

14. Professional Fees. This estimate is based on the fees necessary to create a franchisee entity and retain legal counsel and accountants to do initial corporate filings and set up bookkeeping and bank accounts.
15. Insurance Deposits and Initial Premiums. We estimate that your initial insurance deposit and initial premiums will be approximately \$6,000 to \$12,000. We assume that you will pay annually. The costs would be less in the first 3 months if you pay semiannually, quarterly, or monthly. You should check with your local agent for actual premium quotes and costs, as well as the actual cost of the deposit. The cost of coverage will vary based upon the area in which your Franchised Business will be located, your experience with the insurance carrier, your loss experience, your level of sales, and other factors beyond our control. In some states the cost could be higher depending on availability, competition and broker coverage. You should also check with your insurance agent or broker regarding any additional insurance that you may want to carry beyond what we require you to obtain.
16. Signage. You are required to obtain and display signage for your Approved Location. The high end of this estimate assumes that you will obtain multiple signs.
17. Office Expenses. You will have an office in your Approved Location and are otherwise required to have a desk, file cabinet, chairs, miscellaneous office supplies and other items. We estimate that your office equipment, furniture and supplies will cost up to \$1,000, depending on what items you already have that are available for use.
18. Dues and Subscriptions. The Dues and Subscriptions currently include fees related to your access and usage to the design software to operate the Franchised Business. This includes setup fees and licensing fees for the first three months of operation. Kitchen design software ranges from \$4,895 (with a \$500 discount) to \$5,395 for an annual subscription the first year. Thereafter the annual subscription is \$1,195 per year. After the 30 trial period you may pay \$850 annually or \$85 per month (totaling \$1,020 per year if paid monthly). These fees may be increased by the third-party provider by an amount not to exceed 25 % annually.
19. Grand Opening Marketing. In connection with the opening of the Franchised Business, you must spend a minimum of \$15,000 for grand opening advertising and promotion in the 30 days prior to opening the Franchised Business and the 60 days after opening the Franchised Business in accordance with a plan that you must submit to us. Grand Opening Marketing includes a starter kit which includes various marketing materials, a truck wrap, uniforms and other promotional items. We have the right to modify your grand opening plan, in our sole discretion, and may require you to use a public relations or other advertising firm to assist with your grand opening. No amount paid by you for your grand opening will be credited toward your Local Advertising Requirement. You must provide us with supporting documentation evidencing these expenditures upon request. If you enter into Multi-Unit Addendum with us, you will only be required to spend \$15,000 in total for Grand Opening Advertising for all Franchised Businesses so long as they are located in contiguous Designated Territories.
20. Additional Funds (3 Months). The estimate of additional funds between \$20,000 and \$50,000 is for a period of at least 3 months, and is based on our experience in offering and selling franchises, as well as estimates we have received from third party vendors, information from existing franchisees and the Affiliate-Owned Locations described in Item 19 for an owner-operated business and does not include any allowance for an owner's draw or salary but does include payroll costs for others. This estimate includes ongoing fees that you will be required to pay throughout your operation of the Franchised Business such as Royalty Fees, local advertising expenses, Call Center Fees, Brand

Fund Contributions, etc., in addition to how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate, competition; and the sales level reached during the initial period. This estimate does not include any fees paid for debt services. If you are converting your business to a Franchised Business, you may already have equipment, insurance and other items and this amount may be lower.

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## B. YOUR ESTIMATED INITIAL INVESTMENT FOR A MULTI-UNIT OFFERING

Type of Expenditure <sup>(1)</sup>	Offering	Amount		Method of Payment	When Due	To Whom Payment is to be Paid
		Low	High			
Multi-Unit Fee <sup>(2)</sup>	2-Pack	\$94,900	\$122,900	Lump Sum	Upon execution of the Multi-Unit Addendum	Us
	3-Pack	\$129,900	\$171,900			
	4-Pack	\$164,900	\$220,900			
	5-Pack	\$189,900	\$259,900			
Initial Investment to Open Initial Franchised Business <sup>(3)</sup>		\$130,539	\$351,539	Lump Sum or As Incurred	Upon Execution of Franchise Agreement, Prior to Opening, or As Incurred	Us; Approved Suppliers; Airlines, third-party suppliers; and employees
Total <sup>(4)</sup>	2-Pack	\$225,439	\$474,439	This is the total estimated initial investment to enter into a Multi-Unit Addendum for the right to develop each of the multi-unit offerings we typically offer under a Multi-Unit Addendum, as well as the costs to open and commence operating your initial Franchised Business for the first 3 months.		
	3-Pack	\$260,439	\$523,439			
	4-Pack	\$295,439	\$572,439			
	5-Pack	\$320,439	\$611,439			

### Explanatory Notes:

1. Generally. All fees and payments are non-refundable, unless otherwise stated or permitted by the payee. This Chart details the estimated initial investment associated with executing a Multi-Unit Addendum for the right to own and operate between 2 to 5 Franchised Businesses, as well as the initial investment to open your initial Franchised Business.
2. Multi-Unit Fee. You will be required to execute a Franchise Agreement for each of the Franchised Businesses you are granted as part of your Multi-Unit Offering, as well as our prescribed form of Multi-Unit Addendum, all at the same time. Upon the execution of these agreements, you will be required to pay us a Multi-Unit Fee in the amount of \$94,900 for the right to operate 2 Franchised Businesses, \$129,900 for the right to operate 3 Franchised Businesses, \$164,900 for the right to

operate 4 Franchised Businesses, and \$189,900 for the right to operate 5 Franchised Businesses, which must be paid in a lump-sum at the time you sign the Multi-Unit Addendum. This includes the Multi-Unit Fee if you elect not to increase the number of households within your Designated Territory (Low) and if you increase to the maximum number of additional households (High). It does not include the Opening Assistance Fee, which is included in the Initial Investment to Open Initial Franchised Business. If you wish to increase the number of Qualified Households in your Designated Territory, then you will be required to pay us an additional \$0.70 per Qualified Household up to an additional 20,000 Qualified Households per Designated Territory. The Multi-Unit Fee is deemed fully earned and non-refundable upon payment.

3. Initial Investment to Open Initial Franchised Business. This figure represents the total estimated initial investment required to open the initial Franchised Business under the Multi-Unit Addendum. You will be required to enter into our current form of Franchise Agreement to govern each Franchised Business you are granted the right to operate at the same time you sign your Multi-Unit Addendum. The range includes all the items outlined in Chart 7(A) of this Item, except for the \$54,900 Initial Franchise Fee because, upon full payment of the Multi-Unit Fee, you will not be required to pay any Initial Franchise Fee in connection with your Franchised Businesses.
4. Total. Please note that this row does not include the initial investment you will need to undertake in connection with opening your second and any other additional Franchised Businesses you are granted the right to open under your Multi-Unit Addendum. The amounts listed in this Section include the initial investment to open your initial Franchised Business set forth in Note 2 immediately above, as well as the applicable Multi-Unit Fee (which is substituted for the Initial Franchise Fee that would otherwise be due with each franchise agreement). The amounts listed assume that all territories are contiguous. If the territories are not contiguous, then for each additional noncontiguous territory or group of noncontiguous territories, the grand opening marketing fee will increase from a low of \$15,000 to a high of \$22,000. If a Franchisee purchases more than 3 Designated Territories, we sometimes require they open a second showroom. Factors in determining when a second showroom is required include physical size of territory, distance across the territory, and travel patterns, and concentration of populations. We would expect a second showroom to open 12 or more months after the opening of the first showroom. The cost to open a second showroom would range from \$82,250 to \$185,750.

## **ITEM 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

You must operate your Franchised Business in conformance with our methods, standards and specifications which we prescribe in our confidential and proprietary operations manual (the “Operations Manual”) and various other confidential manuals, writings, and other information prepared by us for your use in operating a Franchised Business (together with the Operations Manual, the “Manuals”). We may periodically change our standards and specifications at our sole discretion, and you must comply with all changes.

#### Approved Products and Approved Services

All Approved Products that we may designate, Approved Services, Approved Location/Storage Facility, vehicles, supplies, equipment, tools, uniforms, forms, advertising materials, computer hardware and software, and inventory used by you in connection with the Franchised Business must meet our then-current System standards and specifications, including, but not limited to, branding requirements (including color and label requirements), which we will establish and modify at our discretion. You may incur an increased cost to comply with such changes at your own expense.

You must offer for sale all Approved Products and Approved Services that we may later designate, and only those products and services which we prescribe. You may not offer any other products or services for sale without having received our prior written authorization. You must at all times maintain sufficient levels of inventory as specified in the Operations Manual to adequately satisfy consumer demand. You must offer, use and sell all private label products which we may now or in the future designate for sale by System franchisees. Private label products, to the extent required, are included in the Initial Inventory expense set forth in the Item 7 table.

Some suppliers may provide us with test equipment for use in our training center, advertise in our newsletters, and may also sponsor events and/or rent booth space at our Annual Conference or regional meetings.

#### Approved Suppliers

Recognizing that preservation of the System depends upon product and service uniformity and the maintenance of our trade dress, we approve or designate suppliers (which may be us or an affiliate of ours) from time to time in the Operations Manual and otherwise in writing (each an “Approved Supplier”). You must purchase your initial inventory, Business Management and Technology System, branded items, signage and marketing materials, marketing services (of which we are an Approved Supplier), computer equipment and software, insurance, grand opening marketing, and other ongoing marketing from one of our Approved Suppliers or in accordance with our standards and specifications. We are not currently the only Approved Supplier of any item.

#### Ownership Interest in a Supplier / Revenue Derived from Regional Franchise Purchases and Leases

Except where we are the approved supplier for items you must purchase, none of our officers own any interest in any supplier with whom you are required or recommended to do business. Franchisor is an approved supplier of marketing services but is not the exclusive approved provider of marketing services.

We may derive income in the form of rebates or marketing allowances paid to us by Approved Suppliers that we require you to use. During our last fiscal year ended December 31, 2024, we received rebates totaling \$16,820, and derived revenue of \$149,599 from franchisees’ required purchases of Marketing Fees. During our last fiscal year ended December 31, 2024, our affiliate TD Fulfillment Services, LLC, LLC derived revenue of \$2,380,190 from our franchisees’ required purchases. The total revenue of \$2,546,609 represents 60% of Franchisor’s total revenue.

Your obligations to purchase certain products or services from us or our Approved Suppliers and to purchase products, services, supplies, fixtures, equipment, computer hardware and software, training and real estate that meet our specifications are considered “Required Purchases.” We estimate that your Required Purchases will account for approximately 70% to 95% of your total purchases and leases incurred in establishing your Franchised Business, and approximately 70% to 95% of your total ongoing purchases and leases to operate the Franchised Business after the initial start-up phase.

#### Alternative Product or Supplier Approval

If you wish to purchase any unapproved item, including inventory, and/or acquire approved items from an unapproved supplier, you must provide us the name, address and telephone number of the proposed

supplier, a description of the item you wish to purchase, and the purchase price of the item, if known. At our request, you must provide us, for testing purposes, a sample of the item you wish to purchase. We may base our approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency and quality of operation we consider necessary or desirable in our System as a whole, our requirements regarding insurance and indemnification as well as the maintenance of our Confidential Information and the administrative burden of managing multiple additional approved suppliers.

You will be required to pay us a \$1,000 alternative supplier fee/new product review fee plus our actual cost of the inspection and our actual cost of testing the proposed product or evaluating the proposed service or service provider, including personnel and travel costs to review any alternate supplier. We may but are not obligated to notify you in writing if your request is approved or denied within 30 days of: (i) our receipt of all supporting information from you regarding your request; and (ii) our completion of any necessary inspection or testing associated with your request. If we do not provide written approval within this time period, then your request will be deemed denied.

The Franchisor's criteria for approving suppliers is not made available to franchisees.

We may reinspect and revoke our approval of particular products or suppliers if we determine that such products or suppliers no longer meet our standards. Once you receive written notice from us that we have revoked our approval, you must immediately cease purchasing products from that supplier.

We do not provide any material benefit to you if you buy from sources we approve.

#### Approved Location

You will operate the Franchised Business from an Approved Location that meets our standards and specifications. The Approved Location must be between 500 – 2,000 square feet. The Approved Location should include a designated office space in addition to a retail store front. If you operate in multiple territories that are contiguous, you will only be required to have 1 Approved Location. If you operate in multiple territories that are not contiguous, you will be required to have an Approved Location in each Designated Territory.

We must review and approve any proposed location, as well as any lease associated with the proposed location prior to your entering into any lease for the proposed location. You must secure the Approved Location and open the Franchised Business within one hundred eighty (180) days of executing the Franchise Agreement, in the event that you have not already obtained our approval prior to executing the Franchise Agreement. You must have your landlord execute our form of Collateral Assignment (attached as Exhibit I to the FDD). We may provide you with standards and specifications for the design and layout of the premises of the Approved Location.

#### Advertising and Promotional Materials

We must approve all self-generated advertising materials (advertising materials created by you) prior to publication or use.

#### Insurance

You must purchase and maintain, at your own expense, insurance covering the operation and location of your Franchised Business as we may require. You must purchase the required insurance at least 30 days before opening your Franchised Business or upon signing a lease for the Approved Location. The

limits described in the paragraph below are the minimum amounts that you are required to purchase. If you sign a lease or contract that requires a higher amount than provided below, then you must obtain the higher level of coverage under the terms of the lease or contract. If you sign a lease or contract that does not require as much coverage, you must still purchase enough insurance to meet our requirements.

You must obtain the insurance coverage that we require from time to time as presently disclosed in the Manuals and as we may modify it. All insurance policies required under your Franchise Agreement and as set forth in the Franchise Agreement (excluding workers' compensation) must name us, our officers, directors, shareholders, partners, agents, and representatives as additional insureds. The insurance policies must include a provision that the insurance carrier must provide us with no less than 30 days' prior written notice in the event of a material alteration to, or cancellation of, any insurance policy. A certificate of insurance must be furnished by you to us at the earlier of 90 days after the Effective Date of the Franchise Agreement or prior to the commencement of our Initial Training Program. Insurance coverage must be at least as comprehensive as the minimum requirements set forth in the paragraphs below and in the Franchise Agreement. You must consult your carrier representative to determine the level of coverage necessary for the Franchised Business. Higher exposures may require higher limits. Presently, our insurance requirements are as follows:

A. Comprehensive general liability insurance extended to include contractual liability, products and completed operations, and personal and advertising injury, with a combined bodily injury and property damage limit of at least \$1,000,000 per occurrence, \$2,000,000 in aggregate;

B. Statutory workers' compensation insurance and employers' liability insurance as required by the law of the state in which the Franchised Business is located, including statutory workers' compensation limits and employers' liability limits of at least \$1,000,000 (include coverage of independent contractors who do not have worker's compensation);

C. Commercial vehicle liability insurance with limits of not less than \$1,000,000 combined single limit for all owned, hired, and non-owned vehicles you, your employees, or any other person performing work on your behalf, operate;

D. Business interruption insurance equal to 12 months of your net income and continuing expenses, including Royalty Fees;

E. Commercial umbrella liability insurance with a total liability limit of at least \$1,000,000;

F. Employment practices liability insurance with a limit of at least \$250,000 (increasing to \$500,000 if you have 5 or more employees), including actions of a third party, and a minimum of \$25,000 for wage and hour disputes;

G. Cyber liability insurance for financial losses arising from unauthorized access, loss or corruption of data, including, but not limited to, privacy and data security breaches, misdirected funds, virus transmission, denial of service, and loss of income from network security failures, with a minimum limit of \$250,000 per claim and in the aggregate; and

H. All other insurance that we require in the Operations Manual or that is required by law or by the lease or sublease for the Franchised Business.

I. For all subcontractors and independent contractors that you use, we recommend the following insurance requirements:

- i. The subcontractor(s) and/or independent contractor(s) shall carry the same limits and coverages that are carried by you;
- ii. You shall be named as an additional insured under the subcontractor(s) and/or independent contractor(s) policy(ies);
- iii. The subcontractor(s) and/or independent contractor(s) policy(ies) shall carry a waiver of subrogation endorsement as well as a primary and non-contributory endorsement; and
- iv. Any policy shall provide a 30 days' notice of cancellation.

We must approve all insurance carriers in advance and in writing. All insurance policies must be issued by insurance companies with a rating of A-VII or better, as reported in the most recent edition of A.M. Best's Insurance Reports. Our acceptance of an insurance carrier does not constitute our representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy.

#### Computer Hardware and Software

You must purchase any computer hardware, software and peripherals that meet our System standards and specifications. You must obtain, maintain, and use the business management and technology system that we specify periodically in the Manuals .

The Business Management and Technology System will use third-party software from our approved vendors, including our digital platform system, for point-of-sale functions, email marketing, and all customer management functions. For any proprietary software or third-party software that we require you to use, you must execute and be responsible for the fees associated with any software license agreements or any related software maintenance agreements that we or the licensor of the software require.

#### Purchasing and Distribution Cooperatives; Rebate Programs

We currently do not have any purchasing or distribution cooperatives; however, we reserve the right to establish these types of cooperatives in the future. We may negotiate certain purchase arrangements (including price terms) for the purchase of certain items with suppliers for the benefit of franchisees.

### **ITEM 9 FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Item of Disclosure Document
a. Site selection and acquisition / lease	Section 7.1	Items 7, 11 and 12

Obligation	Section in Franchise Agreement	Item of Disclosure Document
b. Pre-opening purchases / leases	Sections 7.1, 7.3, 7.4, 7.6, 7.8 and 7.11	Items 7 and 8
c. Site development and other pre-opening requirements	Sections 7.1 and 9	Items 6, 7, 8 and 11
d. Initial and ongoing training	Sections 7.2 and 8	Item 11
e. Opening	Section 7.3	Item 11
f. Fees	Sections 2.2.9, 3, 6, 7.4.3.1, 7.6.5.1, 8.1.2, 8.1.3, 8.2, 8.3, 9.5, 11.1, 12.3, 12.5.3, 14.3.2.8 22.8, and the Data Sheet	Items 5, 6, 7 and 11
g. Compliance with standards and policies / operations manual	Sections 6, and 7	Items 8 and 11
h. Trademarks and proprietary information	Sections 4, 5, 7.8 and 7.14	Items 13 and 14
i. Restrictions on products / services offered	Sections 1.2 through 1.8, 7.4 and 7.5	Items 8, 12 and 16
j. Warranty and customer service requirements	Section 7.18	Item 15
k. Territorial development and sales quotas	Not Applicable	Items 12 and 17
l. Ongoing product / service purchases	Sections 7.4 and 7.5	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 7.1.2, 7.15 and 7.17	Items 6, 8, 11 and 12
n. Insurance	Section 9	Items 7 and 8
o. Advertising	Section 12	Items 6 and 11



Obligation	Section in Franchise Agreement	Item of Disclosure Document
p. Indemnification	Section 13.2	Item 6
q. Owners' participation / management / staffing	Sections 7.6.3 through 7.6.5 and 7.10	Items 11 and 15
r. Records and reports	Sections 10 and 11	Item 6
s. Inspections and audits	Sections 7.7 and 11	Items 6 and 11
t. Transfer	Section 14	Item 17
u. Renewal	Section 2.2	Item 17
v. Post-term obligations	Sections 16.1 and 17.2	Item 17
w. Noncompetition covenants	Section 17	Item 17
x. Dispute Resolution	Section 18	Item 17

## ITEM 10 FINANCING

We do not offer direct or indirect financing to you. We do not guarantee your note, lease or other obligations.

## ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM AND TRAINING

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

### A. Pre-Opening Obligations

Before you open your Franchised Business, we (or our designee(s)) will provide you with the following assistance:

1. We will define your Designated Territory (Franchise Agreement, Section 1.2) within which you must select a site. We do not generally own a premises which is then leased to a franchisee. Your Approved Location is subject to our written approval. If we do not agree to a site, we may terminate your Franchise Agreement upon notice to you (Section 7.3 of the Franchise Agreement) and retain the Initial Franchise Fee.
2. We will provide you with site selection guidelines and general specifications and standards, including any specific requirements. We consider some or all of the following factors when determining whether or not a site meets our approval: general location and zoning, size, physical characteristics of existing buildings, and lease terms. Aside from providing requirements for constructing, outfitting, and furnishing the new Approved Location, we provide no other assistance for such requirements.

3. We will provide initial training in the System and our policies and procedures to your required trainees (Franchise Agreement, Section 8).
4. We will provide you with either a written copy or electronic access to our Operations Manual and other manuals, on loan as long as the Franchise Agreement or successor franchise agreement remains in effect. The table of contents for the Operations Manual is attached as Exhibit L to this Franchise Disclosure Document. The Operations Manual is currently 61 pages (Franchise Agreement, Section 6.1).
5. We, or an approved third-party supplier, will deliver to you your initial supply of inventory and supplies, which you must offer for sale to your customers. We will also provide you with a list of approved and recommended suppliers and a list of equipment that you will need to operate your Franchised Business. We do not deliver or install any of these tools or pieces of equipment (Franchise Agreement, Section 6.2).
6. We will provide advice and guidance, as we deem necessary in our sole discretion, in preparing you to open your Franchised Business, including standards and procedures for obtaining inventory and supplies, providing approved services, advertising and promoting the business, and otherwise operating the Franchised Business during the start-up phase (Franchise Agreement, Section 6).
7. We will approve your Franchised Business opening, provided that you have met all of our requirements for opening, including completion of initial training, and purchase of the Initial Inventory and all necessary tools and equipment. We estimate that the typical length of time between signing a Franchise Agreement and opening your Franchised Business is approximately 90 to 180 days. Factors affecting this length of time include, among others: hiring of the requisite employees; successful completion of initial training; local ordinances or community requirements; issuance of all necessary licenses, permits and approvals; and procuring required insurance. You must open the Franchised Business no later than 180 days after the effective date of the Franchise Agreement. We may extend the 90 day site selection and/or the 180 day opening deadline, in our sole discretion, which we may condition on you executing a general release.
8. We will provide you with a dedicated phone number which you must use in connection with your Franchised Business and in all marketing items (Franchise Agreement, Section 7.11).

We will not provide general business or operations training to your employees or independent contractors, except for the Designated Manager(s) (who may be an employee); however, we may provide limited training on the System and brand standards to your key employees. You will be responsible for training your employees and independent contractors, including any training on the day-to-day operations of the Franchised Business. You will be responsible for hiring, training, directing, scheduling, and supervising your employees and independent contractors in the day-to-day operations of the Franchised Business. We do not provide the above services to renewal franchisees and may not provide all of the above services to franchisees that purchase existing Franchised Businesses.

## B. Training

### *Initial Training*

You (or your operating principal if you are an entity) and your Designated Manager (the “Required Trainees”) must attend and satisfactorily complete to our satisfaction the initial training program before you open your Franchised Business. Initial training currently consists of approximately 5 days of training to be held at our Home Office located in Huntersville, North Carolina, and other location(s) designated by us near Charlotte, North Carolina prior to opening your Franchised Business (“Initial Training Program”). We may provide on-site follow-up training, as we, in our sole discretion, deem necessary to be conducted 4 to 6 weeks after your Franchised Business opens for business. We will conduct initial training at least 6