosure Document.

### **Negotiated Prices**

We may negotiate purchase arrangements with suppliers and distributors of approved products for the benefit of our master franchisees or their subfranchisees.

### **Material Benefits**

We do not provide material benefits, such as renewing or granting additional franchises to franchisees, based on their use of designated or approved suppliers.

**ITEM 9.  
FRANCHISEE'S OBLIGATIONS**

**These tables list your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this Disclosure Document.**

<b>Obligation</b>	<b>Section in Master Franchise Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Sections 2 to 5 and 7	Items 7, 8, 11, and 12
b. Pre-opening purchases/leases	Sections 2 to 5 and 7	Items 7, 8, 11, and 12
c. Site development and other pre-opening requirements	Sections 2 to 5 and 7	Items 7, 8, 11, and 12
d. Initial and ongoing training	Section 6	Items 5, 6, and 11
e. Opening	Sections 2 to 5 and 7	Items 7, 8, 11, and 12
f. Fees	Sections 5, 13(b), and 16	Items 5, 6 and 7
g. Compliance with standards and policies/operating manual	Sections 2 to 4 and 7 to 13	Items 1, 6, 8, 11, 12, 15, and 16
h. Trademarks and proprietary information	Sections 9 and 10	Items 13 and 14
i. Restrictions on products/services offered	Sections 2 to 4 and 7 to 13	Items 8, 11, 12, and 16
j. Warranty and customer service requirements	Section 8	Items 6 and 16
k. Territorial development and sales quotas	Sections 2 to 5 and 7	Items 1 and 12
l. Ongoing product/service purchases	Sections 2 to 4 and 7 to 13	Items 5, 6, and 8
m. Maintenance, appearance, and remodeling requirements	Not Applicable	Not Applicable
n. Insurance	Section 13	Items 6 and 7
o. Advertising	Sections 9 and 10	Items 6, 7, and 11
p. Indemnification	Section 17	Item 6
q. Owner's participation/management/staffing	Section 7	Item 15
r. Records and reports	Section 11	Not Applicable

Obligation	Section in Master Franchise Agreement	Disclosure Document Item
s. Inspections and audits	Section 11	Not Applicable
t. Transfer	Section 16	Item 17
u. Renewal	Section 14	Item 17
v. Post-termination obligations	Section 15	Item 17
w. Non-competition covenants	Section 12	Items 15 and 17
x. Dispute resolution	Section 19	Item 17

**ITEM 10.  
FINANCING**

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

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

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

**Pre-Opening Assistance**

Before you commence operation of your Master Franchise Business, we will:

1. Designate your Authorized Territory (Master Franchise Agreement – Section 3) and Development Schedule (Master Franchise Agreement – Section 4).
2. Provide for you and your pre-approved personnel our Initial Training Program (Master Franchise Agreement – Section 6(a)).
3. License you access or loan you a copy of our manuals that contain various information including mandatory and suggested specifications, standards, and procedures. We may provide our manuals electronically only, in our discretion. We may modify any manual periodically in our discretion. (Franchise Agreement – Section 8(f)). As of the issuance date of this Disclosure Document, our Operations Manual contains about 25 pages (not including additional supplemental materials). A copy of the table of contents of our Operations Manual as of the issuance date of this Disclosure Document is attached to this Disclosure Document as Exhibit G.

**Post-Opening Assistance**

During the term of the Master Franchise Agreement, we will:

1. During the first Term Year, without charge, accompany and advise you on your inspection of existing Mulberrys Garment Care Stores located outside the Authorized Territory, provided that you reimburse us for our reasonable travel and lodging expenses (Master Franchise Agreement – Section 6(b)).

2. During the first Term Year, without charge, be available for up to 10 hours per month during normal business hours to provide you with reasonable email support or pre-scheduled telephone or virtual conferencing support on operational issues concerning the Master Franchise Business (Master Franchise Agreement – Section 6(b)).
3. Provide updated or revised mandatory and suggested specifications, standards, and procedures for your Master Franchise Business (Master Franchise Agreement – Section 2).

### **Additional Optional Assistance**

We may also, before you commence operation of your Master Franchise Business or during the term of your Master Franchise Business:

1. Review and approve any signage, décor, products, content, and advertising and promotional materials bearing or displaying the Marks (Master Franchise Agreement – Section 9(b)). Materials not rejected by us within 14 days of our receipt will be deemed approved by us.
2. Review your use of our intellectual property (Master Franchise Agreement – Section 9(b)).
3. Provide additional optional training at your request and expense and additional required training at your expense as needed (Master Franchise Agreement – Section 6(c)).
4. Provide or deny certain changes to the System requiring joint approval (Master Franchise Agreement - Section 2(b)).

We do not assist you or your subfranchisees in establishing prices, such as setting minimum and/or maximum prices at which you or they must sell products and services, nor do we require you or your subfranchisees to follow any mandated prices for products and services your or they sell.

### **Training**

#### Initial Training Program

You, and your pre-approved personnel, must successfully complete our Initial Training Program before you commence operation of the Master Franchise Business. We do not charge for the Initial Training Program for the first 5 attendees attending the Initial Training Program together, but the charge for any additional attendee(s) is currently \$1,000 per attendee per day if they attend with you. This training will be held on an as-needed basis as we sell master franchises. You will also be responsible for all travel and living expenses you and your attendees incur in attending the Initial Training Program. If you or any other attendee fail to complete the Initial Training Program to our satisfaction, we may terminate the Master Franchise Agreement. We may, in our discretion, not provide the Initial Training Program for existing master franchisees.

Our Initial Training Program as of the issuance date of this Disclosure Document consists of approximately 21 days of training. The hours of training may vary depending on your experience in operating a franchise system or in the dry cleaning industry. The Initial Training Program for a Master Franchise Business is as follows:

<b>INITIAL TRAINING PROGRAM</b>			
<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-The-Job Training</b>	<b>Location</b>
Franchise Sales and Compliance	12-16	1-4	Minnesota or virtual, in our discretion
Finance and Admin	6-8	2-4	Minnesota or virtual, in our discretion
Marketing	4	2	Minnesota or virtual, in our discretion
SOPs and Training	16-20	8	Minnesota or virtual, in our discretion
Software and Technology	14-16	8-16	Minnesota or virtual, in our discretion
Real Estate	6-8	0	Minnesota or virtual, in our discretion
Equipment and Supplies	6-8	4	Minnesota or virtual, in our discretion
Operations	30-40	30-40	Minnesota or virtual, in our discretion
<b>Total Training Time</b>	<b>94-120</b>	<b>55-78</b>	

The classroom training will be held in a conference room setting, typically in Minnesota. The on-the-job training will be held at one of the Mulberrys Garment Care businesses owned by our affiliates or another franchisee, typically in Minnesota. We may provide portions of the Initial Training Program virtually, in our discretion.

The instructor in charge of our Initial Training Program is Dan Miller. Mr. Miller, our founder and principal trainer, has owned and operated Mulberrys Garment Care and has over 15 years of experience in the dry cleaning business. Mr. Miller is a certified dry cleaner, wet cleaner, and environmental cleaner by the Dry Cleaning and Laundry Institute. Our sample products and equipment may be used during the Initial Training Program.

#### Additional Training

We may also provide additional mandatory or optional training (Master Franchise Agreement – Section 8(c)). If we provide it, you or one of your staff members that we approve must attend the training. This training will be held periodically depending upon the need for the training and at the location we determine or virtually. You must pay us our current training fees before training begins (not to exceed \$1,000 per day), plus reimburse us for our reasonable travel and lodging expenses.

#### **Site Selection and Opening**

We do not provide any site selection assistance to you or your Subfranchisees, nor do we conform any premises to local ordinances and building codes or obtain any required permits for you or your Subfranchisees, and we do not construct, remodel, or decorate the premises. Neither you nor your Subfranchisees are required to purchase or lease any real estate from us or our affiliates.

#### Master Franchise Business

While you are required to have access to space from which to communicate with us and operate your Master Franchise Business, you are not obligated to open and maintain a separate business office within

the Authorized Territory. If you elect, however, to open and maintain a separate business office for your Master Franchise Business, we do not need to consent to its location or lease. We also do not have requirements on how you must construct and equip your business office, however, it is solely your responsibility to ensure that your business office complies with all applicable federal, state and local laws and regulations.

We estimate that the typical length of time between signing of the Master Franchise Agreement and commencing operation of your Master Franchise Business will be between 5 to 12 months. Some factors that may affect this timing include how long it takes you to select a suitable site for your Master Franchise Business, preparing and registering an FDD, developing and registering any franchise marketing materials, training a sales and support team for Subfranchisees, and your ability to secure any necessary financing.

#### Mulberrys Garment Care Stores

You must conduct an approval process to confirm that each potential Subfranchisee and each potential Mulberrys Garment Care Store meets all of your and our then-current minimum requirements and approval procedures and guidelines for new Subfranchisees and new Mulberrys Garment Care Stores. Following approval of a Mulberrys Garment Care Store location, you must ensure the applicable Subfranchisee purchases or leases the approved location premises and designs and builds-out the approved location in conformance to System specifications and standards. You may permit your Subfranchisees to relocate their Mulberrys Garment Care Store if they meet your relocation requirements. We do not assist your Subfranchisees to find a site or approve any sites identified by your Subfranchisees.

### **Advertising/Marketing**

#### Marketing Fund

We do not have a Mulberrys Garment Care system-wide marketing or brand fund (a “Marketing Fund”) that our master franchisees or their subfranchisees are required to contribute to. You may, however, create and maintain a Marketing Fund for your Subfranchisees and require your Subfranchisees to contribute to your Marketing Fund. Any use of our Marks or otherwise referring to the System must be pre-approved by us (Master Franchise Agreement – Section 9(b)). Existing franchised Mulberrys Garment Care Stores currently contribute to a separate Marketing Fund created and maintained by us, but will not contribute to any Marketing Fund created by you. Likewise, subfranchisees of other master franchisees will not contribute to your Marketing Fund, but may contribute to the Marketing Funds of their respective master franchisee. We do not contribute to any Marketing Fund.

#### Franchisor-Initiated Advertising/Marketing

Under the Master Franchise Agreement, we may, but are not obligated to, create or conduct any advertising or marketing related to the Marks or Mulberrys Garment Care Stores. We may, however, create marketing materials in-house or use national, regional, and local agencies. Advertising may be placed in local, regional, or national media of our choice, including print, direct mail, electronic and online advertising, radio, or television. In our discretion, we may initiate new marketing campaigns or introduce new products or services. You agree to take, and ensure that your relevant Subfranchisees take, all action necessary to accommodate such initiatives. Any costs incurred by you to comply with these initiatives will be your sole responsibility.

As of the issuance date of this Disclosure Document, we do not have an advertising council that advises us on advertising policies. If we form one, we anticipate it will only be advisory. We do not require our master franchisees or their subfranchisees to participate in a local or regional advertising cooperative or to contribute any amounts to an advertising cooperative. If we do, we will define the area of membership of the cooperative but you will not be required to contribute any amounts to the cooperative. We will not



participate in any cooperative. We do not anticipate any cooperatives will operate from governing documents or prepare annual or periodic financial statements, but if they do, we will make them available to you upon request. We have the right to form, change, dissolve, or merge these cooperatives.

#### Master Franchise-Initiated and Subfranchisee-Initiated Advertising/Marketing

We recommend, but do not require you, to create and conduct advertising and marketing campaigns and promotional programs and Internet advertising and Internet search engine campaigns within your Authorized Territory to promote the offer and sale of franchises (subject to applicable Franchise Laws).

You must obtain our prior approval of all advertising and marketing you engage in for your Master Franchise Business or that your Subfranchisees engage in for their Mulberrys Garment Care Stores (Master Franchise Agreement – Section 9). Your and your Subfranchisee's use of the Marks and other materials identifying our brand must be consistent with our approved standards. You and your Subfranchisees may not use the Marks or other materials identifying our brand on items to be sold or services to be provided without our prior written approval. You must also obtain our approval before establishing, or having established, any websites, hashtags, profiles, accounts, or apps that refer to us, your Master Franchise Business, any Mulberrys Garment Care Store, or to the System. You and your Subfranchisees are ultimately responsible for ensuring that your and their advertising and marketing complies with all applicable laws before implementing it.

We and you agree that all intellectual property rights in or related to the materials produced as part of any such campaigns will become part of our intellectual property and may be freely used by us (Master Franchise Agreement – Section 9).

### **Technology**

#### Technology Hardware

You must purchase and use at a minimum, 1 computer, dedicated telephone lines and related hardware, and 1 fax/printer for your Master Franchise Business. All of these items must meet our specifications, including those related to model, brand, and functionality, but can be purchased from any vendor. You will use the computer to send invoices, perform accounting functions, process payments, complete forms and reporting, maintain financial information, produce daily reports, email correspondence with us, Subfranchisees, and others, and access any computer software we require for the Master Franchise Business.

We estimate the total cost to purchase the items above to be approximately \$5,000 to \$10,000. We do not have any obligation to upgrade or maintain these items. Although most new computer hardware comes with a limited warranty, we are not aware of any third parties with an obligation to upgrade or maintain these items.

#### Technology Services

The technology hardware discussed above must contain the computer software and other technology services we require. These software and technology services are not proprietary to us, except for our Mulberrys Garment Care app that enables customers to schedule on-demand pickups, track their order, find their nearest location, order ahead, send push notification updates, and view and pay their invoice, as well as the Mulberrys Driver app, which enables drivers to accept pickups on-demand, share their location status with customers, and deliver orders to customers. Some of the software will come preinstalled on a computer. These technology services also include email management systems, databases, computer security systems, and online development costs. For software and technology services that are not preinstalled, you will need to purchase them. The ongoing cost for the computer software and technology services is approximately \$5,000 to \$20,000 per year. You must renew your software licenses as required.

### Ongoing Maintenance and Use

We are not obligated to provide you with ongoing maintenance, repairs, upgrades, or updates to the technology discussed above. We anticipate that you will be required to upgrade or update your technology during the term of the franchise, and there are no contractual limitations on the frequency and cost of the obligation. We do not have any contractual obligation to upgrade or update any of your hardware or software during the term of this franchise.

You must have access to the Internet and maintain an email account that allows us to communicate with you on a regular basis. We can independently access your electronic information and data, and collect and use this electronic information and data in any manner we choose without any compensation to you. There is no contractual limitation on our right to receive or use information we obtain from you.

## **ITEM 12. TERRITORY**

### **Authorized Territory**

We will grant you the right to operate a Master Franchise Business within a specific Authorized Territory that is identified in your Master Franchise Agreement before you sign it. Under the Master Franchise Agreement, you will be granted the right to:

- Grant subfranchises for the development and operation of Mulberrys Garment Care Stores physically located in the Authorized Territory to your affiliated Subfranchisees and to third party Subfranchisees that meet our requirements by entering into Subfranchise Agreements and Other Agreements.
- Provide training and other support to your Subfranchisees in connection with the development and operation of their Mulberrys Garment Care Stores.

Your Authorized Territory will typically include multiple states or similarly sized regions, but may exclude certain territories previously granted by us to Mulberrys Garment Care franchisees. The Authorized Territory will be comprised of at least 1 state. Your Authorized Territory will not change even if the population or other demographics in your Authorized Territory changes. You may not directly operate Mulberrys Garment Care Stores under the Master Franchise Agreement, but may only do so through an affiliated Subfranchisee that enters into a Subfranchise Agreement with you.

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. However, as long as you are not in default under the Master Franchise Agreement, during the term of the Master Franchise Agreement, we will not establish, own, or operate any Mulberrys Garment Care Stores physically located in the Authorized Territory; grant to any other person the right to establish, own, or operate any Mulberrys Garment Care Stores physically located in the Authorized Territory; or grant to any other person the right or license to grant Subfranchises to any other person to establish, own, or operate any Mulberrys Garment Care Stores physically located in the Authorized Territory. The license granted to you under the Master Franchise Agreement and your master franchise rights relate only to developing, establishing, operating, supporting, and supplying Mulberrys Garment Care Stores physically located within the Authorized Territory using the System. In addition, the licenses and rights granted to you under the Master Franchise Agreement do not include the right to sell any products and services through any other channels of distribution, including grocery and convenience stores and other retail stores and locations, catalogs, the Internet (or any other existing or future form of electronic commerce), and other types of resale, wholesale, and distribution arrangements. Except as specifically provided above, we

retain all rights not expressly granted by us to you under the Master Franchise Agreement, including the right to, by ourselves or grant any person the right to, without paying any compensation to you:

- Sublicense, manage, establish, own, or operate, or grant to any other person any right to sublicense, manage, establish, own, or operate, Mulberrys Garment Care Stores or similar businesses at locations outside the Authorized Territory, or to engage in any business, whether similar, identical, or competitive to the Master Franchise Business, outside the Authorized Territory.
- Grant to any other person the right or license to grant subfranchises to establish, own, or operate Mulberrys Garment Care Stores physically located outside the Authorized Territory.
- Sublicense, manage, establish, own, or operate, or grant to any other person any right to sublicense, manage, establish, own, or operate, stores and other businesses under trade or service marks other than the Marks or other than dry cleaning or laundry businesses.
- Manufacture, sell, supply, merchandise, promote, distribute, or otherwise deal in the products and services offered or sold at Mulberrys Garment Care Stores, or any other products or services, whether or not using the System, through any other channels of distribution, including grocery and convenience stores and other retail stores and locations, catalogs, the Internet (or any other existing or future form of electronic commerce), and other types of resale, wholesale, and distribution arrangements, outside the Authorized Territory.
- Sublicense, manage, establish, own, or operate, or grant to any other Person any right to sublicense, manage, establish, own, or operate, existing Mulberrys Garment Care Stores, including grant any renewals of any franchise rights for existing Mulberrys Garment Care Stores.

### **Development Obligations**

The Master Franchise Agreement will require you to grant, develop, and open for business, through Subfranchisees pursuant to Subfranchise Agreements, the cumulative number of Mulberrys Garment Care Stores, net of closures, within the Authorized Territory by the development milestones in the Development Schedule included in your Master Franchise Agreement. The Development Schedule will consist of a minimum number of Mulberrys Garment Care Stores that you must grant, develop, and open for business during the first 10 Term Years (on an annual and cumulative basis) and of a minimum number of Mulberrys Garment Care Stores that you must grant, develop, and open for business for each subsequent Term Year. The following do not count towards meeting any development quotas under your Development Schedule:

- Any area development agreements or Other Agreements.
- Any pick-up and drop-off lockers or kiosks under the name “Laundry Locker by Mulberrys” or any other name, whether located within or outside the Authorized Territory.
- Any Mulberrys Garment Care Stores developed outside of the Authorized Territory or any existing Mulberrys Garment Care Stores (even if assigned by us to you).
- Any Mulberrys Garment Care Store that is closed within the first 12 months after it opens, for a reason other than force majeure event for such closure (such as expiration or early termination).

You and we will negotiate this Development Schedule before you sign the Master Franchise Agreement. If you fail to meet this Development Schedule, we may charge you the Development Default Fee (see Item 6) or terminate your Master Franchise Agreement (subject to applicable state law and any cure periods). You must meet your Development Schedule to continue to maintain your rights under the Master Franchise Agreement.

There are no other restrictions on us or our affiliates under the Master Franchise Agreement. You may not operate your Master Franchise Businesses or grant Mulberrys Garment Care Store subfranchises outside the Authorized Territory. We may terminate the Master Franchise Agreement if you do not satisfy your development obligations according to the Development Schedule. Except as described above, continuation of your territorial rights in the Authorized Territory does not depend on your achieving a certain sales volume, market penetration, or other contingency. Except as provided above, during the term of the Master Franchise Agreement, we may not alter your Authorized Territory or your territorial rights without your written consent.

**Customers**

You may only operate your Master Franchise Business within the Authorized Territory, and grant Subfranchises for Mulberrys Garment Care Stores physically located within the Authorized Territory. We do not restrict the customers you or your Subfranchisees may serve. All of your and your Subfranchisee’s advertising and marketing must be approved by us, and you must obtain our written approval before you or your Subfranchisees establish any website, web page, or social networking or social media site, profile, account or hashtag, relating to or making reference to us, your Master Franchise Business, a Mulberrys Garment Care Store, or the System. We do not pay any compensation for soliciting or accepting orders.

**Relocation**


You may not relocate your Authorized Territory but may relocate your office space from where you operate your Master Franchise Business. Your Subfranchisees may relocate their Mulberrys Garment Care Stores only within the Authorized Territory and only if they meet your relocation requirements.

**Rights to Additional Franchises**

You have no options, rights of first refusal, or similar rights to acquire additional master franchises unless you sign a new Master Franchise Agreement with us or amend your existing Master Franchise Agreement to add additional Authorized Territory to your existing Master Franchise Agreement.

**ITEM 13.  
TRADEMARKS**

We grant you the right to use certain Marks under the Master Franchise Agreement in connection with the operation of your Master Franchise Business, including the right to sublicense the Marks to Subfranchisees under their Subfranchise Agreements in connection with the operation of their Mulberrys Garment Care Stores. We consider the following trademarks which are registered on the Principal Register of the United States Patent and Trademark Office (“USPTO”) to be our principal Marks:

Mark	Registration Number	Registration Date
	3749128	February 16, 2010
MULBERRYS GARMENT CARE (word mark)	6012931	March 17, 2020
LAUNDRY LOCKER (word mark)	4141863	May 15, 2012
LAUNDRY LOCKER BY MULBERRYS	6012825	March 17, 2020

We have all the rights as the owner of the principal Marks to license others to use these principal Marks, which were either registered by us with the USPTO or by Mulberrys Ventures LLC, our predecessor, and King Street Trading LLC, our affiliate and predecessor, which then assigned all of their respective interests in the above principal Marks to us. All affidavits required to preserve and renew the principal Marks disclosed above will be filed.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, any pending infringement, opposition or cancellation proceedings, or any pending material litigation involving any of our Marks which are relevant to the use of these Marks. No currently effective litigation affects our use or rights in any of these Marks. No currently effective agreement limits our right to use or license the use of these Marks and we do not know of any infringing uses that could materially affect your use of these Marks.

You must follow, and you must ensure that your Subfranchisees follow, our standards when you use our Marks. Neither you nor your Subfranchisees may use any of our Marks alone or with modifying words, designs, or symbols as part of a corporate or business name or in any form on the Internet, including URLs, domain names, hash tags, e-mail addresses, locators, links, metatags, or search techniques. Neither you nor your Subfranchisees may use any of our Marks for the sale of any unauthorized product or service or in a manner we have not authorized in writing.

We have an obligation to protect and maintain your rights to use the Marks against encroachment, misuse, or unauthorized use or against any challenges to any rights of use. You must notify us immediately when you learn about an infringement of or challenge to your use of these Marks. We may take the action necessary, in our sole discretion, to prevent the unauthorized use of the Marks, including bringing actions against third parties regarding the use of any of the Marks, but the Master Franchise Agreement does not require us to take any specific affirmative action. We will control any administrative proceedings or litigation involving the Marks. You and your Subfranchisees must cooperate with us and take all actions we require to carry out the defense or prosecution. We are not required to defend you against a claim based on your use of the Marks.

We may change the Marks and require you or your Subfranchisees to adopt new marks. You must comply, and you must ensure your Subfranchisees comply, with these changes immediately after we notify you or your Subfranchisees that we have discontinued, modified, or changed one or more of the Marks. We will have no liability or obligation because of the discontinuation, modification, or change. Neither you nor your Subfranchisees may, directly or indirectly, contest the validity of the Marks or our right to use or license the Marks, trade secrets, confidential information, or business techniques that are part of our System. You must, and you must ensure your Subfranchisees, use the designations of ®, TM, and SM in advertising and promotions using the Marks, as we designate.

The Master Franchise Agreement does not grant you any rights to use the Marks in connection with the development and operation of a Mulberrys Garment Care Store. These rights arise only under a Subfranchise Agreement.

#### **ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

There are no patents or pending patent applications that are material to the purchase of a master franchise. We claim copyright protection for our Operations Manual and to training materials, advertising and promotional materials, forms, formulae, software and technology (including our proprietary Internet-based software and mobile app for scheduling, notifications, and routing), and related materials that we produce, but we have not registered any of these materials with the Copyright Office of the Library of Congress. These materials are proprietary and confidential and are our property. You may use them only as long as you are a master franchisee, and only as provided in your Master Franchise Agreement,

and may sublicense them to your Subfranchisees in connection with the operation of their Mulberrys Garment Care Stores while their Subfranchise Agreements are in effect.

There are currently no effective determinations of the United States Copyright Office, USPTO, or any court regarding any of our copyrighted materials, nor are any proceedings pending, nor are there any currently effective agreements between us and third parties pertaining to our copyrighted materials that will or may significantly limit your use or your Subfranchisee's use of our copyrighted materials. We are not aware of any infringing uses of these materials that could materially affect your use of these materials. We are not required by any agreement to protect or defend our copyrights.

We will be disclosing to you certain information we believe to be confidential or proprietary information and trade secrets, including our methods, techniques, equipment, and formulae of certain supplies and inventory used in your Master Franchise Business and in your Subfranchisee's Mulberrys Garment Care Stores and products and services offered through these Mulberrys Garment Care Stores (including our proprietary cleaning solutions and supplies). This will be included in our training, Operating Manual, and in materials we may separately provide you. These materials include all trade secrets, knowledge or know-how, confidential information, advertising, marketing, designs, plans, or methods of operation. You may use these materials, in the manner we approve, in the operation of your Master Franchise Business during the duration of your Master Franchise Agreement and permit your Subfranchisees to use these materials, in the manner you and we approve, in the operation of their Mulberrys Garment Care Stores. However, neither you nor your Subfranchisees may use these materials in any other way for your or their own benefit, or communicate or disclose them to, or use them for the benefit of, any other person or entity. You may disclose this information to your personnel and staff but only to the extent necessary to operate the Master Franchise Business while your Master Franchise Agreement is in effect.

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

You must offer and sell to Subfranchisees the right to open and develop Mulberrys Garment Care Stores under the Master Franchise Agreement. We prefer, but do not require, that you personally supervise the sale and development of Mulberrys Garment Care Stores under your Master Franchise Agreement and your Subfranchise Agreements with Subfranchisees. You must also hire sufficient personnel to manage and supervise the sale and development of Mulberrys Garment Care Stores, who do not need to have an ownership interest in you or complete our Initial Training Program (but must be trained by you). You do not have the right to directly operate a Mulberrys Garment Care Store under your Master Franchise Agreement, but only under a Subfranchise Agreement.

We do not require your owners to sign a personal guaranty of your obligations under your Master Franchise Agreement.

You are responsible for your employees and agents compliance with your Master Franchise Agreement. We may require you to obtain from your owners and employees and agents, as the case may be, who will have access to confidential information, a signed confidentiality agreement in a form satisfactory to us that incorporates the confidentiality obligations contained in the Master Franchise Agreement.

**ITEM 16.**  
**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

**Master Franchise Business**

Through your Master Franchise Business, you may only offer and sell subfranchises for Mulberrys Garment Care Stores to Subfranchisees that are physically located within your Authorized Territory. You are required to prepare and disclose to your prospective Subfranchisees, including your affiliates, a separate FDD for the offer and sale of a subfranchise. You may only offer and sell subfranchises in the Authorized Territory and only if you comply with all applicable Franchise Laws (including registration and disclosure requirements). You will also provide training and other support to your Subfranchisees in connection with the development and operation of their Mulberrys Garment Care Stores. You will grant these Mulberrys Garment Care subfranchises through approved Subfranchise Agreements and Other Agreements (see Item 1). The Master Franchise Agreement does not authorize you to sell any products or services through Mulberrys Garment Care Stores or otherwise under the Marks to consumers, which can only be done under a Subfranchise Agreement. You cannot operate other businesses from or through your Master Franchise Business.

**Mulberrys Garment Care Stores**

Under the Subfranchise Agreement, each Mulberrys Garment Care Store will offer premium, toxin-free dry cleaning and wet cleaning, wedding dress cleaning, laundry services, shoe shine and repair, tailoring and alterations, leather cleaning, and bedding and rug cleaning, and, optionally for Cleaning Facilities, pick-up and drop-off Delivery Services and Locker Services, and related products and services that we may approve or authorize using proprietary cleaning products and equipment and methods of operation. These Mulberrys Garment Care Stores will be operated under the Marks and System and will be operated in a Cleaning Facility or Retail Store format.

You must require your Subfranchisees to offer and sell the products and services we specify through their Mulberrys Garment Care Stores, and you may not, and you must ensure that your Subfranchisees do not, sell other products or services in your Master Franchise Business or through Mulberrys Garment Care Stores without our prior written approval. These approved products and services may require specific supplies and equipment, including cleaning supplies, detergents, solvents, formulas, tools, devices, garment care products and laundry products, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, and printed materials, which you or your Subfranchisees must purchase from us, our affiliate, you, or suppliers. All of these items must meet your and our standards. Neither you nor your Subfranchisees can operate other businesses from or through a Mulberrys Garment Care Store.

We can also limit the type of products or services a Subfranchisee may sell. You and your Subfranchisees must follow our policies, procedures, methods, and techniques and comply with all of our mandatory standards and specifications when providing products or services through your Master Franchise Business or through a Subfranchisee's Mulberrys Garment Care Store. We do not implement pricing policies, such as maximum price policies, and minimum advertised price policies.

These Mulberrys Garment Care Stores will be operated under the Marks and System and will be operated in a Cleaning Facility or Retail Store format. A Cleaning Facility may also offer Locker Services. Locker Services allow the Subfranchisee's customers to drop off items for cleaning at a nearby locker, which the Subfranchisee then pick-ups for servicing, before returning the items to the locker for pick-up by the customer. The Subfranchisee may also offer Delivery Services. Delivery Services allow the Subfranchisee's customers to schedule a pick-up of items for cleaning from their home or work, which the Subfranchisee then pick-ups for servicing before delivering the items back to their home or work. Any Locker Services and Delivery Services must comply with our System standards. You may not permit a Subfranchisee to provide Locker Services or Delivery Services from or in connection with a Retail Store.

## Customers

We do not restrict the customers a Subfranchisee may serve. However, neither you nor your Subfranchisees can solicit customers via the Internet or otherwise establish or maintain any online presence or any other digital or electronic medium or method of communication, including a website, home page, HTML document, Internet site, web page, online directory or online business profile, review and opinion web pages or sites, or social media or social networking site, hashtag, profile, avatar, account or username relating to or making reference to the System, the Marks, or any Mulberrys Garment Care Store. In any event, all of the advertising and marketing conducted by you or your Subfranchisees must be approved by us (if we do not reject any such advertising or marketing within 14 days of our receipt, that advertising and marketing will be deemed approved by us).

## **ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

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

### **Master Franchise Agreement**

<b>Provision</b>	<b>Section in Master Franchise Agreement</b>	<b>Summary</b>
a. Length of the franchise term	Section 14(a)	Typically expiring on December 31 of the 25th year after signing.
b. Renewal or extension of the term	Section 14(b)	If you are in good standing and you meet our conditions, you can renew your Master Franchise Business for up to 2 additional 25-year renewal periods.
c. Requirements for you to renew or extend	Section 14(b)	Give written notice at least 180 days before the end of the current term; not be in default under the Master Franchise Agreement or any Subfranchise Agreement; and sign a mutual general release (subject to state law).
d. Termination by you	Section 15(b)	You may terminate if we default and do not cure our default after receiving notice from you.
e. Termination by us without cause	Not Applicable	Not Applicable
f. Termination by us with cause	Section 15(a)	We may terminate only if you default.
g. "Cause" defined – curable defaults	Section 15(a)	Most defaults are curable and you will have 90 days to cure (10 days for unauthorized assignments or transfers and monetary defaults and 30 days for failing to comply with applicable laws), subject to state law variations.



<b>Provision</b>	<b>Section in Master Franchise Agreement</b>	<b>Summary</b>
h. "Cause" defined – non-curable defaults	Section 15(a)	You are convicted in a court of competent jurisdiction of an offense directly related to the Master Franchise Business; or you make an assignment for the benefit of creditors or file a voluntary petition for bankruptcy or similar.
i. Your obligations on termination/non-renewal	Section 15	Stop operating the Master Franchise Business and use reasonable efforts to have Subfranchisees cease operating their Mulberrys Garment Care Stores unless we assume those franchise rights; stop using our names and the Marks; assign to us or our designee all Subfranchise Agreements and Other Agreements; return information to us; and pay all amounts you owe us.
j. Assignment of contract by us	Section 16(a)	We may assign the Master Franchise Agreement upon notice to you and granting you a right of first refusal to purchase our interest on the same terms and conditions.
k. "Transfer" by you – defined	Section 16(b)	Includes transfer of any interest in the Master Franchise Agreement, Master Franchise Business, or you.
l. Our approval of transfer by franchisee	Section 16(b)	We must approve all transfers, but will not withhold our consent if all of the requirements for the transfer are met. However, you may, upon notice to us, assign the Master Franchise Agreement as a result of a merger or consolidation if the assignee has total assets and net worth greater than or equal to yours and you are not in default under the Master Franchise Agreement.
m. Conditions for our approval of transfer	Section 16(b)	Transferee must meet our requirements, including sign a new master franchise agreement on our then-current form (the new master franchise agreement may provide for different fees or territory or other terms and conditions than your current Master Franchise Agreement) or an extension of the current Master Franchise Agreement. You must also pay our transfer costs and sign a release (subject to state law).
n. Our right of first refusal to acquire your business	Not Applicable	Not Applicable
o. Our option to purchase your business	Section 15(d)	Upon termination or expiration of the Master Franchise Agreement, we may assume any or all of your Subfranchise Agreements and Other Agreements.

<b>Provision</b>	<b>Section in Master Franchise Agreement</b>	<b>Summary</b>
p. Your death or disability	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Section 12(a)(1)	No involvement in a business or venture that provides, or any business or venture granting franchises or licenses for a business that provides, similar premium dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services within the Authorized Territory.
r. Non-competition covenants after the franchise is terminated or expires	Section 12(a)(b)	Unless the Master Franchise Agreement is terminated for cause or for our willful misconduct, for 2 years, no involvement in any business or venture that provides, or any business or venture granting franchises or licenses for a business that provides, similar premium dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services within the Authorized Territory or within 30 miles of any existing Mulberrys Garment Care Store.
s. Modification of the agreement	Section 20(e)	No modifications without consent by both you and us, but our manuals are subject to change.
t. Integration/merger clause	Section 20(h)	Only the terms of the Master Franchise Agreement and other written agreements are binding (subject to applicable state law), except that nothing in the Master Franchise Agreement will disclaim or require you to waive reliance on any representations made in this Disclosure Document. Any representations or promises outside of this Disclosure Document and the Master Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 19	Except for certain disputes, all disputes must be first mediated, and if not settled by mediation, are then subject to arbitration.
v. Choice of forum	Section 19	Subject to state law, arbitration must be in Florida.
w. Choice of law	Section 19	Subject to state law, Florida law generally applies.

**ITEM 18.  
PUBLIC FIGURES**

We currently do not use any public figure to promote the sale of franchises.

**ITEM 19.  
FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Dan Miller at 126 Macfarlane Drive, Delray Beach, Florida 33483 and 877-814-5421, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20.  
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
For Years 2021 to 2023 (Notes 1 and 2)**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	1	+1
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
<b>Total Outlets</b>	<b>2021</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	<b>0</b>	<b>1</b>	<b>+1</b>

Note 1. The numbers for each year are as of December 31.

Note 2. For purposes of this Item 20, "outlet" means Mulberrys Garment Care Master Franchise Businesses. Outlets are listed by the state of principal business address, although the Authorized Territory of that outlet may encompass more than the state listed.

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners**  
**For Years 2021 to 2023 (Note 1)**

State	Year	Number of Transfers
All States	2021	0
	2022	0
	2023	0
<b>Total</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>

Note 1. The numbers for each year are as of December 31.

**Table No. 3**  
**Status of Franchised Outlets**  
**For Years 2021 to 2023 (Note 1)**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Required by Franchisor	Ceased Operations – Other Reasons	Outlets at End of Year
Maryland	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
<b>Total</b>	<b>2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2022</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2023</b>	0	1	0	0	0	0	1

Note 1. The numbers for each year are as of December 31.

**Table No. 4  
Status of Company-Owned Outlets  
For Years 2021 to 2023 (Note 1)**

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
<b>Total</b>	<b>2021</b>	0	0	0	0	0	0
	<b>2022</b>	0	0	0	0	0	0
	<b>2023</b>	0	0	0	0	0	0

Note 1. The numbers for each year are as of December 31.

**Table No. 5  
Projected Openings  
As of December 31, 2023 (Note 1)**

State	Master Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in Next Fiscal Year	Projected New Company-Owned Outlet in Next Fiscal Year
Maryland	0	0-1	0
<b>Total</b>	<b>0</b>	<b>0-1</b>	<b>0</b>

Note 1. We do not anticipate opening any franchised outlets in any other state except as listed above, although we may grant Authorized Territories in other states.

Attached to this Disclosure Document as Exhibit C is a list of our franchised master franchise businesses. We had no franchisee who had a Master Franchise Agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under the Master Franchise Agreement during the fiscal year ended December 31, 2023, or who had not communicated with us within 10 weeks of the issuance date of this Disclosure Document. During the last 3 fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our franchise system. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

We have not created, sponsored, or endorsed any franchise organization and no independent franchisee organization has asked to be included in this Disclosure Document.

**ITEM 21.**  
**FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit D is a copy of our audited financial statements for the fiscal years ending December 31, 2023, December 31, 2022, and December 31, 2021.

Attached to this Disclosure Document as Exhibit D is a copy of our Balance Sheet and Profit and Loss Statement as of and for the 3-month period ended March 31, 2024. These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

**ITEM 22.**  
**CONTRACTS**

The following agreements and other required exhibits are attached to this Disclosure Document:

- Exhibit A. Attached to this Disclosure Document as Exhibit A are state specific addenda to the Disclosure Document, if any.
- Exhibit E. Attached to this Disclosure Document as Exhibit E is a copy of the form Master Franchise Agreement and state specific addenda to the Master Franchise Agreement.
- Exhibit F. Attached to this Disclosure Document as Exhibit F is a copy of the form Authorized Territory Amendment to Master Franchise Agreement.

**ITEM 23.**  
**RECEIPTS**

The last 2 pages of this Disclosure Document are detachable documents acknowledging receipt of this Disclosure Document. Please sign both receipt pages and return one to us.

**EXHIBIT A  
STATE SPECIFIC ADDENDA  
TO DISCLOSURE DOCUMENT**

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF CALIFORNIA**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business will be located in California.

1. **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.**
2. 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.
3. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [WWW.DFPI.CA.GOV](http://WWW.DFPI.CA.GOV).
4. 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 PROCEDURES SECTION 1281, AND THE FEDERAL ARBITRATION ACT) TO ANY PROVISIONS OF A FRANCHISE AGREEMENT RESTRICTING VENUE TO A FORUM OUTSIDE THE STATE OF CALIFORNIA.
5. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document approved by the Commissioner of Financial Protection and Innovation before we ask you to consider a material modification of your Master Franchise Agreement. We have or will comply with all of the requirements under California Corporations Code, Section 31109.1, with respect to negotiated sales.
6. Item 3 of the Franchise Disclosure Document is supplemented by the additional paragraph:

“Neither Mulberrys Franchising, LLC nor any person described in Item 2 of the FDD 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. 78a et seq. suspending or expelling such persons from membership in such association or exchange.”
7. Item 17 of the FDD is amended by the insertion of the following:

“The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning transfer, termination and non-renewal of the Master Franchise Agreement and certain provisions of the Master Franchise Agreement relating to transfer, termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Master Franchise Agreement and your relationship with us, including the areas of



transfer, termination and renewal of your franchise. If the Master Franchise Agreement is inconsistent with the law, the law will control.”

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

8. The Master Franchise Agreement requires application of the laws and forum of Florida. This provision may not be enforceable under California law.
9. The provision in the Master Franchise Agreement which terminates the franchise upon the bankruptcy of the franchisee may not be enforceable under Title 11, United States Code, Section 101.
10. The Master Franchise Agreement contains a waiver of punitive damages. This waiver of punitive damages, along with jury trial provisions, may not be enforceable in California.
11. The Master Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
12. The Master Franchise Agreement requires binding arbitration in the state of Florida. 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 master franchise agreement restricting venue to a forum outside the State of California.
13. The highest interest rate allowed by law in California for late payments is 10% annually.
14. No statement, questionnaire, or acknowledgment signed or agreed to by 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 Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of the California Franchise Investment Law are met independently without reference to this addendum.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF HAWAII**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the state of Hawaii:

This Hawaii Addendum is only applicable if you are a resident of Hawaii or if your business will be located in Hawaii.

1. The state cover page of the Mulberrys Franchising, LLC Franchise Disclosure Document is amended to include the following:

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

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

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

2. The Mulberrys Franchising, LLC Franchise Disclosure Document is currently registered in the states of: Maryland.
3. The states in which Mulberrys Franchising, LLC Franchise Disclosure Document is or will be shortly on file: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.
4. No state has refused, by order or otherwise, to register the Mulberrys Garment Care franchise.
5. No state has revoked or suspended the right to offer Mulberrys Garment Care franchises.
6. Mulberrys Franchising, LLC has not withdrawn the proposed registration of the Mulberrys Franchising, LLC Franchise Disclosure Document in any state.
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.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF ILLINOIS**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the state of Illinois:

1. Illinois law governs the Master Franchise Agreement.
2. 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.
3. Franchisees' rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a 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. 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.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF MARYLAND**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the state of Maryland:

1. Item 17 of the Franchise Disclosure Document is amended as follows:

“Termination for bankruptcy filing may not be enforceable under the United States Bankruptcy Act, but we intend to enforce it to the extent enforceable.”

2. Items 17(c) and 17(m) of the Franchise Disclosure Document are modified to provide that, under COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17(v) and (w) of the Franchise Disclosure Document are modified by the insertion of the following:

“Any Franchisee may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.”

4. Item 17 of the Franchise Disclosure Document is modified by the insertion of the following:

“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 Franchise Disclosure Document is amended by the insertion of the following:

“The Master Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.”

6. Item 17 of the Franchise Disclosure Document is amended by the insertion of the following:

“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.”

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

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

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF MINNESOTA**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold to residents of the State of Minnesota or if the Master Franchise Business will be located in Minnesota:

1. Minnesota Statutes, Section 80C.21, and Minnesota Rules 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 Disclosure Document or agreement(s) can abrogate or reduce (a) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C; or (b) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to master franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (a) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Master Franchise Agreement; and (b) that consent to the transfer of the master franchise will not be unreasonably withheld.
3. To the extent required by Minnesota Statutes, Chapter 80C, the franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols related to the trademarks or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the trademarks, provided the franchisee is using the names in marks in accordance with the Master Franchise Agreement.
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.
5. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.17, Subd. 5 with respect to limitation of claims.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum to the Disclosure Document shall be effective only to the extent that with respect to such provision, the jurisdictional requirements of Minnesota Statutes, Chapter 80C, are met independently without reference to this Addendum.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF NEW YORK**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the state of New York:

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

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

2. The following paragraphs are hereby added at the beginning of Item 3 in the Franchise Disclosure Document:

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

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

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

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

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating

to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

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

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

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

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

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

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

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

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



**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF NORTH DAKOTA**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the state of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. The North Dakota Securities Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to sign a general release upon renewal of the Master Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Master Franchise Agreement is deleted from Item 17c. and from any other place it appears in the Franchise Disclosure Document.
2. The North Dakota Securities Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to consent to the jurisdiction of courts located outside of North Dakota. Therefore, any contrary references in the Franchise Disclosure Document are deleted.
3. The North Dakota Securities Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for franchise agreements to provide that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business. Therefore, any contrary references in the Master Franchise Agreement or the Franchise Disclosure Document are deleted.
4. Any references in the Franchise Disclosure Document, that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute, are generally considered unenforceable in the state of North Dakota.
5. Any references in the Franchise Disclosure Document to any requirement to consent to a waiver of exemplary and punitive damages are deleted.
6. Any references in the Franchise Disclosure Document to any requirement to consent to a waiver of trial by jury are deleted.
7. Any claims arising under the North Dakota Franchise Law will be governed by the laws of the State of North Dakota.
8. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including any attorney's fees are hereby deleted.
9. Any references in the Franchise Disclosure Document requiring franchisee to consent to termination penalties or liquidated damages are deleted.
10. Any references in the Franchise Disclosure Document requiring franchisee to consent to limitation of claims are hereby deleted. The statute of limitations under North Dakota law applies.
11. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i)

waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF RHODE ISLAND**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the state of Rhode Island:

The Rhode Island Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in Rhode Island.

1. The following sentence is added to Item 17:

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

2. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF VIRGINIA**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the Commonwealth of Virginia:

1. Item 17(e) of the Franchise Disclosure Document is hereby amended by the addition of the following disclosure:

“Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchise Act or the laws of Virginia, that provision may not be enforceable.”
2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF WASHINGTON**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care master franchises offered and sold in the state of Washington:

This Washington Addendum is only applicable if you are a resident of Washington or if your business will be located in Washington.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the Master Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Master Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. 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 Master 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. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Master Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. 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 Master Franchise Agreement or elsewhere are void and unenforceable in Washington.

8. 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.
9. Nothing set forth in the Mulberrys Franchising, LLC Franchise Disclosure Document shall waive any liability the Franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.
10. Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently, without reference to this Addendum.

**ADDENDUM TO  
MULBERRYS GARMENT CARE  
FRANCHISE DISCLOSURE DOCUMENT  
FOR THE  
STATE OF WISCONSIN**

Notwithstanding anything to the contrary in the Mulberrys Franchising, LLC Franchise Disclosure Document or Master Franchise Agreement, the following provisions shall supersede and apply to Mulberrys Garment Care franchises offered and sold in the state of Wisconsin:

The Wisconsin Fair Dealership Law applies to most franchise agreements in the state and prohibits termination, cancellation, non-renewal or substantial change in competitive circumstances of a dealership agreement without good cause. The law further provides that 90 days prior written notice of the proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is so cured the notice is void. The Disclosure Document and Master Franchise Agreement are hereby modified to state that the Wisconsin Fair Dealership Law, to the extent applicable, supersedes any provisions of the Master Franchise Agreement that are inconsistent with the Wisconsin Fair Dealership Law, Wis. Stat. Ch. 135.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently, without reference to this Addendum.

**EXHIBIT B  
LIST OF STATE AGENCIES AND  
AGENTS FOR SERVICE OF PROCESS**

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
California	<p>Department of Financial Protection and Innovation</p> <p>2101 Arena Boulevard Sacramento, CA 95834</p> <p>Tel: 1-866-275-2677 (toll free) Ask.DFPI@dfpi.ca.gov (email)</p>	<p>Commissioner of Department of Financial Protection and Innovation</p> <p>2101 Arena Boulevard Sacramento, CA 95834</p> <p>Tel: 1-866-275-2677 (toll free)</p>
Connecticut	<p>Securities and Business Investment Division Connecticut Department of Banking</p> <p>260 Constitution Plaza Hartford, CT 06103</p> <p>Tel: 860-240-8299</p>	
Florida	<p>Department of Agriculture &amp; Consumer Services</p> <p>Plaza Level 10, The Capitol 400 S. Monroe St. Tallahassee, FL 32399-0800</p> <p>Tel: 850-245-6000</p>	
Georgia	<p>Corporations Division Georgia Secretary of State</p> <p>313 West Tower 2 Martin Luther King Jr. Drive, Suite 313 Atlanta, GA 30334</p> <p>Tel: 404-656-2817</p>	
Hawaii	<p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division</p> <p>Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813</p> <p>Tel: 808-586-2722</p>	<p>Commissioner of Securities Department of Commerce and Consumer Affairs Business Registration Division</p> <p>Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, HI 96813</p> <p>Tel: 808-586-2722</p>



<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
Illinois	Franchise Division Office of the Attorney General  500 South Second Street Springfield, IL 62706  Tel: 217-782-4465	Franchise Division Office of the Attorney General  500 South Second Street Springfield, IL 62706  Tel: 217-782-4465
Indiana	Securities Division Indiana Secretary of State  302 W. Washington Street, Room E 111 Indianapolis, IN 46204  Tel: 317-232-6681	Indiana Secretary of State  200 West Washington Street Indianapolis, IN 46204  Tel: 317-232-6531
Kentucky	Consumer Protection Division Office of the Kentucky Attorney General  1024 Capitol Center Drive Frankfort, KY 40601  Tel: 502-696-5389	
Louisiana	Commercial Division Secretary of State  8585 Archives Ave. Baton Rouge, LA 70809  Tel: 225-925-4704	
Maine	Office of Securities Department of Professional and Financial Regulation  121 State House Station Augusta, ME 04333  Tel: 207-624-8551	
Maryland	Office of the Attorney General Securities Division  200 St. Paul Place Baltimore, MD 21202  Tel: 410-576-6360	Office of the Attorney General Securities Division  200 St. Paul Place Baltimore, MD 21202  Tel: 410-576-6360
Michigan	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit  G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 W. Ottawa Street Lansing, MI 48909  Tel: 517-373-7117	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit  G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 W. Ottawa Street Lansing, MI 48909  Tel: 517-373-7117

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
Minnesota	Minnesota Department of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 Tel: 651-296-6328	Minnesota Commissioner of Commerce 85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101 Tel: 651-539-1600
Nebraska	Department of Banking and Finance 1526 K Street, Suite 300 Lincoln, NE 68508 P.O. Box 95006 Lincoln, NE 68509-5006 Tel: 402-471-2171	
New York	NYS Department of Law Investor Protection Bureau 28 Liberty Street New York, NY 10005 Tel: 212-416-8222	New York Secretary of State One Commerce Plaza 99 Washington Avenue, 6 <sup>th</sup> Floor Albany, NY 12231 Tel: 518-473-2492
North Carolina	Secretary of State 2 South Salisbury Street Raleigh, NC 27601 Tel: 919-814-5400	
North Dakota	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 Tel: 701-328-4712	North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol, Fourteenth Floor, Dept. 414 Bismarck, ND 58505-0510 Tel: 701-328-4712
Rhode Island	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 Tel: 401-462-9527	Rhode Island Department of Business Regulation Securities Division John O. Pastore Center – Building 69-1 1511 Pontiac Avenue Cranston, RI 02920 Tel: 401-462-9527
South Carolina	Secretary of State P.O. Box 11350 Columbia, SC 29211 Tel: 803-734-2166	

<b>State</b>	<b>State Administrator</b>	<b>Agent for Service of Process</b>
South Dakota	Department of Labor and Regulation Division of Insurance Securities Regulation  124 S. Euclid, Suite 104 Pierre, SD 57501 Tel: 605-773-3563	Department of Labor and Regulation Division of Insurance Securities Regulation  124 S. Euclid, Suite 104 Pierre, SD 57501 Tel: 605-773-3563
Texas	Secretary of State Registrations Unit  P.O. Box 13193 Austin, TX 78711 Tel: 512-475-0775	
Utah	Utah Department of Commerce Consumer Protection Division  160 East 300 South Salt Lake City, UT 84111 Tel: 801-530-6601 Fax: 801-530-6001	
Virginia	State Corporation Commission Division of Securities and Retail Franchising  Tyler Building, 9th Floor 1300 E. Main Street Richmond, VA 23219 Tel: 804-371-9051	Clerk of the State Corporation Commission  1300 East Main Street, 1st Floor Richmond, VA 23219 Tel: 401-462-9527
Washington	Department of Financial Institutions Securities Division  150 Israel Rd S.W. Tumwater, WA 98501 Tel: 360-902-8760	Department of Financial Institutions Securities Division  P.O. Box 41200 Olympia, WA 98504-1200 Tel: 360-902-8760
Wisconsin	Wisconsin Dept. of Financial Institutions Office of the Commissioner of Securities  4822 Madison Yards Way, North Tower Madison, WI 53705 Tel: 608-261-9555	Wisconsin Dept. of Financial Institutions Office of the Commissioner of Securities  4822 Madison Yards Way, North Tower Madison, WI 53705 Tel: 608-261-9555

**EXHIBIT C**  
**LIST OF MASTER FRANCHISE BUSINESSES**

**Current Company-Owned Master Franchise Businesses as of December 31, 2023**

None.

**Current Franchised Master Franchise Businesses as of December 31, 2023**

Gemini Cleaners LLC  
8510 Corridor Road, Suite 200  
Savage, Maryland 20763  
786-254-5837

**Former Master Franchise Businesses as of December 31, 2023**

None.

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

**EXHIBIT D  
FINANCIAL STATEMENTS**



Equi-Point Accounting Inc.

5711 Kennedy Blvd

North Bergen, NJ 07047

Tel: 862-800-6501

Mobile: 917-863-9867

Email: [jkidd@equipointaccounting.com](mailto:jkidd@equipointaccounting.com)

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Mulberrys Franchising, LLC

We have audited the accompanying financials of Mulberrys Franchising, LLC, which comprise the statements of asset, liabilities, and members' equity and the statement of revenue and expenses as of December 31, 2021, 2022 and 2023. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the with the auditing standards generally accepted in the United States of America. Those standards require that we plan and perform audits to obtain reasonable assurance about whether the financial statements are free material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the account principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and members' equity as of December 31, 2021, 2022 and 2023, and its revenues and expenses, on the basis of accounting principles described disclosures.

Jaclyn Kidd

Principal

A handwritten signature in black ink, appearing to be 'JK', with a long horizontal line extending to the right.

May 1, 2024

**MULBERRYS FRANCHISING, LLC**  
**(A LIMITED LIABILITY COMPANY)**  
**STATEMENT OF REVENUES AND EXPENSES**

	<b>FOR THE YEARS ENDED</b>		
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>INCOME</b>			
FRANCHISE FEE INCOME	\$ 1,201,861	\$ 1,075,696	\$ 511,473
INTEREST INCOME	63,281	35,156	-
OTHER INCOME	3,991	5,373	5,741
<b>TOTAL INCOME</b>	<b>\$ 1,269,133</b>	<b>\$ 1,116,225</b>	<b>\$ 517,214</b>
<b>EXPENSE</b>			
SALES AND MARKETING	\$ 266,647	\$ 303,759	\$ 270,871
RESEARCH AND DEVELOPMENT	113,232	90,305	-
PAYROLL	-	-	46,716
GENERAL ADMINISTRATIVE	73,329	108,927	106,024
PROFESSIONAL FEES	80,909	45,645	6,219
INSURANCE EXPENSE	18,618	3,761	2,152
BANK FEES	727	846	319
DEPRECIATION	23,123	7,673	639
AMORTIZATION	7,673	27,742	27,742
INTEREST	53,635	60,008	6,561
OTHER EXPENSES	52,437	86	2,559
<b>TOTAL EXPENSES</b>	<b>\$ 690,331</b>	<b>\$ 648,752</b>	<b>\$ 469,802</b>
<b>NET INCOME</b>	<b>\$ 578,802</b>	<b>\$ 467,473</b>	<b>\$ 47,412</b>

**MULBERRYS FRANCHISING, LLC  
(A LIMITED LIABILITY COMPANY)  
BALANCE SHEET**

<u>ASSETS</u>	<u>2023</u>	<u>DECEMBER 31,</u> <u>2022</u>	<u>2021</u>
CURRENT ASSETS			
CASH	\$ 46,051	\$ 15,410	\$ 20,311
ACCOUNTS RECEIVABLE	121,754		
LONG TERM ASSETS			
DUE FROM AFFILIATE	-	4,555,275	4,605,713
FIXED ASSETS			
VEHICLES	61,382	61,382	61,382
ACCUMULATED DEPRECIATION	<u>(15,985)</u>	<u>(8,312)</u>	<u>(639)</u>
TOTAL FIXED ASSETS	45,397	53,070	60,743
OTHER ASSETS			
SOFTWARE	83,225	83,225	83,225
ACCUMULATED AMORTIZATION	<u>(83,225)</u>	<u>(55,483)</u>	<u>(32,361)</u>
TOTAL OTHER ASSETS	-	27,742	50,864
TOTAL ASSETS	\$ 213,202	\$ 4,651,497	\$ 4,737,631
 <u>LIABILITIES AND MEMBERS' EQUITY</u>			
CURRENT LIABILITIES			
CREDIT CARDS	\$ 48,482	\$ 27,614	\$ 36,014
ACCOUNTS PAYABLE	27,930	-	-
LONG TERM LIABILITIES			
VEHICLE LOAN #1	38,402	47,687	56,382
DUE TO AFFILIATE	251,027	256,162	240,733
LOAN PAYABLE ON BEHALF OF RELATED PARTY	3,613,044	3,820,355	3,867,657
TOTAL LIABILITIES	3,978,886	4,151,817	4,200,786
MEMBERS' EQUITY			
MEMBERS' CONTRIBUTIONS	270,847	133,524	123,524
MEMBERS' DISTRIBUTIONS	(869,221)	(445,888)	(170,576)
CAPITAL	(4,273,419)	284,737	524,063
RETAINED EARNINGS	527,307	59,834	12,422
NET INCOME	<u>578,802</u>	<u>467,473</u>	<u>47,412</u>
	(3,765,684)	499,680	536,845
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 213,201	\$ 4,651,497	\$ 4,737,631



**MULBERRYS FRANCHISING, LLC  
(A LIMITED LIABILITY COMPANY)  
STATEMENT OF CASH FLOW**

	<b>FOR THE YEARS ENDED DECEMBER 31,</b>		
	<b><u>2023</u></b>	<b><u>2022</u></b>	<b><u>2021</u></b>
<b>OPERATING ACTIVITIES</b>			
NET INCOME	\$ 578,802	\$ 467,473	\$ 47,412
<u>ADJUSTMENTS TO NET INCOME</u>			
DUE TO/FROM AFFILIATES	(5,134)	1,469	20,470
DEPRECIATION	7,673	7,673	639
AMORTIZATION	23,123	27,742	27,742
NON CASH TRANSACTIONS	55,136	3,898	24,197
ACCOUNTS PAYABLE	27,930		
ACCOUNTS RECEIVABLE	(121,754)		
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>565,776</u>	<u>508,254</u>	<u>120,460</u>
<b>INVESTING ACTIVITIES</b>			
PURCHASE/DEVELOPMENT OF INTANGIBLE ASSETS	-	-	(69,369)
NET CASH USED BY INVESTING ACTIVITIES	<u>-</u>	<u>-</u>	<u>(69,369)</u>
<b>FINANCING ACTIVITIES</b>			
PAYMENTS ON LOAN PAYABLES	(249,125)	(247,843)	(109,121)
CONTRIBUTIONS FROM MEMBERS	137,323	10,000	122,770
DISTRIBUTIONS TO MEMBERS	(423,333)	(275,312)	(95,576)
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES	<u>(535,135)</u>	<u>(513,155)</u>	<u>(81,927)</u>
NET CASH INCREASE (DECREASE)	30,640	(4,901)	(30,836)
CASH AT THE BEGINNING OF THE YEAR	15,410	20,311	51,147
CASH AT THE END OF THE YEAR	<u>\$ 46,050</u>	<u>\$ 15,410</u>	<u>\$ 20,311</u>

**Mulberrys Franchising, LLC**  
**(A Limited Liability Company)**  
**Notes to Financial Statements**

**For the years ending December 31, 2021, 2022, 2023**

**1. Summary of significant accounting policies**

Description of current business activities

Mulberrys Franchising, LLC (a Limited Liability Company) is a Texas company. The company franchises toxin-free professional garment dry cleaning service. The franchises offer premium dry cleaning, laundry, garment and fabric care, repairs, and alterations, pick-up and drop off delivery and locker services, and related products and services using proprietary cleaning products and methods of operation that are operated from cleaning facilities or retail stores. There are 6 franchises in operation by the end of 2023.

Property and equipment

Equipment consists of a vehicle used in operations. Depreciation is provided using straight-line methods over their useful life. Depreciation expense for the period ending December 31, 2023 was \$ 7,763.

Intangible assets

Intangible assets are amortized using the straight-line methods over 5 years. The recoverability of intangible assets is periodically reviewed to determine whether adjustments are needed to the carrying values. Amortization expense for the periods ending December 31, 2022 and 2023 was \$ 27,742 and \$ 23,123 respectively.

Estimates

The preparation of financial statements in conformity with the US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Start-up Costs

Costs incurred in connection with the start-up franchise are expensed as incurred.

### Franchise fees

Initial fees related to sales of franchises are recognized as revenue upon substantial performance by the Company of all material conditions relating to initial fee. Continuing franchise royalties are based on 5% - 6% percentage of franchise net sales. In addition, there is a collection of 2% - 5% marketing fee on sales to fund marketing. Total franchise fees collected at year end December 31, 2022, and 2023 was and \$ 1,075,696 and \$ 1,201,861 respectively. Franchise fees are used to cover services like advertising and technology.

## **2. Related party transactions**

The Company had certain transactions with King Street, LLC, Millbor, LLC, and Millerberry, LLC, the affiliates. These companies are 100% owned by the members of the Company. The Company agrees to pay long term liabilities on behalf of the affiliates.

## **3. Legal matters**

There are no pending legal matters.

## **4. Subsequent events**

In the first quarter of 2024 the Company has paid off a promissory note on behalf of the affiliate in the amount of \$ 103,826.

NOTICE ABOUT UNAUDITED FINANCIAL STATEMENTS:

These financial statements have been prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no independent certified public accountant has audited these figures or expressed an opinion with regard to their content or form.

# Mulberrys Franchising, LLC

## Balance Sheet

As of March 31, 2024

	TOTAL
<b>ASSETS</b>	
Current Assets	\$181,211.57
Fixed Assets	\$17,021.92
<b>TOTAL ASSETS</b>	<b>\$198,233.49</b>
<b>LIABILITIES AND EQUITY</b>	
Liabilities	
Current Liabilities	\$75,012.27
Long-Term Liabilities	\$3,568,771.18
<b>Total Liabilities</b>	<b>\$3,643,783.45</b>
Equity	\$ -3,445,549.96
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$198,233.49</b>

# Mulberrys Franchising, LLC

## Profit and Loss

January - March, 2024

	TOTAL
Income	<b>\$346,249.00</b>
Expenses	
Advertising and Promotion	78,085.09
Automobile Expense	82.01
Bank Service Charges	37.00
Computer and Internet Expenses	1.99
General Administrative Exp	<b>88,897.88</b>
Health Insurance	1,382.67
Insurance Expense	11,889.24
Interest Expense	778.42
Rent Expense	84.40
Sales and Marketing	<b>8,024.65</b>
Utilities	321.35
<b>Total Expenses</b>	<b>\$189,584.70</b>
NET OPERATING INCOME	<b>\$156,664.30</b>
Other Income	
Cash Back/Rebate Income	3,041.77
<b>Total Other Income</b>	<b>\$3,041.77</b>
Other Expenses	
Life Insurance	380.61
<b>Total Other Expenses</b>	<b>\$380.61</b>
NET OTHER INCOME	<b>\$2,661.16</b>
NET INCOME	<b>\$159,325.46</b>

**EXHIBIT E  
MASTER FRANCHISE AGREEMENT AND  
STATE SPECIFIC ADDENDA TO MASTER FRANCHISE AGREEMENT**



**MASTER FRANCHISE AGREEMENT**

**TABLE OF CONTENTS**

1	Definitions .....	2
2	Master Franchise Rights .....	5
3	Authorized Territory.....	6
4	Development Schedule .....	7
5	Fees and Payments .....	8
6	Franchisor Training and Assistance.....	10
7	Operation of Master Franchise Business.....	10
8	Operation of Store Businesses .....	12
9	Intellectual Property .....	12
10	Marketing and Promotion.....	15
11	Records and Reports; Inspection and Audit .....	15
12	Non-Competition and Confidential Information.....	16
13	Insurance .....	18
14	Term and Renewal.....	19
15	Termination .....	20
16	Assignment .....	21
17	Limited Liability; Indemnification .....	23
18	Master Franchisee Representations .....	23
19	Enforcement.....	24
20	Miscellaneous .....	27

**EXHIBITS**

- Exhibit A: Authorized Territory
- Exhibit B: Trademarks
- Exhibit C: Existing Mulberrys Garment Care Stores



**MASTER FRANCHISE AGREEMENT**

**KEY CONTRACT TERMS**

**Master Franchisee:**  
(the "Master Franchisee")

\_\_\_\_\_

Type of Legal Entity:

corporation incorporated in \_\_\_\_\_

limited liability company formed in \_\_\_\_\_

partnership formed in \_\_\_\_\_

Office Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Effective Date:**  
(the "Effective Date")

\_\_\_\_\_

**MULBERRYS GARMENT CARE®**  
**MASTER FRANCHISE AGREEMENT**

This **MASTER FRANCHISE AGREEMENT** (this "Agreement") is entered into as of the Effective Date set forth on in the Key Contract Terms, and made by and between MULBERRYS FRANCHISING, LLC, a Texas limited liability company (the "Franchisor"), and the Master Franchisee set forth on the Key Contract Terms. Franchisor and Master Franchisee may be referred to together as the "Parties" and individually as a "Party."

**INTRODUCTION**

Franchisor and its Affiliates (as defined below) have developed a Mulberrys Garment Care System (as defined below) for the operation of "Mulberrys Garment Care®" businesses operated under the Trademarks (as defined below) that offer premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, pick-up and drop-off delivery services and locker services, and related products and services using proprietary cleaning products and methods of operation that are operated from Cleaning Facilities (as defined below) or Retail Stores (as defined below). Franchisor desires to grant Master Franchisee the right to Subfranchise (as defined below) to Subfranchisees (as defined below) the right to establish and operate Mulberrys Garment Care Stores (as defined below) in the Authorized Territory (as defined below), and Master Franchisee desires to accept such grant, according to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the representation, warranties, and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

**1 DEFINITIONS**

The following terms used herein shall have the following definitions:

- (a) "Affiliate" means in relation to a Person, any other Person Controlling, Controlled by, or under common Control with such Person, either directly or indirectly through one or more intermediaries.
- (b) "Approved Products and Services" means any product or service authorized by Franchisor to be offered or sold at Mulberrys Garment Care Stores under the Mulberrys Garment Care System, as may be amended from time to time by Franchisor, and which includes pick-up and drop-off delivery services and locker services for Cleaning Facilities but excludes pick-up and drop-off delivery services and locker services for Retail Stores.
- (c) "Authorized Territory" means the geographic territory or territories described on Exhibit A.
- (d) "Cleaning Facility" means a high-end boutique retail business offering Franchisor's Approved Products and Services (including pick-up and drop-off delivery services and locker services) under the Trademarks and using the Mulberrys Garment Care System and the Franchisor Intellectual Property that is attached to a dry cleaning and laundry plant where dry cleaning and laundry services are performed on-site.
- (e) "Confidential Information" includes in whatever form (including in written, oral, visual, or electronic form), the Mulberrys Garment Care System, Franchisor Intellectual Property, and the Manuals; the proprietary chemicals and cleaning supplies, detergents, solvents, formulas, tools, devices, garment care products and laundry products, branded items, uniforms, branded garment bags and hangers, branded collar stays, poly bags, printed materials, and the concepts and methods of promotion franchised hereunder; information, data, reports, or materials relating to the

business, customers, products, supplies, affairs, and finances of Franchisor, Master Franchisee, or any Subfranchisee; and trade secrets including technical data and know-how relating to Franchisor's, Master Franchisee's, or any Subfranchisee's business, or any of its or their suppliers, customers, agents, distributors, shareholders, management or business contacts, and including information that Franchisor, Master Franchisee, or any Subfranchisee creates, develops, receives, or obtains in connection with this Agreement or any Subfranchise Agreement, or any Mulberrys Garment Care Stores, whether or not such information is marked confidential.

(f) "Control" or its derivatives or variants (i.e. "Controlling," "Controlled by," or "under common Control") means, with regard to an entity, the legal, beneficial, or equitable ownership, directly or indirectly, of fifty percent (50%) or more of the issued capital or voting rights (or other ownership interest, if not a corporation) of such entity, or the equivalent right under contract or otherwise, to control or cause the direction of management and policy decisions of such entity with regard to relevant subjects.

(g) "Existing Mulberrys Garment Care Stores" means the Mulberrys Garment Care stores listed on Exhibit B.

(h) "Gross Sales" means the total amount of revenues, income, receipts, and other fees received from customers for all business activities taking place by or through a Mulberrys Garment Care Store, including, all amounts received from the sale of products and services whether made at or away from the Mulberrys Garment Care Store, delivery fees that are not charged by third party vendors or for fuel surcharges, and all other services and products, if any, sold under the Trademarks, or otherwise related to the Mulberrys Garment Care Store, and including amount of all sales assumed to have been lost by the interruption of business to be determined upon the basis upon which proceeds of any business interruption insurance that are paid or are payable to the Master Franchisee or its Subfranchisees. Excluded from Gross Sales are customer refunds a Subfranchisee actually makes; amounts collected by the Subfranchisee and remitted by the Subfranchisee to any governmental taxing authority in satisfaction of sales or occupation taxes; and the sale of equipment used in the operation of the Mulberrys Garment Care Store.

(i) The term "including" means "including, but not limited to."

(j) "Intellectual Property Rights" means any or all of the following and all intellectual property and proprietary rights, registered or unregistered, arising out of or associated there, within any jurisdiction throughout the world: (i) trademarks, service marks, certification marks, trade dress, logos, trade names, industrial designs; (ii) patents and applications therefor and all reissues, divisions, renewals, extensions, provisionals, continuations and continuations-in-part thereof; (iii) all works of authorship (whether copyrightable or not), all copyrights, copyright works; (iv) registrations and applications for any of the foregoing, and all other rights corresponding thereto; (v) trade secrets, know-how and confidential information; (vi) any domain name registrations, software, databases, data collections and all rights therein owned by or licensed to Franchisor; (vii) all inventions (whether patentable or not), invention disclosures, improvements, mask works, proprietary information, operating manuals, technology, technical data and customer lists, and all documentation relating to any of the foregoing, and all moral and economic rights to authors and inventors, however denominated; (viii) any goodwill associated with each of the foregoing; (ix) licenses to any of the foregoing; and (x) all benefits, privileges, rights to sue, recover damages and obtain relief for any past, current or future infringement, misappropriation, or violation of any of the foregoing rights.

(k) "Manuals" means collectively the standard operating manuals, brand standards, notices, or other documents prepared by Franchisor from time to time for use by Master Franchisee, setting forth policies, procedures, instructions, guidelines standards, specifications, and principles (which may be mandatory or suggested/optional) relating to the Master Franchise Business and the development and operation of Mulberrys Garment Care Stores, as the same may be amended, replaced, or supplemented by Franchisor from time to time.

- (l) “Master Franchise Business” means the business of granting Subfranchises to Subfranchisees for the development and operation of Mulberrys Garment Care Stores and training and supporting Subfranchisees in connection with the operation of their Mulberrys Garment Care Stores.
- (m) “Master Franchisee Parties” means Principal Owners, its Affiliates, and its Affiliates’ officers, directors, shareholders, members, managers and partners
- (n) “Mulberrys Garment Care Store” means either a Cleaning Facility or Retail Store operating at the Store Premises under the Trademarks where the Store Business is or will be conducted by a Subfranchisee pursuant to the applicable Subfranchise Agreement and using the Mulberrys Garment Care System and the Franchisor Intellectual Property.
- (o) “Mulberrys Garment Care System” means the business plans and methods developed by Franchisor and its Affiliates to be used in connection with the operation of a business that offers premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, and related products and services using proprietary cleaning products and methods of operation, including standards, specifications, methods, procedures, techniques, technology, and management systems, all of which may be changed, improved, and further developed from time to time by Franchisor, but specifically excludes any employee policies or procedures that Franchisor may make available to Master Franchisee for its optional use.
- (p) “Person” means any individual, partnership, corporation, association, trust, unincorporated organization, or other entity, including any governmental authority.
- (q) “Principal Owner” means any Person who directly or indirectly owns a ten percent (10%) or greater interest in Master Franchisee. If any corporation or other entity other than a partnership is a Principal Owner, a “Principal Owner” will also mean a shareholder or owner of a ten percent (10%) or greater interest in such corporation or other entity. If a partnership is a Principal Owner, a “Principal Owner” will also mean each general partner of such partnership and, if such general partner is an entity, each owner of a ten percent (10%) or greater interest in such general partner. As used in this Agreement, any reference to Principal Owner includes all Principal Owners.
- (r) “Retail Store” means a high-end boutique retail business offering Franchisor’s Approved Products and Services (excluding pick-up and drop-off delivery services and locker services) under the Trademarks and using the Mulberrys Garment Care System and the Franchisor Intellectual Property, but where on-site dry cleaning and laundry are not provided and all services performed or sold through the retail business are processed at the Subfranchisee’s or its Affiliate’s Cleaning Facility or the Cleaning Facility of another Mulberrys Garment Care franchisee or the Cleaning Facility of Franchisor or Master Franchisor, or their Affiliates.
- (s) “Store Business” means the business of operating a Cleaning Facility or Retail Store under the Franchisor Intellectual Property in accordance with the Mulberrys Garment Care System, which business offers premium, toxin-free dry cleaning, laundry, garment and fabric care, repair, and alterations, pick-up and drop-off delivery services and locker services (only if the Store Business is operated from a Cleaning Facility), and related products and services using proprietary cleaning products and methods of operation.
- (t) “Subfranchise” means the franchise right to use the Mulberrys Garment Care System and the Franchisor Intellectual Property selected, used, and promoted by Franchisor to operate a Mulberrys Garment Care Store.
- (u) “Subfranchisee” means any franchisee of Master Franchisee that meets Master Franchisee’s and Franchisor’s requirements to be a Mulberrys Garment Care franchisee and that is granted a Subfranchise pursuant to a Subfranchise Agreement with Master Franchisee for the

development and operation of a Mulberrys Garment Care Store, whether such Subfranchisee is a third party and not an Affiliate of Master Franchisee or such Subfranchisee is an Affiliate of Master Franchisee.

(v) “Term Year” means the twelve (12) month period starting on January 1, \_\_\_\_\_, and each subsequent twelve (12) month period during the Master Franchise Term.

(w) “Trademarks” means: (1) the trade names “Mulberrys” and “Mulberrys Garment Care” or such derivatives or names incorporating the same; (2) the trademarks set out in Exhibit C; and (3) such other trademarks, service marks, certification marks, trade dress, logos, designs and identifying slogans, and other indicia related to the Mulberrys Garment Care System, whether registered or not registered, that Franchisor specifically designates for use by Master Franchisee pursuant to this Agreement, each as may be changed or modified from time to time by Franchisor.

## 2 MASTER FRANCHISE RIGHTS

(a) **Grant of Rights.** Subject to the terms and conditions of this Agreement and the Manuals, Franchisor hereby grants to Master Franchisee the non-transferable right and license, for the Master Franchise Term, to exclusively grant Subfranchises in the Authorized Territory to Subfranchisees by entering into Subfranchise Agreements to establish and operate Mulberrys Garment Care Stores using the Mulberrys Garment Care System and the Franchisor Intellectual Property.

(b) **Joint Approval for Certain Changes.** In addition to any other provisions of this Agreement that require the consent or approval of Franchisor, and notwithstanding anything in this Agreement to the contrary, Master Franchisee shall obtain Franchisor’s prior written approval before taking or causing any of the actions listed on Exhibit D or otherwise modifying or changing the Mulberrys Garment Care System in connection with anything listed on Exhibit D, which consent or approval Franchisor shall not unreasonably withhold. If Franchisor does not reject a proposed change or modification provided by Master Franchisee under this Section 2(b) within fourteen (14) days after its receipt, such change or modification shall be deemed to have been approved.

(c) **No Direct Operating Rights.** Master Franchisee may not directly operate Mulberrys Garment Care Stores under this Agreement, but may only do so through a Subfranchisee that is an Affiliate of Master Franchisee that meets the approval requirements above and enters into a Subfranchise Agreement with Master Franchisee to operate a Mulberrys Garment Care Store, on terms and conditions similar to those of other Subfranchisees.

(d) **Subfranchise Agreement and Other Agreements.** Upon approval of the grant of a Subfranchisee and potential Mulberrys Garment Care Store, and subject to applicable Franchise Laws (including any registration and disclosure requirements), Master Franchisee shall enter into a subfranchise agreement with the Subfranchisee for the grant of a Subfranchise in the form approved by Franchisor, which approval Franchisor shall not unreasonably withhold (each, a “Subfranchise Agreement”) and/or such other agreements in the forms approved by Franchisor, which approval Franchisor shall not unreasonably withhold, including area development agreements for the development of multiple Mulberrys Garment Care Stores, lease addenda, and personal guaranties (collectively, “Other Agreements”) as Master Franchisee deems appropriate. If Franchisor does not reject a form of Subfranchise Agreement or Other Agreement provided by Master Franchisee within fourteen (14) days after its receipt, such form(s) shall be deemed to have been approved. Where enforcement of any terms and conditions of this Agreement requires that similar or corresponding terms and conditions be included in each Subfranchise Agreement or Other Agreement, Master Franchisee shall ensure that such terms and conditions are included in each Subfranchise Agreement or Other Agreement. Without limiting the foregoing, Master Franchisee’s form Subfranchise Agreement and Other Agreements shall provide:

(1) an initial term and renewal term of any Subfranchise Agreement that may extend beyond the Initial Term of this Agreement (if not renewed) and/or the Renewal Term of this Agreement (if applicable) up to the maximum number of years prescribed by Franchisor in its reasonable discretion, subject to state relationship statutes;

(2) that upon the termination or expiration of this Agreement, the Subfranchise Agreement and Other Agreement shall be assigned to Franchisor or its designee, and the terms of that Subfranchise Agreement and Other Agreement will be honored by Franchisor or its designee, provided the Subfranchisee remains in material compliance with the Subfranchise Agreement and Other Agreement, as applicable;

(3) that the Subfranchisee shall not use the Mulberrys Garment Care System or Franchisor Intellectual Property in any manner or for any purpose other than as permitted under this Agreement and the Subfranchise Agreement for the operation of a Mulberrys Garment Care Store; and

(4) such other terms and conditions consistent with or required by this Agreement.

(e) **Subfranchisee Compliance with this Agreement.** Master Franchisee shall further ensure that no Subfranchise Agreement or Other Agreement contains any provision contrary to or inconsistent with this Agreement. Master Franchisee shall be solely responsible for all costs and expenses incurred in ensuring Subfranchisees' material compliance with this Agreement and their respective Subfranchise Agreements and Other Agreements with Master Franchisee.

### 3 AUTHORIZED TERRITORY

(a) **Exclusivity.** Except as otherwise described in this Agreement, as long as Master Franchisee is not in default of this Agreement, Franchisor shall not during the Master Franchise Term (1) establish, own, or operate any Mulberrys Garment Care Stores physically located in the Authorized Territory; (2) grant to any other Person the right to establish, own, or operate any Mulberrys Garment Care Stores physically located in the Authorized Territory; or (3) grant to any other Person the right or license to grant Subfranchises to any other Person to establish, own, or operate any Mulberrys Garment Care Stores physically located in the Authorized Territory. The license granted to Master Franchisee under this Agreement and Master Franchisee's master franchise rights relate only to developing, establishing, operating, supporting, and supplying Mulberrys Garment Care Stores physically located at Store Premises within the Authorized Territory using the Mulberrys Garment Care System and the Franchisor Intellectual Property. The licenses and rights granted to Master Franchisee under this Agreement do not include the right to establish and operate, or subfranchise other Persons to establish and operate, any stores, retail locations, or businesses within the Authorized Territory using the Mulberrys Garment Care System or the Franchisor Intellectual Property other than Mulberrys Garment Care Stores physically located at Store Premises and the delivery business related thereto. In addition, the licenses and rights granted to Master Franchisee under this Agreement do not include the right to sell any Approved Products and Services, or any other products or services using the Mulberrys Garment Care System or the Franchisor Intellectual Property, through any other channels of distribution, including grocery and convenience stores and other retail stores and locations, catalogs, the Internet (or any other existing or future form of electronic commerce), and other types of resale, wholesale, and distribution arrangements.

(b) **Reservation of Other Rights.** Franchisor hereby reserves all rights not expressly granted by Franchisor to Master Franchisee under this Agreement, including the right to, by itself and/or grant any Person the right to, without paying any compensation to Master Franchisee or its Affiliates:

(1) sublicense, manage, establish, own, or operate, or grant to any other Person any right to sublicense, manage, establish, own, or operate, Mulberrys Garment Care Stores

or similar businesses at locations outside the Authorized Territory, or to engage in any business, whether similar, identical, or competitive to the Master Franchise Business, outside the Authorized Territory;

(2) grant to any other Person the right or license to grant Subfranchises to establish, own, or operate Mulberrys Garment Care Stores physically located outside the Authorized Territory;

(3) sublicense, manage, establish, own, or operate, or grant to any other Person any right to sublicense, manage, establish, own, or operate, stores and other businesses under trade or service marks other than the Trademarks or other than dry cleaning or laundry businesses;

(4) manufacture, sell, supply, merchandise, promote, distribute, or otherwise deal in the Approved Products and Services, or any other products or services, whether using the Mulberrys Garment Care System or the Franchisor Intellectual Property, through any other channels of distribution, including grocery and convenience stores and other retail stores and locations, catalogs, the Internet (or any other existing or future form of electronic commerce), and other types of resale, wholesale, and distribution arrangements, outside the Authorized Territory; or

(5) sublicense, manage, establish, own, or operate, or grant to any other Person any right to sublicense, manage, establish, own, or operate, the Existing Mulberrys Garment Care Stores, including grant any renewals of any franchise rights for the Existing Mulberrys Garment Care Stores.

(c) **No Further Subfranchise Rights.** Master Franchisee shall not permit or authorize a Subfranchisee or any other Person (including any Affiliate of Master Franchisee) to grant Subfranchises, or subcontract, delegate, or otherwise arrange for another Person to perform any part of the grant, establishment, management, or operation of a Mulberrys Garment Care Store or any part thereof (other than the Subfranchisee).

#### 4 DEVELOPMENT SCHEDULE

(a) **Opening Development Schedule.** During the first ten (10) Term Years, on a cumulative basis net of closures, Master Franchisee shall have granted, developed, and opened for business through Subfranchisees pursuant to Subfranchise Agreements, at least thirty five (35) Mulberrys Garment Care Stores within the Authorized Territory with at least two (2) new Mulberrys Garment Care Stores per Term Year within the Authorized Territory (the "Opening Development Schedule"). The Development Schedule shall be extended to the extent that the Franchisor fails to timely provide information necessary to issue the FDD.

(b) **Ongoing Development Schedule.** Thereafter, for the remainder of the Master Franchise Term, on a cumulative basis net of closures, Master Franchisee shall have granted, developed, opened for business through Subfranchisees pursuant to Subfranchise Agreements, at least two new (2) Mulberrys Garment Care Stores per Term Year within the Authorized Territory (the "Ongoing Development Schedule", and together with the Opening Development Schedule, the "Development Schedules"). To the extent that Master Franchisee exceeds the Ongoing Development Schedule in any Term Year, the excess shall be credited towards the Ongoing Development Schedule for the following Term Year.

(c) **Exclusions to Development Schedules.** Master Franchisee acknowledges and agrees that the following shall not be added to or count towards meeting the development quotas of the applicable Development Schedules:

- (1) any area development agreements or Other Agreements;
- (2) any pick-up and drop-off lockers or kiosks under the name "Laundry Locker by Mulberrys" or any other name, whether located within or outside the Authorized Territory;
- (3) any Mulberrys Garment Care Stores developed outside of the Authorized Territory or any Existing Mulberrys Garment Care Stores (even if assigned by Franchisor to Master Franchisee); or
- (4) any Mulberrys Garment Care Store that is closed within the first twelve (12) months after it opens, for a reason other than Force Majeure Event for such closure (such as expiration or early termination). Master Franchisee acknowledges and agrees that the cumulative opening targets in the Development Schedules must be met net of closures, and in the event of closure of any Mulberrys Garment Care Store in the Authorized Territory within the first twelve (12) months after it opens, regardless of the reason for such closure, such Mulberrys Garment Care Store must be replaced by a new Mulberrys Garment Care Store by the end of the applicable Term Year in which the closure occurred, as necessary, in order to meet the cumulative opening targets, net of closures, in the applicable Development Schedule.

(d) **Failure to Meet Development Schedule.** If Master Franchisee fails to meet any development quota of any Development Schedule by the date required (a "Development Default"), Master Franchisee shall pay to Franchisor an amount equal to the greater of Ten Thousand Dollars (\$10,000) or the Average Annual Master Royalty Fees for each Mulberrys Garment Care Store that Master Franchisee is short of the applicable development quota in the applicable Development Schedule per partial or full Term Year until Master Franchisee meets the applicable development quota by curing the Development Default and continuing in compliance with the applicable Development Schedule the ("Development Default Fee"). "Average Annual Master Royalty Fees" shall mean the average annual Master Royalty Fee due to Franchisor for all Mulberrys Garment Care Stores that operated for a full, continuous twelve (12) month period as of the last day of the calendar month immediately before the Development Default. The Development Default Fee shall be nonrefundable and due in full immediately upon demand following a Development Default. If Master Franchisee pays the Development Default Fee as applicable and is otherwise in compliance with this Agreement, Master Franchisee shall not be deemed in default or breach of this Agreement solely as a result of such Development Default.

## 5 FEES AND PAYMENTS

(a) **Master Royalty Fees.** Within thirty (30) days after the end of each month, Master Franchisee shall pay to Franchisor a monthly royalty fee equal to one-third (1/3rd) of all royalties due to Master Franchisee from Subfranchisees for all Mulberrys Garment Care Stores located in the Authorized Territory during the previous month (the "Master Royalty Fee").

- (1) Except in the case of a temporary royalty relief granted to an underperforming Mulberrys Garment Care Store or as a result of a Force Majeure Event affecting a Mulberrys Garment Care Store, as approved by Franchisor and Master Franchisee, in either case such royalty relief being temporary for the duration of the underperformance or the duration of the Force Majeure Event, the royalty fees due from any individual Subfranchisee shall be no less than one and one-half percent (1.5%) of that Subfranchisee's Gross Sales. In the event that the royalty fee due from a Subfranchisee is less than four and one-half percent (4.5%) of that Subfranchisee's Gross Sales, the Master Royalty Fee due for that Subfranchisee shall be one and one-half percent (1.5%) of that Subfranchisee's Gross Sales. A "Force Majeure Event" shall mean any of the following temporary events affecting a Mulberrys Garment Care Store: (a) acts of God; (b) flood, fire, earthquake, tornado, hurricane, or similar weather-related disasters, or



epidemics; (c) war or invasion; (d) government order, law, or actions; (e) embargoes or blockades in effect on or after the Effective Date; and (f) national or regional emergency.

(2) By way of example, Master Franchisee would pay Franchisor the Master Royalty Fee set forth below based on the royalty fee due from the Subfranchisee:

Royalty Fee Due from Subfranchisee (as % of Subfranchisee Gross Sales)	Master Royalty Fee due to Franchisor (as % of Subfranchisee Gross Sales)
6.00%	2.00%
5.50%	1.83%
5.00%	1.67%
4.50%	1.50%
4.00%	1.50%
3.00%	1.50%
2.00%	1.50%
1.50%	1.50%

(3) The Master Royalty Fee shall continue for the duration of any and all Subfranchise Agreements (including any renewals or extensions thereof). To the extent that a Subfranchisee continues to pay Master Franchisee, Master Franchisee's obligation to pay the Master Royalty Fee to Franchisor shall continue after the termination or expiration of this Agreement until assignment of all Subfranchise Agreements to Franchisor under Section 15(d).

(b) **Payment Method.** Master Franchisee shall pay the Master Royalty Fees to Franchisor by ACH or other approved methods of electronic bank transfer. Unless specifically set forth herein to the contrary, all amounts owed to Franchisor or its Affiliate shall be due and payable to Franchisor within thirty (30) days following Master Franchisee's receipt of an invoice therefor.

(c) **Setoff.** Master Franchisee shall not withhold or escrow any amounts due to Franchisor under this Agreement, or set off any such amounts against any amounts claimed to be due to Master Franchisee. Despite any designation Master Franchisee make, Franchisor may apply any of Master Franchisee's payments to any of Master Franchisee's past due indebtedness to Franchisor. Franchisor may set off any amounts Master Franchisee or its Affiliates owe Franchisor or its Affiliates against any amounts Franchisor or its Affiliates owes Master Franchisee or its Affiliates under this Agreement or any other agreement between the respective parties.

(d) **Tax and Additional Fees.**

(1) Master Franchisee is responsible for any fees, fines, or other similar expenses associated with the transfer of funds described in this Section 5 except any fees due to Franchisor's actions or owing Franchisor's financial institution.

(2) Master Franchisee shall have sole responsibility to collect and promptly pay when due all federal, state, withholding, and other applicable payroll taxes, worker's compensation, contributions, unemployment insurance premiums, and all similar taxes, fees, and charges for Master Franchisee's operations.

(3) All fees or payments of any type whatsoever owed by Master Franchisee to Franchisor or its Affiliates that are not received when due will be subject to the imposition of late payment charges equal to the maximum rate permitted by law, not to exceed one and one-half percent (1 1/2%) per month; provided however that Franchisor shall provide sixty (60) days prior written notice.

## 6 FRANCHISOR TRAINING AND ASSISTANCE

(a) **Initial Training Program.** Franchisor shall provide, at a mutually agreed upon suitable location, an initial training program for personnel of Master Franchisee regarding the operation of a Mulberrys Garment Care Store (the "Initial Training Program"). The Initial Training Program will be provided without charge for the first five (5) attendees attending together, and any additional attendees will be subject to Franchisor's current charges for attendees at the Initial Training Program. Travel and living expenses incurred by individuals attending training on Master Franchisee's behalf in connection with the Initial Training Program shall be the responsibility of Master Franchisee.

(b) **Operational Support.** During the first twelve (12) months of the Initial Term, Franchisor, without charge, will accompany and advise Master Franchisee on Master Franchisee's inspection of the existing Mulberrys Garment Care Stores located outside the Authorized Territory. Master Franchisee will pay for Franchisor's reasonable travel and lodging expenses (not to exceed One Thousand Dollars (\$1,000) per day) in connection with such support. During the first twelve (12) months of the Initial Term, Franchisor will also be available for up to ten (10) hours per month during normal business hours, and without charge to Master Franchisee, to provide Master Franchisee with reasonable email support or pre-scheduled telephone or virtual teleconference support on operating issues concerning the Master Franchise Business.

(c) **Additional Training.** Upon request of Master Franchisee, at reasonable times determined by the parties, Franchisor will provide additional training to Master Franchisee on topics requested by Master Franchisee and agreed to by Franchisor. Such training shall be held at a location determined by Franchisor or may be provided virtually. Franchisor shall charge such fees as it shall establish from time to time for such training (not to exceed One Thousand Dollars (\$1,000) per day), plus reimbursement of any reasonable travel and lodging expenses incurred by Franchisor, and such fees must be paid prior to the time such training begins.

(d) **Level of Performance; Delegation.** Franchisor is not obligated to perform any services to Master Franchisee's particular level of satisfaction, but as a function of Franchisor's experience, knowledge, and judgment. The Parties acknowledge the experience and sophistication of Master Franchisee in franchising and operating dry cleaning businesses. In addition, Franchisor shall have the right to subcontract or delegate any of its duties and responsibilities under this Agreement; provided, however, Franchisor shall be responsible for the performance of such duties, notwithstanding such subcontract or delegation, to the same extent as if Franchisor had not subcontracted or delegated such duties, unless such subcontract or delegation is in connection with an assignment pursuant to Section 16(a).

(e) **Notice of Deficiencies.** If Master Franchisee believes Franchisor has failed to adequately provide any services required to be provided to Franchisee or its employees in regard to the training, support, or any other matter affecting the establishment of the Master Franchise Business, Master Franchisee shall notify Franchisor in writing within one (1) year of the Effective Date. Absent the timely provision of such notice to Franchisor, Master Franchisee shall be deemed to conclusively acknowledge that all pre-opening and opening services required to be performed by Franchisor were sufficient and satisfactory in Master Franchisee's judgment.

## 7 OPERATION OF MASTER FRANCHISE BUSINESS

(a) **Master Franchisee to Bear its Own Costs and Expenses.** Except as otherwise described herein, at all times, Master Franchisee will carry out the Master Franchise Business and perform the obligations, functions, and responsibilities under this Agreement at its own cost and expense.

(b) **No Modifications.** Master Franchisee shall, and shall use reasonable efforts to ensure that Subfranchisees shall, strictly operate under the terms of this Agreement and may not alter, add

to, delete, or otherwise modify any portion of the Franchisor Intellectual Property without Franchisor's prior written consent, which consent may not be unreasonably withheld.

(c) **Franchise Disclosure Document.** Master Franchisee shall comply with all applicable federal and state laws relating to the offer, sale, maintenance, default, termination, and non-renewal of franchises and subfranchises, including the FTC Franchise Rule, state franchise registration and disclosure laws, state franchise relationship laws, and state business opportunity laws (collectively, "Franchise Laws").

(1) Master Franchisee, at Master Franchisee's sole cost and expense: (a) shall prepare, amend, register, and annually update a franchise disclosure document ("FDD") to use in offering and selling Subfranchises for Mulberrys Garment Care Stores to prospective subfranchisees in the Authorized Territory in accordance with all Franchise Laws, register its FDD with any governmental agency, as applicable, properly disclose its FDD to prospective subfranchisees and comply with all applicable waiting periods and related requirements before a prospective subfranchisee pays any consideration to Master Franchisee or its Affiliates or signs a binding agreement; (b) shall request information from Franchisor to allow Master Franchisee to prepare, amend, update, and register its FDD in a timely manner; (c) shall provide a copy of each version of its FDD to Franchisor; and (c) except to the extent that any such claim stems from Franchisor's conduct or negligence, must indemnify, defend, and hold harmless Franchisor and its Affiliates for any claims or actions brought against them for violations or alleged violations of the Franchise Laws. Master Franchisee must retain legal counsel to assist it in complying with all applicable Franchise Laws, and such legal counsel must be familiar with all applicable Franchise Laws. For certainty, Franchisor is not responsible for reviewing or certifying that any FDD or other documents or procedures generated by Master Franchisee in its operations are suitable for their purposes or otherwise compliant with any such Franchise Laws.

(2) Franchisor makes no representation or warranty as to the enforceability or suitability of any FDD, contracts, or other forms provided to Master Franchisee, or whether any such FDD, contracts, or other forms meet the legal requirements of the jurisdiction in which Master Franchisee or any Subfranchisee does business. Upon request from Master Franchisee, Franchisor shall provide all FDD disclosures applicable to Franchisor and remains responsible for the truth and accuracy of such information provided by Franchisor. Master Franchisee acknowledges that it is Master Franchisee's responsibility to modify such FDD, contracts, or other forms (subject to any approval rights of Franchisor set forth in this Agreement) to meet all applicable laws and regulations and to not use any FDD, contract, or other form that does not comply with applicable law and regulations.

(d) **Compliance with Laws.** Master Franchisee shall comply with all applicable laws and regulations (including laws and regulations relating to the conduct of its business and the management of its employees in the Authorized Territory) and obtain and maintain all licenses, permits, approvals, and registrations necessary under applicable laws and regulations for the conduct of the Master Franchise Business and Store Businesses (as applicable), including filing any regulatory reports. All costs attributable to such compliance shall be borne by Master Franchisee and Subfranchisees, as applicable.

(1) Master Franchisee shall, where applicable, assist Franchisor to obtain and maintain for and on behalf of Franchisor, all licenses, permits, approvals, and registrations necessary under applicable laws relating to this Agreement and performance of Franchisor's obligations herein. Master Franchisee shall provide such assistance as may be requested by Franchisor for Franchisor to comply with applicable laws and regulations, including any applicable reporting requirements.

(2) Master Franchisee shall comply with, all data and consumer privacy laws and regulations and all similar federal, provincial, state, local and other laws and all applicable industry standards concerning privacy, confidentiality, and data security.

(e) **Security.** Master Franchisee is solely responsible for protecting itself from disruptions, Internet access failures, Internet content failures, and attacks by hackers and other unauthorized intruders and Master Franchisee waives any and all claims Master Franchisee may have against Franchisor or its Affiliates as the direct or indirect result of such disruptions, failures, or attacks unless such attack occurs on Franchisor's databases or information systems. If Master Franchisee suspects or knows of a security breach, Master Franchisee shall immediately give Franchisor notice of such security breach and promptly identify and remediate the source of any compromise of security breach at Master Franchisee's expense. Master Franchisee assumes all responsibility for providing all notices of breach or compromise and all duties to monitor credit histories, and transactions concerning customers of the Mulberrys Garment Care Stores, unless otherwise directed by Franchisor. Master Franchisee shall comply with all standards, laws, rules, regulations, or any equivalent thereof relating to personal and financial information, data privacy, and data protection.

(f) **Quality Control.** Master Franchisee acknowledges that quality control and strict adherence to the Mulberrys Garment Care System are needed to preserve and enhance the value of the Mulberrys Garment Care System and the Master Franchise Business. To maintain quality standards, Master Franchisee shall ensure required quality standards are being met and frontline staffs are correctly following the required standard operating procedures to ensure consistency of quality.

## 8 OPERATION OF STORE BUSINESSES

(a) **Maintenance of High Quality Service.** Master Franchisee shall make reasonable efforts to ensure that Subfranchisees utilize their best efforts, skill, and diligence to ensure that such Subfranchisee establish and maintain the quality service Franchisor currently requires to all doing business with the Mulberrys Garment Care Store. At all times, Master Franchisee shall make reasonable efforts to ensure that Subfranchisees shall conduct its business in a manner that will preserve and enhance the goodwill associated with the Mulberrys Garment Care System and Trademarks, including the operation of high-end boutique stores using wooden hangers, branded packaging, pickup and delivery services, perc-free cleaning, and mobile app and other technology. Each Subfranchise Agreement shall require Subfranchisees to provide pickup and delivery services for Mulberrys Garment Care Stores in the Authorized Territory.

## 9 INTELLECTUAL PROPERTY

(a) **Ownership.** The Parties agree that all Intellectual Property Rights inherent in or that relates to the Mulberrys Garment Care System, including all Intellectual Property Rights comprised in the Approved Products and Services, Master Franchise Business, all materials and documents supplied by Franchisor to Master Franchisee and/or Subfranchisees or which are created, acquired, or developed pursuant to and/or as the result of this Agreement (including any documentation or marketing materials related to the Mulberrys Garment Care System), the Trademarks, and Manuals (collectively, the "Franchisor Intellectual Property") shall be owned exclusively by Franchisor. Master Franchisee and the Subfranchisees shall have no rights in or to, or claim over, the Franchisor Intellectual Property. Master Franchisee acknowledges and agrees that Franchisor, as exclusive owner of the Franchisor Intellectual Property, is the owner of all past, present, and future goodwill of the Mulberrys Garment Care System, the Master Franchise Business, the Trademarks, and the business conducted at or from Mulberrys Garment Care Stores that is associated with or attributable to the Franchisor Intellectual Property. Use of the Franchisor Intellectual Property by Master Franchisee and its Subfranchisees will inure to Franchisor's exclusive benefit. Master Franchisee shall not, and shall make reasonable efforts to ensure that Subfranchisees shall not,

contest or take any other action that may affect the validity or enforceability of any Franchisor Intellectual Property.

(b) **Rights of Franchisor.** In addition to other rights in this Agreement, Franchisor shall have the right, in its reasonable discretion, whether by itself or through its designees, to:

(1) except as previously approved, review and approve any signage, décor, products, content, advertising and promotional materials bearing or displaying the Trademarks. Upon request by Franchisor, Master Franchisee shall, and ensure that any Subfranchisees shall, provide Franchisor with samples, proofs, mock-ups, photographs, and other requested materials at no cost to Franchisor. If Franchisor does not reject such materials provided by Master Franchisee within fourteen (14) days after its receipt, such materials shall be deemed to have been approved;

(2) monitor Master Franchisee's or any Subfranchisee's use of Franchisor Intellectual Property;

(3) review any use of the Franchisor Intellectual Property, other than any previously approved by Franchisor, and to implement changes to the use of the Franchisor Intellectual Property; provided, Master Franchisee shall, and shall ensure that Subfranchisees shall, comply with Franchisor's directions as soon as reasonably practicable upon receipt of notice of any such change;

(4) except as previously approved or at the request of Franchisor, direct Master Franchisee to, and to make reasonable efforts to ensure any Subfranchisees to, cease use of any of the Franchisor Intellectual Property if such use is, in the sole opinion of Franchisor, contrary to or does not comply with Franchisor's required instructions, directions, and guidelines given or this Agreement or is prejudicial to the goodwill, reputation, image, or prestige of Franchisor, the Mulberrys Garment Care System, the Trademarks, and the demand for the Approved Products and Services provided under the Trademarks; and

(5) direct Master Franchisee to, and to make reasonable efforts to ensure any Subfranchisees to, execute all documents and render all assistance to Franchisor in the procurement and maintenance of protection of the Franchisor Intellectual Property, including the execution of documents and provision of assistance to enable Franchisor or its designee to obtain or maintain appropriate registrations of any of the Trademarks.

(c) **Trademark Usage Guidelines.** The Trademarks shall only be used by Master Franchisee and the Subfranchisees in connection with the advertisement, promotion, and sale of Approved Products and Services through Mulberrys Garment Care Stores in accordance with this Agreement. Any other use shall require the prior written approval of Franchisor. Master Franchisee and the Subfranchisees shall have no right or claim over the Trademarks. After termination of the Agreement, Master Franchisee shall cease using Mulberrys Garment Care as its company name, the Trademarks and Franchisor Intellectual Property and shall immediately transfer to Franchisor the domain name, and provide all account, profile and password information for all online accounts associated with the foregoing, including website and social media accounts.

(d) **Restrictions on Use of Trademarks.** Master Franchisee shall, and shall make reasonable efforts to ensure that Subfranchisees shall:

(1) not use the Franchisor Intellectual Property in any manner which would damage, diminish or otherwise be prejudicial to the goodwill, reputation, image, or prestige of Franchisor, the Mulberrys Garment Care System, the Trademarks, and the demand for the Approved Products and Services provided under the Trademarks;

(2) not do or permit to be done any act or omission which would or might impact or affect the validity or enforceability of the Trademarks or which might or would damage or diminish the distinctiveness of or goodwill attached to the Trademarks or reduce their commercial value to the Master Franchise Business or Franchisor;

(3) not attach any trademarks not belonging to Franchisor to any product or services or otherwise use any marks, names, words, logos, symbols or indicia other than the Trademarks in connection with the Master Franchise Business (except in connection with any approved co-branding);

(4) not attach any of the Trademarks on or otherwise use any of the Trademarks in connection with any products or services other than the Approved Products and Services (except in connection with any approved co-branding);

(5) not register or attempt to register with any local, regional, or national authorities or otherwise attempt to obtain exclusive or proprietary rights in any of the Franchisor Intellectual Property;

(6) not use, adopt, or register or apply to register any name; building name; legal entity, corporate, or company name or business or trade name (except as necessary for any assumed name filings required under applicable law); domain name or URL; social media account, hashtag, profile, avatar, handle, or username; electronic mail address; or trademark or service mark, logo, design, symbol, emblem, insignia, slogan or other indicia, which: (a) is identical, confusingly similar to, or is a colorable imitation of, any of the Trademarks; (b) incorporates or is a combination or variation of any of the Trademarks; (c) is visually or phonetically similar to the Trademarks; or (d) is similar to any graphic, visual, phonetic representation, or a transliteration or translation of the Trademarks; and

(7) not assist any other Person directly or indirectly in any of the above acts.

(e) **Control of Proceedings.** Master Franchisee acknowledges and agrees that Franchisor or its designee will have the right, in consultation with Master Franchisee, to direct and control any administrative proceeding, enforcement, or litigation relating to the Franchisor Intellectual Property (or any part thereof), and will decide what action if any to take in respect of such administrative proceeding, enforcement, or litigation occurring in any country in the world, including any action in respect of any actual, threatened or suspected infringement, misappropriation, or any other improper use of the Franchisor Intellectual Property (or any part thereof), or any other claim in respect of the use, misappropriation, or registration (to the extent applicable) of the Franchisor Intellectual Property (or any part thereof). Master Franchisee agrees to and shall make reasonable efforts to ensure that Subfranchisees shall fully co-operate with, and support, Franchisor or its designee in any action, claim, or proceedings brought or threatened in respect of the Franchisor Intellectual Property, at Master Franchisee's and the relevant Subfranchisee's expense, as the case may be. Except to the extent that a separate award is made to Master Franchisee, Master Franchisee agrees that any or all sums recovered by Franchisor or its designee in any proceedings relating to the Franchisor Intellectual Property (or any part thereof) (including any and all damages, account of profits, awards of costs, or any and all sums recovered) will be for the sole benefit of Franchisor or its designee.

(f) **Limitations on Advertisements and Representations.** Master Franchisee shall not, and shall make reasonable efforts to ensure that Subfranchisees shall not, make any advertisements or representations whether oral or written, which may (1) confuse, mislead, or deceive the public; or (2) be detrimental to the good name, Trademarks, goodwill, image, prestige, or reputation of Franchisor, the Mulberrys Garment Care System, or the Approved Products and Services. Master Franchisee shall ensure that any and all advertisements containing the Trademarks or referencing a Mulberrys Garment Care Store shall comply with applicable laws, rules, and regulations and

contain such legends or disclaimers as Franchisor requires regarding the license and ownership of the Trademarks by Franchisor.

(g) **Protective Responsibility.** Master Franchisee agrees to, and shall make reasonable efforts to ensure that Subfranchisees shall, use reasonable efforts to protect the Franchisor Intellectual Property by: (1) promptly notifying Franchisor of any known or suspected infringement, misappropriation, or other improper use of the Franchisor Intellectual Property; (2) rendering necessary assistance during relevant proceedings or actions; and (3) providing any other assistance deemed necessary by Franchisor.

(h) **Specific Performance and Injunctive Relief.** In view of the importance of the Franchisor Intellectual Property to Franchisor, and the incalculable and irreparable harm that would result to Franchisor if Master Franchisee or any Subfranchisees were to breach its/their covenants and agreements in connection with these matters, Master Franchisee agrees that Franchisor may seek specific performance and/or injunctive relief to enforce the covenants and agreements in this Agreement, without posting a bond, in addition to any other relief or remedy to which Franchisor may be entitled at law or in equity.

## 10 **MARKETING AND PROMOTION**

(a) **Online Presence.** Franchisor shall own and provide a website and such social media profiles or accounts as determined by Franchisor for the Mulberrys Garment Care System. Franchisor will provide Master Franchisee with editing access to such website and Master Franchisee shall be responsible for administering and updating any content on such website. Master Franchisee shall not, and Master Franchisee shall make reasonable efforts to ensure that Subfranchisees do not, establish or maintain, or have established or maintained on its behalf, either alone or in concert with others, any other digital or electronic medium or method of communication, including a website, home page, HTML document, Internet site, web page, online directory or online business profile, review and opinion web pages or sites, or social media or social networking site, hashtag, profile, avatar, account or username relating to or making reference to the Mulberrys Garment Care System, the Trademarks, or any Mulberrys Garment Care Store (each, an "Online Presence"), unless otherwise approved by Franchisor. Master Franchisee may not offer, promote, or sell any products or services or make use of any of the Trademarks or the Mulberrys Garment Care System, via any Online Presence without Franchisor's prior written approval. Master Franchisee may not use all or part of any of the Trademarks, or any similar name, word, symbol, or variant thereof, in a domain name, email address, account name, username, profile, or URL, except as provided by Franchisor. Franchisor reserves the right at any time, in its reasonable discretion, to require Master Franchisee to remove, delete, or modify any Online Presence, or any information, content, or post thereon.

(b) **Ownership of Online Presence.** Franchisor will retain sole ownership of any Online Presence, as well as any domain name related thereto and all content thereon, which includes all or a portion of any of the Trademarks, or any word, phrase, or symbol confusingly similar thereto or variant thereof, as part of the domain name, username, account name, profile, or page reference.

## 11 **RECORDS AND REPORTS; INSPECTION AND AUDIT**

(a) **Document Retention Requirements.** Master Franchisee shall, and shall make reasonable efforts to cause its Subfranchisees to, prepare and keep for a period not less than four (4) years following the end of each of its fiscal years, adequate and accurate books and records showing sales of Master Franchisee or the relevant Subfranchisees, where appropriate, for each Mulberrys Garment Care Store, and such other records as may be reasonably required by Franchisor from time to time to verify Gross Sales derived from all Mulberrys Garment Care Stores located with the Authorized Territory during the Master Franchise Term. Master Franchisee shall report such information to Franchisor in a standardized form for Master Franchisee and all Subfranchisees suitable for an audit of its records by an authorized auditor or agent of Franchisor.

Master Franchisee shall, and shall make reasonable efforts to ensure the relevant Subfranchisees, permit Franchisor or its duly authorized auditor or agent to inspect, audit, examine, and make copies of Master Franchisee or the relevant Subfranchisee's books and accounting records at any reasonable time during normal business hours.

(b) **Reports.** Within thirty (30) days after the end of each month, Master Franchisee shall submit to Franchisor a store-by-store sales report in electronic or other format required by Franchisor for the previous month that shall include date of reporting and data period; Mulberrys Garment Care Store identification number, Subfranchisee name, and Mulberrys Garment Care store address; Gross Sales for the previous month.

(c) **Inspection.** Upon Franchisor's request, Master Franchisee shall allow Franchisor or its designee to have access (including online remote access) to Master Franchisee's systems (including information technology systems and point-of-sale systems), books and records, accounting and sales data, during normal business hours.

(d) **Audits.** Franchisor shall have the right to audit or cause to be audited the sales reports and financial statements delivered to Franchisor, and the books and records of Master Franchisee. If any audit discloses that Master Franchisee has failed to pay to Franchisor any Master Franchisee Royalty Fees or any other fees owed Franchisor based upon an understatement of Gross Sales, Master Franchisee, within thirty (30) days of receipt of the audit report, shall pay to Franchisor the Master Franchisee Royalty Fees and other amounts due Franchisor, plus late payment charges from the due date at the maximum rate permitted by law, not to exceed one and one-half percent (1.5%) per month. If an audit discloses an understatement in any report by Franchisee of five percent (5%) or more, Master Franchisee shall reimburse Franchisor for the cost of the audit, including the charges of any independent accountant and the travel expenses, lodging, and compensation of persons employed by Franchisor to make the audit. Master Franchisee shall, and shall make reasonable efforts to ensure that the relevant Subfranchisee(s), cooperate with Franchisor or its auditor(s) and provide necessary information and assistance upon Franchisor's or the auditor(s)' request.

## 12 NON-COMPETITION AND CONFIDENTIAL INFORMATION

(a) **Non-Competition.** Master Franchisee acknowledges Franchisor must be protected against the potential for unfair competition by use of Franchisor's training, assistance, and trade secrets in direct competition with Franchisor. Master Franchisee therefore agrees that it shall not, and shall ensure that its Principal Owners, its Affiliates, and its Affiliates' officers, directors, managers and partners, as the case may be (collectively, "Master Franchisee Parties") shall not, directly or indirectly:

(1) During the Master Franchise Term, within the Authorized Territory: (a) operate, own, manage, be employed by or consult with, any business or other venture that holds itself out as providing similar premium dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services, other than any business, franchise system, or other venture existing as of the Effective Date or one operated under a valid agreement with Franchisor (a "Competitive Business"), or any business or venture that is granting franchises or licenses for the operation of a Competitive Business; or (b) take any action which may cause brand confusion. Provided however, that a Competitive Business shall not include a business or franchise system that operates or offers dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services that is acquired by Master Franchisee from a third party or that acquires Master Franchisee or its assets. The operation, acquisition, management of a technology or other platform that provides access to dry cleaning, laundry, or garment and fabric care, repair, and alteration products or services without the operation of a plant store or drop store or delivery service shall not be deemed a Competitive Business.



(2) Unless the Agreement is terminated by Master Franchisee for cause or for Franchisor's willful misconduct, for a period of two (2) years following the expiration, termination, or assignment of this Agreement, operate, own, manage, be employed by or consult with any Competitive Business, or any business or venture that is granting franchises or licenses for the operation of a Competitive Business, that is located or doing business in the Authorized Territory or at the premises of any Existing Mulberrys Garment Care Store or within a radius of thirty (30) miles from any Existing Mulberrys Garment Care Store (collectively, the "Restricted Area"). In the event of the violation of this Section 12(a)(2) by any Master Franchisee Party following expiration, termination, or assignment of this Agreement, the period of time the Master Franchisee Parties shall be required to abide by the breached obligation shall be extended to a period of two (2) years after such Master Franchisee Party is no longer in breach of such obligation.

(b) **Restrictions Regarding the Mulberrys Garment Care System.** Master Franchisee shall not, and shall make reasonable efforts to ensure that other Master Franchisee Parties and Subfranchisees shall not, during the Master Franchisee Term:

(1) commit any act that materially adversely affects the Mulberrys Garment Care Stores, the Mulberrys Garment Care System, the Franchisor Intellectual Property, or the Confidential Information, including generating any negative publicity; or

(2) except as authorized under this Agreement, use, in connection with the operation of any business wherever located, the Mulberrys Garment Care System, any Franchisor Intellectual Property, or the Confidential Information, or cause or permit any such business to use or imitate the Mulberrys Garment Care System or to be operated in a manner tending to have such effect.

(c) **Confidential Information.** Master Franchisee and Subfranchisees have or will receive certain Confidential Information from Franchisor. Master Franchisee acknowledges that the Confidential Information is confidential, proprietary information, and a trade secret of Franchisor. Master Franchisee hereby covenants to, and shall make reasonable efforts to ensure that other Master Franchisee Parties and Subfranchisees shall, treat as confidential at all times the Confidential Information and keep such information confidential. Master Franchisee acknowledges that the unauthorized use or disclosure of such Confidential Information will cause incalculable and irreparable injury to Franchisor. Master Franchisee accordingly agrees that it shall not, and shall make reasonable efforts to ensure that other Master Franchisee Parties and the Subfranchisees shall not, at any time during or after the Master Franchise Term, disclose or use or permit the use (except as may be required by applicable law or authorized by this Agreement) of the Confidential Information, in whole or in part, or otherwise make the same available to any unauthorized person or source without Franchisor's prior written consent. Master Franchisee agrees never to, directly or indirectly, engage in or abet the misappropriation (as the term "misappropriation" is defined in the Florida Uniform Trade Secrets Act), or the disclosure, divulgence, or distribution of, or reverse engineer or decompile, all or any part of the Mulberrys Garment Care System.

(1) Master Franchisee shall, and shall make reasonable efforts to ensure that other Master Franchisee Parties and the Subfranchisees shall, grant access to the Confidential Information to its employees only on a need-to-know basis and shall prohibit its employees, during the term of their employment or thereafter, from communicating, divulging, or using for the benefit of anyone, any Confidential Information that they may acquire during their employment with Master Franchisee or the applicable Subfranchisee. Master Franchisee shall not, and shall make reasonable efforts to ensure that its Subfranchisees and their employees and third parties involved in the provision of services on its behalf shall not, at any time during or after the Master Franchise Term: (a) copy or reproduce in any form or by or on any media or device or allow others access to copy or reproduce any document containing Confidential Information; or (b) remove or transmit from the business premises

or Store Premises of Master Franchisee or its Subfranchisee any document containing Confidential Information.

(2) If Master Franchisee or any Subfranchisee has any reason to believe that any employee has violated the provisions of the confidentiality and noncompetition agreement, Master Franchisee shall promptly notify Franchisor and shall cooperate with Franchisor to protect Franchisor against infringement or other unlawful use or disclosure including the prosecution of any lawsuits if, in the reasonable judgment of Franchisor, such action is necessary or advisable.

(3) In view of the importance of the Confidential Information to Franchisor, and the incalculable and irreparable harm that would result to Franchisor if any Master Franchisee Party or Subfranchisee were to breach its covenants and agreements in connection with these matters, the Parties agree that Franchisor may seek specific performance and/or injunctive relief to enforce the covenants and agreements in this Agreement, in addition to any other relief or remedy to which Franchisor may be entitled at law or in equity, in addition to any other relief or remedy to which they may be respectively entitled at law or in equity.

(4) Master Franchisee shall not disclose the substance of this Agreement to any third party, except to its attorney or as necessary to obtain any governmental permits, licenses, approvals, and other related documents, or to the extent required by the lawful order of any court of competent jurisdiction having jurisdiction over Master Franchisee, provided that Master Franchisee shall give Franchisor prior notice of such disclosure. The Parties agree to cooperate on press releases and other public communications and to coordinate any public announcements concerning the franchise relationship hereunder.

(5) Notwithstanding anything to the contrary, Franchisor reserves the right to share any reports, financial statements, contact information, and other information Master Franchisee provides to Franchisor with other master franchisees and to include financial and contact information relating to Master Franchisee, the Subfranchisees, and the Mulberrys Garment Care Stores in Franchisor's franchise disclosure documents (to the extent required under the Franchise Laws), and Master Franchisee consents, and shall obtain from Subfranchisees their consent, to such disclosure.

(d) **Master Franchisee Party Compliance.** Franchisor may require Master Franchisee to take reasonable efforts to obtain from any or all of the Master Franchisee Parties and Subfranchisees a signed non-competition and confidentiality agreement in a form satisfactory to Franchisor and substantially similar to the obligations contained in this Section 12.

## 13 INSURANCE

(a) **Types of Coverage.** At all times during the Master Franchise Term, Master Franchisee shall maintain in force, at its expense, and shall take reasonable efforts to cause all Subfranchisees to maintain in force, at their expense, commercial general liability insurance against claims for bodily and personal injury, death, and property damage caused by, or incurred in conjunction with, the operation of, or conduct of business by, Master Franchisee or the Subfranchisee (as applicable); general casualty insurance (including the perils of fire, broad form extended coverage, vandalism, and malicious mischief) on the premises and its equipment; business motor vehicle liability insurance; data breach insurance; workers' compensation insurance; employee dishonesty and employment practices; and such other types of insurance and all in such amounts as may be specified by Franchisor from time to time.

(1) The insurance coverage shall be maintained under one (1) or more policies of insurance containing the amounts and types of coverage from time to time prescribed by Franchisor and insured by insurance companies rated A or better by A.M. Best Company.

(2) All liability insurance policies of Master Franchisee shall name Franchisor as an additional insured and shall provide that Franchisor receive ten (10) days' prior written notice of termination, expiration, reduction, or cancellation of any such policy.

(3) Master Franchisee shall submit to Franchisor, annually, a copy of the certificate of or other evidence of the renewal or extension of each such insurance policy.

(b) **Failure to Obtain.** If Master Franchisee at any time fails or refuses to maintain any insurance coverage required by Franchisor, or fails to furnish satisfactory evidence thereof, Franchisor, at its option and in addition to its other rights and remedies hereunder, may obtain such insurance coverage on behalf of Master Franchisee, and any costs of premiums incurred by Franchisor in connection therewith shall be paid by Master Franchisee on demand, together with an administrative fee equal to ten percent (10%) of the insurance premium. Master Franchisee shall reserve to itself under each Subfranchise Agreement a similar right to purchase insurance coverage for any Subfranchisees that fail to purchase and maintain in effect any required insurance coverage, or to furnish satisfactory evidence thereof, and shall exercise such right if any Subfranchisee fails to purchase and maintain in effect any required insurance coverage, or to furnish satisfactory evidence thereof.

#### 14 TERM AND RENEWAL

(a) **Term.** Except as otherwise provided in this Agreement, the Initial Term of this Agreement shall commence on the Effective Date and expire on December 31, \_\_\_\_\_, unless sooner terminated in accordance with this Agreement.

(b) **Renewal.** Except as otherwise provided in this Agreement, Master Franchisee shall have the right to extend the term of this Agreement for up to two (2) additional renewal terms of twenty five (25) years each (each, a "Renewal Term"), subject to all of the following conditions being satisfied:

(1) Master Franchisee shall give Franchisor written notice of its intention to extend the term of this Agreement at least one hundred eighty (180) days before the end of the current Initial Term or Renewal Term;

(2) Master Franchisee shall not be in default of any material provision of this Agreement or any Subfranchise Agreement or Other Agreement, and Master Franchisee and its Affiliates shall not be in default of any material provision of any other agreement between Franchisor and Master Franchisee and/or their respective Affiliates;

(3) Master Franchisee shall be current on all fees due to Franchisor and shall pay Franchisor's reasonable attorneys' fees and legal costs in connection with the renewal of this Agreement; and

(4) Franchisor and the Master Franchisee Parties shall sign a mutual general release, in the form required by Franchisor (subject to state law), releasing each other, their Affiliates, and their respective shareholders, directors, employees, and agents of all claims, liabilities and obligations which any Master Franchisee Party may have against each other and their Affiliates.

If Master Franchisee fails to give Franchisor written notice of its intention to extend the term of this Agreement at least one hundred eighty (180) days before the end of the current Initial Term or Renewal Term, or Master Franchisee does not meet all of the conditions for an extension of the Initial Term or Renewal Term of this Agreement as described in this Section 14(b), this Agreement shall automatically expire and terminate upon the expiration of the current Initial Term or Renewal Term.

(c) **Master Franchise Term.** Unless earlier terminated, at the expiration of the Initial Term (if not renewed) or the Renewal Terms (if applicable) (collectively, the "Master Franchise Term"), this Agreement shall expire without further notice.

## 15 TERMINATION

(a) **Termination by Franchisor.** In addition to Franchisor's other termination rights in this Agreement, Franchisor may terminate this Agreement effective immediately upon receipt by Master Franchisee of notice of termination, if Master Franchisee:

(1) Is convicted in a court of competent jurisdiction of an offense directly related to the Master Franchise Business;

(2) Makes an assignment for the benefit of creditors or an admission of its inability to pay its obligations as they become due, or files a voluntary petition in bankruptcy or any pleading seeking any reorganization, arrangement, composition, adjustment, liquidation, dissolution, or similar relief under any law, admits or fails to contest the material allegations of any such pleading filed against it, or is adjudicated bankrupt or insolvent;

(3) Makes an unauthorized assignment or transfer of this Agreement or the master franchise granted herein, Master Franchisee or its assets, the Master Franchise Business, any Mulberrys Garment Care Stores, or Master Franchisee's rights and obligations under any Subfranchise Agreements or Other Agreements and such failure continues for ten (10) days after notice to Master Franchisee;

(4) Fails to comply with any federal, state, or local law or regulation applicable to the operation of the Master Franchise Business and such failure continues for thirty (30) days after notice to Master Franchisee;

(5) Fails to pay when due Master Royalty Fees or other payments due to Franchisor and such failure continues for ten (10) days after notice to Master Franchisee; or

(6) Otherwise breaches this Agreement or fails to comply with any provision of this Agreement or any specification, standard, or operating procedure prescribed by Franchisor and does not correct such failure within ninety (90) days after notice to Master Franchisee.

(b) **Termination by Master Franchisee.** Master Franchisee may terminate this Agreement and the master franchise granted hereunder effective ten (10) days after delivery to Franchisor of notice of termination, if Master Franchisee is in compliance with this Agreement and Franchisor materially breaches this Agreement and fails to cure the breach within ninety (90) days after written notice of the breach is delivered to Franchisor.

(c) **Compliance with Applicable Law.** The foregoing notwithstanding, to the extent that the provisions of this Agreement provide for periods of notice less than those required by applicable Franchise Laws, or provide for termination, cancellation, non-renewal, or the like other than in accordance with applicable Franchise Laws, such provisions shall, to the extent such are not in accordance with applicable Franchise Laws, be superseded by said Franchise Laws, and Franchisor shall comply with applicable Franchise Laws in connection with each of these matters.

(d) **Assignment of Subfranchise Agreements and Other Agreements.** Upon the termination or expiration of this Agreement (without renewal under Section 14(b)), all of the Subfranchise Agreements and Other Agreements, and all of Master Franchisee's rights and obligations thereunder, shall be assigned to Franchisor or its designee effective as of the date of such termination or expiration. As further described in Section 2(d)(2), each Subfranchise Agreement and Other Agreement Master Franchisee enters into with Subfranchisees shall contain

provisions providing for the automatic assignment to Franchisor, and Master Franchisee agrees to cooperate with Franchisor, at Master Franchisee's cost and expense, to effectuate the assignment of the Subfranchise Agreements and Other Agreements upon such termination or expiration of this Agreement.

(e) **Additional Post-Termination Obligations.** Upon the termination or expiration of this Agreement (without renewal under Section 14(b)), Master Franchisee shall, at its own cost and expense:

- (1) immediately pay all undisputed sums due and owing to Franchisor;
- (2) immediately return to Franchisor all copies of all Manuals that have been loaned or licensed to it by Franchisor and any material marked as property of Franchisor or as confidential;
- (3) immediately cease the use of all Confidential Information and Franchisor Intellectual Property, software, labels, logos and signage, trade dress, advertisements, and other branded items of Mulberrys Garment Care within all Mulberrys Garment Care Stores and related electronic mail addresses, websites, applications, social media accounts, or other online platforms operated by Master Franchisee and/or Subfranchisee(s), including the removal of any such items so as to indicate to the public that Master Franchisee and Subfranchisees are no longer associated with Franchisor or the Mulberrys Garment Care System in any manner;
- (4) immediately make reasonable efforts to cause Subfranchisee(s) to cease operating their Mulberrys Garment Care Stores and selling, directly or indirectly, any Approved Products and Services in any store or location, except to the extent the Subfranchisee continues to operate its Mulberrys Garment Care Store pursuant to a Subfranchise Agreement that is assigned by Master Franchisee to Franchisor or its designee pursuant to Section 15(d);
- (5) immediately return to Franchisor or destroy, at Franchisor's option, all items, material, confidential documents (including Confidential Information), and other documents related to the Mulberrys Garment Care System or otherwise containing any Confidential Information of Franchisor, and submitting a notarized affidavit to Franchisor stating that the mentioned documents and Confidential Information have been returned or destroyed; and
- (6) comply with all other post-termination obligations under this Agreement.

(f) **Survival of Provisions.** All obligations of Franchisor and Master Franchisee that expressly or by their nature survive the termination, expiration, or assignment of the master franchise granted herein, including the post-termination rights and obligations, non-competition, confidentiality, and indemnification provisions herein, shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement until they are satisfied in full or by their nature expire.

## 16 ASSIGNMENT

(a) **Transfer by Franchisor.** Franchisor may transfer, assign, or delegate all or part of its rights or obligations under this Agreement or any interest in Franchisor to a third party ("Transfer"), only upon satisfaction of the following conditions:

- (1) Franchisor shall notify Master Franchisee in writing of any proposed Transfer and submit a copy of all contracts, agreements or proposals and all other information requested by Master Franchisee relating to the proposed Transfer. Master Franchisee or its designee

may elect to purchase the interest that Franchisor proposes to Transfer any time within thirty (30) days after receipt of written notification, and all documents and other information requested by Master Franchisee, by sending written notice to Franchisor that Master Franchisee or its designee intends to purchase Franchisor's interest on the same financial terms and conditions offered by the third party (except that Master Franchisee or its designee shall not be obligated to pay any finder's or broker's fees). The closing on the sale of the interest shall take place no later than sixty (60) days after the date that Master Franchisee or its designee has notified Franchisor of its intention to purchase the interest. In purchasing the interest, Master Franchisee or its designee shall be entitled to set off any monies owed to Master Franchisee or its Affiliates by Franchisor and Master Franchisee or its designee shall be entitled to all customary representations and warranties that the assets are free and clear (or, if not, accurate and complete disclosure) as to: (a) ownership, condition and title; (b) liens and encumbrances; (c) environmental and hazardous substances; and (d) validity of contracts inuring to the purchaser or affecting the assets, whether contingent or otherwise.

(2) If Master Franchisee does not exercise its right of first refusal, Franchisor may not thereafter Transfer the interest at a lower price or on more favorable terms than those that have been offered to Master Franchisee unless Franchisor provides another right of first refusal notice to Master Franchisee as provided in Section 16(a)(1). Further, Master Franchisee shall again be given a right of first refusal as provided in Section 16(a)(1) if Franchisor's proposed Transfer does not close within six (6) months after Master Franchisee elected not to exercise its right of first refusal.

(3) If Master Franchisee does not exercise its right of first refusal and the closing occurs within six (6) months after Master Franchisee elected not to exercise its right of first refusal, Franchisor may complete the Transfer without further restrictions by Master Franchisee.

(b) **Transfer by Master Franchisee.** Master Franchisee may not transfer, assign, or delegate to a third party all or part of its rights or obligations under this Agreement, or any interest in Master Franchisee or the Master Franchise Business, without the prior written consent of Franchisor, which may be withheld in Franchisor's sole discretion; provided, however, that Master Franchisee may, upon at least sixty (60) days' prior notice to Franchisor, assign this Agreement to any Person resulting from a merger, change of control, or consolidation of Master Franchisee if all of the following are met: (a) the total assets and net worth of the assignee after such merger, change of control, or consolidation shall be equal to or more than that of Master Franchisee and its parent(s) immediately prior to the Effective Date based on financial evidence satisfactory to Franchisor; and (b) Master Franchisee is not at such time in default under this Agreement as evidenced by a written notice of default that remains uncured beyond all applicable notice and cure periods. As a condition to any assignment by Master Franchisee, Master Franchisee shall first pay all sums and fees owed under this Agreement to Franchisor, and Master Franchisee and its Principal Owners and other owners (as designated by Franchisor) shall sign a general release, in the form required by Franchisor (subject to state law), releasing Franchisor, its Affiliates, and their respective shareholders, directors, employees, and agents in their corporate and individual capacities, of all claims, liabilities and obligations which Master Franchisee may have against Franchisor and its Affiliates. In addition, the approved assignee shall be required to (1) undergo a training program offered by Franchisor; (2) sign Franchisor's then-current form of master franchise agreement or an extension of this Agreement, in Franchisor's discretion; and (3) reimburse Franchisor for its reasonable attorneys' fees and legal costs incurred in connection with such transfer. Any approved transfer or assignment of this Agreement by Master Franchisee to a third party must include the assignment of all Subfranchise Agreements and Other Agreements to the approved assignee.

## 17 LIMITED LIABILITY; INDEMNIFICATION

(a) **Waiver of Punitive, Consequential, Indirect, Exemplary, and Special Damages.** FRANCHISOR AND ITS AFFILIATES, AND MASTER FRANCHISEE AND ITS PRINCIPAL OWNERS AND AFFILIATES AGREE TO WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM FOR ANY PUNITIVE, CONSEQUENTIAL, INDIRECT, EXEMPLARY, OR SPECIAL DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF ANY DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF DIRECT DAMAGES SUSTAINED.

(b) **Indemnification by Master Franchisee.** Master Franchisee hereby agrees to indemnify and hold harmless Franchisor and its Affiliates, and each of their respective directors, officers, employees, shareholders, agents, successors, and assigns, from any liability or damage any of them may incur, including reasonable attorney fees, as a result of claims, demands, costs, or judgments of any kind or nature, by anyone whomsoever, arising out of or otherwise connected with Master Franchisee's operation of the Master Franchise Business or any Subfranchisee's operation of any Store Business; Master Franchisee's, its Affiliates', or a Subfranchisee(s)' actions or negligent performance with respect to this Agreement, any Subfranchise Agreements or Other Agreements, the Franchisor Intellectual Property, Confidential Information, or maintenance or operation of Mulberrys Garment Care Stores; any breach or violation of this Agreement by Master Franchisee, its Affiliates, or its Subfranchisees; Master Franchisee's or any of its Subfranchisee's violation of applicable laws or regulations, or any act of omission or commission by Master Franchisee or its Subfranchisee(s), officers, directors, shareholders or agents, except to the extent such liability or damage arises from the gross negligence or willful misconduct by Franchisor; and any joint employer claims by a Subfranchisee against Franchisor. Such indemnification shall include reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses, and travel and living expenses. Franchisor shall have the right to defend any such claim brought against it.

(c) **Indemnification by Franchisor.** Franchisor hereby agrees to indemnify and hold harmless Master Franchisee against any liability or damage it may incur, including reasonable attorney fees, payable to persons other than Master Franchisee or its owners or Affiliates, as a result of claims, demands, costs, or judgments of any kind or nature, by anyone whomsoever, arising out of or otherwise connected with representations or warranties of Franchisor under this Agreement, the negligent or willful action of Franchisor, intellectual property infringement claims related to the Trademarks licensed hereunder, or Franchisor's violation of applicable laws or regulations. Such indemnification shall include reasonable attorneys' fees, costs of investigation or proof of facts, court costs, other litigation expenses, and travel and living expenses. Master Franchisee shall have the right to defend any such claim brought against it.

## 18 MASTER FRANCHISEE REPRESENTATIONS

To induce Franchisor to accept Master Franchisee's application for a franchise and to execute this Agreement, Master Franchisee hereby represents and warrants to Franchisor as follows:

(a) **Standards for Service.** Master Franchisee recognizes and acknowledges the importance of maintaining Franchisor's standards for service, and further recognizes and acknowledges the importance of following the Mulberrys Garment Care System;

(b) **Master Franchisee Advisors.** Master Franchisee has been advised to consult with its own advisors with respect to the legal, financial, and other aspects of this Agreement, and that Master Franchisee has had the opportunity to consult with such advisors and also has had the opportunity to independently investigate the opportunity offered under this Agreement; and

(c) **Independent Investigation.** Master Franchisee has entered into this Agreement after making an independent investigation of Franchisor's operations and not upon any representation

as to profits which Master Franchisee might be expected to realize, nor has anyone made any other representation to induce Master Franchisee to accept the franchise granted hereunder and to execute this Agreement, which is not expressly set forth herein.

## 19 ENFORCEMENT

(a) **Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act; 15 U.S.C. § 1050 et seq.), as amended, this Agreement shall be governed by the laws of the State of Florida without reference to its principles on conflicts of laws.

(b) **Survival.** Provisions of this Agreement which are intended to survive the termination or expiration of this Agreement, including Sections 5, 9, 11, 12, 13, 15, 17, 18, and 19, shall survive such termination or expiration.

(c) **Injunctive Relief; Attorneys' Fees.** Either Party may apply for injunctive or other equitable relief to: (1) enforce its right to terminate this Agreement for the causes in Section 14; and (2) prevent or remedy a breach of this Agreement if such breach could materially impair the goodwill of such Party's business, including to enforce the obligations of a Party to be performed following the expiration or termination of this Agreement and enforcement of the non-competition and confidentiality provisions of this Agreement. Each Party shall be entitled to the entry of temporary restraining orders and temporary and permanent injunctions enforcing its aforementioned rights.

(d) **Mediation.** Except with respect to matters for which a Party believes it necessary to seek injunctive or equitable relief, Master Franchisee and Franchisor shall be required to enter into mediation of all disputes involving this Agreement, or any other aspect of the relationship between them, for a minimum of four (4) hours, prior to the initiation of any arbitration or other action or proceeding against the other.

(1) Upon written notice by either Party to the other of the initiating Party's desire to mediate, the Party receiving the notice shall select an independent entity that regularly provides mediation services to franchisors and franchisees to serve as mediator in the proceeding. If the Party receiving the notice of intent to mediate does not provide the name of such an organization within ten (10) business days from the date the notice of intention to mediate is received, then the other Party may forego mediation of the issue(s) and commence an arbitration hearing or, at its option, make the selection of the organization to provide mediation services. If one Party selects an organization that is unwilling to serve as mediator or does not meet the requirements of this Section 19(d)(1), then the other Party may select the organization. Once the organization is designated and agrees to accept appointment as mediator, the organization shall be directed to schedule a mediation proceeding at a time mutually convenient to Franchisor and Master Franchisee. The mediation shall be held within thirty (30) days following receipt by the mediation organization of notification that its services are requested. If the Parties cannot agree on a date for mediation, then the mediation organization shall select a date it believes is reasonable for the Parties, given all of the alleged conflicts in dates. The actual mediator shall be a person who has had at least ten (10) years of experience as either franchisee or franchisor (or as an officer of such an entity), or in franchise law.

(2) The Parties shall equally share the cost of the mediator. The mediator shall select the location for the mediation, giving due consideration to the location that will minimize the total expenses of the mediation; provided, however, that unless agreed to by both Parties, the mediation shall be held in a metropolitan area having a population of at least two hundred fifty thousand (250,000) persons that is not located within two hundred (200) miles of the principal office of either Party.



(3) Except with respect to matters for which a Party is permitted to seek injunctive or equitable relief, if either Party initiates arbitration or litigation without complying with their obligation to mediate in accordance with this Section 19(d) (unless the other Party has failed to respond on a timely basis or has indicated it will not engage in mediation in accordance with the provisions of this Section 19(d)), then upon petition of any Party named as a defendant in such arbitration or litigation, the court shall dismiss the action without prejudice, and award attorneys' fees and costs to the party seeking dismissal in an amount equal to such Party's attorneys' fees and costs incurred in seeking dismissal. If the court refuses for any reason to dismiss the action, then regardless of the outcome of such action, or of any award given by the court in such action, the Party initiating the action shall be responsible for all attorneys' fees and costs incurred throughout the action by the other Party as damages for failing to comply with the provisions of this Section 19(d).

(e) **Arbitration.** Except insofar as either Party elects to enforce this Agreement by judicial process and injunction as hereinabove provided, all disputes and claims arising out of or relating to this Agreement or any provision hereof, or to any specification, standard, or operating procedure, of Franchisor or to the breach thereof (including any claim that this Agreement, any provision thereof, any specification, standard, or operating procedure or any other obligation of Master Franchisee or Franchisor is illegal, unenforceable, or voidable under any law, ordinance, or ruling) shall be settled by arbitration at the office of the American Arbitration Association located in Miami, Florida, in accordance with the United States Arbitration Act (9 U.S.C. § 1 et seq.), if applicable, and the rules of the American Arbitration Association (relating to the arbitration of disputes arising under franchise license agreements, if any, otherwise, the general rules of commercial arbitration).

(1) Any arbitrator appointed to arbitrate a dispute under this Agreement shall have at least ten (10) years' experience in franchise matters and shall have the right to award or include in any award the specific performance of this Agreement.

(2) The arbitrator will be instructed that he or she must follow the substantive law and the other requirements, waivers, and limitations of this Agreement. The arbitrator shall have no authority to add, delete, or modify in any manner, the terms and provisions of this Agreement. All findings, judgments, decisions, and awards of the arbitrator will be limited to the dispute or controversy set forth in the written demand for arbitration and response to that demand. The arbitrator may not award any relief that was not specifically requested by the parties prior to the start of the arbitration hearing. The arbitrator shall file a reasoned brief with his or her award.

(3) If there is any dispute as to whether a particular claim or matter is subject to arbitration, and the matter relates to an issue for which either party seeks an injunction in accordance with Section 19(a), the arbitrability of such claim shall be determined by the court that would otherwise hear the motion to issue the injunction. In the case of a dispute as to the arbitrability of any other claim brought by either Party against the other, the decision as to whether or not the claim is subject to arbitration shall be made by the arbitrator appointed in accordance with this Agreement.

(4) Any award from the arbitrator may be appealed under the Optional Rules of the American Arbitration Association. Judgment upon the award of the arbitrator may be entered in any court having jurisdiction thereof. The award shall be binding, final, and nonappealable except as permitted under the United States Arbitration Act or for failure of the arbitrator to meet the requirements of this Section 19(e). Unless this Agreement is terminated in accordance with the provisions of 14, during the pendency of the arbitration proceeding, the Parties shall fully perform this Agreement.

(5) If, after Franchisor or Master Franchisee institutes an arbitration proceeding, one or the other asserts a claim, counterclaim, or defense, the subject matter of which, under statute or current judicial decision is nonarbitrable for public policy reasons, the Party

against whom the claim, counterclaim, or defense is asserted may elect to proceed with the arbitration of all arbitrable claims, counterclaims, or defenses or to proceed to litigate all claims, counterclaims, or defenses in a court having competent jurisdiction.

(6) All arbitration proceedings will be individual proceedings between the Parties, and will not be conducted on a “class basis,” or include any of Franchisor’s other franchisees as named parties.

(f) **Venue.** The Parties (and Master Franchisee’s owners and guarantors) each agree that if litigation is commenced, the sole forum for resolving disputes under this Agreement or any aspect of the relationship between the Parties shall be the state and federal courts of Florida. Such actions shall be exclusively venued in the Fifteenth Circuit Court of Palm Beach, Florida, or the United States District Court for the Southern District of Florida, and the Parties waive any objections they may have to either the jurisdiction or the venue in such courts and hereby consent to personal jurisdiction and venue in such courts. The only exception to the foregoing shall be: (1) if the courts of Florida would have no jurisdiction over a named Party in the litigation, and such Party’s involvement in the litigation is integral to the underlying claims and not principally for the purpose of circumventing the intent of the Parties to name Florida as the exclusive venue for any actions, then the action may be venued in any court having jurisdiction over all the Parties and a significant nexus to the Parties; and (2) to the extent that either Party believes it is necessary to seek injunctive relief against the other, the Party seeking relief may initiate that action in the county in which the other Party has its principal office (which in the case of an action against Master Franchisee, shall be the county in which Master Franchisee is domiciled or has its principal place of business).

(g) **Costs.** If a Party secures any injunction against the other Party, or any other relief by arbitration or otherwise against the other Party, or is successful in defending a claim brought against it by the other Party in an arbitration or otherwise, the other Party shall pay the prevailing Party an amount equal to the aggregate of the prevailing Party’s costs of obtaining such relief and defending such claim, including reasonable attorneys’ fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses.

(h) **Waiver of Certain Damages.** The Parties (and Master Franchisee’s owners and guarantors) hereby waive, to the fullest extent permitted by law, any right to, or claim for, any punitive, consequential, special, or exemplary damages against the other and any affiliates, owners, employees, or agents of the other and agree that in the event of a dispute between or among any of them, each shall be limited to the recovery of any actual damages sustained by it and any equitable relief to which it might be entitled.

(i) **Waiver of Collateral Estoppel.** The Parties agree they should each be able to settle, mediate, arbitrate, litigate, or compromise disputes in which they are involved with third parties, without having the disposition of such disputes directly affect the contract or relationship between Franchisor and Master Franchisee. The Parties therefore each agree that a decision of an arbitrator or court of law in a dispute to which one of them is not a party shall not in any manner prevent the person that was a party to such action from making similar arguments, or taking similar positions, in any subsequent action between the Parties. The Parties therefore waive the right to assert that principles of collateral estoppel prevent either of them from raising any claim or defense in an action between them as a result of such Party having lost a similar claim or defense in another action.

(j) **Remedies Cumulative.** All remedies provided to either Party under this Agreement are cumulative. No exercise or enforcement by either Party of any right or remedy hereunder shall preclude the exercise or enforcement by either Party of any other right or remedy hereunder or which either Party is entitled by law to enforce.

**MISCELLANEOUS**

(a) **Notices.** All written notices permitted or required to be delivered by the provisions of this Agreement shall be deemed so delivered: (1) when delivered by hand; (2) three (3) days after placed in the United States mail by registered or certified mail, return receipt requested, postage prepaid; or (3) one (1) business day after placed in the hands of an overnight courier, for next day delivery, and in the case of delivery under clauses (2) or (3), addressed to the Party to be notified at its most current principal business address of which the notifying Party has been notified.

(b) **Binding Effect.** This Agreement is binding upon the Parties, their respective heirs, assigns, and successors in interest.

(c) **Construction.** The section headings are for convenience only and do not define, limit, or construe the contents thereof. The term "Master Franchisee" as used herein is applicable to one (1) or more persons, a corporation, limited liability company, or a partnership, as the case may be, and the singular usage includes the plural and the masculine and feminine usages include the other. If there is more than one signatory as "Master Franchisee", all of Master Franchisee's obligations hereunder shall be joint and several in each and every respect and fully enforceable against each signatory. If any provision of this Agreement is capable of two (2) constructions, one of which would render the provision illegal or otherwise voidable or unenforceable and the other of which would render the provision valid and enforceable, the provision shall have the meaning which renders it valid and enforceable. The language of each provision of this Agreement shall be construed according to its fair meaning and not strictly against either Party.

(d) **Invalid Provisions.** It is the desire and intent of the Parties that the provisions of this Agreement be enforced to the fullest extent possible under the laws and public policies applied in each jurisdiction in which enforcement is sought. Accordingly, if any provision of this Agreement is adjudicated to be invalid or unenforceable, such adjudication is to apply only with respect to the operation of such provision in the particular jurisdiction in which such adjudication is made. All provisions of this Agreement are severable and this Agreement shall be interpreted and enforced as if all completely invalid and unenforceable provisions were not contained herein, and partially valid and enforceable provisions shall be enforced to the extent valid and enforceable. The Parties shall substitute a valid and enforceable provision for any specification, standard, operating procedure, rule, or other obligation of either Party which is determined to be invalid or unenforceable and is not waived by the other.

(e) **Modifications.** No modification of this Agreement shall be valid unless such modification is in writing and signed by Master Franchisee and Franchisor; provided, however, Franchisor may unilaterally modify or otherwise change the Manuals.

(f) **Independent Contractor; Evidence of Relationship.** Master Franchisee shall be conspicuously identified in all dealings with Subfranchisees, prospective Subfranchisees, vendors, customers of Mulberrys Garment Care Stores, and others, as an independent party. Master Franchisee shall not represent or imply to any person that this Agreement authorizes Master Franchisee to act as agent for Franchisor. Neither Franchisor nor Master Franchisee shall be obligated by any agreement, representation, or warranty made by the other, nor shall Franchisor be obligated for damages to any person or property directly or indirectly arising out of the operation of the Master Franchise Business, or caused by Master Franchisee's negligence, willful action, or failure to act.

(1) Without limiting the foregoing, Master Franchisee and its employees shall hold themselves out to the public as an independent contractor by, without limitation: (a) clearly identifying itself in all dealings with third parties as a franchised, independently owned and operated entity, including on all public records, checks, stationery, enrollment forms, receipts, marketing materials, envelopes, letterhead, business cards, employment applications or other employment documents, invoices, and other communications,

electronic or otherwise; and (b) maintaining a notice on any employee bulletin board clearly visible to employees at the Master Franchise Business, identifying the correct name of their employer and clearly stating that neither Franchisor nor any of its affiliates is the employer and if required by Franchisor, obtaining from each of its employees an acknowledgment acknowledging that their employer is Master Franchisee and not Franchisor.

(2) This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Master Franchisee is solely responsible for the management and control of the Master Franchise Business under this Agreement, including its daily operations, hiring, managing, and directing employees, agents, and independent contractors, and paying all costs and expenses relating to the Master Franchise Business. None of the employees, agents, or independent contractors of Master Franchisee or its Affiliates or Subfranchisees shall be deemed to be Franchisor's employee, agent, or independent contractor. All personnel decisions relating to the Master Franchise Business and the Mulberrys Garment Care Stores will be made by Master Franchisee and its Subfranchisees, without any influence or advice from Franchisor, and the decisions and actions of Master Franchisee and its Subfranchisees are not a decision or action of Franchisor's. Further, the Parties acknowledge and agree that the Subfranchisees of Master Franchisee are not the subfranchisees or franchisees of Franchisor.

(g) **No Waiver.** Franchisor and Master Franchisee, by written instrument signed by both Parties, may unilaterally waive any obligation of or restriction upon the other under this Agreement. No acceptance by Franchisor of any payment by Master Franchisee and no failure, refusal, or neglect of Franchisor or Master Franchisee to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder or with any specification, standard, or operating procedure shall constitute a waiver of any provision of this Agreement or any specification, standard, or operating procedure; provided, however, if a Party fails to notify the other in writing of an alleged misrepresentation, violation of law, deficiency, or breach of this Agreement within one (1) year from the date such Party has knowledge of, believes, determines, or is of the opinion that there has been a misrepresentation, violation of law, deficiency, or breach by the other Party, then the alleged misrepresentation, violation of law, deficiency, or breach will be considered waived, but such waiver of any prior deficiency or breach of any provision of this Agreement shall not affect the obligation of the Party to comply with the obligation or provision in the future; provided, however, that (1) this waiver will not apply to Master Franchisee's underreporting of fees due to Franchisor under this Agreement, or under payment of any fees Master Franchisee owes Franchisor under this Agreement, or to any violations or breach of any laws or regulations applicable to Master Franchisee; and (2) the foregoing shall not otherwise extend or lengthen any statute of limitations provided by applicable law.

(h) **Entire Agreement; Counterparts.** The Key Contract Terms, recitals, and appendices are a part of this Agreement, which constitutes the entire agreement of the Parties, and at the time of this Agreement, there are no other oral or written understandings or agreements between Franchisor and Master Franchisee relating to the subject matter of this Agreement; provided, however, nothing in this or in any related agreement is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document furnished to Master Franchisee. This Agreement may be executed in multiple counterparts, including by electronic signature, transmission, confirmation, or process, each of which taken together shall constitute one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

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

**EXHIBIT A**

**AUTHORIZED TERRITORY**


The Authorized Territory consists of \_\_\_\_\_, but excluding any protected or designated territories granted to any Existing Mulberry Garment Care Stores and the premises of any Existing Mulberry Garment Care Stores.

**EXHIBIT B**

**EXISTING MULBERRYS GARMENT CARE STORES**

[Store listing with address and territories]

**EXHIBIT C**  
**TRADEMARKS**

Mark	Registration Number	Registration Date
 The logo features a blue mulberry fruit with a green stem and leaf to the left of the word "mulberrys" in a blue, lowercase, serif font. Below "mulberrys" is the phrase "GARMENT CARE" in a smaller, green, uppercase, sans-serif font, flanked by two small green diamond shapes.	3749128	February 16, 2010
MULBERRYS GARMENT CARE (word mark)	6012931	March 17, 2020
LAUNDRY LOCKER (word mark)	4141863	May 15, 2012
LAUNDRY LOCKER BY MULBERRYS	6012825	March 17, 2020



## EXHIBIT D

### JOINT APPROVAL

- a. Franchisee financial/background requirements (e.g. liquid capital of \$500,000 and net worth of \$1 million, satisfactory credit and background check)
- b. Store location requirements
- c. Packaging: Wood hangers, collar supports and stays, and branded bags
- d. Marketing brand standards: premium brand
- e. Store design: product shelves, custom counter, divider between front of house, uniformed store staff
- f. Delivery design: Branded vans. Uniformed drivers.

Master Franchisee shall make reasonable efforts to ensure that Subfranchisees offer or sell Approved Products and Services from their Mulberrys Garment Care Stores or under the Trademarks.

## CALIFORNIA ADDENDUM TO MASTER FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of California:

This California Addendum is only applicable if you are a resident of California or if your business is located in California.

1. The California Franchise Relations Act (Business and Professions Code Section 20000 through 20043), provides franchisees with additional rights concerning transfer, termination and non-renewal of the Master Franchise Agreement and certain provisions of the Master Franchise Agreement relating to transfer, termination and non-renewal may be superseded by the Act. There may also be court decisions which may supersede the Master Franchise Agreement and your relationship with Franchisor, including the areas of transfer, termination and renewal of Franchisee's master franchise. If the Master Franchise Agreement is inconsistent with the law, the law will control.

2. The Master Franchise Agreement requires Franchisee to execute a general release of claims upon renewal or transfer of the Master Franchise Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 - 20043)). To the extent required by such laws, Franchisee shall not be required to execute a general release.

3. The Master Franchise Agreement requires application of the laws and forum of Florida. This provision may not be enforceable under California law.

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

5. The provision in the Master Franchise Agreement which terminates the franchise upon the bankruptcy of the Franchisee may not be enforceable under Title 11, United States Code, Section 101.

6. Section 31125 of the California Corporations Code requires us to give you a Disclosure Document approved by the Commissioner of Financial Protection and Innovation before we ask you to consider a material modification of your Master Franchise Agreement. We have or will comply with all of the requirements under California Corporations Code, Section 31109.1, with respect to negotiated sales.

7. The Master Franchise Agreement contains a waiver of punitive damages. This waiver of punitive damages, along with jury trial provisions, may not be enforceable in California.

8. The highest interest rate allowed by law in California for late payments is 10% annually.

9. The Master Franchise Agreement requires binding arbitration in the state of Florida. 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 master franchise agreement restricting venue to a forum outside the State of California.

10. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a 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.

11. Section 18 of the Master Franchise Agreement titled "Master Franchisee Representations" is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED".

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Relations Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

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

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

**HAWAII ADDENDUM TO MASTER FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of Hawaii:

This Hawaii Addendum is only applicable if you are a resident of Hawaii or if your business is located in Hawaii.

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

2. Section 18 of the Master Franchise Agreement titled "Master Franchisee Representations" is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED".

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Franchise Investment Law of the State of Hawaii are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**MASTER FRANCHISEE:**  
\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ILLINOIS ADDENDUM TO MASTER FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of Illinois:

This Illinois Addendum is only applicable if you are a resident of Illinois or if your business is located in Illinois.

- 1. Illinois law governs the Master Franchise Agreement.
- 2. 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.
- 3. Franchisees' rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.
- 4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void. This Section shall not prevent any person from entering into a settlement agreement or executing a general release regarding a 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. 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.

Each provision of this Addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
 MULBERRYS FRANCHISING, LLC  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

**MASTER FRANCHISEE:**  
 \_\_\_\_\_  
 By: \_\_\_\_\_  
 Name: \_\_\_\_\_  
 Title: \_\_\_\_\_

## MARYLAND ADDENDUM TO MASTER FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of Maryland:

This Maryland Addendum is only applicable if you are a resident of Maryland or if your business is located in Maryland.

1. The Master Franchise Agreement is modified to provide that, under COMAR 02.02.08.16L, the general release required as a condition to renewal, sale or consent to assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 15 of the Master Franchise Agreement is revised to provide that termination upon bankruptcy might not be enforceable under the U.S. Bankruptcy Act, but Franchisor intends to enforce it to the extent enforceable.

3. The Master Franchise Agreement is amended to include the following language:

“Notwithstanding the provisions of this section, you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Any claims under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.”

4. The Master Franchise Agreement is amended to include the following language:

"The Master Franchise Agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

5. The Master Franchise Agreement states that Florida law generally applies. However, the conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Maryland Law, and we will comply with that law in Maryland.

6. The representations made in the Master Franchise Agreement are not intended to nor should they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a 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.

8. Section 18 of the Master Franchise Agreement titled “Master Franchisee Representations” is hereby deleted in its entirety and replaced with the following: “INTENTIONALLY OMITTED”.

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

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

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

**MINNESOTA ADDENDUM TO MASTER FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of Minnesota:

This Minnesota Addendum is only applicable if you are a resident of Minnesota or if your business will be located in Minnesota.

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 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 agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
2. With respect to master franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Master Franchise Agreement and (2) that consent to the transfer of the master franchise will not be unreasonably withheld.
3. To the extent required by the Minnesota Franchise Act, the franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols related to the trademarks or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the trademarks, provided the franchisee is using the names in marks in accordance with the Master Franchise Agreement.
4. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a release, assignment, novation or waiver that would relieve any person from liability imposed by Minnesota Statutes, Sections 80C.01 to 80C.22, provided that the foregoing shall not bar the voluntary settlement of disputes.
5. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.17, Subd. 5 with respect to limitation of claims.
6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Minnesota Franchise Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

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



**NEW YORK ADDENDUM TO MASTER FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of New York:

This New York Addendum is only applicable if you are a resident of New York or if your business will be located in New York.

1. Section 15 of the Master Franchise Agreement is revised to include the following:

“In addition, the Franchisee shall have the right to terminate the Master Franchise Agreement to the extent allowed under applicable law.”

2. Section 19 of the Master Franchise Agreement is revised to include the following:

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

3. Section 19 of the Master Franchise Agreement is revised to include the following language:

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

4. 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.

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of Article 33 of the General Business Law of the State of New York are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

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

## NORTH DAKOTA ADDENDUM TO MASTER FRANCHISE AGREEMENT

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of North Dakota:

This North Dakota Addendum is only applicable if you are a resident of North Dakota or if your business will be located in North Dakota.

1. The North Dakota Securities Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to sign a general release upon renewal of the Master Franchise Agreement. Therefore, the requirement that the franchisee signs a release upon renewal of the Master Franchise Agreement is deleted from any place it appears in the Master Franchise Agreement.
2. The North Dakota Securities Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for the franchisor to require the franchisee to consent to the jurisdiction of courts located outside of North Dakota. Therefore, any contrary references in the Master Franchise Agreement are deleted.
3. The North Dakota Securities Commissioner has determined that it is unfair and inequitable under the North Dakota Franchise Investment Law for franchise agreements to provide that the parties must agree to the arbitration of disputes at a location that is remote from the site of the franchisee's business. Therefore, any contrary references in the Master Franchise Agreement are deleted.
4. Any references in the Master Franchise Agreement, that disclose the existence of covenants restricting competition contrary to NDCC Section 9-08-06, without further disclosing that such covenants will be subject to the statute, are generally considered unenforceable in the state of North Dakota.
5. Any references in the Master Franchise Agreement to any requirement to consent to a waiver of exemplary and punitive damages are deleted.
6. Any references in the Master Franchise Agreement to any requirement to consent to a waiver of trial by jury are deleted.
7. Any claims arising under the North Dakota Franchise Law will be governed by the laws of the State of North Dakota.
8. The prevailing party in any enforcement action is entitled to recover all costs and expenses, including any attorney's fees are hereby deleted.
9. Any references in the Master Franchise Agreement requiring franchisee to consent to termination penalties or liquidated damages are deleted.
10. Any references in the Master Franchise Agreement requiring franchisee to consent to limitation of claims are hereby deleted. The statute of limitations under North Dakota law applies.
11. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a 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.

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the North Dakota Franchise Investment Law are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

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

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

**RHODE ISLAND ADDENDUM TO MASTER FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of Rhode Island:

This Rhode Island Addendum is only applicable if you are a resident of Rhode Island or if your business will be located in Rhode Island.

- 1. The Master Franchise Agreement is supplemented by the addition of the following:

“§ 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 the Act.”

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

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

**VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT**

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of Virginia:

This Virginia Addendum is only applicable if you are a resident of Virginia or if your business will be located in Virginia.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by a 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.

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Virginia Retail Franchising Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

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

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

## **WASHINGTON ADDENDUM TO THE MASTER FRANCHISE AGREEMENT, COMPLIANCE CERTIFICATE, AND RELATED AGREEMENTS**

Notwithstanding anything to the contrary set forth in the Mulberrys Franchising, LLC Master Franchise Agreement, the following provisions shall supersede and apply to all Mulberrys Garment Care master franchises offered and sold in the state of Washington:

This Washington Addendum is only applicable if you are a resident of Washington or if your business will be located in Washington.

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
2. RCW 19.100.180 may supersede the Master Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Master Franchise Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
3. 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 Master 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. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Master Franchise Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
7. 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 Master Franchise Agreement or elsewhere are void and unenforceable in Washington.
8. 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.

9. Section 18 of the Master Franchise Agreement titled "Master Franchisee Representations" is hereby deleted in its entirety and replaced with the following: "INTENTIONALLY OMITTED".
10. Nothing set forth in the Master Franchise Agreement shall waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

Each provision of this Addendum shall be effective only to the extent that, with respect to such provision, the jurisdictional requirements of the Washington Franchise Investment Protection Act are met independently without reference to this Addendum.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date set forth below.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

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

**EXHIBIT F**  
**AUTHORIZED TERRITORY ADDENDUM TO MASTER FRANCHISE AGREEMENT**



**MULBERRYS GARMENT CARE®**  
**AUTHORIZED TERRITORY AMENDMENT TO MASTER FRANCHISE AGREEMENT**

This **AUTHORIZED TERRITORY AMENDMENT TO MASTER FRANCHISE AGREEMENT** ("Amendment") is made effective as of \_\_\_\_\_, \_\_\_\_\_, by and between MULBERRYS FRANCHISING, LLC, a Texas limited liability company ("Franchisor"), and \_\_\_\_\_, a \_\_\_\_\_ ("Master Franchisee").

**RECITALS**

Franchisor and Master Franchisee entered into that certain Master Franchise Agreement, dated \_\_\_\_\_, \_\_\_\_\_ (the "Agreement"), pursuant to which Franchisor granted Master Franchisee certain rights to subfranchise to subfranchisees in the Authorized Territory (as defined in the Agreement) the right to establish and operate Mulberrys Garment Care® stores in the Authorized Territory. Franchisor and Master Franchisee desire to amend the Agreement on the terms and conditions provided in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, Franchisor and Master Franchisee hereby agree as follows:

**1. Definitions.** Capitalized terms used but not defined in this Amendment have the meanings ascribed thereto in the Agreement.

**2. Authorized Territory.** The Agreement is hereby amended to replace Exhibit A attached to the Agreement with the Exhibit A attached to this Amendment.

**3. Effect on Agreement.** The terms of this Amendment are expressly made subject to and governed by the Agreement. Except as specifically amended hereby or by any other Amendment thereto, the Agreement shall continue in full force and effect. In the event of a conflict between the terms of the Agreement and this Amendment, this Amendment shall control.

**4. Counterparts.** This Amendment may be executed in any number of counterparts, including by facsimile or electronic transmission, signature, confirmation, or process, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, Franchisor and Master Franchisee execute this Amendment effective as of the date hereof.

**FRANCHISOR:**  
MULBERRYS FRANCHISING, LLC

**MASTER FRANCHISEE:**  
\_\_\_\_\_

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

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

**EXHIBIT A**  
**AUTHORIZED TERRITORY**

[Insert Authorized Territory]

4859-0955-1277, v. 1

**EXHIBIT G**  
**OPERATIONS MANUAL TABLE OF CONTENTS**

<u>WELCOME AND INTRODUCTION</u>	<u>3</u>
<u>MULBERRYS HISTORY</u>	<u>4</u>
<u>THE MULBERRYS DIFFERENCE</u>	<u>4</u>
<u>THE MULBERRYS CUSTOMER EXPERIENCE MAP</u>	<u>5</u>
<u>SETTING UP YOUR BUSINESS</u>	<u>6</u>
<u>FINDING THE PERFECT LOCATION</u>	<u>8</u>
<u>BUILDING YOUR STORE</u>	<u>10</u>
<u>STORE EXTERIOR</u>	<u>10</u>
<u>STORE INTERIOR</u>	<u>11</u>
<u>CLEANING LAB INTERIOR</u>	<u>13</u>
<u>EQUIPMENT</u>	<u>15</u>
<u>Store Equipment List</u>	<u>15</u>
<u>Delivery Equipment List</u>	<u>15</u>
<u>Cleaning Lab Equipment List</u>	<u>15</u>
<u>SUPPLIES</u>	<u>16</u>
<u>Cleaning lab supply list</u>	<u>16</u>
<u>Store supply list</u>	<u>16</u>
<u>Route supply list</u>	<u>16</u>
<u>POINT OF SALES SOFTWARE AND SETUP</u>	<u>17</u>
<u>INSTALLATION</u>	<u>17</u>
<u>SETUP</u>	<u>17</u>
<u>TRAINING</u>	<u>20</u>
<u>Trainual Overview</u>	<u>20</u>
<u>Store Associate New Hire Training</u>	<u>21</u>
<u>Cleaning Lab New Hire Training</u>	<u>21</u>
<u>Delivery New Hire Training</u>	<u>21</u>
<u>Cleaning Lab Management Training</u>	<u>21</u>
<u>Concierge / Customer Service Training</u>	<u>21</u>
<u>MANAGING YOUR BUSINESS</u>	<u>22</u>
<u>SALES AND MARKETING</u>	<u>23</u>
<u>KEY CONTACTS</u>	<u>24</u>
<u>Vendor contact list</u>	<u>24</u>
<u>Company contact list</u>	<u>24</u>
<u>Associations</u>	<u>24</u>
<u>Conclusion</u>	<u>25</u>

**Total Pages: 25**

### **State Effective Dates**

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

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

<b>State</b>	<b>Effective Date</b>
California	Pending
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	May 2, 2024

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

**RECEIPT**

This Disclosure Document summarizes certain provisions of the Master Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Mulberrys Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Michigan requires that Mulberrys Franchising, LLC gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first. New York requires you to receive this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If Mulberrys Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit B.

The franchisor is Mulberrys Franchising, LLC, 126 Macfarlane Drive, Delray Beach, Florida 33483. Its telephone number is 877-814-5421. The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Dan Miller, 126 Macfarlane Drive, Delray Beach, Florida 33483, 877-814-5421

**Issuance Date:** May 1, 2024

Mulberrys Franchising, LLC authorizes the respective parties identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document with an Issuance Date of May 1, 2024, that included the following Exhibits:

- Exhibit A. State Specific Addenda to Disclosure Document
- Exhibit B. List of State Agencies and Agents for Service of Process
- Exhibit C. List of Master Franchise Businesses
- Exhibit D. Financial Statements
- Exhibit E. Master Franchise Agreement and State Specific Addenda to Master Franchise Agreement
- Exhibit F. Authorized Territory Amendment to Master Franchise Agreement
- Exhibit G. Operations Manual Table of Contents

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of the Receipt to Mulberrys Franchising, LLC, at 126 Macfarlane Drive, Delray Beach, Florida 33483. Keep the second copy of the Receipt for your records.

\_\_\_\_\_  
Date Disclosure Document Received

\_\_\_\_\_  
Prospective Franchisee's Signature

\_\_\_\_\_  
Date Receipt Signed

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

Address: \_\_\_\_\_  
\_\_\_\_\_

**RECEIPT**

This Disclosure Document summarizes certain provisions of the Master Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Mulberrys Franchising, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. Michigan requires that Mulberrys Franchising, LLC gives you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or payment of any consideration, whichever occurs first. New York requires you to receive this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. If Mulberrys Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency identified on Exhibit B.

The franchisor is Mulberrys Franchising, LLC, 126 Macfarlane Drive, Delray Beach, Florida 33483. Its telephone number is 877-814-5421. The name, principal business address, and telephone number of each franchise seller offering the franchise is:

Dan Miller, 126 Macfarlane Drive, Delray Beach, Florida 33483, 877-814-5421

**Issuance Date:** May 1, 2024

Mulberrys Franchising, LLC authorizes the respective parties identified on Exhibit B to receive service of process for us in the particular state.

I have received a Disclosure Document with an Issuance Date of May 1, 2024, that included the following Exhibits:

- Exhibit A. State Specific Addenda to Disclosure Document
- Exhibit B. List of State Agencies and Agents for Service of Process
- Exhibit C. List of Master Franchise Businesses
- Exhibit D. Financial Statements
- Exhibit E. Master Franchise Agreement and State Specific Addenda to Master Franchise Agreement
- Exhibit F. Authorized Territory Amendment to Master Franchise Agreement
- Exhibit G. Operations Manual Table of Contents

Indicate the date on which you received this Disclosure Document, sign, indicate the date you signed this Receipt, and promptly return one completed copy of the Receipt to Mulberrys Franchising, LLC, at 126 Macfarlane Drive, Delray Beach, Florida 33483. Keep the second copy of the Receipt for your records.

\_\_\_\_\_  
Date Disclosure Document Received

\_\_\_\_\_  
Prospective Franchisee's Signature

\_\_\_\_\_  
Date Receipt Signed

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

Address: \_\_\_\_\_  
\_\_\_\_\_