

	<b>Provision</b>	<b>Section in Agreement</b>	<b>Summary</b>
v.	Choice of forum	FA Section 19	All litigation must take place in Pinellas County, Florida (subject to applicable state law).
w.	Choice of law	FA Section 18	Florida law (subject to applicable state law).

## **ITEM 18 PUBLIC FIGURES**

We do not use any public figure to promote the franchise.

## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

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

We compiled these figures for 29 of the 42 existing, active franchised AR Homes® Building Companies that closed a home in 2024 and have reported their full year financial results to us through ARIS. We obtained these financial results from the information provided by our franchisees through ARIS, our software management information system –as reported by the franchised Building Company. As of the issuance date, there are 13 franchised Building Companies that have either not closed a home in 2024 or not reported their full year financial results to us through ARIS, so they have been excluded from the results.

The table below shows the Closing Revenue, Gross Profit, Adjusted Net Income and percentage of Closing Revenue results for 29 franchises in 2024 in various statistical categories:

<b>2024 Calendar Year</b>	<b>High</b>	<b>Low</b>	<b>Average</b>	<b>Median</b>	<b># and % Exceeded Average</b>
Closing Revenue (1)	\$45,096,236	\$1,787,914	\$14,747,541	\$10,358,953	11 of 29 / 38.0%
Gross Profit / % of Closing Revenue (2)	\$9,153,348 / 20.3%	\$436,413 / 24.4%	\$2,736,090 / 18.6%	\$1,965,488 / 19.0%	10 of 29 / 34.0%
Adj. Net Income / % of Closing Revenue (3)	\$6,370,615 / 14.1%	345,931 / 19.3%	\$1,228,495 / 8.3%	\$574,921 / 5.5%	12 of 29 / 41.0%

### **Notes to Table**

(1) Annual Closing Revenues are the total revenues received from the sale of homes at closings completed during the reporting period.

(2) Gross Profit equals Closing Revenues less certain variable expenses. These expenses include, but are not limited to home construction costs, sales commissions and franchise Royalties incurred by the franchised Building Company.

(3) Adjusted Net Income consists of the Net Income reported to us plus the amount of compensation paid to the franchised Building Company owners (including salaries and benefits) reported to us but may not include other owner benefits.

All AR Homes® Businesses offer substantially the same homebuilding construction and services to the public.

**Some outlets have sold and earned these amounts. Your individual results may differ.  
There is no assurance you'll sell or earn as much.**

Neither we nor an independent certified public accountant has independently audited or verified the information.

We have written substantiation in our possession to support the information appearing in this financial performance representation. Written substantiation will be made available to you upon reasonable request.

Other than the foregoing information, 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 our Chief Executive Officer, Donald L. Whetro, at 160 Fountain Parkway N, Suite 210, St. Petersburg, Florida 33716-1410 and (727) 536-5900 ext. 304, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
Systemwide Outlet Summary  
For years ended December 31, 2022, 2023, and 2024**

<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	2022	42	46	+4
	2023	46	42	-4
	2024	42	42	0
Company - Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0