

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF MISSISSIPPI  
NORTHERN DIVISION**

ALYSSON MILLS, IN HER CAPACITY AS  
RECEIVER FOR ARTHUR LAMAR  
ADAMS AND MADISON TIMBER  
PROPERTIES, LLC,

Plaintiff,

vs.

THE UPS STORE, INC.; HERRING  
VENTURES, LLC d/b/a THE UPS STORE;  
AUSTIN ELSER; TAMMIE ELSER;  
COURTNEY HERRING; DIANE LOFTON;  
CHANDLER WESTOVER; RAWLINGS &  
MACINNIS, PA; TAMMY VINSON; and  
JEANNIE CHISHOLM,

Defendants.

Case No. 3:19-cv-00364-CWR-BWR

Arising out of Case No. 3:18-cv-252,  
*Securities and Exchange Commission v.  
Arthur Lamar Adams and Madison Timber  
Properties, LLC*

Carlton W. Reeves, District Judge  
Bradley W. Rath, Magistrate Judge

**INTERNATIONAL FRANCHISE ASSOCIATION’S MOTION  
TO APPEAR AS *AMICUS CURIAE* IN SUPPORT OF  
THE UPS STORE, INC.’S JOINT MOTION FOR SUMMARY JUDGMENT  
RE: NO FRANCHISOR LIABILITY FOR NOTARY PUBLIC CONDUCT**

Founded in 1960, the IFA is the oldest and largest trade association in the world devoted to representing the interests of franchising. The IFA’s membership includes franchisors, franchisees, and suppliers. The IFA is the only trade association that acts as a voice for both franchisors and franchisees throughout the United States.

The IFA’s mission is to safeguard and enhance the business environment for franchising worldwide. In addition to serving as a resource for franchisors and franchisees, the IFA and its members advise public officials across the country about the laws that govern franchising. Through its public-policy programs, it protects, enhances, and promotes franchising on behalf of more than 1,400 brands in more than 300 different industries.

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The IFA hereby declares that (A) neither a party nor a party's counsel has authored this amicus brief in whole or in part; (B) no party or party's counsel, or any person or entity other than the IFA and its members, contributed money that was intended to fund the preparation or submission of this brief; and (C) neither the IFA nor its counsel has represented one of the parties to the present case in another proceeding involving similar issues, nor were they a party represented in a proceeding or legal transaction that is at issue in the present appeal.

“A non-party may submit a brief as an amicus curiae in order to assist the court in reaching a proper decision.” *Republican Nat'l Comm. v. Wetzel*, 2024 WL 988383, at \*5 (S.D. Miss. Mar. 7, 2024) (quoting *Rowland v. GGNSC Ripley, LLC*, 2016 WL 4136486, at \*4 (N.D. Miss. Aug. 3, 2016)). “District courts look to Federal Rule of Appellate Procedure 29 for guidance concerning the standards for filing an amicus brief.” *Id.* “Courts enjoy broad discretion to grant or deny leave to amici under Rule 29.” *Lefebure v. D'Aquilla*, 15 F.4th 670, 673 (5th Cir. 2021).

Here, amicus status should be granted because the IFA has a strong interest in correct application of laws affecting franchises. The IFA seeks to provide this Court with relevant industry-specific context and practical perspectives for why a franchisor should not be held liable under Mississippi law under the circumstances of this case. Holding The UPS Store, Inc. (“TUPSS”) to be liable for the conduct of notaries public employed by TUPSS franchisee because the franchise agreement allows TUPSS to exert some control over their franchisee and because

TUPSS allows its franchisee to use its trademarks will impact franchised businesses across a wide range of sectors beyond TUPSS. Should the Court interpret Mississippi law to allow franchisors to be held vicariously liable for the conduct of their franchisees' employees, the impact will be felt beyond franchises—it will weaken economic opportunities in the State and damage the economy nationwide.

Plaintiff opposes summary judgment, in part, on the basis that TUPSS's franchise agreement allows TUPSS to exert a certain degree of control over its franchisee and allows its franchisee to use its branding and, thus, TUPSS should be liable for the conduct of the notaries public hired by their franchisee. In fact, providing a license to franchisees to use the franchisors' marks is a hallmark of the franchise relationship, and franchisors are required by law to impose operational standards in order to protect their trademarks, which is almost always done through franchise agreements. And, the imposition of operational standards in franchise agreements is ubiquitous across industry sectors.

Holding that TUPSS can be held liable here will also depart from precedent in Mississippi, as no court has held that a franchisor's imposition of operational standards or the display of the franchisor's marks is evidence that the franchisor exerts a degree of control necessary for the franchisor to be considered liable. As a result, finding in favor of Plaintiff on this issue would create unprecedented law that will send shock waves throughout the franchise business model as a whole.

Accordingly, beyond the legal reasons for finding in TUPSS's favor, the IFA urges this Court to accept the IFA's brief attached hereto as **Exhibit A**, which considers the practical implications and the impact its decision will have on a substantial cross-section of business in Mississippi.

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Dated: September 25, 2024

**CERTIFICATE OF SERVICE**

The undersigned certifies that, on September 25, 2024, a true and correct copy of the foregoing was served, upon filing, to all counsel of record via the Court's e-filing system.

/s/ Elizabeth Hadley

Elizabeth Hadley

# EXHIBIT A

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SUPPORT OF THE UPS STORE, INC.’S JOINT MOTION FOR SUMMARY  
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**IDENTITY OF *AMICUS CURIAE***

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The IFA has a strong interest in correct application of laws affecting franchises. The IFA seeks to provide this Court with relevant industry-specific context and practical perspectives for why a franchisor should not be held liable under Mississippi law under the circumstances of this case. Holding The UPS Store, Inc. (“TUPSS”) to be liable for the conduct of notaries public employed by TUPSS franchisee because the franchise agreement allows TUPSS to exert some control over their franchisee and because TUPSS allows its franchisee to use its trademarks will impact franchised businesses across a wide range of sectors beyond TUPSS. Should the Court interpret Mississippi law to allow franchisors to be held vicariously liable for the conduct of their franchisees’ employees, the impact will be felt beyond franchises—it will weaken economic opportunities in the State and damage the economy nationwide.

### **INTRODUCTION**

Plaintiff opposes summary judgment, in part, on the basis that TUPSS’s franchise agreement allows TUPSS to exert a certain degree of control over its franchisee and allows its franchisee to use its branding and, thus, TUPSS should be liable for the conduct of the notaries public hired by their franchisee. In fact, providing a license to franchisees to use the franchisors’ marks is a hallmark of the franchise relationship, and franchisors are required by law to impose operational standards in order to protect their trademarks, which is almost always done through franchise agreements. And, the imposition of operational standards in franchise agreements is ubiquitous across industry sectors.

Holding that TUPSS can be held liable here will also depart from precedent in Mississippi, as no court has held that a franchisor’s imposition of operational standards or the display of the franchisor’s marks is evidence that the franchisor exerts a degree of control necessary for the

franchisor to be considered liable. As a result, finding in favor of Plaintiff on this issue would create unprecedented law that will send shock waves throughout the franchise business model as a whole.

Accordingly, beyond the legal reasons for finding in TUPSS's favor, the IFA urges this Court to consider the practical implications and the impact its decision will have on a substantial cross-section of business in Mississippi.

### **ARGUMENT**

#### **I. Holding Franchisors Liable for the Conduct of Their Franchisee's Employees Will Impact Franchises Across All Industries**

Plaintiff asks this Court to find that TUPSS could be held liable for the conduct of its franchisee's employees due to the display of TUPSS's marks by its franchisee and operational standards included in the relevant franchise agreement. Although this issue is presented as tailored to TUPSS, Mississippi law, and the facts of this case, the implications of this Court's decision will reverberate through franchises across all industries. That is because a license is a hallmark of franchising, and it is commonplace in franchise agreements to impose obligations on franchisees. As a result, to accept Plaintiff's argument will mean that almost all franchisors across different industry sectors could arguably be held liable for the conduct of the employees of their franchisees.

##### **A. Background on Licenses and Operational Standard Provisions**

Some background on this topic is instructive. In business format franchising, which is the type of franchise that TUPSS offers, "the franchisor provides the franchisee with a business format, or total package, for operating a business." Robert W. Emerson, *Franchise Contract Clauses and the Franchisor's Duty of Care Toward Its Franchisees*, 72 N.C. L. Rev. 905, 920-21 (1994). This form of franchising is the most prevalent today, ordinarily involving "a franchisee who is responsible for operating the business, but is required to sell goods or services supplied by the



franchisor or otherwise produced in accord with the franchisor's specifications.” *Id.* at 921. “A franchise involves a long-term contractual relationship in which the franchisor grants the franchisee a right to conduct business or sell products according to the franchisor's marketing plan, to use the franchisor's trademark, and often to adopt its overall business standards.” *Id.* at 915. A 1994 survey of 100 franchise agreements found that 98% of franchise agreements included operational standards for the franchised location. *Id.* at 967.

The license of a trademark to the franchisee is a hallmark of the franchise relationship and one of the key elements in determining whether a relationship is a franchise. “A franchise entails the right to operate a business that is ‘identified or associated with the franchisor’s trademark, or to offer, sell, or distribute goods, services, or commodities that are identified or associated with the franchisor’s trademark.’ The term ‘trademark’ is intended to be read broadly to cover not only trademarks, but any service mark, trade name, or other advertising or commercial symbol.” *FTC Franchise Rule Compliance Guide* at 2 (May 2008).<sup>1</sup> Thus, virtually all franchise relationships permit franchisee’s to display the franchisor’s marks.

The prevalence of operational standards in franchise agreements is not fortuitous but rather is required by law to protect the franchisor’s marks. The Court of Appeals recognized this principle in *Allen v. Choice Hotels Int’l*, 942 So. 2d 817 (Miss. Ct. App. 2006):

Typically, a franchisor's principal asset is its trademark. As a result, a consideration in franchise cases that is not found in other vicarious liability cases is the control that a franchisor must exert over the franchised premises in order to protect its trade or service mark. Under the federal Lanham Act, an owner may lose its trademark if the trademark is used in a manner that causes the mark to lose its significance as an indication of origin, *i.e.* if the trademark ceases to represent in the public's mind the item or subject which the mark originally symbolized. 15 U.S.C. § 1127 (2000). Thus, the trademark owner must preserve his asset and protect the public against deceptive uses of the trademark, which typically means the franchisor must regulate

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<sup>1</sup> Available at <https://www.ftc.gov/system/files/documents/plain-language/bus70-franchise-rule-compliance-guide.pdf>

the franchisee. In a typical franchise agreement, there are detailed requirements regarding the franchisee's operation of the franchise. One writer notes that imposing liability on a franchisor for control over day-to-day operations of a franchise could unfairly penalize the franchisor, which “must exercise a high degree of control to protect [its] trade or service mark under the Lanham Act.” Michael R. Flynn, *Note, The Law of Franchisor Vicarious Liability: A Critique*, 1993 Colum. Bus. L. Rev. 89, 99.

*Id.* at 826; *see also* Joseph Schumacher et al., *Retaining and Improving Brand Equity by Enforcing System Standards*, 24 Franchise L.J. 10, 10 (Summer 2004) (a franchisor has “a legal duty to control the quality of goods and services under its mark or risk abandonment of its trademark”). A franchisor exercises control through “contractual quality and operational requirements necessary to the integrity of the franchisor’s trade or service mark.” *Allen*, 942 So. 2d at 826-27 (quoting *Kerl v. Dennis Rasmussen, Inc.*, 682 N.W.2d 328, 338 (Wis. 2004)).

A recent decision from the Massachusetts Supreme Judicial Court, on a question certified by the Third Circuit, emphasizes that operational controls are commonplace in the franchise industry to protect a franchisor’s marks. In *Patel v. 7-Eleven, Inc.*, \_\_ N.E.3d \_\_, 2024 WL 4046630 (Mass. Sept. 5, 2024), the Third Circuit certified the following question to the Massachusetts Supreme Judicial Court: do the plaintiffs (i.e., 7-Eleven franchisees) perform a “service” for 7-Eleven where “they perform various contractual obligations under the Franchise Agreement and 7-Eleven receives a percentage of the franchise's gross profits?” *Id.* at \*1. The Court answered the question “no.” In doing so, the Court recognized that a franchisor has an obligation under Federal law to “[p]olic[e] the use of the brand, through quality, marketing, and operational standards, [which] is necessary to maintaining its value and continued primary function as a beacon to consumers indicating the source of particular goods or the quality of a particular store. . . . Significantly, a franchisor's failure to control and supervise the use of its brand can result in dilution of the brand and eventually a determination that the brand has been abandoned under

Federal law.” *Id.* at \*5; *see also id.* at \*10 (“It is significant, however, that under Federal law, the failure to police the use of the 7-Eleven brand could result in dilution of the brand; at the extreme, lack of supervision and control over the brand's use could result in the conclusion that 7-Eleven has abandoned its intellectual property.”). The Court concluded that “the contractual obligations of the franchisees to operate their convenience stores in a manner that preserves the integrity of the brand does not satisfy the threshold determination” under the independent contractor statute. *Id.* at \*10.

Subway is instructive as an example of franchisor that polices its brand through operational standards. Subway has over 20,000 franchised locations in the United States (256 in Mississippi) with revenues of over \$500 million. In Subway’s Franchise Disclosure Document (“FDD”), Subway discloses to franchisees that the franchise agreement will impose operating standards, such as controlling the location, what is sold, how to market, and hours of operation. *Add.*<sup>2</sup> at 1-2.<sup>3</sup>

These provisions are then spelled out in the Franchise Agreement. The Franchise Agreement contains a section titled “Standards of Quality and Performance,” which imposes a plethora of obligations on franchisees, from the appearance of the restaurant to safeguarding personally identifiable information for employees. *Id.* at 4-7. Accordingly, finding that TUPSS is an employer based on operational standards in a franchise agreement could possibly lead to the

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<sup>2</sup> References to “Add.” are to the Addendum attached to this brief.

<sup>3</sup> The Addendum includes excerpts of the FDDs referred to in this brief for the Court’s convenience. Every FDD included in the Addendum is publicly available. *See, e.g.*, Wisconsin Department of Financial Institutions, Franchise Search, <https://www.wdfi.org/apps/franchiseSearch/MainSearch.aspx>. The Court can take judicial notice of publicly accessible reports available for download. *See, e.g., Ruiz v. Brennan*, 851 F.3d 464, 468 (5th Cir. 2017) (finding that a court “may take judicial notice of matters of public record.”).

conclusion that Subway— which unquestionably is an established franchise system — is the employer of the employees in all 265 Subway franchises in Mississippi.

**B. The Prevalence of Operational Standards Prevails Across Industry Sectors**

These types of provisions are not unique to Subway. Rather the ubiquity of operational standard provisions prevails across industry sectors. We have included in the Addendum excerpts from 20 different franchise agreements across 6 different industry sectors that include royalty provisions and operational standards provisions. Together with Subway, these 20 franchisors had 941 outlets in Mississippi as of the end of 2023. In total, Mississippi has 7,387 franchised locations spanning 435 brands across many industries, including quick service restaurants, lodging, maintenance services, automotive, health and fitness, full-service dining, real estate, business-related services, retail stores, beauty and personal wellness, with nine franchisors maintaining their corporate headquarters in the State of Mississippi. These franchised businesses employ nearly 78,000 people, generate revenue of \$7.89 billion and provide Mississippi consumers with a myriad of products and services from brands they know and trust, including McDonald's, Sonic, Pizza Hut, Wendy's, Taco Bell, Burger King, Domino's Pizza, Little Caesars, Popeyes Louisiana Kitchen, KFC, Baskin Robbins, Chick-fil-A, Hardee's, Arby's, Zaxby's, DQ Grill & Chill, Applebee's Neighborhood Grill & Bar, Church's Chicken, McAlister's Deli, Firehouse Subs, Captain D's, Krysal, Dunkin, Wing Stop, IHOP, Buffalo Wild Wings, Checkers, Great America Cookies, Moe's Southwest Grill, Newk's Eatery, Chicken Salad Chick, Marco's Pizza, Jersey Mike's, Rally's, Tropical Smoothie Café, Health Mart Pharmacy, Ace Hardware, Holiday Inn, Hampton Inn, Jan-Pro Cleaning & Disinfecting, Good Neighbor Pharmacy, ServiceMaster, Days Inn, Super 8 Motels, Days Inn, Smile Source, Planet Fitness, Servpro, Vision Source, Econo Lodge, Anytime Fitness, Coldwell Banker, RE/MAX, Best Western, Snap-On Tools, Century 21,

H&R Block, Jackson Hewitt, Destination Athlete, Motel 6, Sports Clips, La Quinta, Snap Fitness, Take 5 Oil Change Center, Express Employment Professionals, Mosquito Authority, Roto-Rooter, Jiffy Lube, Merry Maids, Lawn Doctor, and hundreds of others,

Industry	Number of Locations in Miss. (as of 2022)	Operational Standard Provisions
<b>Fitness</b>		
<ul style="list-style-type: none"> <li>Crunch (Add. at 11)</li> </ul>	5	§ 7.1.6 (“You must comply with all of our mandatory standards, methods, policies, products, procedures, techniques and specifications we prescribe from time to time . . . including hours of operation, the wearing of uniforms while performing services, and using only equipment, uniforms, computers, point of sale and membership management systems, transaction processing and accounting platforms, software, telephones and other items that meet or exceed our standards[.]”).
<ul style="list-style-type: none"> <li>Orange Theory (Add. at 15)</li> </ul>	6	§ 6 (“Operation of the Studio and System Standards”) <i>See, e.g.,</i> § 6(c)(i) (You may offer in the Studio to customers only the products, services, and classes that we have approved in writing. In addition, you must offer the specific products, services, and classes that we require in the Manuals or otherwise in writing.”).
<ul style="list-style-type: none"> <li>Planet Fitness (Add. at 20)</li> </ul>	21	§ 9.1 (“You acknowledge that each and every aspect of the interior and exterior appearance, layout, decor, services and operation of your BUSINESS is important to protect our reputation and goodwill and to maintain uniform operating standards under the Marks. . . . You agree to comply with all mandatory Methods of Operation (whether contained in the Operations Manual or any other communication)[.]”).

<b>Hospitality</b>		
<ul style="list-style-type: none"> <li>Hilton Hotels (Add. at 24)</li> </ul>	1	§ 5.1.2 (franchisee must “operate the Hotel using the System, in compliance with this Agreement and the Standards, and in such a manner to provide courteous, uniform, respectable and high quality lodging and other services and conveniences to the public.
<ul style="list-style-type: none"> <li>Courtyard by Marriott (Add. at 28)</li> </ul>	12	§ 10.1 (“Franchisee agrees that conformity with all aspects of the System and the Standards is essential to maintain the uniform quality and guest service of System Hotels. Franchisee will comply at all times with the Standards (including paying amounts owed pursuant to the Standards for violations thereof) and operate the Hotel in compliance with the System and the Marriott Agreements.
<ul style="list-style-type: none"> <li>Red Roof Inn (Add. at 32)</li> </ul>	11	§ 5.1.3 (“...Franchisee shall maintain the Inn in good repair and in a condition consistent with the Standards and shall make such additions, alterations, repairs and replacements as may be required for that purpose (but no others without Franchisor’s written consent), including, without limitation, periodic repainting and replacement of signs, equipment, furnishings and furniture in accordance with the Standards.
<b>Health and Beauty</b>		
<ul style="list-style-type: none"> <li>Massage Envy (Add. at 36)</li> </ul>	6	§ 8(B)(“ You further agree to maintain the condition and appearance of your Business facility in accordance with our mandatory System Standards (as defined below) and consistent with the image of a Massage Envy Business as a professionally operated business offering high quality services and products and observing the highest standards of professionalism, cleanliness and courteous service.”).
<ul style="list-style-type: none"> <li>Supercuts (Add. at 41)</li> </ul>	7	§ 8.03 (“Franchisee shall operate the subject location in strict conformity with such reasonable standards, specifications, requirements and instructions as Franchisor may hereafter adopt.”).

<ul style="list-style-type: none"> <li>American Family Care (Add. at 45)</li> </ul>	1	§ 8.7 (“You acknowledge and agree that operating and maintaining the Franchised Business according to System Standards is essential to preserve the goodwill of the Marks and all Franchised Businesses and Centers. Therefore, you agree at all times to operate and maintain the Franchised Business according to all of our System Standards.”).
<ul style="list-style-type: none"> <li>Health Mart Pharmacy (Add. at 49)</li> </ul>	106	§ 6.1 (“Franchisee agrees, at Franchisee’s expense, to comply with Franchisor’s Standards, specifications, methods and other requirements set forth in the Franchise Handbook, other written directives that Franchisor may issue from time to time, and any other manuals or materials created or approved for use in the operation of Health Mart Drugstores. Franchisee shall not deviate from such Standards, specifications, methods and requirements without Franchisor’s prior written consent.”).
<b>Food</b>		
<ul style="list-style-type: none"> <li>Applebee’s (Add. at 53)</li> </ul>	20	§ 2.1 (“A fundamental requirement of the System, this Franchise Agreement and franchises which Franchisor will grant to others is adherence by all franchisees to Franchisor’s standards and policies providing for the uniform operation of all restaurant units within the System[.]”).
<ul style="list-style-type: none"> <li>Burger King (Add. at 58)</li> </ul>	89	§ 5(A) (“Franchisee acknowledges and agrees that prompt adoption of and adherence to the BURGER KING System, including all of the provisions of the MOD Manual, as amended from time to time, are reasonable, necessary and essential to the image and success of all BURGER KING Restaurants.”)
<ul style="list-style-type: none"> <li>Pizza Hut (Add. at 62)</li> </ul>	88	§ 6.03 (“Your franchised Pizza Hut Business and the Pizza Hut Restaurant(s) it operates must comply at all times with every provision of this Agreement, the System and the Brand Standards, unless we agree to a variance in writing.”)

<ul style="list-style-type: none"> <li>McDonald's (Add. at 66)</li> </ul>	142	§ 1(c) ("The foundation of the McDonald's System and the essence of this Franchise is the adherence by Franchisee to standards and policies of McDonald's providing for the uniform operation of all McDonald's restaurants within the McDonald's System including, but not limited to, serving only designated food and beverage products; the use of only prescribed equipment and building layout and designs; strict adherence to designated food and beverage specifications and to McDonald's prescribed standards of Quality, Service, and Cleanliness in the Restaurant operation.")
<ul style="list-style-type: none"> <li>Wing Stop (Add. at 70)</li> </ul>	13	§ 7(c)(6) ("Franchisee will (i) comply with and adhere to the policies and procedures set forth in the Operations Manual, as revised and supplemented from time to time . . . .")
<ul style="list-style-type: none"> <li>Sonic Drive-Ins (Add. at 74)</li> </ul>	124	§ 8.01 ("Franchisee acknowledges that every component of the Sonic System is important to Sonic and to the operation of the Restaurant as a Sonic Restaurant, including a designated menu of food and beverage products; uniformity of food specifications, preparation methods, quality, and appearance; and uniformity of facilities and service. Therefore, Franchisee agrees at all times during the term of this Agreement to operate the Restaurant in accordance with all aspects of the Sonic System, the Sonic Operations Manual and all of Sonic's other standards and policies, as Sonic may periodically modify them.").
<b>Automotive</b>		
<ul style="list-style-type: none"> <li>Jiffy Lube (Add. at 78)</li> </ul>	4	§ 7.2 ("Franchisee agrees to operate the Franchised Center in strict conformance with the Policies and Procedures Manual developed by Franchisor for use in connection with the Products Program (the 'Manual') and any System Manuals.")



• AAMCO (Add. at 82)	4	§ 7.1(b) (“Franchisee agrees that Franchisee will comply with all of the policies and procedures which AAMCO establishes from time to time including those set forth in AAMCO’s Operator’s Manual, training manuals as modified and/or updated by AAMCO from time-to-time as determined by AAMCO in its sole discretion.”)
• Valvoline (Add. at 86)	7	§ 8.1 (“Licensee understands and acknowledges that every detail of the Center and its operation is important to Licensee, Licensor, and other System licensees, in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all System licensees, and to protect Licensor’s reputation.”)
<b>Childcare/Education</b>		
• Class 101 (Add. at 90)	1	§ 11(B) (“You agree to comply with all System specifications, standards, and operating procedures (whether contained in the Manual or any other written communication, or communicated in training) relating to the appearance, operation, customer experience, function, safety and cleanliness of a Class 101 business . . . .”)

These provisions are similar to those in the TUPSS franchise agreement at issue here. Thus, accepting Plaintiffs’ argument as to TUPSS would have a severe impact across almost all industry sectors and will drive franchised businesses from the State of Mississippi to the detriment of small business owners, workers and consumers, resulting in significant economic decline.

**C. No Court in Mississippi Has Held a Franchisor Liable Based on the Use of the Franchisor’s Marks and Operational Standards in its Franchise Agreement**

It is important to note as well that finding TUPSS liable here would be a departure from almost all precedent in Mississippi. No Mississippi court has held that a franchisor’s imposition of operational standards in a franchise agreement deems the franchisor liable for the acts of people

hired by a franchisee. *See Orozco v. Plackis*, 757 F.3d 445, 452 (5th Cir. 2014) (“Section 8a [of the Franchise Agreement] demonstrates that Plackis had at least a certain degree of control over the San Marcos location; nonetheless, it fails to provide legally sufficient evidence in support of the jury verdict. Citing 29 C.F.R. § 791.2(b), the MJ reasoned that the jury could have concluded that Plackis controlled Sandra and Orozco. However, Orozco concedes that the Franchise Agreement is insufficient, by itself, to establish that Plackis qualifies as Orozco's employer under the FLSA. Moreover, the agreement does not indicate that Plackis had sufficient authority to satisfy the economic reality test, especially in light of the negligible evidence presented at trial in support of the test. We find it notable that the MJ relied on the provision of the Franchise Agreement stating that Sandra had to follow ‘policies and procedures promulgated by the franchisor for “selection, supervision, or training of personnel.”’ We fail to see how this innocuous statement suggests that Plackis hired or fired employees, supervised or controlled employee work schedules or employment conditions, or determined Orozco's rate and method of payment.”); *Reese v. Coastal Restoration & Cleaning Servs., Inc.*, 2010 WL 5184841, \*4-5 (S.D. Miss. Dec. 15, 2010) (finding that franchise agreement provisions related to “quality control standards [that] SERVPRO requires as a condition to granting a franchise for the use of its system, trade name, service marks, trademarks, etc.” were insufficient to find franchisor to be employer); *Allen*, 942 So.2d at 827-28 (“In looking at whether there is an agency relationship between the franchisor and the franchisee, the majority of courts do not consider the rules and regulations, which are part of the franchise agreement, as a measure of direction and control. Instead, the courts find that these very specific and strict rules are a way for the franchisor to protect its trademark and to protect the public. We find no evidence in the record which would show that Choice had the right to control the day-to-day activities of the Gulfport Comfort Inn. Without such a showing of control or right

to control, the franchisor should be granted summary judgment.”); *Parmenter v. J & B Enterprises, Inc.*, 99 So. 2d 207, 215 (Miss. Ct. App. 2012) (“We find that McDonald's was not an employer of Jones. McDonald's did not control the day-to-day operations of the franchise. McDonald's had no right to hire or fire employees, to direct the hours the employees worked, or to direct the details of the manner in which the day-to-day work of each employee was completed. Based on the facts of this case, McDonald's cannot be held liable for the actions of Jones under the doctrine of respondeat superior because McDonald's was not a master or employer of Jones. Therefore, there was no genuine issue of material fact to be submitted to a jury regarding McDonald's liability. As such, we affirm the circuit court's order granting summary judgment in favor of McDonald's.”).

Denying TUPPS’s motion also would be inconsistent with the law in most other jurisdictions, which allow liability only where the franchisor controls the specific mechanism of injury (allegedly the actions of notaries public, here). See *Patterson v. Domino’s Pizza, LLC*, 333 P.3d 723, 742 (Cal. 2014) *Papa John’s Int’l, Inc. v. McCoy*, 244 S.W.3d 44, 56 (Ky. 2008) (“A franchisor is vicariously liable for the tortious conduct of the franchisee when it, in fact, has control or right of control over the daily operation of the specific aspect of the franchisee's business that is alleged to have caused the harm.”); *Kerl v. Dennis Rasmussen, Inc.*, 682 N.W.2d 328, 338 (Wis. 2004); *Kennedy v. W. Sizzlin Corp.*, 857 So. 2d 71, 76 (Ala. 2003); *Ciup v. Chevron U.S.A., Inc.*, 928 P.2d 263, 268 (N.M. 1996); *Stenlund v. Marriott Int’l, Inc.*, 172 F. Supp. 3d 874, 883-85 (D. Md. 2016); *Hong Wu v. Dunkin’ Donuts, Inc.*, 105 F. Supp. 2d 83, 87-89 (E.D.N.Y. 2000); *Schlotzsky’s, Inc. v. Hyde*, 538 S.E.2d 561, 563 (Ga. App. 2000); *Chelkova v. Southland Corp.*, 771 N.E.2d 1100, 1111 (Ill. App. 2002); *Miller ex rel. Bailey v. Piedmont Steam Co.*, 528 S.E.2d 923, 927 (N.C. App. 2000); *Pate v. Alian*, 49 P.3d 85, 90 (Okla. App. 2002); *Helmchen v. White Hen Pantry, Inc.*, 685 N.E.2d 180, 182 (Ind. App. 1997).

**CONCLUSION**

For the foregoing reasons, TUPSS's motion for summary judgment should be granted.

GREENBERG TRAURIG, LLP

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*International Franchise Association*

Dated: September 25, 2024

## ADDENDUM

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## FRANCHISE DISCLOSURE DOCUMENT



Doctor's Associates LLC  
A Delaware Limited Liability Company  
1 Corporate Drive, Suite 1000, Shelton, CT 06484  
Phone: 1-800-888-4848  
[franchise@subway.com](mailto:franchise@subway.com)  
[www.subway.com](http://www.subway.com)

As a Subway® franchisee, you will sell foot-long and other sandwiches, salads and other food items from a retail establishment.

The initial investment necessary to begin operation of a single new Subway® franchise ranges from \$238,623 to \$536,745 (\$199,135 to \$403,745 for a non-traditional location). This sum includes an estimated \$18,432 to \$43,117 (including an initial franchise fee of \$15,000) that must be paid to us or our affiliate.

The initial investment necessary to begin operation of 2 to 10 new Subway® franchises under the multi-unit development program ranges from \$246,123 to \$604,245 per restaurant (\$206,635 to \$471,245 for a non-traditional location). This sum includes an estimated \$48,432 to \$193,117 (including a development fee of \$22,500 to \$82,500) that must be paid to us 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, franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact the Franchise Development Team at 1 Corporate Drive, Suite 1000, Shelton, CT 06484, (800) 888-4848, [franchise@subway.com](mailto:franchise@subway.com).

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 disclosure document to an advisor, like a lawyer or an accountant.

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

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

Issuance Date: April 25, 2024, amended June 21, 2024

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened <sup>1</sup>	Column 5 Terminations <sup>2</sup>	Column 6 Non-Renewals	Column 7 Reacquired By Franchisor	Column 8 Ceased Operations – Other Reasons <sup>2</sup>	Column 9 Outlets at the End of the Year
Hawaii	2021	99	2	0	0	1	6	95
	2022	95	4	0	0	0	10	89
	2023	89	3	0	0	0	5	87
Idaho	2021	123	2	0	0	0	1	124
	2022	124	1	0	0	0	7	118
	2023	118	1	0	0	0	3	116
Illinois	2021	981	44	0	0	5	74	942
	2022	942	28	0	2	6	69	886
	2023	886	37	0	0	13	31	879
Indiana	2021	583	8	0	0	0	34	555
	2022	555	12	0	2	1	13	551
	2023	551	5	0	0	1	9	546
Iowa	2021	280	5	0	0	2	16	267
	2022	267	4	0	0	0	9	260
	2023	260	6	0	0	2	5	259
Kansas	2021	233	6	2	0	0	33	203
	2022	203	4	0	0	0	8	199
	2023	199	7	0	0	0	2	204
Kentucky	2021	371	9	0	0	2	21	359
	2022	359	10	0	0	2	13	356
	2023	356	4	0	0	0	9	351
Louisiana	2021	428	16	0	0	1	39	405
	2022	405	18	0	0	2	16	406
	2023	406	8	0	1	1	13	399
Maine	2021	103	0	0	0	0	3	100
	2022	100	6	0	0	0	2	100
	2023	100	5	0	0	4	4	97
Maryland	2021	407	12	0	0	2	25	393
	2022	393	13	0	2	1	20	380
	2023	380	14	0	0	4	11	379
Massachusetts	2021	319	10	0	0	0	32	297
	2022	297	13	0	0	2	22	280
	2023	280	13	0	0	8	11	274
Michigan	2021	784	21	0	0	1	70	734
	2022	734	28	0	0	2	32	726
	2023	726	27	0	1	4	28	720
Minnesota	2021	416	10	0	0	2	16	408
	2022	408	6	1	0	1	12	400
	2023	400	3	0	0	1	9	393
Mississippi	2021	280	9	0	0	0	15	272
	2022	272	11	1	0	0	7	273



DOCTOR'S ASSOCIATES LLC  
FRANCHISE AGREEMENT

This Franchise Agreement (this “**Agreement**”), made on the date shown on the cover page hereof (the “**Agreement Date**”), by and between Doctor’s Associates LLC, a Delaware limited liability company with a principal office in Shelton, Connecticut (“**Franchisor**”, “**we**”, “**us**”, or “**our**”), and the party identified as Franchisee in the Key Contract Data at the beginning of this Agreement (“**Franchisee**”, “**you**” or “**your**”).

1. **Background Information.**

A. Our affiliate, Subway US IP Holder LLC (“**Subway US IP Holder**”) is the owner of a proprietary system for establishing and operating restaurants featuring sandwiches, pizza and salads under our trade name and service mark, Subway<sup>®</sup>, which operate with a uniform business format, specially designed equipment, methods, procedures, and designs (the “**System**”). The System includes the trademark Subway<sup>®</sup>, other trademarks, trade names, service marks, commercial announcements (slogans) and related insignia (logos) owned by Subway US IP Holder (the “**Marks**”). The System was developed spending considerable money, time, and effort. The System also includes confidential information and goodwill. Subway US IP Holder has granted us a non-exclusive license to use the System in the United States of America and its territories to establish and sublicense others to establish and operate Subway<sup>®</sup> restaurants (“**Subway<sup>®</sup> Restaurants**”). Subway<sup>®</sup> Restaurants are operated by persons meeting our qualifications to whom we have granted franchises.

B. You have applied for the right and obligation to operate a Subway<sup>®</sup> Restaurant utilizing the Marks solely at the Approved Location (as defined in Section 4.A) described in this Agreement. Such application has been approved by us in reliance upon all of the representations made within it being true, correct and complete including, without limitation, your ownership. You desire to operate a Subway<sup>®</sup> Restaurant under the System and wish to obtain a franchise from us for that purpose.

C. You have read this Agreement, and our franchise disclosure document, and have been given an opportunity to clarify any provisions that you did not understand. You understand and accept the terms, conditions, and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at all Subway<sup>®</sup> Restaurants, and thereby to protect and preserve the goodwill of the Marks.

D. The term “Franchisee”, “you” and “your” as used herein is applicable to one 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 neuter usages include the other and the feminine. References to “Franchisee”, “you” and “your” applicable to an individual or individuals shall mean the principal owner or owners of the equity or operating control of you if you are a corporation, limited liability company or partnership, and shall include all such individuals collectively and individually.

E. The parties agree that the information in this Section 1 (“**Background Information**”) is true and correct, and we are relying on it.

2. **Appointment.**

A. We hereby grant to you, upon the terms and conditions of this Agreement, a franchise to operate a Subway<sup>®</sup> Restaurant (the “**Restaurant**”) and to use in connection therewith the System, as it may

We shall have the right to add to and otherwise modify the Confidential Operations Manual from time to time to reflect changes in the System Standards.

B. The Confidential Operations Manual shall at all times remain the sole property of us and any hardcopy version thereof that we may have provided to you shall promptly be returned to us upon the expiration or termination of this Agreement.

C. You shall at all times ensure that the Confidential Operations Manual is available at the Premises in a current and up-to-date manner, and in the event of any dispute as to the contents of the Confidential Operations Manual, the terms of the master copy of the Confidential Operations Manual maintained by us at our home office shall be controlling.

10. **Standards of Quality and Performance.**

A. You shall commence operation of the Restaurant not later than twelve (12) months from the Agreement Date, or as otherwise approved in writing by us. Prior to such opening, you shall have procured all necessary licenses, permits, and approvals, including but not limited to construction permits, shall have hired and trained personnel, made all leasehold improvements, and purchased initial inventory. If you for any reason fail to commence operations as herein provided, unless you are precluded from doing so by war or civil disturbance, natural disaster or organized labor dispute that precludes such timely commencement of operation, such failure shall be considered a default and we may terminate this Agreement. Once you have commenced operation of the Restaurant, you must actively and continuously operate the Restaurant during normal business hours (as we may periodically prescribe in the Confidential Operations Manual or elsewhere in writing) for the entire duration of the Term.

B. You agree to maintain (or cause to be maintained) the condition and appearance of the interior and exterior of the Premises consistent with our quality controls and standards for the image of a Subway® Restaurant as an attractive, pleasant and comfortable facility conducive to patronage and impulse buying by its customers. You agree to carry out such maintenance of the Restaurant as is from time to time required to maintain or improve the appearance and efficient operation of the Restaurant, including replacement of worn out or obsolete fixtures and signs, repair of the exterior and interior of the Restaurant and redecorating. If at any time in our business judgment the general state of repair or the appearance of the Premises or its equipment, fixtures, signs or decor does not meet our quality control and standards therefor, we shall so notify you, specifying the action to be taken by you to correct such deficiency. If you fail or refuse to initiate within thirty (30) days after receipt of such notice, and thereafter continue, a bona fide program to complete any required maintenance, we shall have the right, in addition to all other remedies, to enter upon the Premises and effect such repairs, painting, decorating or replacements of equipment, fixtures or signs on your behalf and you shall pay the entire costs thereof on demand. Your obligation to initiate and continue any required maintenance shall be suspended during any period in which such maintenance is commercially impractical due to war, civil disturbance, natural disaster, organized labor dispute or other event beyond your reasonable control.

C. You shall make no material alterations to the improvements of the Restaurant nor shall you make material replacements of or alterations to the equipment, fixtures or signs of the Restaurant without our prior written approval.

D. The Approved Location shall be used solely for the purpose of conducting a Subway® Restaurant.

E. Except if you are prohibited from selling products under applicable law or under the terms of the Restaurant lease, you agree that you will offer for sale and sell at the Restaurant all types of

sandwiches, food, drinks and other products that we from time to time authorize, and that you will not offer for sale or sell at the Premises any other food product, beverage, confection or non-food product whatsoever or use the Premises for any purpose other than the operation of the Restaurant in full compliance with this Agreement. You further agree that you will participate in any gift certificate, gift card and/or loyalty card programs that we require. To the extent allowed by applicable law, you must comply with our minimum, maximum, and other pricing requirements for sandwiches and other products and services offered by the Restaurant, as well as comply with our pricing methods and procedures for in-store, curbside, delivery, catering (including online catering), on-line/electronic and any other types of orders, including but not limited to advertising and marketing promotions.

F. From time to time, we shall provide to you in the Confidential Operations Manual or otherwise in writing a list of approved manufacturers, suppliers, and distributors and approved food and non-food products, fixtures, equipment, signs, stationery, supplies, and other items or services necessary to operate the Restaurant. Such list shall specify the manufacturer, supplier and distributor and the food and non-food products, fixtures, equipment, signs, stationery, supplies and services that we have approved to be carried or used in the System. We may revise the approved list of manufacturers, suppliers and distributors and the approved list of food and non-food products, fixtures, equipment, signs, stationery, supplies, and other materials from time to time. Such approved list shall be submitted to you in a form that we deem advisable. You must respond to the recall of any products in the manner and at the time that we specify.

G. All sandwiches, menu items, breads, meats, cheeses, ingredients, toppings, spices, mixes and other food and beverage products and materials, containers, packaging materials, other paper and plastic products, plates, cups, utensils, menus, uniforms, forms, cleaning and sanitation materials and other materials and supplies used in the operation of the Restaurant shall conform to the specifications and quality standards established by us from time to time in the Confidential Operations Manual or otherwise. Except as otherwise provided herein, you may only purchase such products that meet our specifications and quality standards from suppliers approved by us as meeting our criteria for Subway® Restaurant suppliers, such criteria and suppliers being subject to change by us from time to time. If you propose to offer for sale at the Restaurant any brand of product, or to use in the operation of the Restaurant any brand of food ingredient or other material or supply, that is not then approved by us as meeting our minimum specifications and quality standards, or to purchase any product from a supplier that is not then designated by us as an approved supplier, you shall submit your request in writing to us before purchasing or leasing any such ingredient, material or supply, and its purchase or lease may not be made by you absent our prior written consent. We will not be obligated to respond to your request, and any actions we take in response to such request will be at our sole discretion, including the assessment of a fee to compensate us for the time and resources we spend in evaluating the ingredient, material or supply. If we do not respond to your request within thirty (30) days, the request shall be deemed denied. We reserve the right from time to time to examine the facilities of any approved supplier or distributor and to conduct reasonable testing and inspection of the ingredients, materials or supplies to determine whether they meet our standards and specifications. We also reserve the right to charge fees for testing and evaluating proposed suppliers or distributors and to impose reasonable limitations on the number of approved suppliers or distributors of any product. Approval of a supplier or distributor may be conditioned on requirements relating to frequency of delivery and standards of service, including prompt attention to complaints and the ability to service and supply Subway® Restaurants within areas designated by us.

H. In addition to the specific operating standards and specifications set forth above, you agree to fully comply with the System Standards in effect from time to time as set forth in the Confidential Operations Manual or otherwise communicated to you by us in writing (including by intranet or other electronic means).

I. You shall secure and maintain in force all required licenses, permits and certificates relating to the leasing, construction, opening, and operation of the Restaurant and shall operate the Restaurant in full compliance with all applicable laws, ordinances and regulations, including without limitation all government regulations relating to occupational hazards and health, consumer protection, trade regulation, worker's compensation, unemployment insurance and withholding and payment of Federal and State income taxes and social security taxes and sales, use and property taxes. You agree to refrain from any merchandising, advertising or promotional practice that is unethical or may be injurious to our business and/or other Subway® Restaurants or to the goodwill associated with the Marks. Upon request, you will forward to us copies of any documentation relating to these items.

J. The Restaurant shall at all times be under your direct, on-premises supervision or a trained and competent employee acting as full-time manager. In the event you operate more than one franchise, or in the event you do not devote your full time to conducting the Restaurant business, we may require you to designate one or more competent managers who have completed the training requirements to hold the position of full-time managers (each a "**Designated Manager**") for the Restaurant. You must, upon our request, keep us informed at all times of the identity of any other employee(s) acting as manager(s) of the Restaurant. We shall make training available, as is necessary in our judgment, for all managers who you designate. We shall provide such training at the then-current published rates. You agree that you will at all times faithfully, honestly and diligently perform your obligations hereunder and that you will not engage in any other business or activities that, in our judgment, will conflict with your obligations hereunder.

K. You will be solely responsible for all costs of building and operating the Restaurant, including, but not limited to, construction costs and permits, equipment, furniture, fixtures, signs, advertising, insurance, food products, labor, utilities, rent, fees, customs, stamp duty, other duties, governmental registrations, sales tax and other taxes. You must register to collect and pay sales taxes before you open the Restaurant, and you must maintain these registrations during the Term. You shall promptly pay when due all taxes levied or assessed on your Restaurant operation, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the operation of the Restaurant. You shall promptly pay to us the amount equal to all taxes levied or assessed, including, but not limited to, sales taxes, use taxes, withholding taxes, excise taxes, personal property taxes, intangible property taxes, gross receipt taxes, taxes on royalties (including without limitation the Franchise Fee, Royalty Fee and Advertising Contributions), any similar taxes or levies imposed upon, or required to be collected or paid by us by reason of the furnishing of products, intangible property (including trademarks and trade names), or service by us to you through the sale, license or lease of property or property rights provided by this Agreement. The foregoing does not include tax on your net income. You will, at your sole discretion, recruit, hire, terminate, discipline and supervise all Restaurant employees, set pay rates, and pay all wages and related amounts, including any employment benefits, unemployment insurance, withholding taxes or other sums. You will reimburse us for any such costs that we must pay in connection with your operation of the Restaurant.

L. You and your owners represent and warrant to us that all statements, documents, materials, and information submitted to us, including the application for the rights granted by this Agreement are true, correct and complete in all material respects, and there have been no material omissions. You and your owners agree to comply with any and all laws, regulations, Executive Orders or otherwise of any kind, including those relating to anti-terrorist activities, such as, without limitation Executive Order 13224 and related U.S. Treasury and other regulations. You confirm that you and your owners, officers and directors are not listed on the Annex to Executive Order 13224 (or any subsequent or related order) and you agree not to hire any person so listed or have any dealing with a person so listed (the Annex is currently available at [www.treasury.gov](http://www.treasury.gov)). You are solely responsible for ascertaining the actions that must be taken to comply with such laws, orders and/or regulations.

M. You must implement all administrative, physical and technical safeguards necessary to protect any information that can be used to identify an individual, including without limitation names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information (“**Personal Information**”) in accordance with applicable laws and industry best practices. Without limiting the foregoing, you must comply with the Payment Card Industry Data Security Standard (commonly known as “**PCI Compliance**” or “**PCI-DSS**”), and any successor thereto. It is entirely your responsibility (even if we provide you any assistance or guidance in that regard) to confirm that the safeguards you use to protect Personal Information comply with all applicable laws and industry best practices related to the collection, access, use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed.

N. You acknowledge and agree that the foregoing standards of quality and performance are reasonable and necessary to preserve the identity, reputation, value and goodwill of the System. In the event that any cash rebates, mark ups, volume discounts, concessions, advertising allowances, or discount bonuses (collectively “**Rebates**”), whether by way of cash, kind or credit, are available to or received by us and/or our affiliates from any third party, whether or not on account of purchases made (i) by us for our own account or for your account, or franchisees generally; or (ii) by you directly for your own account, we and/or our affiliates shall be entitled to retain the whole of the amount or any part of such Rebates. You acknowledge and agree that we and/or our affiliates have the right to realize a profit on any goods or services that we and/or our affiliates supply to you.

#### 11. **Delivery Services.**

A. You must provide delivery services in compliance with the Confidential Operations Manual and as we otherwise specify in writing from time to time. We may authorize you to provide delivery services directly to end user customers, through approved third-party delivery service providers (each a “**Third-Party Delivery Provider**”) or through such other delivery methods as we approve in advance in writing.

B. You will not receive any exclusive or protected delivery area around your Restaurant for engaging in delivery or sale for delivery of sandwiches and other food products (“**Delivery Activities**”). We may establish from time to time geographic areas within which you may perform Delivery Activities (your “**Delivery Area**”). We may restrict where you may engage in Delivery Activities, and we may designate one or more Third-Party Delivery Providers as the sole or designated Third-Party Delivery Provider(s) and require you to contract with and comply with your agreements with them. We may require you to direct customers for Delivery Services outside of your Delivery Area to other Subway® Restaurants or decline to sell sandwiches and other food products to them. We may permit Third-Party Delivery Providers to direct and allocate Delivery Activities among delivery service areas they or we may designate. Because of the evolving nature of the food to-go and delivery service sector, these standards and policies for Delivery Activities may change and evolve at any time. We will not be liable for any reduction in your sales or profits as a result of these Delivery Activities or for engaging in Delivery Activities.

C. You must comply with all laws at all times in offering Delivery Activities, including, but not limited to, obtaining and maintaining all required permits, licenses, consents and waivers required by any laws. You also agree to comply fully with the standards for third-party ordering and delivery services as established by us from time to time, including, but not limited to: using such food containers, thermal bags or other storage devices we may designate to the Third-Party Delivery Provider or you; providing such amount of additional condiments, napkins and utensils as we deem appropriate; sealing the delivery bags



## FRANCHISE DISCLOSURE DOCUMENT



Crunch Franchising, LLC  
a Delaware limited liability company  
1 Harbour Place  
Suite 230  
Portsmouth, NH 03801  
800-669-7162

The franchise offered is for the operation of a Crunch health club in one of 3 formats: Crunch Fitness, Crunch Select, and Crunch Signature. We also offer multi-unit developments rights and area development rights to develop and operate multiple Crunch health clubs within a specific development area under individual franchise agreements.

The total investment necessary to begin operation of a Crunch Fitness health club franchise is \$918,000 to \$3,733,000. This includes \$175,000 to \$1,045,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Crunch Select health club franchise is \$794,000 to \$5,438,000. This includes \$205,000 to \$1,295,000 that must be paid to the franchisor or affiliate. The total investment necessary to begin operation of a Crunch Signature health club franchise is \$1,277,000 to \$6,691,000. This includes \$275,000 to \$1,295,000 that must be paid to the franchisor or affiliate. There are no incremental initial investment costs if you become a multi-unit developer or area developer, but you will pay us a multi-unit development fee of \$50,000 for each Crunch Signature health club and \$25,000 for each of the Crunch Fitness or Crunch Select health club franchises you are required to develop if you sign a Multi-Unit Development Agreement, or a development fee equal to \$50,000 for each Crunch Signature health club and \$25,000 for each Crunch Fitness or Crunch Select health club required to be developed under your development schedule if you sign an Area Development Agreement.

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 in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact John Merrion, 1 Harbour Place, Suite 230, Portsmouth, New Hampshire 03801, phone: 800.669.7162.

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, N.W., 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.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Iowa	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Kansas	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kentucky	2021	3	1	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	2	0	0	0	0	6
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	2	0	0	0	0	0	2
	2022	2	1	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Massachusetts	2021	11	1	0	0	0	1	11
	2022	11	2	0	0	0	2	11
	2023	11	2	0	0	0	0	13
Michigan	2021	10	1	0	0	0	0	11
	2022	11	0	0	0	0	0	11
	2023	11	0	0	0	0	0	11
Minnesota	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Mississippi	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Missouri	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Nevada	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	1	2
New Jersey	2021	21	1	0	0	0	1	21
	2022	21	1	0	0	0	0	21
	2023	21	2	0	0	0	1	22
New Mexico	2021	2	0	0	0	0	0	2

## FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT, dated \_\_\_\_\_, 20\_\_\_\_ (‘‘Effective Date’’), is made by and between CRUNCH FRANCHISING, LLC, a Delaware limited liability company (‘‘we’’, ‘‘us’’ or ‘‘our’’), located at 1 Harbour Place, Suite 230, Portsmouth, NH 03801, and \_\_\_\_\_, a \_\_\_\_\_ (‘‘you’’ or ‘‘your’’), located at \_\_\_\_\_, who in consideration of the mutual promises set forth below, agree as follows:

### 1. Nature and Scope of Agreement

1.1 ***The Franchisor.*** We have developed and own a distinctive System designed to operate health clubs under the service mark CRUNCH® and associated marks, logos and designs (the ‘‘Licensed Marks’’) which offer members basic health club services, including cardiovascular equipment, selectorized weight machines, free weights, group fitness classes, personal training, tanning and online nutritional programs. We offer franchises to operate a Crunch health club using the Licensed Marks and the System under three different formats: Crunch Fitness, Crunch Select, and Crunch Signature. The Licensed Marks may vary depending on the format of Franchised Business this Agreement is for, and there are other variations to the System (as defined below) depending on the format of your Franchised Business.

1.2 ***The System.*** The ‘‘System’’ is used by health clubs that offer members basic health club services and operate under the Licensed Marks under the Crunch Fitness, Crunch Select, and Crunch Signature formats, with some variations depending on the format. The System presently includes, but is not limited to: the Licensed Marks and associated marks, logos and designs; advertising, publicity and other marketing programs; training programs and training materials; the methods, designs, know how, business standards; and other requirements as stated or referred to in this Agreement and from time to time in our Operations Manual, or otherwise in writing by us and designated as part of standards for the System. The System will be applied to all Franchised Businesses, although we in our business judgment may vary the System and its application between the Crunch Fitness, Crunch Select, and Crunch Signature formats, and may make exceptions based on local conditions, special circumstances or different contractual provisions applicable to one or more Franchised Businesses. We may change or modify the System, including temporarily, from time to time, in our sole discretion, and you agree to comply with the System standards as they may exist from time to time and as they apply to the format of your Franchised Business (including all operational policies, procedures, programs and plans set forth in the Operations Manual or otherwise in writing), all of which shall constitute provisions of this Agreement as if fully set forth herein.

1.3 ***The Franchisee.*** You have independently investigated the business risks involved and such other matters as you deem important, including current and potential market conditions and competitive factors and risks, have read our Franchise Disclosure Document, and have not relied on any representations not set forth in this Agreement. Aware of the relevant facts, you desire to enter into this Agreement to obtain a license to use the System and the Licensed Marks to operate one Franchised Business in the format set forth on **Exhibit 1**, or identified in Section 3.1, within the Territory described in this Agreement.

### 2. Definitions, Representations and Owner’s Guaranty

2.1 The capitalized terms used in this Agreement shall have the following meanings:



7.1.1 You must convert or construct and open your Franchised Business for business within the time periods provided in Section 5.4 or Section 5.5, as applicable;

7.1.2 You must operate your Franchised Business at and only at the Approved Location according to the System and under the Licensed Marks, and not deviate from the System without our prior written consent;

7.1.3 You must conduct grand opening marketing and promotions in your Territory in accordance with our grand opening plan, and you cannot deviate from that plan without our prior written approval, which expenditures shall be in an amount of not less than \$15,000;

7.1.4 You must use your best efforts in the Territory to promote, develop and expand the market for Crunch health clubs;

7.1.5 You (if you are an individual) or one of your Owners (if you are an entity) must devote sufficient time and effort to your Franchised Business as required by Section 7.2 to ensure the proper, efficient and effective operation of the Franchised Business;

7.1.6 You must comply with all of our mandatory standards, methods, policies, products, procedures, techniques and specifications we prescribe from time to time, whether in the Operations Manual or in other written or electronic communications, including hours of operation, the wearing of uniforms while performing services, and using only equipment, uniforms, computers, point of sale and membership management systems, transaction processing and accounting platforms, software, telephones and other items that meet or exceed our standards;

7.1.7 You must operate the Franchised Business continuously throughout the Term and provide efficient, courteous, and high-quality service to all club members;

7.1.8 You must offer and sell all the services and products we specify from time to time, including without limitation our Personal Training System, Class-ic group fitness classes, dotFit services and supplements, and you may not sell services or products we prohibit;

7.1.9 You must manage and service all member accounts to our satisfaction and in accordance with the System;

7.1.10 You must allow access to your Franchised Business by members of other Crunch locations or Crunch members in accordance with reciprocity provisions included in their membership agreements in the manner and as detailed in the Operations Manual;

7.1.11 You must purchase an opening inventory of t-shirts, drinks, supplements and promotional items from approved Suppliers prior to opening your Franchised Business;

7.1.12 You (if an individual) or one of your Owners (if an entity) and your managers, if any, must attend and successfully complete our initial training program, and any ongoing training we designate. The training for owners and managers may be different. You are solely responsible for all the travel, living and meal expenses, and salaries, for yourself and your Owner or manager who attend the training classes;

7.1.13 The Franchised Business must always be under your direct on-site supervision (if you are an individual) or one of your Owners (if an entity) or a manager who has successfully completed the initial training program. If you have a manager and the manager is terminated or

## FRANCHISE DISCLOSURE DOCUMENT



OTF Franchisor, LLC  
a Delaware limited liability company  
6000 Broken Sound Parkway NW, Ste. 200  
Boca Raton, FL 33487  
(954) 530-6903  
info@orangetheory.com  
www.orangetheory.com

OTF Franchisor, LLC offers franchises for the operation of health and fitness studios that offer members access to exercise equipment, including cardio and strength equipment, in a simple, contemporary atmosphere characterized by our signature, energizing orange color scheme and trade dress under the ORANGETHEORY® trademarks (a “**Studio**”).

The total investment necessary to begin operation of an ORANGETHEORY® franchised business is \$729,352 to \$1,628,992. This includes \$217,820 to \$295,720 that must be paid to the franchisor or an 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.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in a different format, contact Franchise Sales at 6000 Broken Sound Parkway NW, Suite 200, Boca Raton, Florida 33487, sales@orangetheory.com, and (954) 530-6903.

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. 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 for additional information. Call your state agency or public library for other sources of information on franchising.

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

The issuance date of this disclosure document is June 4, 2024.

State	Year	Studios at Start of Year	Studios Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Studios at End of the Year
Mississippi	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Missouri	2021	19	0	0	0	0	0	19
	2022	19	0	0	0	0	0	19
	2023	19	2	0	0	0	1	20
Montana	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Nebraska	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Nevada	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
New Hampshire	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	1	8
New Jersey	2021	31	5	0	0	0	0	36
	2022	36	1	0	0	0	0	37
	2023	37	4	0	0	0	0	41
New Mexico	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
New York	2021	60	6	0	0	0	0	66
	2022	66	7	0	0	0	0	73
	2023	73	5	0	0	0	0	78
North Carolina	2021	32	1	0	0	0	0	33
	2022	33	2	0	0	0	0	35
	2023	35	2	0	0	0	1	36
North Dakota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Ohio	2021	45	3	0	0	0	0	48
	2022	48	2	0	0	0	0	50
	2023	50	0	0	0	0	0	50
Oklahoma	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	1	0	0	0	0	9
Oregon	2021	20	1	0	0	0	0	21
	2022	21	1	0	0	0	0	22
	2023	22	0	0	0	0	0	22

## ORANGETHEORY® FRANCHISE AGREEMENT

**THIS FRANCHISE AGREEMENT** (“**Agreement**”) is made and entered into as of the date set forth on Appendix A of this Agreement (the “**Effective Date**”) (Appendix A and all appendices and schedules attached to this Agreement are hereby incorporated by this reference) by and between **OTF FRANCHISOR, LLC**, a Delaware limited liability company whose principal business address is 6000 Broken Sound Parkway NW, Suite 200, Boca Raton, Florida 33487 (“**we**,” “**us**,” “**our**” or “**Franchisor**”), and the person or Entity identified on Appendix A as the franchisee (“**you**,” “**your**” or “**Franchisee**”).

A. We and our Affiliates have developed valuable and proprietary business formats and systems (collectively, the “**System**”) used in developing and operating health and fitness studios that operate under the ORANGETHEORY® mark (“**Studios**”).

B. The distinguishing characteristics of the System include, but are not limited to, our Studio designs, layouts, and identification schemes (collectively, the “**Trade Dress**”), our specifications for equipment, inventory, and accessories; our website or series of websites for the promotion of the brand and the Studios (the “**System Website**”); our relationships with vendors; our software and computer programs; our online booking system; our reservation procedures; any fitness programs and classes that we have developed or may develop; the accumulated experience reflected in our training program, operating procedures, customer service standards methods, and marketing techniques; and the mandatory and suggested policies, procedures, standards, specifications, rules, and requirements (“**System Standards**”) set out in our operations manuals (“**Manuals**”) and otherwise in writing. We may change, improve, add to, and further develop the elements of the System from time to time.

C. We identify the Studios operating under the System by means of the trade and service marks “ORANGETHEORY®”, “OT FIT®”, “OTF®” and certain other trademarks, service marks, trade names, signs, associated designs, artwork, and logos set forth on Appendix B (collectively, the “**Marks**”). We may designate for your use other trade names, service marks, and trademarks as Marks from time to time. These marks will also be included in the term the “**Marks**.”

D. We may have engaged an area representative to provide certain services to you under this Agreement pursuant to an Area Representative Agreement. If an area representative will be providing you with services as of the Effective Date, the area representative will be listed on Appendix A (the “**Area Representative**”). We may, without your consent, appoint an Area Representative or a substitute for the Area Representative at any time.

E. As used in this Agreement, “**Affiliate**” as used with respect to you or us, means any corporation, limited liability company, partnership, or other form of entity (“**Entity**”) directly or indirectly owned or controlled by, under common control with, or owning or controlling, you or us (as applicable). “**Parent**” refers to any Entity that directly or indirectly controls you. “**Owner**” refers to a person or Entity that has a legal or beneficial interest in you. For purposes of these definitions, “**control**” of a person means ownership or control of a majority of the voting ownership of the person or any combination of voting ownership and/or one or more agreements that together afford control of the management and policies of such person. We refer to you, your Owners, and/or your Affiliates individually or collectively as the “**Franchisee Parties**.”

are merely recommendations, suggestions or guidelines. System Standards do not include any mandatory requirements on your employee's wages, working conditions, hours, staffing levels, shift timing or other terms of employment, but may specify uniforms and appearance to meet brand standards. While we or your Area Representative may provide additional employment-related guidance, you are responsible for making all hiring and employment decisions as the owner of the Studio. This includes, but is not limited to, employee selection, hiring, training, promotion, termination, hours worked, rates of pay, benefits, work assigned, supervision, discipline, and working conditions.

(v) Privacy Requirements. To the extent applicable, you must abide by: (i) the Payment Card Industry Data Security Standards enacted by the applicable card associations (as they may be modified from time to time or as successor standards are adopted); (ii) the Fair and Accurate Credit Transactions Act; (iii) all other standards, laws, rules, regulations or any equivalent thereof that related to electronic payments, data privacy, personally identifiable information, protected health information, and data protection; and (iv) any privacy policies or data protection and breach response policies we periodically may establish (collectively, "**Privacy Requirements**"). We may require you to (a) use vendors that we designate or approve to provide security services that are consistent with the Privacy Requirements; (b) maintain specific security measures; (c) provide evidence of compliance with Privacy Requirements upon our request; and/or (d) use vendors that we approve or designate to conduct periodic security audits to ensure that personally identifiable information, protected health information, and/or payment data is adequately protected and provide us with copies of any audits, scanning results, or related documentation relating to such compliance or audits. If you suspect or know of a security breach, you must immediately give us notice of such security breach and promptly identify and remediate the source of any compromise or security breach at your expense. You assume, at your expense, all responsibility for complying with applicable data breach notification laws, providing all notices of breach or compromise, and monitoring credit histories and transactions for all impacted individuals.

(b) Modification of System Standards. We may periodically modify the System Standards, provided that such modifications will not alter your fundamental rights under this Agreement. You must comply with all modifications to the System Standards within the reasonable time periods we specify. You acknowledge that any modifications to the System Standards may obligate you to invest additional capital in the Studio and/or to incur higher operating costs and that there is no limit on the cost or frequency of such modifications. Modifications may include (at our discretion) those needed to modernize the premises of the Studio, and other changes to the Operating Assets (including the Technology System), signs, interior and exterior décor items, fixtures, furnishings, supplies, and other products and materials required for new Studios.

(c) Product and Service Offerings.

(i) Products and Services You May Offer. You may offer in the Studio to customers only the products, services, and classes that we have approved in writing. In addition, you must offer the specific products, services, and classes that we require in the Manuals or otherwise in writing. We may change these specifications periodically, and we may designate specific products or services as optional or mandatory. You must offer all products, services, or classes that we designate as mandatory. You may sell products and services only in the varieties, forms, and packages that we have approved in accordance with our System Standards. You must maintain a sufficient supply of required

products to meet the inventory standards we prescribe in the Manuals (or to meet reasonably anticipated customer demand, if we have not prescribed specific standards).

(ii) Core Business Operations. You must offer or perform (as applicable) in the Studio all Core Business Operations, as we periodically modify them. "**Core Business Operations**" means all mandatory business activities of or associated with the Studio, including the Studio's front desk and membership operations, all cardio and weight training functions, personal training services, group exercise classes, towel/locker services, and other services we designate from time to time. You and your employees must perform all Core Business Operations at the Studio, and you may not contract with or allow any third party, including any licensee, lessee, consultant or other independent contractor (a "**Contractor**"), to perform any Core Business Operations.

(iii) Ancillary Business Operations. You may offer or perform (as applicable) in the Studio any Ancillary Business Operations (if any) that we specify or approve in our sole discretion. "**Ancillary Business Operations**" means business activities other than Core Business Operations, such as tanning services, massage services, chiropractic services and physical therapy services, which (i) we may periodically specify as being ancillary and optional to the main business of the Studio or (ii) which we, in our sole discretion, otherwise approve in writing. We may specify in the Manuals and periodically modify those business activities that will be approved as Ancillary Business Operations. If we withdraw our approval for any Ancillary Business Operations, you must promptly cease offering such Ancillary Business Operations. At your option, but subject to our prior written approval and your compliance with all terms and conditions of this Agreement, you may (i) allow one or more Contractors to perform any or all of the Ancillary Business Operations, provided that they may not use the Marks when doing so and that you enter into an arm's-length commercial relationship with each Contractor; or (ii) perform any or all Ancillary Business Operations yourself (through your employees), either under the Marks or under any trademark, service mark or trade name other than the Marks (an "**Other Mark**") that you own or license from a third party (an "**Ancillary Trademark Licensor**"). You acknowledge that, as a condition to obtaining our approval:

(A) you must first submit to us all agreements and other documents evidencing the relationship between you and each Contractor or Ancillary Trademark Licensor with respect to any Ancillary Business Operations and promptly notify us of any changes in the terms of your relationship with any Contractor or Ancillary Trademark Licensor;

(B) you and each Contractor or Ancillary Trademark Licensor must sign any agreements and documents that we periodically specify to protect our rights in the System, Confidential Information and Marks;

(C) if a Contractor performs the Ancillary Business Operations, you and the Contractor must have an arm's-length commercial relationship with economic and other terms that are standard in the industry for similar relationships involving unrelated parties; and

(D) if a Contractor performs the Ancillary Business Operations or you perform the Ancillary Business Operations under Other Marks, such Ancillary Business Operations must (i) not use or display the Marks in any manner, (ii) be clearly distinguishable from the remainder of the Studio in the manner we





## FRANCHISE DISCLOSURE DOCUMENT

Planet Fitness Franchising LLC  
(a Delaware Limited Liability Company)  
4 Liberty Lane West, Floor 2  
Hampton, NH 03842  
(603) 750-0001  
[www.planetfitness.com](http://www.planetfitness.com)

**PLANET FITNESS®** businesses are fitness training facilities offering exercise machines and free weights, fitness training services, related services, amenities, and ancillary goods. We offer for sale **PLANET FITNESS** franchises for new locations and for existing fitness facilities that want to convert to a **PLANET FITNESS**.

The total investment necessary to begin operation of a single **PLANET FITNESS®** facility ranges from \$1,504,600 to \$3,691,500 if you finance your equipment. This includes \$43,000 to \$352,000 that must be paid to the franchisor or its affiliate. If you choose to purchase your equipment, the total investment necessary to begin operation of a single **PLANET FITNESS®** facility ranges from \$2,579,600 to \$5,158,500. This includes \$425,000 to \$1,093,000 that must be paid to the franchisor or its affiliate. These estimated initial investment ranges also apply to each location that you develop under the Area Development Agreement (plus the Area Development Fee you pay at the time you sign the Area Development Agreement). If you sign an Area Development Agreement, you must develop one or more **PLANET FITNESS®** facilities, and you will pay an Area Development Fee of \$10,000 per planned location (paid in full when you sign the Area Development Agreement) in addition to the then-current initial franchise fee due for each location at the time the Franchise Agreement for that location is signed.

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, us or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jason Bauman, Associate General Counsel, Franchising, at 4 Liberty Lane West, Hampton, NH 03842 and (603) 750-0001.

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 accountant.

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

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

**Issuance date: June 5, 2024**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor**	Ceased Operations - Other Reasons	Outlets at End of the Year
Idaho	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Illinois	2021	83	4	0	0	0	0	87
	2022	87	7	0	0	0	0	94
	2023	94	3	0	0	0	0	97
Indiana	2021	51	2	0	0	0	0	53
	2022	53	6	0	0	0	0	59
	2023	59	5	0	0	0	0	64
Iowa	2021	16	2	0	0	0	0	18
	2022	18	1	0	0	0	0	19
	2023	19	1	0	0	0	0	20
Kansas	2021	17	0	0	0	0	0	17
	2022	17	0	0	0	0	0	17
	2023	17	0	0	0	0	0	17
Kentucky	2021	34	1	0	0	0	0	35
	2022	35	1	0	0	0	0	36
	2023	36	3	0	0	0	0	39
Louisiana	2021	31	2	0	0	0	0	33
	2022	33	0	0	0	0	0	33
	2023	33	2	0	0	0	0	35
Maine	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Maryland	2021	44	2	0	0	0	0	46
	2022	46	1	0	0	0	0	47
	2023	47	3	0	0	0	0	50
Massachusetts	2021	72	2	0	0	1	1	72
	2022	72	6	0	0	0	0	78
	2023	78	3	0	0	0	0	81
Michigan	2021	81	4	0	0	0	0	85
	2022	85	2	0	0	0	0	87
	2023	87	2	0	0	0	0	89
Minnesota	2021	25	2	0	0	0	0	27
	2022	27	2	0	0	0	0	29
	2023	29	3	0	0	0	0	32
Mississippi	2021	20	0	0	0	0	0	20
	2022	20	1	0	0	0	0	21
	2023	21	4	0	0	0	0	25



**PLANET FITNESS®  
FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (the “Agreement”) is made and entered into as of the Effective Date (as defined herein) by and between Planet Fitness Franchising LLC, a limited liability company formed under Delaware law, with its principal business address at 4 Liberty Lane West, Floor 2, Hampton, New Hampshire 03842 (referred to in this Agreement as “Franchisor”, “we,” “us” or “our”), and the Franchisee listed on the signature page hereto (referred to in this Agreement as “Franchisee”, “you” or “your”).

**1. PREAMBLES, ACKNOWLEDGMENTS AND REPRESENTATION.**

- 1.1 PREAMBLES.** We and our Affiliates, as the result of the expenditure of time, skill, effort, and money, have developed, and continue to develop, a distinctive System relating to the development and operation of **PLANET FITNESS** fitness facilities (“**PLANET FITNESS** Businesses”) identified by the Marks. We own the Marks and license them to franchisees. We grant franchises to persons who meet our qualifications and are willing to undertake the investment and effort required to own and operate a **PLANET FITNESS** Business offering the products and services we authorize and approve and utilizing our System and the Marks. You have indicated to us by your actions and statements that you desire a franchise to own and operate a **PLANET FITNESS** Business. This Agreement governs your ownership and operation of one (1) **PLANET FITNESS** Business.
- 1.2 ACKNOWLEDGMENTS.** You acknowledge that you have read this Agreement and our Franchise Disclosure Document (“FDD”) and understand and accept the terms, conditions and covenants contained in this Agreement as being reasonably necessary to maintain our high standards of quality and service and the uniformity of those standards at each **PLANET FITNESS** Business and thereby to protect and preserve the goodwill of the Marks. You acknowledge that you have conducted an independent investigation of the business venture contemplated by this Agreement and recognize that, like any other business, the nature of the business conducted by a **PLANET FITNESS** Business may evolve and change over time, that an investment in a **PLANET FITNESS** Business involves business risks and that your business abilities and efforts are vital to the success of the venture. Any information you acquire from other **PLANET FITNESS** franchisees or third party vendors relating to the sales, profits or cash flows of other **PLANET FITNESS** Businesses does not constitute information obtained from us, nor do we make any representation as to the accuracy of any such information. You acknowledge that, in all of their dealings with you, our officers, directors, employees and agents act only in a representative, and not in an individual, capacity. All business dealings between you and such persons as a result of this Agreement are solely between you and us. You further acknowledge that we have advised you to seek franchise counsel to review and evaluate this Agreement.
- 1.3 REPRESENTATION.** You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in connection with your purchase of the franchise are accurate and complete and that neither you nor any of your Owners have made any misrepresentations or material omissions in obtaining the Franchise. You represent to us that your entry into this Agreement does not breach any agreement or other legal obligation of you or any of your Owners including, if applicable, the active area development agreement pursuant to which the BUSINESS is being developed (the “ADA”). We have approved of your purchase of the Franchise in reliance upon all of your representations. We reserve the right to terminate this Agreement, as provided in Article 15, if you made any material representation to us that was false or there were any material omissions in information provided to us in inducing us to enter into this Agreement with you. You agree to indemnify and hold us harmless for a breach of any representation in this Article 1.3, as provided in Article 18.4.
- 1.4 CERTAIN DEFINITIONS.** The terms listed below have the meanings which follow them and include the plural as well as the singular. Other terms are defined elsewhere in this Agreement in the context in which they arise.

purposes as may be reasonably related to your status as a **PLANET FITNESS** franchisee. You and your Owners may not use Business Information in any other business or capacity, and must exercise best efforts, including the implementation of all reasonable procedures we prescribe from time to time, to prevent unauthorized use or disclosure of the Business Information.

- (3) You acknowledge you are aware that (i) the Confidential Information and Business Information may relate to publicly traded securities, and (ii) the restrictions imposed by applicable securities laws restrict trading in securities while in possession of material non-public information and on communication of such information when it is reasonably foreseeable that the recipient is likely to trade such securities, in reliance on such information. You and your Owners agree not to trade, either directly or through other persons, based on Confidential Information or Business Information in a manner that would violate the securities law of any applicable jurisdiction including, without limitation, the United States securities laws. Except for confidential communications in connection with a business purpose related to the development, operation or financing of your BUSINESS (including valuing, financing or marketing the BUSINESS for sale), you may not discuss any non-public information about the BUSINESS or the System with investment analysts, investment research firms, consulting firms or other third parties without our prior written consent. For the avoidance of doubt, your failure to comply with any of the requirements of this Article 8.2(3) may subject you to civil or criminal liability and is a material breach of this Agreement. You agree, in addition to all of our other rights and remedies available hereunder and under applicable law, you will indemnify us for our costs in obtaining professional advice, making public filings, responding to regulators or otherwise responding to such breach.
- (4) If you become legally compelled by a judicial or legislative order of a governmental authority or court of competent jurisdiction to disclose any of the Confidential Information, you shall provide us with prompt written notice of such requirement before you disclose any Confidential Information so that we may seek a protective order or other appropriate remedy and/or waive compliance with the terms of this Article 8.2. Upon our request, you shall take all reasonable steps requested to assist us in contesting such request for disclosure. If a protective order or other remedy is not obtained, or we waive compliance with this Article 8.2, you agree to furnish only that portion of the Confidential Information you are advised by counsel is legally required to be disclosed and to exercise commercially reasonable efforts to obtain assurance that confidential treatment will be afforded to such Confidential Information.

## 9. **OPERATIONS.**

**9.1 COMPLIANCE WITH METHODS OF OPERATION.** You acknowledge that each and every aspect of the interior and exterior appearance, layout, decor, services and operation of your BUSINESS is important to protect our reputation and goodwill and to maintain uniform operating standards under the Marks. Any required standards exist to protect our interest in the System and the Marks for other franchisees and to create a consistent positive member experience and not to control the day-to-day operation of the BUSINESS, or reserve or establish any control, or the right or duty to take control, over those matters that are clearly reserved to you, which include employment matters. You agree to comply with all mandatory Methods of Operation (whether contained in the Operations Manual or any other communication), including, but not limited to:

- (1) design, layout, decor, appearance and lighting; periodic maintenance, cleaning, pest control and sanitation; periodic remodeling; replacement of obsolete or worn out leasehold improvements, fixtures, furnishings, equipment and signs; periodic painting; equipment

## FRANCHISE DISCLOSURE DOCUMENT

HILTON FRANCHISE HOLDING LLC  
A Delaware Limited Liability Company  
7930 Jones Branch Drive, Suite 1100  
McLean, Virginia 22102  
703-883-1000  
[www.hiltonworldwide.com](http://www.hiltonworldwide.com)



You will operate a Hilton hotel under a Franchise Agreement with us.

The total investment necessary to begin operation of a typical 300-room Hilton hotel, excluding real property, is \$47,125,164 to \$190,875,205, including up to \$550,405 that must be paid to us or our affiliates.

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

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 accountant.

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

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

**Issuance Date:** March 30, 2024

State	Year	Hotels at Start of Year	Hotels Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Hotels at End of Year
Kentucky	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Louisiana	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Maryland	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Massachusetts	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	1	0	0	0	3
Minnesota	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Nevada	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Jersey	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
New Mexico	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New York	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	1	0	0	0	6
North Carolina	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Ohio	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Oklahoma	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	-1	0
	2023	0	0	0	0	0	0	0
Oregon	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Pennsylvania	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Rhode Island	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

## FRANCHISE AGREEMENT

This Franchise Agreement is entered between Hilton Franchise Holding LLC (“we,” “us,” “our” or “**Franchisor**”) and the Franchisee set forth in the Addendum (“you,” “your” or “**Franchisee**”), and is dated as of the Effective Date. We and you may collectively be referred to as the “**Parties**.”

### INTRODUCTION

We are an Affiliate of Hilton Worldwide. Hilton Worldwide and its Affiliates own, license, lease, operate, manage and provide various services for the Network. We are authorized to grant licenses for selected, first-class, independently owned or leased hotel properties, to operate under the Brand. You have expressed a desire to enter into this Agreement with us to obtain a license to use the Brand in the operation of a hotel at the address or location described in the Addendum.

NOW, THEREFORE, in consideration of the premises and the undertakings and commitments of each Party to the other Party in this Agreement, the Parties agree as follows:

#### 1.0 DEFINITIONS

The following capitalized terms will have the meanings set forth after each term:

“**Affiliate**” means any natural person or firm, corporation, partnership, limited liability company, association, trust or other entity which, directly or indirectly, Controls, is Controlled by, or is under common Control with, the subject entity.

“**Agreement**” means this Franchise Agreement, including any exhibits, attachments and addenda.

“**Anti-Corruption Laws**” means all applicable anti-corruption, anti-bribery, anti-money laundering, books and records, and internal controls laws.

“**Brand**” means the brand name set forth in the Addendum.

“**Chain Code**” means the code that we use to identify the Brand within our Reservation Service. We may modify, remove, or replace the Chain Code for the Brand at any time in our discretion.

“**Change of Ownership Application**” means the application that is submitted to us by you or the Transferee for a new franchise agreement in connection with a Change of Ownership Transfer.

“**Change of Ownership Transfer**” means any proposed Transfer that results in a change of Control of Franchisee, the Hotel, or the Hotel Site and is not otherwise permitted by this Agreement, all as set out in Subsection 12.2.2.

“**Competing Brand**” means a hotel brand or trade name that, in our sole business judgment, competes with the System, or any System Hotel or Network Hotel.

“**Competitor**” means any individual or entity that, at any time during the Term, whether directly or through an Affiliate, owns in whole or in part, or is the licensor or franchisor of a Competing Brand, irrespective of the number of hotels owned, licensed or franchised under such Competing Brand name. A Competitor does not include an individual or entity that: (i) is a franchisee of a Competing Brand; (ii) manages a Competing Brand hotel, so long as the individual or entity is not the exclusive manager of the Competing Brand; or (iii) owns a minority interest in a Competing Brand, so long as neither that individual or entity nor any of its Affiliates is an officer, director, or employee of the Competing Brand, provides services (including as a consultant) to the Competing Brand, or exercises, or has the right to exercise, Control over the business decisions of the Competing Brand.

**4.7 Equipment and Supplies.** We will make available to you for use in the Hotel various purchase, lease, or other arrangements for exterior signs, operating equipment, operating supplies, [INSERT FOR PE, RU, EY: Packages] and furnishings, which we make available to other System Hotels.

## **5.0 YOUR RESPONSIBILITIES**

### **5.1 Operational and Other Requirements.** You must:

**5.1.1** operate the Hotel twenty-four (24) hours a day after the Opening Date;

**5.1.2** operate the Hotel using the System, in compliance with this Agreement and the Standards, and in such a manner to provide courteous, uniform, respectable and high quality lodging and other services and conveniences to the public. You acknowledge and agree that: (a) you have exclusive day-to-day control of the business and operation of the Hotel (including hiring your employees and the terms and conditions of their employment); (b) although we provide the Standards, we do not in any way possess or exercise day-to-day control of the business and operation of the Hotel; (c) we do not dictate nor control labor or employment matters for you or your employees, nor do we reserve any right or authority to do so; and (d) we are not responsible for the safety and security of your employees or guests;

**5.1.3** comply with the Standards, including our specifications for all supplies, products and services. We may require you to purchase a particular brand of product or service to maintain the common identity and reputation of the Brand, and you will comply with such requirements. Unless we specify otherwise, you may purchase products from any authorized source of distribution; however, we reserve the right, in our business judgment, to enter into exclusive purchasing arrangements for particular products or services and to require that you purchase products or services from approved suppliers or distributors;

**5.1.4** install, display, and maintain signage displaying or containing the Brand name and other distinguishing characteristics in accordance with Standards we establish for System Hotels;

**5.1.5** comply with our Standards for the training of personnel involved in the operation of the Hotel, including completion by your (or your Management Company's) key personnel of the Hotel of a training program for operation of the Hotel under the System, at locations we designate. You will pay us all fees and charges, if any, we require for your personnel to attend these training programs. You are responsible for selecting the personnel to attend such training programs. You are also responsible for all travel, lodging and other expenses you or your employees (or your Management Company's personnel) incur in connection with attending these programs. You acknowledge and agree that when we provide training, we provide the training content that we deem necessary and appropriate for the business functions of the Hotel so that it may operate in accordance with our Standards; and we do not direct or supervise your personnel, or have, retain, or exercise any control over your (or your Management Company's) personnel or personnel policies or procedures in any manner;

**5.1.6** purchase and maintain property management, revenue management, in-room entertainment, telecommunications, high-speed internet access, and other computer and technology systems that we designate for the System or any portion of the System based on our assessment of the long-term best interests of System Hotels, considering the interest of the System as a whole;

**5.1.7** advertise and promote the Hotel and related facilities and services on a local and regional basis in a first-class, dignified manner, using our identity and graphics Standards for all System Hotels, at your cost and expense. You must submit to us for our approval samples of all advertising and promotional materials that we have not previously approved (including any materials in digital, electronic or computerized form or in any form of media that exists now or is developed in the future) before you produce or distribute them. You will not begin using the materials until we approve them. You must immediately discontinue your use of any advertising or promotional material we disapprove, even if we previously approved the materials;



# COURTYARD<sup>®</sup>

## BY MARRIOTT

### FRANCHISE DISCLOSURE DOCUMENT

MARRIOTT INTERNATIONAL, INC.  
a Delaware corporation

MIF, L.L.C.  
a Delaware limited Liability Company

7750 Wisconsin Avenue  
Bethesda, Maryland 20814  
(301) 380-3000  
[nalolodgingdev@marriott.com](mailto:nalolodgingdev@marriott.com)  
[www.marriott.com](http://www.marriott.com)

The franchisee will establish and operate a Courtyard by Marriott hotel select-service hotel.

The total investment necessary to begin operation of a newly-constructed prototypical Courtyard by Marriott hotel, excluding the cost of real estate and related costs (building permit, tap, and impact fees), insurance, and contingencies, ranges from \$14,444,110 to \$32,134,710 for an 80 to 110-room Courtyard by Marriott hotel to \$19,488,010 to \$39,361,610 for a 120 to 150-room Courtyard by Marriott hotel. This includes approximately \$161,300 to \$241,200 that must be paid to the franchisor or an 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.**

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 Franchise Development at [nalolodgingdev@marriott.com](mailto:nalolodgingdev@marriott.com) or (301) 380-3000.

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.

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened <sup>1</sup>	Terminations <sup>2</sup>	Non-Renewals	Reacquired by Franchisor <sup>3</sup>	Ceased Operations – Other Reasons	Outlets at End of the Year
Iowa	2021	6	1					7
	2022	7	0					7
	2023	7	1					8
Kansas	2021	7	1					8
	2022	8	0					8
	2023	8	0					8
Kentucky	2021	12	0					12
	2022	12	0					12
	2023	12	1					13
Louisiana	2021	13						13
	2022	13						13
	2023	13						13
Maine	2021	3						3
	2022	3						3
	2023	3						3
Maryland	2021	12	0					12
	2022	12	0					12
	2023	12	1					13
Massachusetts	2021	20	0					20
	2022	20	0					20
	2023	20	1					21
Michigan	2021	21	1					22
	2022	22	0					22
	2023	22	0					22
Minnesota	2021	11	0					11
	2022	11	1					12
	2023	12	1					13
Mississippi	2021	12						12
	2022	12						12
	2023	12						12
Missouri	2021	13	0					13
	2022	13	1					14
	2023	14	0					14
Montana	2021	1	0					1
	2022	1	0					1
	2023	1	1					2
Nebraska	2021	4						4
	2022	4						4
	2023	4						4
Nevada	2021	5						5
	2022	5						5
	2023	5						5
New Hampshire	2021	6						6
	2022	6						6
	2023	6						6
New Jersey	2021	18	1					19
	2022	19	0					19
	2023	19	1					20



## FRANCHISE AGREEMENT

This Agreement between Franchisor and Franchisee is executed and becomes effective on the Effective Date.

### RECITALS

A. Franchisor owns the System and Franchisee has requested a license to use the System to operate the Hotel as a System Hotel at the Approved Location.

B. Franchisor has agreed to grant a license to Franchisee subject to the terms of this Agreement.

C. Guarantor will provide the Guaranty.

NOW, THEREFORE, in consideration of the promises in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Franchisor and Franchisee agree as follows:

### 1. LICENSE

**1.1 Limited Grant.** Franchisor grants to Franchisee a limited, non-exclusive license to use the Proprietary Marks and the System to operate the Hotel as a System Hotel at the Approved Location under the terms of this Agreement.

#### 1.2 Franchisor's Reserved Rights.

A. *Development Activities.* Franchisee agrees that Franchisor and its Affiliates reserve the right to conduct Development Activities at any location, other than the Approved Location, without notice to Franchisee, subject to Item 9 of Exhibit A. Franchisee will not do anything that may interfere with Franchisor's and its Affiliates' Development Activities.

B. *Territorial Rights.* Franchisee agrees that it is not entitled to any territorial rights or exclusivity, except as stated in Item 9 of Exhibit A.

C. *Use of the System.* Franchisee acknowledges that Franchisor and its Affiliates may allow other Franchisor Products to use various parts of the System, including under affiliation or marketing agreements.

### 2. TERM

**2.1 Term.** The term of this Agreement is stated in Item 4 of Exhibit A (the "Term").

**2.2 Not Renewable.** This Agreement expires on the last day of the Term, and the rights granted under it are not renewable and Franchisee has no expectation of any right to extend the Term.

### 3. FEES, CHARGES AND COSTS

**3.1 Application Fee; Expansion Fee.** Franchisee has paid Franchisor the non-refundable application fee stated in Item 10 of Exhibit A (the "Application Fee"). If Franchisor approves an increase in the number of Guestrooms in the Hotel under Section 4.1, Franchisee will pay the then-current per-Guestroom expansion fee, multiplied by the number of additional Guestrooms.

B. *No Diversion to Other Businesses.* Franchisee will not use (or permit any other Person to use) any part of the Hotel for any business or use other than operating a System Hotel without Franchisor's prior consent. Franchisee will not use any part of the Hotel or the System to divert business to, or promote, any other business at or outside of the Hotel, except, if approved by Franchisor, Vacation Club Products operated under a trade name or trademark owned by Franchisor or any of its Affiliates. This prohibition includes advertising hotels, Vacation Club Products or any similar product sold on a periodic basis not operated under a trade name or trademark owned by Franchisor or any of its Affiliates (including those which Franchisee or its Affiliates operate or in which they have an Ownership Interest).

## 9. TRAINING, COUNSELING AND ADVISORY SERVICES

**9.1 Training.** The Hotel will at all times be managed by personnel who have successfully completed all mandatory training under the Standards. Franchisor may offer optional training related to operating System Hotels. Franchisee will pay (i) all tuition, supplies, and Travel Costs and allocations of internal costs and overhead of Franchisor and its Affiliates for any training in which Franchisee participates; (ii) an annual charge based on an allocation among System Hotels for the costs of developing and providing such training; and (iii) a charge for the general manager conference, regardless of whether Franchisee's personnel attend. Franchisee will provide training required by Franchisor for personnel working at the Hotel.

**9.2 Counseling and Advisory Services.** Franchisor will make representatives available at Franchisor's designated offices or at the Hotel to consult with Franchisee about the design and operation of the Hotel as a System Hotel. Franchisor may require Franchisee to pay the Travel Costs of such representatives who consult at the Hotel.

## 10. SYSTEM AND STANDARDS; FRANCHISEE ASSOCIATION

**10.1 Compliance with System and Standards.** Franchisee agrees that conformity with all aspects of the System and the Standards is essential to maintain the uniform quality and guest service of System Hotels. Franchisee will comply at all times with the Standards (including paying amounts owed pursuant to the Standards for violations thereof) and operate the Hotel in compliance with the System and the Marriott Agreements. Franchisor will make the Standards available to Franchisee through the Electronic Systems or in such other manner Franchisor deems appropriate. The Standards will at all times remain the sole property of Franchisor and its Affiliates.

**10.2 Modification of the System and Standards.** Franchisor and its Affiliates may modify the System and Standards, and such modifications may include materially changing, adding or deleting elements of the System or the Standards. Franchisee agrees that modifications to the System may be made for all System Hotels or for any Category of System Hotels. Franchisor may allocate the costs of System modifications among System Hotels or any Category of System Hotels, and such allocation will be on a fair and consistent basis. Such costs may include development costs and the reimbursement of capital invested in the development of such System modifications, together with costs incurred by Franchisor to finance such capital.

**10.3 Franchisee Association.** If Franchisor creates or approves the creation of an association organized to consider and make recommendations on matters related to the operation of System Hotels (the "Association"), Franchisee, Franchisor and other System Hotel franchisees will be eligible for membership. Franchisee will pay any Association dues and assessments, which will be consistently applied to all System Hotel franchisees. The Association will vote on bylaws and election of officers. Franchisor will regard recommendations of the Association as expressing the consensus of members of the Association.

## FRANCHISE DISCLOSURE DOCUMENT



**Red Roof Franchising, LLC**  
 a Delaware Limited Liability Company  
 7815 Walton Parkway  
 New Albany, Ohio 43054  
 Telephone (614) 744-2600  
[www.redrooffranchising.com](http://www.redrooffranchising.com)

The franchisee will own and operate a guest lodging facility under the Red Roof Inn®, Red Roof Inn & Suites®, Red Roof PLUS+® or Red Roof PLUS+ & Suites® brand (a “Red Roof Inn hotel”). Red Roof Inn hotels offer high quality lodging to business and leisure guests at room rates associated with the economy lodging segment.

The total investment necessary to begin operation of a newly built and a conversion 65-room Red Roof Inn, Red Roof Inn & Suites, Red Roof PLUS+ or Red Roof PLUS+ & Suites lodging facility are set forth in the table below:

Type of Inn	Newly Built	Conversion
Red Roof Inn and Red Roof Inn & Suites	\$5,933,500 - \$7,321,223	\$259,000 - \$1,596,100
Red Roof PLUS+	\$6,007,500 - \$7,394,600	\$328,000 - \$1,659,100
Red Roof PLUS+ & Suites	\$6,035,500 - \$7,425,600	\$332,000 - \$1,695,600
Dual Brand Hotel (Red Roof Inn and HomeTowne Studios)	\$11,745,925 - \$14,619,155	\$495,730 - \$2,354,967
Dual Brand Hotel (Red Roof PLUS+ and HomeTowne Studios)	\$11,764,925 - \$14,643,155	Not applicable

These amounts do not include the cost of land or rent for the hotel location but do include the \$54,550 to \$60,550 that must be paid to the franchisor or its affiliates for Red Roof Inn, Red Roof Inn & Suites, Red Roof PLUS+, and Red Roof PLUS+ & Suites hotels and the \$110,050 to \$119,650 that must be paid to the franchisor and its affiliates for Dual Brand Hotels.

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.**

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 Franchise Development, Red Roof Franchising, LLC, 7815 Walton Parkway, New Albany, Ohio 43054 or call 1-888-473-8861.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 on information on franchising.

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations-Other Reasons	Outlets at End of Year
Massachusetts	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Michigan	2021	23	1	1	0	0	0	23
	2022	23	0	2	0	0	0	21
	2023	21	2	0	0	0	0	23
Minnesota	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Mississippi	2021	12	0	0	0	0	0	12
	2022	12	0	1	0	0	0	11
	2023	11	1	1	0	0	0	11
Missouri	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	1	0	0	0	1	9
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	1	0	0	0	0
Nevada	2021	1	0	0	0	0	0	1
	2022	1	0	1	0	0	0	0
	2023	0	0	0	0	0	0	0
New Jersey	2021	12	1	0	0	0	0	13
	2022	13	1	0	0	0	0	14
	2023	14	1	0	0	0	0	15
New Mexico	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	0	1	0	0	0	2
New York	2021	18	1	0	0	0	0	19
	2022	19	1	0	0	0	0	20
	2023	20	4	1	0	0	1	22
North Carolina	2021	23	1	0	0	0	0	24
	2022	24	3	0	0	0	0	27
	2023	27	2	0	0	0	0	29

Inn # \_\_\_\_\_

## RED ROOF INN FRANCHISE AGREEMENT

THIS RED ROOF INN FRANCHISE AGREEMENT (the “Franchise Agreement”) is entered into as of \_\_\_\_\_, by and between RED ROOF FRANCHISING, LLC, a Delaware limited liability company (“Franchisor”), and \_\_\_\_\_, a \_\_\_\_\_ (“Franchisee”).

### RECITALS:

Franchisor has the right to grant licenses for the establishment and operation of inns which are designed to compete directly with other brands in the economy segment of the lodging market utilizing certain procedures, policies, standards, specifications, controls, identification schemes and proprietary marks and information including prototypical architectural plans, designs, layouts and distinctive color schemes, a computer system and reservation system and management and personnel training programs (the “System”), all of which may be changed, improved or further developed from time to time.

The distinguishing characteristics of the System include, without limitation, the name and mark “Red Roof Inn” and the Red Roof Inn logo, together with such other trade names, service marks, trademarks and trade symbols, emblems, signs, slogans, trade dress, logos, colors, insignia and copyrights as Franchisor has adopted and has designated for use in connection with the System and as Franchisor may hereafter acquire or develop and designate for use in connection with the System (the “Proprietary Marks”).

Franchisee desires to obtain a franchise and to obtain rights to the Proprietary Marks and to own and operate a Red Roof Inn (the “Inn”) at the location identified on Exhibit A (the “Approved Location”).

Franchisee understands and acknowledges the importance of operating in conformity with the System and of complying with such product, service and operational standards, specifications, policies and procedures for constructing or renovating the Inn, equipping the Inn, and operating the Inn (the “Standards”), as may be published by Franchisor in hard copy and/or electronic form, as amended or supplemented by Franchisor in its sole discretion from time to time (the “Manuals”).

Franchisee has conducted an independent investigation into the feasibility and advisability of establishing the Inn at the Approved Location, and has had the opportunity to consult with legal, accounting and other advisors of Franchisee’s own choosing in making a decision to enter into this Franchise Agreement and establish the Inn at the Approved Location.

As used in this Franchise Agreement, “Affiliate” or “Affiliates” means an entity or entities controlled by, controlling or under common control with, another entity.

NOW, THEREFORE, in consideration of the mutual undertakings and commitments set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### 1. GRANT

1.1 Grant of Franchise: As of the Opening Date (as defined below), Franchisor grants Franchisee the right, and Franchisee undertakes the obligation, to operate the Inn as a Red Roof Inn at the Approved Location and to use the System and the Proprietary Marks in compliance with the Standards and the terms of this Franchise Agreement in connection with the ownership and operation of the Inn. Franchisee shall not operate the Inn from or at any other address or location. The “Opening Date” means

4.6 Late Payment: Franchisee shall be invoiced for all fees payable under this Section 4. In the event Franchisee fails to pay an invoice by the due date stated therein, Franchisor shall have the right, in its sole discretion, to impose a late fee of Fifty Dollars (\$50) and charge interest in an amount equal to the lesser of (a) one and one half percent (1.5%) per month or (b) the maximum rate permitted by law. Further, Franchisor reserves the right to impose a returned check fee, payable upon demand, if Franchisee's check for any payments due under this Franchise Agreement fails to clear.

4.7 Form of Payment: All sums payable by Franchisee to Franchisor or its approved or designated suppliers under this Franchise Agreement shall be paid as Franchisor may from time to time specify in writing. Franchisor may direct that all monthly payments required under this Section be made to a bank account designated by Franchisor by wire transfer, by automated clearinghouse (ACH) transfer, or by other means which Franchisor may specify from time to time.

## 5. DUTIES OF FRANCHISEE

### 5.1 Construction, Renovation and Maintenance of the Inn:

5.1.1 Prior to the Opening Date, Franchisee shall, at Franchisee's expense, construct, convert, equip and furnish the Inn in accordance with the provisions of this Franchise Agreement and as applicable, the Construction Addendum or the Renovation Addendum. Except for Franchisee's own uses related to its operation of the Inn, Franchisee shall not reproduce, use, or permit the use of, any of Franchisor's design concepts, drawings, or specifications, without Franchisor's prior written consent.

5.1.2 At any time after the Opening Date, at Franchisor's request, Franchisee shall, at Franchisee's expense, make Short-Term Renovations to the Inn. "Short-Term Renovations" means upgrades, refurbishments and renovations, which include but are not limited to such items as damaged or deteriorated carpet, drapes, bedspreads, paint and case goods. Additionally, at Franchisor's request, which shall not be made more often than once every five (5) years during the term of this Franchise Agreement, Franchisee shall, at Franchisee's expense, make Long-Term Renovations to the Inn to conform the Inn to the then-current Standards for facilities then entering the System. "Long-Term Renovations" are those upgrades, refurbishments and renovations which constitute capital improvements and include, without limitation, such items as interior/exterior structural changes, shower and tub combinations, vanities, roofs and parking lots.

5.1.3 Throughout the term of the Franchise Agreement, Franchisee shall maintain the Inn in good repair and in a condition consistent with the Standards and shall make such additions, alterations, repairs and replacements as may be required for that purpose (but no others without Franchisor's written consent), including, without limitation, periodic repainting and replacement of signs, equipment, furnishings and furniture in accordance with the Standards.

5.2 Maintaining Franchisor's Image: Franchisee acknowledges that every detail of the System is important to Franchisor and other franchisees operating under the System in order to develop and maintain the Standards and public image of the System, to protect Franchisor's reputation and goodwill, and to increase the demand for the lodging services offered by Red Roof Inns. Franchisee agrees to comply with the Standards and not to deviate from them. Franchisee shall not operate the Inn in any manner which Franchisor reasonably believes adversely reflects on Franchisor, the System, the Proprietary Marks, the associated goodwill, or Franchisor's rights therein. Franchisee shall not, directly or indirectly, operate any business, at the Approved Location or otherwise, which violates this Section 5.2.

5.3 Products and Services: Franchisee shall offer only such goods and services at the Inn as are from time to time specifically approved by Franchisor in writing.



## FRANCHISE DISCLOSURE DOCUMENT



ME SPE Franchising, LLC  
a Delaware limited liability company

14350 North 87<sup>th</sup> Street, Suite 200

Scottsdale, Arizona 85260

Phone: (480) 366-4100

Fax: (480) 366-4200

E-Mail: [receptionist@massageenvy.com](mailto:receptionist@massageenvy.com)

Website: [www.massageenvy.com](http://www.massageenvy.com)

ME SPE Franchising, LLC offers franchises to operate a personal health business under the name “Massage Envy®” that offer professional therapeutic massage services, Massage Envy’s proprietary Total Body Stretch service, hot stone massage therapy, customized facial and/or skin care services (including services such as microdermabrasion and chemical peel), all utilizing a unique process and high-end product line, as well as related products and services through a membership-based program in a distinctive, clean and friendly environment (“Massage Envy Business” or “Business”).

The total investment necessary to begin operation of a Massage Envy Business ranges from \$605,850 to \$1,014,700. This includes an initial franchise fee of \$45,000 that must be paid to ME SPE Franchising, LLC.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our legal department at 14350 North 87th Street, Suite 200, Scottsdale, Arizona 85260 or by phone at (480) 366-4100.

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 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 (the “FTC”). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

**Issuance Date: April 29, 2024**

**Table 3 - Status of Franchised Outlets**  
**For Years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Kentucky	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	1	8
	2023	8	0	0	0	0	1	7
Louisiana	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	0	0	0	0	14
Maine	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	25	1	0	0	0	0	26
	2022	26	0	0	0	0	0	26
	2023	26	0	0	0	0	1	25
Massachusetts	2021	26	0	0	0	0	1	25
	2022	25	0	0	0	0	2	23
	2023	23	1	0	0	0	2	22
Michigan	2021	8	0	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	0	0	0	0	1	8
Minnesota	2021	23	0	1	0	0	0	22
	2022	22	0	0	0	0	0	22
	2023	22	0	0	0	0	1	21
Mississippi	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6



**MESSAGE ENVY  
FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (the "**Agreement**") is made and entered into as of this \_\_\_\_ day of \_\_\_\_, 20\_\_ (the "**Effective Date**"), by and between **ME SPE FRANCHISING, LLC**, a Delaware limited liability company, with its principal business address at 14350 North 87<sup>th</sup> Street, Suite 200, Scottsdale, Arizona 85260 ("**we**," "**us**" or "**our**"), and \_\_\_\_\_, a \_\_\_\_\_, with its principal business address at \_\_\_\_\_ ("**you**" or "**your**").

**1. PREAMBLES, ACKNOWLEDGEMENTS AND GRANT OF FRANCHISE.**

**A. PREAMBLES.**

(1) We and our affiliates have designed and developed valuable and proprietary formats and systems for the development and operation of personal health businesses under the name "Message Envy" that offer total body care services, including massage therapy, stretch therapy, hot stone therapy and customized skin care services and related products and services offered or sold through a membership-based program.

(2) Currently we offer franchises under the Message Envy name for the operation of the personal health businesses described above ("**Message Envy Business**" or "**Business**").

(3) We have developed, use, promote and license certain trademarks, service marks and other commercial symbols for use in operating a Message Envy Business, including "Message Envy®" and we may create, use and license other trademarks, service marks and commercial symbols for use in operating a Message Envy Business (collectively, the "**Marks**"). The term "Marks" also includes any distinctive trade dress used to identify a Message Envy Business, whether now in existence or hereafter created.

(4) We have developed and license certain works and materials for which we have secured common law or registered copyright protection and that we allow franchisees to use, sell or display in connection with the marketing and/or operation of a Message Envy Business, whether now in existence or created in the future (collectively, the "**Copyrights**").

(5) We offer franchisees who meet our minimum standards for character, skill, aptitude, attitude, business ability and financial capacity, the right to own and operate a Message Envy Business offering the products and services we authorize (and only the products and services we authorize) and using our business system, business formats, methods, procedures, signs, designs, layouts, standards, specifications, retail products, Copyrights and Marks, all of which we may improve, further develop and otherwise modify from time to time (collectively, the "**Franchise System**").

(6) You have applied for a franchise to own and operate a Message Envy Business, and we have approved your application relying on all of your representations, warranties and acknowledgments contained in the application and this Agreement.

“**Managing Owner**”) of your Business as described in this Agreement. The Managing Owner will exert full-time efforts to manage and supervise the operation of your Business and will not engage in any other business or other activity, directly or indirectly, that may conflict with your obligations under this Agreement. The Managing Owner must successfully complete our Initial Training Program before the opening of your Business. Any substitute Managing Owner must also complete our Initial Training Program. You shall pay the charges that we establish for Training Programs furnished to any individual who replaces a previously trained Managing Owner.

Concurrent with the execution of this Agreement, you shall also designate a general manager (the “**Business Manager**”) of your Business as described in this Agreement. The Managing Owner may, but need not, serve as the Business Manager. The Business Manager will exert full-time efforts to fulfill your obligations under this Agreement and will not engage in any other business or other activity, directly or indirectly, that requires any significant management responsibility or time commitments, or that may otherwise conflict with your obligations under this Agreement. If the Managing Owner does not serve as the Business Manager, the Managing Owner need not exert full-time efforts in the day-to-day operations of your Business, but the Managing Owner is responsible for supervising all activities of the Business Manager. If the relationship of the Business Manager to you terminates or materially changes, you agree to promptly designate a replacement. The Business Manager must successfully complete our Initial Training Program before the opening of your Business. Any replacement Business Manager must also complete our Initial Training Program. You shall pay the charges that we establish for training programs furnished to any individual who replaces a previously trained Business Manager.

#### **B. CONDITION AND APPEARANCE OF YOUR MESSAGE ENVY BUSINESS.**

You agree that you will not use your Business or any part of your Business facility for any purpose other than operating a Message Envy Business in compliance with this Agreement, and that you will place or display at your Business facility (interior and exterior) only those signs, emblems, designs, artwork, lettering, logos and display and advertising materials that we from time to time approve during this Agreement’s Term. You further agree to maintain the condition and appearance of your Business facility in accordance with our mandatory System Standards (as defined below) and consistent with the image of a Message Envy Business as a professionally operated business offering high quality services and products and observing the highest standards of professionalism, cleanliness and courteous service. In connection therewith, you agree to take, without limitation, the following actions during this Agreement’s Term at your expense: (1) thorough cleaning, repainting and redecorating of the interior and exterior of your Business facility at intervals that we may prescribe; (2) interior and exterior repair of your Business facility as needed; and (3) repair or replacement, at our direction, of damaged, worn-out or obsolete equipment at intervals that we may prescribe (or, if we do not prescribe an interval for replacing any equipment, as that equipment needs to be repaired or replaced).

In addition to your obligations described above, we may periodically require you to substantially alter your Business facility’s appearance, layout and/or design, and/or replace a material portion of your equipment, in order to meet our then-current requirements for new Message Envy Business. You acknowledge that this obligation could result in your making extensive structural changes to, and significantly remodeling and renovating, your Business facility, and you agree to incur any capital expenditures required in order to comply with this

obligation and our requirements. We will not require you to make a fundamental and material change to the design of your Business within the first three (3) years of its operation. Within sixty (60) days after receiving written notice from us, you must have plans prepared according to the standards and specifications we prescribe and, if we require, using architects and contractors we designate or approve, and you must submit those plans to us for our approval. You must complete all work according to the plans we approve within the time period that we specify. However, nothing in this paragraph in any way limits your obligation to comply with all mandatory System Standards (as defined below) we specify.

**C. SERVICES AND PRODUCTS YOUR BUSINESS OFFERS.**

You agree that: (1) your Business will offer all services and products that we periodically specify; (2) you will not offer, sell, give away or otherwise provide at your Business facility or any other location any services or products we have not authorized; (3) you shall not sell any products at wholesale or through any channel of distribution other than retail sales at your Business facility (including, without limitation, sales of products via mail order, catalogs, toll free telephone numbers and electronic means including the Internet); (4) you shall not perform massage or other spa services or sell any products from any location other than your Business facility; and (5) you will discontinue selling and offering for sale any services or products that we at any time disapprove in writing. Without limiting the generality of the foregoing, you understand that you may not offer or sell waxing or similar or other services at your Business facility without our prior written approval.

**D. APPROVED PRODUCTS, DISTRIBUTORS AND SUPPLIERS.**

We reserve the right to periodically designate and approve standards, specifications, suppliers and/or distributors of the Operating Assets, Products and support services we periodically authorize or require for use at your Business. During this Agreement's Term you must acquire all Operating Assets and Products and services for your Business only according to our standards and specifications and, if we require, only from suppliers or distributors that we designate or approve (which may include or be limited to us and/or our affiliates). You acknowledge and agree that we and/or our affiliates may derive revenue based on your purchases and leases (including, without limitation, from charging you for products and services we or our affiliates provide to you and from promotional allowances, volume discounts and other payments made to us by suppliers that we designate or approve for some or all of our franchisees).

If you want to use any Operating Assets, Products or support services that we have not yet evaluated or purchase any item from a supplier or distributor that we have not yet approved (for items that we require you to purchase from designated or approved suppliers or distributors), you first must submit sufficient information, specifications and samples for us to determine whether the item complies with our standards and specifications or the supplier or distributor meets our criteria. We may condition our approval of a supplier or distributor on requirements relating to product quality, prices, consistency, warranty, reliability, financial capability, labor relations, customer relations, frequency of delivery, concentration of purchases, standards of service (including prompt attention to complaints) or other criteria. We have the right to inspect the proposed supplier's or distributor's facilities and to require the proposed supplier or distributor to deliver product samples or items, at our option, either directly to us or to any independent, certified



## FRANCHISE DISCLOSURE DOCUMENT

Supercuts, Inc.  
A Delaware Corporation  
3701 Wayzata Boulevard, Suite 500  
Minneapolis, Minnesota 55416  
(952) 947-7777 [www.Supercuts.com](http://www.Supercuts.com)  
[FranchiseDevelopment@regiscorp.com](mailto:FranchiseDevelopment@regiscorp.com)

The franchisor's name is Supercuts, Inc. ("Supercuts"). You will have the right to own and operate one or more retail hair care establishments providing haircutting and related services under the "SUPERCUTS" mark and other distinctive marks.

The total investment necessary to begin operation of a new Supercuts franchise is \$185,406 to \$317,878. This includes \$54,816 to \$57,838 that must be paid to the franchisor or affiliate (for a new Supercuts Store to be developed, not an existing company-owned Store to be purchased). You are required to sign a Development Agreement even if you want only a one Store franchise. If you want to develop more than one Supercuts Store, you will sign a Development Agreement. The development fee depends on the number of Stores you want to develop and whether you are an existing franchisee or a new franchisee. If you sign a Development Agreement for development of three Supercuts Stores, for example, the total investment necessary to begin operation of a Supercuts franchise is \$215,406 to \$347,878. This includes \$69,500 for the development fees that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Development Department at 3701 Wayzata Boulevard, Suite 500, Minneapolis, MN 55416, (952) 947-7777, (888) 888-7008 or by email at [FranchiseDevelopment@regiscorp.com](mailto:FranchiseDevelopment@regiscorp.com).

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

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

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

Issuance date of this Franchise Disclosure Document: January 16, 2024

Column 1	Column 2	Column 3	Column 4	Column 5	Column 6	Column 7	Column 8	Column 9
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations—Other Reasons	Outlets at End of the Year
Massachusetts	2021	103	0	0	0	0	6	97
	2022	97	1	0	0	0	7	91
	2023	91	0	0	0	0	5	86
Michigan	2021	80	0	0	0	0	6	74
	2022	74	0	0	0	0	3	71
	2023	71	0	0	0	0	6	65
Minnesota	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Mississippi	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Missouri	2021	26	0	0	0	0	3	23
	2022	23	0	0	0	0	2	21
	2023	21	1	0	0	0	6	16
Nebraska	2021	21	0	0	0	0	1	20
	2022	20	0	0	0	0	1	19
	2023	19	0	0	0	0	2	17
Nevada	2021	49	2	0	0	0	4	47
	2022	47	0	0	0	0	4	43
	2023	43	1	0	0	0	2	42
New Hampshire	2021	26	0	0	0	0	1	25
	2022	25	0	0	0	0	0	25
	2023	25	0	0	0	0	1	24
New Jersey	2021	81	5	0	0	0	8	78
	2022	78	4	0	0	0	5	77
	2023	77	0	0	0	0	4	73

## FRANCHISE AGREEMENT

**THIS FRANCHISE AGREEMENT** (this “Agreement”) made, entered into and effective this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between SUPERCUTS, INC., a Delaware Corporation, hereinafter sometimes referred to as “Franchisor” and \_\_\_\_\_ hereinafter referred to as “Franchisee,” in consideration of the premises, covenants, and promises herein, agree as follows:

### ARTICLE 1 - RECITALS

#### **Section 1.01** Status and Location of Franchisor.

Franchisor is a corporation duly organized, validly existing, and in good standing under the laws of the State of Delaware. Franchisor’s principal office is located at 3701 Wayzata Boulevard, Suite 500, Minneapolis, MN 55416.

#### **Section 1.02** Residence of Franchisee.

Franchisee’s principal address is: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_.

#### **Section 1.03** Franchisor’s Exclusive Right to Trademarks.

Franchisor possesses rights under various registered and unregistered trademarks, service marks, trade names and styles including distinctive logos, and also certain copyrighted material embodying the use of such marks and Franchisee specifically acknowledges Franchisor’s exclusive right to said trademarks, service marks, trade names, and copyrighted material.

#### **Section 1.04** Franchisor’s Unique Proprietary System.

As the result of the expenditure of time, effort and money in research and development, Franchisor has developed a system and acquired experience and knowledge with respect to a system for the operation of establishments offering haircutting and related services in a specially designed and decorated building with distinctive fixtures, accessories and color scheme, all known as “Supercuts”. Through its advertising programs and the quality of its service, Franchisor has established a reputation, demand and goodwill for haircutting and related services under the name of “Supercuts”.

#### **Section 1.05** Franchisor Granting Limited Licenses.

Franchisor is also engaged in the business of granting to others, by means of non-exclusive franchise agreements, special limited licenses to utilize the name “Supercuts”, the related proprietary marks and the associated concepts in connection with the operation by such persons of hair care establishments and the sale, distribution, and marketing of hair care systems.

#### **Section 1.06** Grant and Acceptance of Franchise.

All of the foregoing have a valuable significance to the public, and the Franchisee, being cognizant thereof, desires to obtain from Franchisor, and Franchisor desires to grant to Franchisee, pursuant to the



means, which may consist of one or more handbooks or manuals as may be added, replaced or supplemented by Franchisor from time to time in its sole discretion (collectively the "Operations Manual"). The Operations Manual shall contain specifications, standards, policies and procedures prescribed from time to time by Franchisor for stores and information relative to other obligations of Franchisee hereunder and the operation of a Supercuts store. The Operations Manual may be modified from time to time to reflect changes in the system or specifications, standards, policies and procedures of stores, to specify brands, types and/or models of equipment which must be used by Franchisee in the operation of the store, to specify changes in inventory specifications, and to specify changes in the decor, format, image, products, services and operations of a store. Franchisee shall keep its copy of the Operations Manual current by immediately inserting all modified pages furnished by Franchisor. In the event of a dispute about the contents of the Operations Manual, the master copies maintained by Franchisor at its principal office shall be controlling. Franchisee acknowledges that the Operations Manual is proprietary and confidential and, therefore, agrees that it will not, at any time, copy or distribute any part of the Operations Manual. Disclosure or use of the contents of the Operations Manual by Franchisee for purposes other than the operation of a Supercuts Store shall constitute a violation of this Agreement.

## **ARTICLE 8 - OBLIGATIONS OF FRANCHISEE**

### **Section 8.01 Continuous Operation.**

Franchisee shall, beginning on the Commencement Date of this Agreement and continuing during the remaining term of this Agreement, continuously operate a hair care business at the subject location (except if prevented by an act of God or other causes beyond the control of Franchisee), using Franchisee's best efforts, skills and diligence in the conduct thereof, and regulating and controlling Franchisee's employees so that said employees maintain a high standard of professional competency and quality of service. Franchisee shall notify Franchisor within seven (7) days after Franchisee's Store opening.

### **Section 8.02 No Other Business Within Subject Premises.**

Franchisee shall not operate, directly or indirectly, nor allow the operation of, any other business within or in connection with the subject location, including the rental of the salon chairs or booths to anyone.

### **Section 8.03 Standards of Operation.**

Franchisee shall operate the subject location in strict conformity with such reasonable standards, specifications, requirements and instructions as Franchisor may hereafter adopt. Such reasonable standards, specifications, requirements and instructions shall exclude standards, specifications, requirements and instructions relating to labor relations and employment practices, as Franchisee controls exclusively its labor relations and employment practices, but shall include but not be limited to the required computerized point of sale cash register and back office system and telephone modem that is designated by Franchisor and is purchased or leased from Franchisor's designated supplier. Franchisor will use reasonable efforts to agree with its designated supplier on (a) reasonable pricing for the required point of sale and back office computer system, maintenance and support services, and costs for Franchisees to convert from other systems to the currently designated system; and (b) yearly caps on price increases of the lesser of five percent (5%) and the increase in the consumer price index (CPI) for maintenance and support services for such system.

Franchisee will comply with Franchisor's then current standards, specifications, requirements and instructions regarding the computerized point of sale cash register system and franchise back office system designated by Franchisor. Franchisee agrees to provide Franchisor at all times with electronic

## **FRANCHISE DISCLOSURE DOCUMENT**



AFC Franchising, LLC  
3700 Cahaba Beach Road  
Birmingham, Alabama 35242  
(205) 403-8902  
[www.afcurgentcare.com](http://www.afcurgentcare.com)  
[www.afcfranchising.com](http://www.afcfranchising.com)

The franchisee will operate an urgent and accessible primary care management business that will establish and manage an urgent care center that, through independent physicians and professionally licensed persons or entities, provides various levels of patient care services, which include minor injuries, infections, workers' compensation injuries, sports physicals, travel medicine, colds and flu, and much more. Each center will be equipped with several exam rooms, X-Ray Equipment, on-site laboratory, and, where permitted by law, a pharmacy dispensing the most common urgent care medicines.

The total initial investment necessary to begin operation of a franchised business (in which you are not converting an existing urgent care business), ranges from \$1,227,774 - \$1,778,851. This includes \$140,000 - \$205,000 that must be paid to the franchisor or its affiliates. If you are converting an existing urgent care facility to be an "AFC/American Family Care" center that you will manage, the total initial investment necessary to begin operation of a franchised business ranges from \$114,500 - \$480,500. This includes \$125,000.00 to \$190,000 that must be paid to the franchisor or affiliate. If you sign an Area Development Agreement to develop a certain number of franchised businesses, you must pay us a development fee of \$60,000 for your first franchise and a non-refundable deposit of \$10,000 for each additional franchise to be developed. The number of units for an Area Development Agreement will be negotiated between the parties but will be no less than 4. The initial franchise fee for subsequent franchises under the Area Development Agreement is \$45,000.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all 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, franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Charlie Duffield, 3700 Cahaba Beach Road, Birmingham, Alabama 35242, (205) 403-8902.

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

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

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

Issued: March 1, 2024



State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Idaho	2021	1	2	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
Illinois	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Iowa	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	1	0	0	0	0
Kansas	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maine	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Massachusetts	2021	21	0	3	0	6	0	12
	2022	12	0	0	0	0	0	12
	2023	12	2	0	0	0	0	14
Michigan	2021	1	0	0	0	0	0	1
	2022	1	2	0	0	0	0	3
	2023	3	2	0	0	0	0	5
Minnesota	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Mississippi	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Missouri	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Nebraska	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New Jersey	2021	15	5	0	0	0	0	20
	2022	20	5	0	0	0	0	25
	2023	25	11	0	0	0	0	36
New Mexico	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New York	2021	12	1	0	0	0	0	13
	2022	13	5	0	0	0	0	18
	2023	18	5	1	0	0	0	22
North Carolina	2021	7	3	0	0	0	0	10
	2022	10	8	0	0	0	0	18
	2023	18	2	0	0	0	0	20

**AFC FRANCHISING, LLC  
FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (the “**Agreement**”) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “**Effective Date**”) (regardless of the dates of the parties’ signatures) by and between:

- **AFC FRANCHISING, LLC**, an Alabama limited liability company located at 3700 Cahaba Beach Road, Birmingham, Alabama 35242 (“**we**,” “**us**,” or “**our**”), and
- \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**you**” or “**your**”).

**PREAMBLES AND BACKGROUND**

A. We, as a result of the expenditure of time, skill, and effort have developed (and continue to develop and modify) an urgent care center management system (“**System**”) relating to the management of urgent and/or accessible primary care centers that provide, through independent physicians and professionally licensed persons or entities, various levels of patient care services; all of which are provided by a physician, or medical personnel supervised by a physician, which include, without limitation, minor injuries, infections, workers compensation injuries, sports physicals, travel medicine, and colds and flu; and each center will be equipped with several exam rooms, X-Ray Equipment, on-site laboratory, and where permitted by law a pharmacy dispensing the most common urgent care medicine. As used herein, urgent care also includes accessible primary care.

B. The urgent care centers in the System operate under the “AFC and Design” and “AMERICAN FAMILY CARE” name and Marks and will be managed according to the System. The business that will manage a Center under the System is referred to in this Agreement as the “Franchised Business.” The System has characteristics that currently include providing construction design, approved supplier relationships for site selection, medical and other equipment, supplies, furniture and fixtures, procedures for monitoring operations and quality of services offered; procedures for management; training and assistance; advertising and promotional programs; business formats, methods, procedures, standards, and specifications all of which we may change, improve, and further develop.

C. We use, promote, and license certain trademarks, service marks, and other commercial symbols including the mark “AFC and Design” and “AMERICAN FAMILY CARE” in operating and managing Centers, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols for Centers.

D. We grant to persons who meet our qualifications, and are willing to undertake the investment and effort, a franchise to own and operate a business that will manage a Center using our System and Marks.

E. You have applied to us for the right to use the System. Your application has been approved by us in reliance upon all of the representations made in your application including those concerning your financial resources and the manner in which the Franchised Business will be owned and operated. You acknowledge that you have read this Agreement and been given an opportunity to obtain clarification of any provision that you did not understand. You also understand and agree that the terms and conditions contained in this Agreement are necessary to maintain the System’s high standards of quality and service and the uniformity of those standards at all Centers and thereby agree to protect and preserve the goodwill of the Marks, and you must comply with this Agreement and all System Standards in order to maintain the high and consistent quality that is critical for Centers.

identity of any supervisory employee(s) acting as Center Administrator. The Center Administrator must devote his or her full-time and best efforts to the management and supervision of the Center.

If you or your Operating Principal own or control more than one Franchised Business, each Center must be under the direct on-premises supervision of a Center Administrator who meets the minimum qualifications, receive such certification(s), and has completed the training programs that we may require.

#### 8.6 Insurance

During the term of this Agreement, you must maintain in force at your sole expense comprehensive public liability coverage, general liability insurance, personal injury coverage and motor vehicle liability insurance against claims for bodily and personal injury, death and property damage caused by or occurring in connection with the Franchised Business's operation, all containing the minimum liability coverage we prescribe. We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverages (including reasonable excess liability insurance) at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. These insurance policies must name us and any affiliates we designate as additional named insureds and provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. You routinely must furnish us copies of your Certificates of Insurance or other evidence of your maintaining this insurance coverage and paying of premiums. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain such insurance for you and the Franchised Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a reasonable fee for our time incurred in obtaining such insurance. We encourage you to seek advice from an independent risk management provider who may specify higher limits.

Additionally, you must purchase such extended reporting period coverage (Tail) as we may specify in the Manual. You further agree to provide us with a copy of an insurance certificate evidencing such coverage prior to: (i) the expiration of this Agreement (if the franchise rights are not being renewed); (ii) any assignment of this Agreement or of your rights under this Agreement requiring our approval; or (iii) the termination of this Agreement (provided, however, in the case of immediate termination under Sections 14.1 or 14.2, you must provide us with evidence of coverage within seven (7) days of the effective date of the termination).

#### 8.7 Compliance with System Standards

You acknowledge and agree that operating and maintaining the Franchised Business according to System Standards is essential to preserve the goodwill of the Marks and all Franchised Businesses and Centers. Therefore, you agree at all times to operate and maintain the Franchised Business according to all of our System Standards. Although we retain the right to establish and periodically modify System Standards, you retain the right to and responsibility for the day-to-day management and operation of the Franchised Business and implementing and maintaining System Standards at the Franchised Business. If you fail to implement, maintain, and/or comply with System Standards, we may terminate your right to operate the Franchised Business, and/or take other actions to enforce the System Standards.

As examples, and without limitation, System Standards may regulate any one or more of the following, in addition to the items described in Sections 8.1 through 8.6 above:

(a) all management and administrative services provided to the Center or otherwise used in connection with operating the Franchised Business;

## FRANCHISE DISCLOSURE DOCUMENT

Health Mart Systems, Inc.  
a Delaware corporation  
www.healthmart.com  
www.becomeahealthmart.com  
join.healthmart.com  
6555 State Hwy 161  
Irving, Texas 75039  
855-458-4678



We offer franchises for the right to operate a retail pharmacy (“HEALTH MART Drugstore” or “Drugstore”) using the trade names, trademarks, and service marks that we designate, including the trademark HEALTH MART (collectively, “Proprietary Marks”) and the operating and merchandising support services that we describe in this Disclosure Document.

The total initial investment necessary to open and begin operating a HEALTH MART Drugstore ranges from \$2,470 to \$125,270 for franchisees who convert an existing pharmacy business to a HEALTH MART Drugstore (“Open Locations”) and from \$261,870 to \$798,870 for start-up franchisees who do not own an existing pharmacy when they sign the Franchise Agreement (“UnOpened Locations”). The Franchise Agreement does not require that you pay us an initial franchise fee or make payments to us or our affiliates for goods or services before you open and begin operating as a HEALTH MART Drugstore.

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 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.

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

The Issuance Date of this Disclosure Document is June 20, 2024.

HEALTH MART SYSTEMS, INC.  
JUNE 2024

Column 1  State	Column 2  Year	Column 3  Outlets at Start of Year	Column 4  Outlets Opened	Column 5  Termina- tions	Column 6  Non- Renewals	Column 7  Reacquired by Franchisor	Column 8  Ceased Operations – Other Reasons	Column 9  Outlets at End of the Year
Michigan	2022	273	17	30	0	0	14	246
	2023	246	29	18	0	0	10	247
	2024	247	36	28	0	0	4	251
Minnesota	2022	21	1	2	0	0	0	20
	2023	20	1	0	0	0	0	21
	2024	21	5	1	0	0	1	24
Mississippi	2022	105	3	2	0	0	0	106
	2023	106	8	2	0	0	2	110
	2024	110	10	10	0	0	5	105
Missouri	2022	96	10	4	0	0	0	102
	2023	102	12	7	0	0	2	105
	2024	105	9	4	0	0	4	106
Montana	2022	18	1	2	0	0	0	17
	2023	17	1	0	0	0	0	18
	2024	18	1	2	0	0	1	16
Nebraska	2022	99	14	2	0	0	3	108
	2023	108	5	5	0	0	10	98
	2024	98	7	7	0	0	6	92

**HEALTH MART SYSTEMS, INC.  
FRANCHISE AGREEMENT**

WHEREAS, Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive and proprietary system for establishing and operating retail drugstores (as further described in Schedule 1, the “**System**”);

WHEREAS, the System is identified by certain trade names, service marks, trademarks, logos, emblems, trade dress and indicia of origin, including, without limitation, the mark “**HEALTH MART**,” as are now designated in Exhibit A to this Agreement and may hereafter be designated by Franchisor in writing for use in connection with the System (the “**Proprietary Marks**”);

WHEREAS, Franchisee desires to operate a retail drugstore under the System and using the Proprietary Marks (as further defined in Schedule 1, the “**Drugstore**”) and to receive the assistance and other benefits provided by Franchisor in connection therewith; and

WHEREAS, Franchisee understands and acknowledges the importance of Franchisor’s high Standards of quality, consistency, appearance, and service and the necessity of operating the Drugstore in conformity with Franchisor’s Standards and specifications.

NOW, THEREFORE, the parties agree as follows:

**1. GRANT**

1.1. Grant of License. Franchisor grants to Franchisee the right, and Franchisee undertakes the obligation, upon the terms and conditions set forth in this Agreement: (a) to establish and operate a Drugstore in compliance with the System; and (b) to use the Proprietary Marks and the System solely in connection therewith.

1.2. Drugstore Location. The Drugstore shall be operated solely at the location identified on the Declarations Page (the “**Drugstore Location**”). Franchisee is solely responsible for locating, negotiating and acquiring the site to serve as the Drugstore Location. By entering into this Agreement, Franchisor indicates its willingness to award a franchise to operate a Drugstore at the Drugstore Location. However, Franchisor does not represent, warrant or guaranty that Franchisee’s operation of a Drugstore at the Drugstore Location will be successful or profitable. Franchisee

understands and agrees that Franchisor has not been involved in the selection of the Drugstore Location.

1.3. Relocation. During the Term, Franchisee may not relocate the Drugstore Location without Franchisor’s prior written approval. Franchisee must give Franchisor no less than thirty (30) days prior written notice that it wishes to relocate the Drugstore to another location and indicate in its written notice the street address of the new location. Unless Franchisor notifies Franchisee in writing of its disapproval before the end of the thirty (30) day period, Franchisor shall be deemed to have approved the proposed new location, and Franchisor’s approval shall operate to update the Declarations Page to reflect the street address of the proposed new location as the Drugstore Location. The right to relocate does not give Franchisee the right to operate more than one Drugstore under this Agreement during the Term of this Agreement.

1.4. Franchisor’s Reserved Rights. Franchisee acknowledges that the right granted under this Agreement is non-exclusive and that Franchisor and its Affiliates may, without limitation:

1.4.1. Establish or operate, or license another party to establish or operate, a Drugstore under the System and the Proprietary Marks or any other marks at any other location, regardless of proximity to the Drugstore Location and regardless of any impact on the operation of the Drugstore;

1.4.2. Establish or operate, or license another party to establish or operate, any type of drugstore (whether full-service, apothecary-style or otherwise) or any business offering health care services, at any location under any trade names, trademarks or service marks; and

1.4.3. Acquire or operate drugstores operating under a name that is different than the Proprietary Marks, which may compete directly with the Drugstore subject to this Agreement.

**2. TERM**

The term of this Agreement (the “**Term**”) shall begin on the Effective Date of this Agreement and shall continue until this Agreement is terminated by either party in accordance with the provisions hereof.



against any monetary claim Franchisee may have against Franchisor or its Affiliates.

4.6. Application of Payments. Franchisor reserves the right to apply any monies received from Franchisee to any of Franchisee's obligations, as determined by Franchisor.

4.7. Method of Payment. Upon reasonable written notice from Franchisor to Franchisee, Franchisee agrees to execute all documents necessary to permit Franchisor and its Affiliates to withdraw funds from Franchisee's designated bank account by electronic funds transfer in the amount of the Monthly Fee and any other amounts due under this Agreement at the time such amounts become due and payable. Franchisee further agrees to designate a specific bank account in which Franchisee will maintain sufficient funds to cover all amounts due to Franchisor or its Affiliates for Merchandise and fees payable under this Agreement or any other agreement between Franchisee and Franchisor or its Affiliate.

4.8. Taxes. Each payment to be made to Franchisor shall be made free and clear and without deduction for any Taxes.

## 5. TRAINING

5.1. Training Programs. At Franchisee's sole expense, Franchisee shall complete, and cause its Manager (or any other of its personnel) to complete, any mandatory training courses that Franchisor may require. For example, and without limitation, Franchisor may require Franchisee and Franchisee's Manager and other employees to complete online training classes in specific subjects available on demand from Franchisor's Website, through audio files, or specific live instructor-led training programs that may be offered by Franchisor.

5.2. Training Costs. Franchisee is solely responsible for paying all training fees and any travel, lodging and living expenses, including meals, for Franchisee or its Manager or employees to complete mandatory or optional training programs. Franchisor will make available an online, searchable library of available on-demand and live training classes and training fees in Health Mart University.

## 6. DUTIES OF FRANCHISEE

6.1. Compliance with Franchisor's Standards. Franchisee understands and acknowledges the importance of maintaining consistency among all Drugstores operating under the System and of complying with all of Franchisor's Standards relating to the operation of Health Mart Drugstores. To protect the reputation and goodwill of the System and the Proprietary Marks and to maintain high operating Standards and increase the demand for the services and products offered, promoted, rented and sold by all Health Mart Drugstores, Franchisee agrees, at Franchisee's expense, to comply with Franchisor's Standards, specifications, methods and other requirements set forth in the Franchise Handbook, other written directives that Franchisor may issue from time to time, and any other manuals

or materials created or approved for use in the operation of Health Mart Drugstores. Franchisee shall not deviate from such Standards, specifications, methods and requirements without Franchisor's prior written consent.

6.1.1. Franchisee acknowledges that the System may be changed, supplemented, improved, and otherwise modified from time to time, and Franchisee agrees to comply promptly, at Franchisee's sole cost and expense, with each such new or changed Standard, specification, method or requirement. Franchisee understands that its compliance with the changes in the System is a material condition of this Agreement.

6.1.2. Franchisee understands and agrees that Franchisor has no obligation to waive, make any exceptions to, or permit Franchisee to deviate from, the Standards or requirements of the Health Mart System. Any exception or deviation that Franchisor does allow must be stated in writing and executed by Franchisor in order to be enforceable. Franchisee further acknowledges that Franchisor may allow other franchisees to deviate from the Health Mart System in individual cases in the exercise of Franchisor's discretion. Franchisee understands and agrees that it has no right to object to any variances that Franchisor may allow to other franchisees or to itself, McKesson, or other Affiliates of Franchisor, and Franchisee has no claim against Franchisor for not enforcing the Standards of the Health Mart System uniformly.

6.1.3. Franchisor and Franchisee acknowledge that the practice of pharmacy is a profession that must be conducted by licensed pharmacists in compliance with all applicable laws and that it requires the exercise of independent professional judgment. Franchisee and the licensed pharmacists employed by Franchisee are solely responsible for the practice of pharmacy in connection with the operation of the Drugstore and their judgment governs in all matters involving the pharmacy practice. Nothing in Franchisor's Standards or in its administration of the Standards is intended to interfere with the practice of pharmacy by the licensed pharmacists employed by Franchisee. If Franchisee believes that there is a conflict between the Standards and the requirements of the pharmacy practice, Franchisee shall promptly notify Franchisor in writing.

6.2. Legal Compliance. Franchisee shall comply with all applicable federal, state, and local laws, rules, and regulations, and shall timely obtain and maintain any and all permits, certificates, or licenses necessary for the full and proper operation of the Drugstore, including, without limitation, licenses to do business, sales tax permits and all requisite trade, business, occupational or professional licenses necessary for the operation of the Drugstore, including, without limitation, those required for the receipt and sale of pharmaceuticals. Franchisee understands and agrees that Franchisee shall be solely responsible for compliance with all applicable laws, including, without limitation: (i) any and all requirements governing the practice of pharmacy and all obligations thereunder, including, without limitation, all licensing requirements; (ii) any and all requirements, including

## FRANCHISE DISCLOSURE DOCUMENT



**APPLEBEE'S FRANCHISOR LLC**  
A Delaware Limited Liability Company  
10 W. Walnut St., 5th Floor  
Pasadena, California 91103  
(818) 240-6055  
<https://www.applebees.com/en>

The franchisee will operate sit-down, table service Restaurants, including the service of food and alcoholic beverages, under the trade name of Applebee's Neighborhood Grill & Bar®.

The total investment necessary to begin operation of an Applebee's Neighborhood Grill & Bar® franchised business ranges from \$2,428,029 to \$7,084,006. This includes Initial Fees of \$35,000 to \$50,000 that must be paid to the franchisor or an affiliate. You might pay the franchisor more if you sign a Development Agreement to develop multiple Restaurants.

This Franchise Disclosure Document (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 or grant. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient to you. To discuss the availability of this document in different formats, contact Justin Ma, Associate General Counsel, 10 W. Walnut St., 5th Floor, Pasadena, California 91103, (818) 637-3127, [justin.ma@dinebrands.com](mailto:justin.ma@dinebrands.com).

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

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

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

Date of Issuance: March 27, 2024.



Table No. 3A								
Status of Franchised Outlets for Fiscal Years 2021-2023 <sup>(1)</sup> (Traditional Venue Locations)								
State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of Year
MISSISSIPPI	2021	20	0	0	0	0	0	20
	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	0	20
MISSOURI	2021	48	0	0	1	0	0	47
	2022	47	0	0	0	0	0	47
	2023	47	0	2	0	0	0	45
MONTANA	2021	8	0	0	1	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
NEBRASKA	2021	16	0	0	1	0	0	15
	2022	15	0	0	0	0	0	15
	2023	15	0	0	0	0	0	15
NEVADA	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	1	12
NEW HAMPSHIRE	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
NEW JERSEY	2021	56	0	0	0	0	1	55
	2022	55	0	0	0	0	0	55
	2023	55	0	0	0	0	0	55
NEW MEXICO	2021	20	0	0	0	0	0	20
	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	2	18
NEW YORK	2021	99	1	0	0	0	2	98
	2022	98	1	2	1	0	0	96
	2023	96	1	0	1	0	1	95

# APPLEBEE'S NEIGHBORHOOD GRILL & BAR FRANCHISE AGREEMENT

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and among APPLEBEE'S FRANCHISOR LLC, a Delaware limited liability company ("**Franchisor**"), \_\_\_\_\_, a (\_\_\_\_\_ corporation, sole proprietorship, \_\_\_\_\_ partnership, \_\_\_\_\_ limited partnership [*strike inappropriate language*]) ("**Franchisee**") and \_\_\_\_\_ (collectively, the "**Principal Shareholders**" and, individually, a "**Principal Shareholder**" of Franchisee if a corporation or general partner if Franchisee is a limited partnership having as its general partner a corporation) and \_\_\_\_\_ ("**General Partner**" of Franchisee if Franchisee is a limited partnership).\*

\* (If Franchisee is not a corporation or a sole proprietorship, or if Franchisee is a limited liability company, the parties hereto hereby agree that an Addendum shall be attached to this Agreement so as properly to reflect the responsibilities of the partners of any general partnership, the general partner of any limited partnership and the shareholders of any corporate general partner of any partnership, or the members of any limited liability company.)

WITNESSETH:

## RECITALS

A. Franchisor owns the rights to develop and operate a unique system of restaurants which specialize in the sale of high quality, moderately priced food and alcoholic beverages in an attractive, casual setting. Franchisor owns the service mark Applebee's Neighborhood Grill & Bar and variations of such mark, and other names, service marks and trademarks which may be adopted for use in the future (the "**Marks**"), designs, decor and color schemes for restaurant premises, signs, equipment, procedures and formulae for preparing food and beverage products, specifications for certain food and beverage products, inventory methods, operating methods, financial control concepts, training facilities and teaching techniques (the "**System**"). Franchisor has the right to offer franchises for the use of the Marks and the System.

B. Franchisor established, through its own development and operation, and through the granting of franchises, a chain of Applebee's Neighborhood Grill & Bar restaurants which are distinctive; which are similar in appearance, design and decor; and which are uniform in operation and product consistency.

C. The value of the Marks used in the System is based upon: (1) the maintenance of uniform high quality standards in connection with the preparation and sale of Franchisor-approved food and beverage products, (2) the uniform high standards of appearance of the individual restaurant units in the System, (3) the use of distinctive trademarks, service marks, building designs and advertising signs representing a uniformly high quality of product and services, and (4) the assumption by Franchisor and its franchisees of the obligation to maintain and enhance the goodwill and public acceptance of the System (and of the Marks) by strict adherence to the high standards required by Franchisor.

D. Franchisor, Franchisee and the Principal Shareholders have entered into a Development Agreement dated \_\_\_\_\_, 20\_\_\_\_ ("**Development Agreement**"), relating to the development by Franchisee of Applebee's Neighborhood Grill & Bar restaurants.

E. Franchisee desires to use the System in connection with the operation of an Applebee's Neighborhood Grill & Bar restaurant at the location which is specified in Subsection 1.1 of this Agreement, pursuant to the terms, conditions and provisions hereinafter set forth.

restaurant unit or may license a restaurant unit to a third-party within the geographic area set forth in the preceding sentence, provided that: (i) such restaurant is located within an airport (served by one or more public or charter carrier), train station, bus terminal, port authority, campus at any college, university or other post-secondary education institution, hospitals and other health care facilities, arena, stadium, state or national park, or military fort, post or base, travel plaza or casino, (ii) is located across an international border, or (iii) does not utilize the System or utilize the Applebee's Neighborhood Grill & Bar service mark. From the date hereof through the date of the expiration or earlier termination of this Agreement, to the extent that Franchisor establishes, franchises or licenses a ghost kitchen, Franchisor shall not authorize such ghost kitchen to use the Applebee's Neighborhood Grill and Bar trademark in fulfilling delivery orders within the Restaurant's Delivery Area (as defined below). Additionally, from the date hereof through the date of expiration or earlier termination of this Agreement, to the extent that Franchisor establishes, franchises or licenses a ghost kitchen, Franchisor shall not authorize such ghost kitchen to use the trademark for a virtual brand owned by Franchisor in fulfilling delivery orders within the Restaurant's Delivery Area; provided, that, this restriction shall only apply to the extent that such virtual brand was actually offered by the Restaurant at the time Franchisor establishes, franchises or licenses the ghost kitchen. To the extent that the restriction in the foregoing sentence is not applicable solely because the virtual brand was not actually offered by the Restaurant at the time the ghost kitchen was established, licensed or franchised, then, prior to authorizing the use of the trademark by such ghost kitchen in the Restaurant's Delivery Area, Franchisor shall first send a written notice ("**Notice**") to Franchisee inquiring whether Franchisee desires to negotiate in good faith with Franchisor to arrive at a mutually acceptable arrangement whereby by the Restaurant may offer such virtual brand within the Restaurant's Delivery Area (the date of such written notice, the "**Notice Date**"). If Franchisor has received an offer which it finds acceptable as of the Notice Date, the Notice will also contain an offer to the Franchisee consisting of commercial terms at least as favorable to those received with respect to the virtual brand within the Restaurant Delivery Area. Should Franchisee respond in writing to Franchisor within 7 days of the Notice Date that it wishes to negotiate in good faith concerning such an arrangement, then for a period of 30 days commencing on the Notice Date (such period, the "**Right of First Offer Period**"), Franchisor shall not authorize such ghost kitchen to use the trademark within the Restaurant's Delivery Area in order to allow time for Franchisor and Franchisee to negotiate such an arrangement in good faith. Following expiration of the Right of First Offer Period, if Franchisor and Franchisee have not entered into a written agreement providing for the Restaurant's offering of such virtual brand, Franchisor shall be free to authorize a ghost kitchen to use the trademark for such virtual brand owned by Franchisor in fulfilling deliveries within the Restaurant's Delivery Area. As used herein, "**Restaurant's Delivery Area**" means the area surrounding the Restaurant within which the Restaurant routinely fulfills delivery orders as of the date on which Franchisor establishes the ghost kitchen (in the case of a company owned ghost kitchen) or enters into a license or franchise agreement with the third party ghost kitchen operator (in the case of a licensed or franchised ghost kitchen); provided, however, in no event will the Restaurant's Delivery Area be smaller than the Restricted Area. The determination of the Restaurant's Delivery Area shall be in Franchisor's sole discretion after obtaining information from any third-party delivery vendors and Franchisee.

1.5 Franchisee, in consideration of the benefits and privileges provided to it by this Agreement, agrees to operate the Restaurant and perform as required hereunder for the full term of this Agreement.

1.6 This Agreement is entered into pursuant to and subject to the terms and conditions which are set forth in the Development Agreement.

## 2. UNIFORM STANDARDS

2.1 The System is a comprehensive restaurant system for the retailing of certain uniform and quality food and beverage products (including alcoholic beverages), emphasizing a varied menu of high quality, moderately priced food products (including appetizers, creative sandwiches, dinner entrees and desserts), a selection of alcoholic and other beverages, and prompt and courteous service in a clean, wholesome, casual atmosphere. The foundation of the System is the establishment and maintenance of a

reputation among the public for the operation of high quality restaurant units. A fundamental requirement of the System, this Franchise Agreement and franchises which Franchisor will grant to others is adherence by all franchisees to Franchisor's standards and policies providing for the uniform operation of all restaurant units within the System, including, but not limited to: (a) selling only those products which Franchisor has designated and approved; (b) using only Franchisor's prescribed building layout and designs, equipment, signs, interior and exterior decor items, fixtures and furnishings; (c) adhering strictly to Franchisor's standards and specifications relating to the selection, purchase, storage, preparation, packaging, service and sale of all food and beverage products being sold at the Restaurant; and (d) satisfying all of Franchisor's prescribed standards of quality, service and cleanliness. Compliance by all franchisees with the foregoing standards and policies in conjunction with the use of the Marks provides the basis for the wide public acceptance of the System and its valuable goodwill. Accordingly, strict adherence by all franchisees to all aspects of the System is required at all times.

2.2 The provisions of the Agreement shall be interpreted to give effect to the intent of the parties stated in this Section 2 to assure that Franchisee shall operate the Restaurant in conformity with the System, through strict adherence to Franchisor's standards and policies as they now exist and as they may be modified from time to time.

### **3. COMPLIANCE WITH THE SYSTEM**

Franchisee acknowledges that every component of the System is important to Franchisor, to all franchisees and to the operation of the Restaurant, including the requirements: (a) that only those products designated and approved by Franchisor are sold at the Restaurant; and (b) that there is uniformity of food and beverage specifications, preparation methods, quality, appearance, building and interior design, color and decor, landscaping, facilities and service among all restaurant units in the System. Accordingly, Franchisee agrees to and shall comply with all aspects of the System (as it now exists and as it may be modified from time to time). Franchisee recognizes and agrees that Franchisor may prohibit the use of the System and its trade names, notwithstanding the granting of this Agreement, if Franchisee fails to design, construct, equip, furnish or operate its Restaurant in compliance with the specifications designated by Franchisor, unless prior written approval has been received from Franchisor.

### **4. GENERAL SERVICES OF FRANCHISOR**

4.1 Franchisor shall advise and consult with Franchisee periodically in connection with the operation of the Restaurant, and at other reasonable times upon Franchisee's request. Franchisor will provide to Franchisee such of its know-how, new developments, techniques and improvements in areas of restaurant design, management, food and beverage preparation, sales promotion and service concepts as may be pertinent to the construction and operation of the Restaurant under the System. Franchisor may provide the foregoing information: (a) by sending representatives to visit the Restaurant; (b) by providing written or other material; (c) at meetings or seminars; and (d) at training sessions at Franchisor's training facility and/or such other locations as may be selected by Franchisor from time to time. Franchisor also shall make available to Franchisee all additional services, facilities, rights and privileges which Franchisor makes available from time to time to its franchisees of the System generally.

4.2 If Franchisee and its affiliates do not have any existing Applebee's Neighborhood Grill & Bar restaurants, for Franchisee's first restaurant opening, for approximately eight days before and six days after Franchisee opens its first Restaurant, Franchisor will provide Franchisee with the services of up to eight training personnel to train Franchisee's Restaurant employees in the operation of the kitchen, bar and dining room areas. If Franchisee requires more than eight training personnel or a training period beyond 14 days, Franchisee will be responsible for the excess cost and expenses for the additional trainers and/or for the period beyond the 14-day period.

## FRANCHISE DISCLOSURE DOCUMENT

**BURGER KING COMPANY LLC**  
a Florida limited liability company  
5707 Blue Lagoon Drive  
Miami, Florida 33126  
(305) 378-7128  
www.bk.com



You will operate a quick-service restaurant specializing in the sale of hamburgers under Burger King Company LLC's distinctive format and operating system, including the BURGER KING® marks. The total investment necessary to begin operation of a BURGER KING® Restaurant ("Restaurant") is between \$247,300 and \$4,670,900, in all cases excluding real estate. This includes \$57,750 to \$62,500 that must be paid to the franchisor or its affiliates.

If you sign a Multiple Target Reservation Agreement, you will pay us a deposit of \$10,000 multiplied by the number of Restaurant openings committed to be developed in the Target Area. You may be eligible to sign a Development Agreement to develop two or more Restaurants pursuant to a Development Schedule, in which case you will prepay the franchise fee of \$50,000 multiplied by the number of new Restaurants you must develop and have open during the first and final development years (the minimum prepaid franchise fee is \$100,000 if you commit to develop and open two Restaurants).

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.**

You may wish to receive your disclosure document in another form that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Burger King Company LLC's Franchise Contract Management, 5707 Blue Lagoon Drive, Miami, Florida 33126, Telephone: 305-378-7128, E-mail: GBSRequest@whopper.com.

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

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

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

Issued: March 26, 2024, as amended June 18, 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased-Operations Other Reasons	Outlets at the End of the Year
MN	2021	113	1	0	0	0	0	114
	2022	114	0	0	2	0	4	108
	2023	108	0	0	7	0	3	98
MS	2021	88	1	0	0	0	0	89
	2022	89	0	0	0	0	0	89
	2023	89	0	0	0	0	4	85
MO	2021	125	4	0	1	0	1	127
	2022	127	0	0	0	0	3	124
	2023	124	0	0	3	0	10	111
MT	2021	24	0	0	0	0	0	24
	2022	24	0	0	0	0	2	22
	2023	22	0	0	0	12	6	4
NE	2021	64	0	0	0	0	0	64
	2022	64	0	0	0	0	0	64
	2023	64	0	0	0	0	8	56
NV	2021	67	0	0	0	0	0	67
	2022	67	1	0	0	0	0	68
	2023	68	1	0	1	0	0	68
NH	2021	31	0	0	1	0	0	30
	2022	30	0	0	0	0	0	30
	2023	30	0	0	0	0	1	29
NJ	2021	179	4	0	0	0	3	180
	2022	180	3	0	0	0	3	180
	2023	180	2	0	4	0	6	172
NM	2021	53	0	0	0	0	0	53
	2022	53	0	0	0	0	0	53
	2023	53	1	0	0	0	1	53
NY	2021	345	5	0	0	0	4	346
	2022	346	12	0	0	0	6	352
	2023	352	10	0	7	0	8	347
NC	2021	239	3	0	2	0	1	239
	2022	239	4	0	0	0	4	239
	2023	238	2	0	1	0	4	235
ND	2021	21	0	0	0	0	0	21
	2022	21	0	0	0	0	0	21
	2023	21	0	0	0	0	6	15



## **BURGER KING® RESTAURANT**

### **FRANCHISE AGREEMENT**

THIS BURGER KING® RESTAURANT FRANCHISE AGREEMENT (this "Agreement") is made as of the effective date set forth on the Key Contract Data page, by and between Burger King Company LLC, a Florida limited liability company ("BKC"), and the franchisee identified on the Key Contract Data page ("Franchisee").

### **INTRODUCTION**

A. BKC is the owner of certain trademarks and service marks, including BURGER KING® and HOME OF THE WHOPPER®, which are registered or pending with the United States Patent and Trademark Office, and is the owner of other trademarks and service marks authorized for use in BURGER KING Restaurants (the "BURGER KING Marks").

B. BKC is engaged in the business of operating and granting franchises to operate restaurants ("BURGER KING Restaurants") using the BURGER KING Marks and a uniform and comprehensive restaurant format and operating system developed by BKC and its predecessor (the "BURGER KING System"), including a standardized design, decor, equipment system, color scheme, style of building and signage, as well as uniform operating and quality standards, specifications and procedures of operation, and uniformity of product and services offered, including all provisions of the Manual of Operating Data, as amended from time to time (the "MOD Manual").

C. Franchisee desires to acquire a franchise to operate a BURGER KING Restaurant at the Premises for the entire Term specified in this Agreement. Franchisee acknowledges receipt of a copy of the Franchise Disclosure Document of BKC and Franchisee has had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement by financial and legal counsel of Franchisee's own choosing at least fourteen (14) calendar days prior to its execution, and is entering into this Agreement after having made an independent investigation of BKC's operations and not upon any representation as to the profits and/or sales volume which Franchisee might be expected to realize, nor upon any representations or promises by BKC which are not contained in this Agreement.

In consideration of the mutual covenants contained in this Agreement, the parties agree as follows:

#### **1. FRANCHISE GRANT: TERM AND LOCATION**

BKC grants to Franchisee and Franchisee accepts a franchise for the duration of the Term (defined below) to use the BURGER KING System and the BURGER KING Marks only in the operation of a BURGER KING Restaurant at the location described on the Key Contract Data page attached to this Agreement and incorporated by reference herein (the "Franchised Restaurant"). For the avoidance of doubt, the term "Franchised Restaurant" includes the real estate described on Exhibit A (the "Premises"), the restaurant building and all buildings and improvements constructed thereon wherever the context permits or requires. The term of this Agreement shall be for the period of time set forth on the Key Contract Data page unless terminated earlier in accordance with the provisions of this Agreement (the "Term") and shall commence on the Commencement Date and shall expire on the Expiration Date. In the event of a dispute over the date that the Franchised Restaurant opens for business, the records maintained by BKC shall control and be dispositive. Franchisee agrees to operate the Franchised Restaurant at the specified location for the entire duration of the Term. Franchisee accepts this franchise with the full and complete understanding that the franchise grant contains no promise or assurance of renewal. The sole and entire conditions under which Franchisee will have the opportunity of obtaining a Successor Franchise Agreement at expiration are those set forth herein in Section 17. This franchise is for the specified location only and does not in any way grant or imply any area, market or territorial rights proprietary to Franchisee.



BKC shall not prohibit nor restrict Franchisee from associating with other franchisees, nor from forming, joining or participating in any franchisee trade association (the "Activities"). BKC shall not retaliate against Franchisee because Franchisee engages in the Activities. BKC's exercise and enforcement of its rights under any franchise agreement or the law shall not, by itself, constitute a breach of BKC's responsibilities under the preceding sentence.

## **5. STANDARDS AND UNIFORMITY OF OPERATION**

BKC shall establish, and cause approved suppliers to the BURGER KING System to reasonably comply with, product, service and equipment specifications as established by BKC from time to time.

Suggestions from Franchisee for improving elements of the BURGER KING System, such as products, equipment, uniforms, restaurant facilities, service format and advertising, are encouraged and may or may not be considered by BKC when adopting or modifying standards, specifications and procedures for the BURGER KING System. Franchisee acknowledges that any such suggestions made by Franchisee hereunder shall become the exclusive property of BKC. BKC shall have no obligation to utilize suggestions and no obligation to provide compensation for any suggestion. Franchisee may not utilize any such suggestions in the Franchised Restaurant without the prior written consent of BKC.

### **A. M.O.D. Manual**

Franchisee acknowledges and agrees that prompt adoption of and adherence to the BURGER KING System, including all of the provisions of the MOD Manual, as amended from time to time, are reasonable, necessary and essential to the image and success of all BURGER KING Restaurants. The MOD Manual, which is comprised of the BURGER KING Operations Manual, the Restaurant Equipment Manual, the RSI Equipment and Facilities E-Red Book, the Approved Brands and Distributors List, Approved Equipment List, the Brand Standards Guide, the Ops Emphasis Guide, alerts and amendments thereto, and applicable policies established by BKC, or the then-current equivalent printed or electronic versions of those documents, contains the official mandatory restaurant operating, equipment and product standards, specifications and procedures prescribed from time to time by BKC for the operation of a BURGER KING Restaurant. The MOD Manual and any revisions or updates thereto may be provided in electronic format including via internet, intranet, or other electronic means. Franchisee acknowledges that the MOD Manual is designed to protect BKC's standards, the BURGER KING System, and the BURGER KING Marks, and not to control the day-to-day operation of the Franchised Restaurant. Franchisee may not print a copy of the MOD Manual without BKC's prior written approval.

Franchisee agrees that changes in the standards, specifications and procedures may become necessary and desirable from time to time and agrees to accept and comply with such modifications, revisions and additions to the MOD Manual which BKC in the good faith exercise of its judgment believes to be desirable and reasonably necessary. The material and information set forth in the MOD Manual is confidential and proprietary to BKC and is to be used by Franchisee only in connection with the operation of the Franchised Restaurant and other franchised BURGER KING Restaurants. The MOD Manual and other specifications, standards and operating procedures communicated in writing or electronically to Franchisee shall be deemed a part of this Agreement.

### **B. Franchised Restaurant**

The Franchised Restaurant will be constructed and improved in the manner authorized and approved by BKC, and the appearance of the Franchised Restaurant will not thereafter be altered except as may be approved in writing by BKC.

## FRANCHISE DISCLOSURE DOCUMENT

**PIZZA HUT, LLC**  
**A Delaware Limited Liability Company**  
**7100 Corporate Drive**  
**Plano, TX 75024-4100**  
**972-338-7700**  
[www.pizzahutfranchise.com](http://www.pizzahutfranchise.com)



The franchise is for a business that operates Pizza Hut restaurants offering primarily pizza, pasta and other Italian-style food items and WingStreet chicken products and side dishes (a "System Restaurant" or "Restaurant").

The total investment necessary to begin operation of a new Restaurant ranges from: (i) \$782,000 to \$2,053,500 for a Restaurant Based Delivery Restaurant or Delivery Based Restaurant; (ii) \$579,000 to \$1,498,500 for a Fast Casual Delco Restaurant; (iii) \$597,000 to \$1,011,300 for a Freestanding "Delco" Delivery/Carryout Restaurant; and (iv) \$412,000 to \$736,300 for an Inline/Endcap "Delco" Delivery/Carryout Restaurant, in each case excluding real property and including \$40,000 to \$55,000 that must be paid to us or our affiliates. This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the PHLLC Legal Department at 7100 Corporate Drive, Plano, Texas 75024-4100 at 972-338-7700.

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

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

Issuance date: March 22, 2024, as amended July 30, 2024

Col. 1 State	Col. 2 Year	Col. 3 Outlets at Start of Year	Col. 4 Outlets Opened (1*)	Col. 5 Termina- tions	Col. 6 Non- Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Opera- tions - Other Reasons (2*)	Col. 9 Outlets at End of the Year
Illinois	2021	162	1	0	0	0	3	160
	2022	160	4	0	0	0	3	161
	2023	161	4	0	0	0	6	159
Indiana	2021	172	2	0	0	0	2	172
	2022	172	2	0	0	0	5	169
	2023	169	12	0	0	0	5	176
Iowa	2021	74	0	0	0	0	2	72
	2022	72	0	0	0	0	2	70
	2023	70	1	0	0	0	1	70
Kansas	2021	158	1	0	0	0	2	157
	2022	157	2	0	0	0	9	150
	2023	150	2	0	0	0	7	145
Kentucky	2021	107	2	0	0	0	3	106
	2022	106	3	0	0	0	3	106
	2023	106	5	0	0	0	4	107
Louisiana	2021	135	5	0	0	0	2	138
	2022	138	5	0	0	0	3	140
	2023	140	3	0	0	0	5	138
Maine	2021	14	0	0	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	1	0	0	0	1	14
Maryland	2021	70	2	0	0	0	6	66
	2022	66	5	0	0	0	1	70
	2023	70	10	0	0	0	2	78
Massachusetts	2021	10	0	0	0	0	0	10
	2022	10	0	0	0	0	0	10
	2023	10	0	0	0	0	1	9
Michigan	2021	103	3	0	0	0	3	103
	2022	103	4	0	0	0	2	105
	2023	105	3	0	0	0	1	107
Minnesota	2021	68	0	0	0	0	0	68
	2022	68	1	0	0	0	0	69
	2023	69	2	0	0	0	2	69
Mississippi	2021	88	2	0	0	0	3	87
	2022	87	9	0	0	0	8	88
	2023	88	5	0	0	0	2	91
Missouri	2021	178	1	0	0	0	0	179
	2022	179	5	0	0	0	5	179
	2023	179	3	0	0	0	1	181

## PIZZA HUT, LLC

### LOCATION FRANCHISE AGREEMENT

THIS LOCATION FRANCHISE AGREEMENT (this “**Agreement**”) is entered into between Pizza Hut, LLC, a Delaware limited liability company with its principal office address at 7100 Corporate Drive, Plano, Texas 75024 (“**we**,” “**us**,” “**our**” or “**Franchisor**”) and \_\_\_\_\_, a \_\_\_\_\_ whose principal address is \_\_\_\_\_ (“**you**,” “**your**” or “**Franchisee**”), as of the date this Agreement is signed by us as set forth opposite our signature below (the “**Effective Date**”).

The definitions of all initially capitalized terms not defined herein are set forth in Appendix A to this Agreement.

### 1. PURPOSE AND SCOPE OF THIS AGREEMENT

#### 1.01 The Pizza Hut Businesses

- A. **The Pizza Hut System.** We and our affiliates have developed a proprietary system (the “**System**”) for opening and operating businesses (each a “**Business**”) that operate Pizza Hut Restaurants (each also a “**System Restaurant**,” a “**Restaurant**,” or a “**franchised Restaurant**”) specializing in the sale of Pizza Hut pizza, pasta, other Italian food products; WingStreet-branded chicken products and side dishes; and, other Approved Products. The System makes use of the Pizza Hut Marks that you are authorized to use pursuant to Section 2.01 below and additional or substitute Pizza Hut Marks which we may license you to use in the future (as provided in Section 16.05 below).
- B. **The Pizza Hut Standards.** As detailed in Article 6 below, the Pizza Hut System features Brand Standards which you must comply with and which we may from time to time modify, add to or delete. The Brand Standards embrace and reflect the standards of speed, service, quality, appearance, food and beverage offerings and the preparation thereof, and other attributes which the consuming public has come to associate with the Pizza Hut Marks and authorized Pizza Hut Businesses and Restaurants. All Brand Standards or other terms of this Agreement that require certain operational processes, procedures and requirements are imposed to ensure the proper operation of authorized Pizza Hut Restaurants and protection of the standards associated with the Pizza Hut Marks. You understand and agree that our Brand Standards do not in any fashion reflect our control of the day-to-day operation of your franchised Businesses and its Pizza Hut Restaurant(s) but, instead, only reflect those standards, procedures and policies which you must follow in your exclusive day-to-day control and operation of your franchised Pizza Hut Businesses and its Restaurant(s) in order to ensure that the above-referenced standards of quality associated by the consuming public with the Pizza Hut Marks and Pizza Hut Businesses and Restaurants are at all times maintained.

#### 1.02 System Restaurant Concepts

- A. **System Restaurant Concept Types.** The Pizza Hut System embraces various types of authorized System Restaurant Concepts. We have the right to establish, add to, delete from or modify existing System Restaurant Concepts in the future. The Pizza Hut System currently embraces three types of authorized System Restaurant Concepts: (i) RBDs; (ii) DelCos; and, (iii) DBRs/FCDs.<sup>1</sup>

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<sup>1</sup> Our original concept, the Pizza Hut “Red Roof” restaurant from which Pizza Hut pizza (and other Approved Products) are sold for dine-in and carryout consumption, is now retired and no longer operative except with respect to existing “Red Roof” restaurants previously franchised and subject to franchisee renewal or transfer activity to the extent permitted by the subject Pizza Hut Franchise Agreement governing such “Red Roof” restaurants.

business issues or strategies. Such guidelines and recommendations are not part of the Brand Standards, are not contracts, and do not create any contractual or other binding obligation on either you or us.

#### **6.02 Furnishing the Brand Standards to You**

- A. We will furnish to you, at no charge, a complete set of the Brand Standards applicable to each type of System Restaurant Concept(s) franchised under this Agreement. We may do so through any now or hereafter developed print, electronic or other media capable of conveying the Brand Standards.
- B. You acknowledge that we are the owner of all proprietary rights in the Brand Standards and all intellectual property rights connected therewith (including common law copyright) and that you are acquiring no property or other right to the Brand Standards other than a license to use them and comply with them during the Term of this Agreement. You agree to ensure at all times that your Brand Standards content is current and up-to-date.

#### **6.03 Compliance with the Brand Standards, System and This Agreement**

- A. Your franchised Pizza Hut Business and the Pizza Hut Restaurant(s) it operates must comply at all times with every provision of this Agreement, the System and the Brand Standards, unless we agree to a variance in writing. You may not use the System, the Pizza Hut Marks or the Brand Standards for the benefit of any business other than the franchised Business, its Restaurant(s), or any other Pizza Hut Restaurant(s) operated by you or your Affiliates pursuant to another agreement with us. You may not conduct (or permit anyone else to conduct) any business at your franchised Restaurant(s), other than as provided in this Agreement, without first obtaining our prior written consent, which we may withhold for any reason or no reason, other than as provided in this Agreement. You acknowledge, understand and agree that your strict compliance with the System, this Agreement and the Brand Standards are of the essence to this Agreement and are critically important to you, us and all other Pizza Hut franchisees, since your failure to adhere to the System, this Agreement and/or the Brand Standards may damage the reputation and goodwill enjoyed by the Pizza Hut Restaurant network and the Pizza Hut Marks.
- B. To the extent that we have furnished to you, or otherwise permitted you to inspect, the Brand Standards prior to your execution of this Agreement, you hereby irrevocably affirm and attest that you have reviewed our Brand Standards in detail and in their entirety; that the Brand Standards are commercially reasonable in all respects; that the Brand Standards do not in any fashion exceed our ability to promulgate Brand Standards under this Agreement; and that, accordingly, you irrevocably promise and agree never to begin or join in any legal action or proceeding, or register a complaint with any government entity, directly or indirectly contending otherwise or in any way complaining that our Brand Standards are in any fashion commercially unreasonable or exceed our authority to promulgate same under this Agreement.

#### **6.04 Modifications to the System and Brand Standards**

In the exercise of our reasonable business judgment, we may from time to time modify components of the Pizza Hut System and requirements applicable to you by means of revised Brand Standards including adding to, deleting from or modifying those Approved Products and other food and beverage items, products, programs and services which your franchised Business and Restaurant(s) is authorized and required to offer; altering System policies, procedures, methods and requirements; modifying or substituting required equipment, technology, signs, trade dress and other Restaurant characteristics that you will be required to adhere to (subject to the limitations set forth in this Agreement); requirements pertaining to capturing and relaying to us customer information and data; and, changing, improving, modifying or substituting one or more of the Pizza Hut Marks. You agree



## FRANCHISE DISCLOSURE DOCUMENT

McDonald's USA, LLC  
a Delaware limited liability company  
110 N. Carpenter Street  
Chicago, Illinois 60607  
(630) 623-3000  
[www.mcdonalds.com](http://www.mcdonalds.com)

The franchisee will own and operate a quick service restaurant offering a limited menu of value-priced foods using the McDonald's System.

The total investment necessary to begin operation of a traditional McDonald's franchise ranges from \$1,470,500 to \$2,642,000 (see Item 7 for small town oil, small town retail, and Satellite locations). This includes an initial franchise fee of \$45,000.00 (see Item 5 for small town oil, small town retail, and Satellite locations) that must be paid to the franchisor.

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.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact the Franchise Practice Group at 110 N. Carpenter Street, Chicago, IL 60607 and (630) 623-3000.

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

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

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

Issuance Date: May 1, 2024

State	Year	Outlets at Start of the Year	Outlets Opened	Terminations (1)	Non- Renewals (2)	Reacquired by Franchisor (3)	Ceased Operations - Other Reasons (4)	Outlets at End of the Year
Idaho	2021	62	1	0	2	0	0	61
	2022	61	2	0	0	0	0	63
	2023	63	0	0	0	0	0	63
Illinois	2021	610	3	0	2	0	0	611
	2022	611	0	4	2	0	0	605
	2023	605	6	6	3	0	1	601
Indiana	2021	321	6	1	2	0	0	324
	2022	324	1	0	0	0	0	325
	2023	325	2	2	0	0	0	325
Iowa	2021	143	0	0	0	25	0	118
	2022	118	0	0	0	0	0	118
	2023	118	2	2	0	0	0	118
Kansas	2021	147	1	0	2	0	0	146
	2022	146	0	0	0	0	0	146
	2023	146	1	4	0	0	0	143
Kentucky	2021	241	8	0	1	0	0	248
	2022	248	1	0	0	0	0	249
	2023	249	2	0	2	0	0	249
Louisiana	2021	233	2	1	1	0	0	233
	2022	233	4	8	0	0	0	229
	2023	229	0	2	0	0	0	227
Maine	2021	62	0	0	1	0	0	61
	2022	61	0	0	0	0	0	61
	2023	61	0	0	0	0	0	61
Maryland	2021	225	3	0	4	0	0	224
	2022	224	2	1	2	0	0	223
	2023	223	2	2	0	0	0	223
Massachusetts	2021	234	0	0	0	0	0	234
	2022	234	0	0	2	0	0	232
	2023	232	0	0	0	0	0	232
Michigan	2021	485	2	1	7	0	0	479
	2022	479	8	0	1	0	0	486
	2023	486	0	7	2	0	0	477
Minnesota	2021	223	0	0	1	0	0	222
	2022	222	1	1	1	0	0	221
	2023	221	2	2	0	0	0	221
Mississippi	2021	140	1	0	0	0	0	141
	2022	141	1	0	0	0	0	142
	2023	142	0	0	0	0	0	142
Missouri	2021	312	3	1	2	0	0	312
	2022	312	0	2	0	0	0	310
	2023	310	3	3	0	0	0	310
Montana	2021	47	0	0	0	0	0	47
	2022	47	0	0	0	0	0	47
	2023	47	0	0	0	0	0	47
Nebraska	2021	77	1	0	0	0	0	78
	2022	78	0	0	1	0	0	77
	2023	77	1	1	0	0	0	77
Nevada	2021	126	2	0	13	0	0	115
	2022	115	3	0	0	0	0	118
	2023	118	3	0	0	0	0	121
New Hampshire	2021	54	0	0	0	0	0	54
	2022	54	0	0	0	0	0	54
	2023	54	0	0	0	0	0	54



**EXHIBIT B**

**FRANCHISE AGREEMENT (TRADITIONAL)**

[CITY, STATE]

[Address]

L/C: \_\_\_\_\_

File #: \_\_\_\_\_

**FRANCHISE AGREEMENT**

**THIS FRANCHISE AGREEMENT** (“Franchise”) made this \_\_\_\_ day of \_\_\_\_\_, for the operation of a McDonald’s restaurant located at \_\_\_\_\_ (the “Restaurant”) by and between:

**McDONALD’S USA, LLC,**

a Delaware limited liability company,

(“McDonald’s”)

and

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

(collectively “Franchisee”)

for the purpose of granting the Franchisee the rights necessary to operate the Restaurant.

In consideration of the mutual rights and obligations contained herein McDonald’s and Franchisee agree as follows:

1. ***Nature and Scope of Franchise.***

(a) McDonald’s operates a restaurant system (“McDonald’s System”). The McDonald’s System is a comprehensive system for the ongoing development, operation, and maintenance of McDonald’s restaurant locations which have been selected and developed for the retailing of a limited menu of uniform and quality food products, emphasizing prompt and courteous service in a clean, wholesome atmosphere which is intended to be attractive to children and families and includes proprietary rights in certain valuable trade names, service marks, and trademarks, including the trade names “McDonald’s” and “McDonald’s Hamburgers,” designs and color schemes for restaurant buildings, signs, equipment layouts, formulas and specifications for certain food products, methods of inventory and operation control, bookkeeping and accounting, and manuals covering business practices and policies. The McDonald’s System is operated and is advertised widely within the United States of America and in certain foreign countries.

(b) McDonald's holds the right to authorize the adoption and use of the McDonald's System at the Restaurant. The rights granted to the Franchisee to operate the Restaurant are set forth in this Franchise, including the Operator's Lease ("Lease") which is attached hereto as Exhibit A, incorporated in this Franchise.

(c) The foundation of the McDonald's System and the essence of this Franchise is the adherence by Franchisee to standards and policies of McDonald's providing for the uniform operation of all McDonald's restaurants within the McDonald's System including, but not limited to, serving only designated food and beverage products; the use of only prescribed equipment and building layout and designs; strict adherence to designated food and beverage specifications and to McDonald's prescribed standards of Quality, Service, and Cleanliness in the Restaurant operation. Compliance by Franchisee with the foregoing standards and policies in conjunction with the McDonald's trademarks and service marks provides the basis for the valuable goodwill and wide family acceptance of the McDonald's System. Moreover, the establishment and maintenance of a close personal working relationship with McDonald's in the conduct of Franchisee's McDonald's restaurant business, Franchisee's accountability for performance of the obligations contained in this Franchise, and Franchisee's adherence to the tenets of the McDonald's System constitute the essence of this Franchise.

(d) The provisions of this Franchise shall be interpreted to give effect to the intent of the parties stated in this paragraph 1 so that the Restaurant shall be operated in conformity to the McDonald's System through strict adherence to McDonald's standards and policies as they exist now and as they may be from time to time modified.

(e) Franchisee acknowledges Franchisee's understanding of McDonald's basic business policy that McDonald's will grant franchises only to those individuals who live in the locality of their McDonald's restaurant, actually own the entire equity interest in the business of the Restaurant and its profits, and who will work full time at their McDonald's restaurant business. Franchisee represents, warrants, and agrees that Franchisee actually owns the complete equity interest in this Franchise and the profits from the operation of the Restaurant, and that Franchisee shall maintain such interest during the term of this Franchise except only as otherwise permitted pursuant to the terms and conditions of this Franchise. Franchisee agrees to furnish McDonald's with such evidence as McDonald's may request, from time to time, for the purpose of assuring McDonald's that Franchisee's interest remains as represented herein.

(f) Franchisee agrees to pay to McDonald's all required payments under this Franchise, including, without limitation, the payments set forth in paragraphs 8 and 9 herein and paragraph 3.01 of the Lease. All payments hereby required constitute a single financial arrangement between Franchisee and McDonald's which, taken as a whole and without regard to any designation or descriptions, reflect the value of the authorization being made available to the Franchisee by McDonald's in this Franchise and the services rendered by McDonald's during the term hereof.

## 2. ***Franchise Grant and Term.***

(a) McDonald's grants to Franchisee for the following stated term the right, license, and privilege:



## FRANCHISE DISCLOSURE DOCUMENT

Wingstop Franchising LLC  
A Delaware Limited Liability Company  
15505 Wright Brothers Drive  
Addison, Texas 75001  
(972) 686-6500  
[areadevelopment@wingstop.com](mailto:areadevelopment@wingstop.com)  
[www.wingstop.com](http://www.wingstop.com)

The franchise is to operate a restaurant under the WING-STOP® trade name and business system that serves cooked-to-order, hand-sauced and tossed chicken wings, boneless wings, and tenders, chicken sandwiches, seasoned fries, and beverages.

The total investment necessary to begin operation of a WING-STOP® Restaurant is \$259,400 to \$912,100, excluding real estate purchase and lease costs. This includes \$30,000 that must be paid to the franchisor or affiliate. You sign the Development Agreement even if you want only one Restaurant franchise. If you want development rights for more than one Restaurant, you must pay the franchisor a development fee equal to \$10,000 times the number of Restaurants you commit to develop.

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.

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

Issuance date of this Franchise Disclosure Document: March 28, 2024

Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
State	Year	Outlets at Start of Year	Outlets Opened	Termi- nations	Non- Renewals	Reacquired by Franchisor	Ceased Opera- tions - Other Reasons	Outlets at End of the Year
Louisiana	2021	24	3	0	0	0	0	27
	2022	27	1	0	0	0	0	28
	2023	28	5	0	0	0	0	33
Maryland	2021	23	3	0	0	0	0	26
	2022	26	2	0	0	0	0	28
	2023	28	1	0	0	0	0	29
Massachusetts	2021	6	0	0	0	0	0	6
	2022	6	0	0	0	0	0	6
	2023	6	2	0	0	0	0	8
Michigan	2021	16	3	0	0	0	0	19
	2022	19	7	0	0	0	0	26
	2023	26	12	0	0	0	0	38
Minnesota	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Mississippi	2021	12	1	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	1	0	0	0	0	14
Missouri	2021	18	7	0	0	0	0	25
	2022	25	4	0	0	0	0	29
	2023	29	0	0	0	0	0	29
Nebraska	2021	4	4	0	0	0	0	8
	2022	8	1	0	0	0	0	9
	2023	9	1	0	0	0	0	10
Nevada	2021	17	1	0	0	0	0	18
	2022	18	2	0	0	0	0	20
	2023	20	5	0	0	0	0	25



STORE NO.

**FRANCHISE AGREEMENT  
FOR A  
WINGSTOP RESTAURANT**

THIS AGREEMENT is entered into by and between Wingstop Franchising LLC, a Delaware limited liability company (“Company”), and [FRANCHISEE] (“Franchisee”). Certain terms are used in this Agreement with the meanings assigned in the Glossary of Terms appearing at the beginning of this Agreement. That Glossary is incorporated into, and made an integral part of, this Agreement by reference.

**1. RECITALS.**

Company and its Affiliates have developed a System to guide and govern the operation of restaurants that operate under the Wingstop® trade name and sell cooked-to-order, hand-sauced and tossed chicken wings as their primary menu item. Company franchises the operation of Restaurants. Franchisee has completed the site selection requirements of a Development Agreement for a Restaurant to be located at the address shown in Section 2. The parties are now ready to embark on a franchise relationship and have entered into this Agreement to evidence the terms and conditions of their relationship.

**2. GRANT OF FRANCHISE.**

(a) Subject to the terms, conditions and limitations of this Agreement, Company grants Franchisee a franchise to operate a Restaurant at the following location: [ADDRESS]. Franchisee’s use of any of the Marks or any element of the System in the operation of a business at any other location or in any other channel of distribution without Company’s express written authorization will constitute willful infringement of Company’s rights in the Marks and the System.

(b) The franchise includes the following rights and licenses:

(1) Authorization to operate the Restaurant under the Wingstop® trade name, in association with the Wingstop® service mark and in accordance with the System;

(2) Authorization to install the Trade Dress and exterior and interior signs bearing the Wingstop® name and logo at the Restaurant;

(3) Authorization to provide Catering from the Restaurant; and

(4) Authorization to use the Marks to identify, advertise and promote the Restaurant’s products and services.

(c) Franchisee will acquire no rights or authority under this Agreement or as an element of the franchise:

(1) To sell to any wholesale or retail customer the ingredients (including proprietary Wingstop sauces and seasonings) from or with which any menu item is prepared;

If the Restaurant is located in a core market (currently, the Dallas-Fort Worth, El Paso (Las Cruces), Harlingen-Wslco-Brnsvl-McA, Houston, Laredo, or San Antonio, Texas DMAs; the Los Angeles, California DMA; or the Las Vegas, Nevada DMA), Franchisee must spend at least \$5,000 to market the Restaurant's opening within three months after the Restaurant's opening date (the "Grand Opening Period") and send Company proof of paid invoices for such marketing no later than 90 days after the end of the Grand Opening Period. If the Restaurant is located in an emerging market (currently, the Albuquerque-Santa Fe, New Mexico DMA; Chicago, Illinois DMA; Denver, Colorado DMA; Miami-Ft. Lauderdale, Florida DMA; Reno, Nevada DMA; Monroe-El Dorado, Louisiana DMA; Monterey-Salinas, Sacramento-Stkton-Modesto, San Diego, or San Francisco-Oak-San Jose, California DMAs; Phoenix (Prescott) or Tucson (Sierra Vista), Arizona DMAs; or Abilene-Sweetwater, Amarillo, Austin, Corpus Christi, Lubbock, Odessa-Midland, Tyler-Longview (Lfkn & Ncgd), Victoria, or Waco-Temple-Bryan, Texas DMAs), Franchisee must spend at least \$10,000 to market the Restaurant's opening during the Grand Opening Period and send Company proof of paid invoices for such marketing no later than 90 days after the end of the Grand Opening Period. If the Restaurant is located in a market outside of both the core and emerging markets, Franchisee must spend at least \$15,000 to market the Restaurant's opening during the Grand Opening Period and send Company adequate proof of paid invoices for such marketing no later than 90 days after the end of the Grand Opening Period. If Franchisee fails to provide Company with proof of paid invoices for such marketing, equaling the minimum amount required for the particular market, within 90 days after the end of the Grand Opening Period, Company will draft the remaining balance from Franchisee's account and contribute that amount to the Ad Fund.

(6) Franchisee will (i) comply with and adhere to the policies and procedures set forth in the Operations Manual, as revised and supplemented from time to time, (ii) follow Wingstop procedures in the storage, preparation, presentation and dispensing of chicken wings, other authorized menu items, and other authorized Restaurant merchandise and the acquisition of items from Approved Vendors, (iii) purchase and use fresh, processed and prepackaged ingredients that satisfy or exceed the minimum grade or quality standards specified from time to time for the Wingstop System, (iv) purchase from Company or a source Company designates and exclusively use Wingstop® brand sauces and seasonings and other proprietary products specially produced for the Wingstop restaurant chain, and (v) purchase equipment, inventory, supplies and services only from the Purchasing Cooperative or, if not available from the Purchasing Cooperative, from suppliers designated or approved for the Wingstop System from time to time, the number of which may be limited by Company.

(7) Franchisee will provide appropriate training, supervision and security for all personnel employed in the Restaurant, maintain standards of prompt and courteous customer service, and instruct all employees of the Restaurant in the proper use and display of the Marks and the confidential handling of the Trade Secrets and the Operations Manual, as stated in Section 12.

(8) Franchisee will ensure that all of the Restaurant's employees follow Wingstop grooming and dress code standards and wear the Wingstop uniform items developed for the Wingstop System.

(9) Franchisee will notify Company promptly of any change in the General Manager and send any new General Manager to attend and satisfactorily complete the Wingstop training program.

(10) [Intentionally Omitted]

(11) Franchisee will offer all foods and beverages included on the standard Wingstop menu, as revised from time to time, in compliance with Company's product pricing standards and specifications. Franchisee will not offer any foods, beverages or other merchandise that is not included on the authorized Wingstop Restaurant merchandise list, as revised from time to time, without Company's



## **FRANCHISE DISCLOSURE DOCUMENT**



State	Year	Restaurants at Start of Year	Restaurants Opened (or Purchased from Franchisor)	Franchisor's Terminations	Non- Renewals	Reacquired By Franchisor	Ceased Operations Other Reasons	Restaurants at End of Year
MD	2021	15	0	0	0	0	0	15
	2022	15	0	0	0	0	0	15
	2023	15	0	0	0	0	0	15
MI	2021	18	0	0	0	0	0	18
	2022	18	0	0	0	0	2	16
	2023	16	0	0	0	0	0	16
MN	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
MS	2021	125	0	0	0	0	1	124
	2022	124	0	0	0	0	0	124
	2023	124	1	0	0	0	1	124
MO	2021	184	2	0	0	0	1	185
	2022	185	2	0	0	0	2	185
	2023	185	1	0	0	0	4	182
MT	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
NE	2021	28	0	0	0	0	0	28
	2022	28	0	0	0	0	0	28
	2023	28	0	0	0	0	0	28
NJ	2021	16	0	0	0	0	0	16
	2022	16	0	0	0	0	1	15
	2023	15	0	0	0	0	1	14
NV	2021	25	0	0	0	0	0	25
	2022	25	0	0	0	0	0	25
	2023	25	0	0	0	0	1	24
NM	2021	74	0	0	0	0	0	74
	2022	74	0	0	0	0	0	74
	2023	74	0	0	0	0	0	74
NY	2021	17	3	0	0	0	0	20
	2022	20	0	0	0	0	0	20
	2023	20	1	0	0	0	0	21
NC	2021	73	0	0	0	0	0	73
	2022	73	1	0	0	0	1	73
	2023	73	0	0	0	0	0	73
ND	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
OH	2021	23	0	0	0	0	0	23
	2022	23	1	0	0	0	0	24
	2023	24	0	0	0	0	0	24

## SONIC RESTAURANT

### **NUMBER 24 FRANCHISE AGREEMENT**

THIS FRANCHISE AGREEMENT (this “Agreement”) made this \_\_\_\_ day of \_\_\_\_\_, 202\_\_\_\_, by and between **SONIC FRANCHISING LLC**, a Delaware limited liability company with its principal office at Three Glenlake Parkway NE, Atlanta, Georgia 30328 (“Sonic”), and \_\_\_\_\_, a(n) \_\_\_\_\_ with its principal office at \_\_\_\_\_ (“Franchisee”).

### **RECITALS**

A. Sonic or its Affiliate (defined below) is the owner of, and Sonic has the right to license, the Sonic System (defined below) that is used in the development and operation of drive-in restaurants and other restaurants which feature specialty drinks, ice cream desserts, cheeseburgers, chicken entrees, hot dogs and other items, and which operate under the Sonic System and Proprietary Marks (defined below), as Sonic may periodically modify them (collectively, “Sonic Restaurants”).

B. Franchisee wishes to obtain a license from Sonic to operate a Sonic Restaurant and to be afforded the assistance provided by Sonic in connection therewith as described in this Agreement, and understands and accepts the terms, conditions, and covenants set forth herein as those which are reasonably necessary to maintain Sonic’s high and uniform standards of quality and service designed to protect the goodwill and enhance the public image of the Proprietary Marks and the Sonic System, and recognizes the necessity of operating the Restaurant (defined below) in faithful compliance therewith, and with Sonic’s standards and specifications.

In consideration of the foregoing and the mutual covenants and consideration below, Sonic and Franchisee agree as follows:

1. **DEFINITIONS.** In addition to the terms defined elsewhere in this Agreement, unless the context of their use in this Agreement requires otherwise, the following words and phrases shall have the following meanings when used in this Agreement.

1.01 **Affiliate.** “Affiliate” means any Person which directly or indirectly through one or more intermediaries Controls the specified Person, the specified Person Controls, or shares a common Control with the specified Person.

1.02 **Confidential Information.** “Confidential Information” means (a) methods and procedures for preparation of food and beverage products, including confidential recipes; (b) distinctive service and accessories; (c) plans and specifications for interior and exterior signs, designs, layouts, and color schemes; (d) methods, techniques, formats, systems, specifications, procedures, business information, trade secrets, sales and marketing programs and information, methods of business operations and management, and knowledge of and experience in the operation and franchising of Sonic Restaurants; (e) any proprietary information contained in the Sonic Operations Manual or otherwise communicated to Franchisee in writing, verbally or through the internet or other online or computer communications concerning the development or operation of a Sonic Restaurant; (f) the names, contact information, ordering history and other personal

Sonic's Affiliate's liability for taxes. Franchisee shall not permit a tax sale, seizure, levy, or similar writ or warrant by a creditor to occur against the Restaurant or any of its assets.

(2) In the event a state taxing authority makes a refund to Sonic or its Affiliate of taxes paid for which Sonic previously received payment from Franchisee under this Section 7.05, Sonic shall pay to Franchisee the amount of the taxes refunded by the state taxing authority to Sonic or its Affiliate which equals the amount Franchisee previously paid to Sonic under this Section 7.05.

(d) All notices received by Franchisee from a state taxing authority regarding the alleged, potential, or actual tax liability of Sonic or its Affiliates shall be given to Sonic within fifteen (15) calendar days of receipt by Franchisee. Sonic and Franchisee agree to consult in good faith to determine the nature of any action to be taken in connection with the notice or any demands contained therein.

## 8. OPERATION OF THE RESTAURANT.

8.01 Compliance with Entire System. Franchisee acknowledges that every component of the Sonic System is important to Sonic and to the operation of the Restaurant as a Sonic Restaurant, including a designated menu of food and beverage products; uniformity of food specifications, preparation methods, quality, and appearance; and uniformity of facilities and service. Therefore, Franchisee agrees at all times during the term of this Agreement to operate the Restaurant in accordance with all aspects of the Sonic System, the Sonic Operations Manual and all of Sonic's other standards and policies, as Sonic may periodically modify them. Without limiting the generality of the foregoing, Franchisee agrees at all times during the Term to:

(a) operate the Restaurant in a clean, wholesome manner in compliance with standards of quality, food safety, service, cleanliness, and appearance as prescribed from time to time by governmental authorities or Sonic and comply with all business policies, practices, and procedures periodically imposed by Sonic;

(b) make no alterations, conversions, or additions to the Restaurant's building or parking area without Sonic's prior written consent and maintain the building, parking area, parking stalls and other parts of the Site and Restaurant in a good, clean, wholesome condition and repair, well-lighted, and in compliance with designated standards as may be prescribed from time to time by Sonic;

(c) purchase and install, and maintain at the Restaurant, all kitchen and other fixtures, lighting, payment systems, equipment (including office equipment) and signs in accordance with the equipment specifications and layout as periodically designated by Sonic, including by making repairs or replacements required because of damage, wear, and tear or in order to maintain the Restaurant and its assets in good condition and in conformity with Sonic's then current standards;

(d) operate the Restaurant every day of the year (except Easter, Thanksgiving, and Christmas), and at least fifteen (15) hours per day or such other hours, including

## FRANCHISE DISCLOSURE DOCUMENT



### **Jiffy Lube International, Inc.**

A Delaware Corporation

150 N. Dairy Ashford, Houston, Texas 77079

P.O. Box 4427, Houston, Texas 77210-4427

Toll Free (Franchise Sales): 800-327-9532

[www.jiffylube.com](http://www.jiffylube.com)

This disclosure document describes a franchise to operate a convenient lubrication, oil change, and light repair business for cars and light trucks using the trade name “Jiffy Lube.”

The initial investment necessary to begin operation of a new freestanding Jiffy Lube service center ranges from \$232,000 to \$520,000 (excluding real estate costs) (and the net total investment with funding ranges from \$232,000 to \$442,650). *See* Item 7. This includes \$35,000 to \$85,000 that must be paid to the franchisor or its affiliate. *See* Item 5. If you purchase an existing Jiffy Lube service center from the franchisor, these costs may vary.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact our franchise administration department at 150 N. Dairy Ashford, Houston, TX 77079, (800) 327-9532, [JLICContracts@shell.com](mailto:JLICContracts@shell.com).

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

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

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

Issuance Date: March 28, 2024

State	Year	Outlets Operating at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets Operating at Year End
Kentucky	2021	4	3					7
	2022	7	3					10
	2023	10						10
Louisiana	2021	13						13
	2022	13						13
	2023	13						13
Maine	2021	3						3
	2022	3						3
	2023	3						3
Maryland	2021	63	1					64
	2022	64						64
	2023	64						64
Massachusetts	2021	48						48
	2022	48	2					50
	2023	50		11				39
Michigan	2021	0	1					1
	2022	1	1					2
	2023	2				1		1
Minnesota	2021	24						24
	2022	24						24
	2023	24		1				23
Mississippi	2021	2						2
	2022	2	2					4
	2023	4	1					5
Missouri	2021	45	3					48
	2022	48				8		40
	2023	40	1					41
Montana	2021	10						10
	2022	10						10
	2023	10						10
Nebraska	2021	16						16
	2022	16		1				15
	2023	15						15
Nevada	2021	35						35
	2022	35		1				34
	2023	34						34
New Hampshire	2021	13						13
	2022	13						13
	2023	13						13
New Jersey	2021	33						33
	2022	33						33
	2023	33						33
New Mexico	2021	35						35
	2022	35						35
	2023	35						35
New York	2021	33	2			9		26
	2022	26	2				1	27
	2023	27	6					33
North Carolina	2021	65	1	1				65
	2022	65	1	1		47		18
	2023	18				2		16

**JIFFY LUBE®****FRANCHISE AGREEMENT**

**THIS AGREEMENT** (the “**Agreement**”) is made this \_\_\_\_\_ day (the “**Execution Date**”), by and between JIFFY LUBE INTERNATIONAL, INC., a Delaware corporation, having its principal place of business at 150 N. Dairy Ashford, Houston, Texas 77079, U.S.A. (“**Franchisor**”) and \_\_\_\_\_, a[n] [type of entity] [individual(s)], with [its] [his/her/their] principal [place of business] [residence] at \_\_\_\_\_ (“**Franchisee**”).

**RECITALS**

- A.** Franchisor has spent considerable time, effort and money developing a nationally recognized brand and owns a unique system for providing lubrication and preventive fluid maintenance and light repair services to cars and light trucks using the registered trademark “Jiffy Lube®” (the “**System**”). The distinguishing characteristics of the System include methods for locating, building and operating Jiffy Lube® Service Centers (the “**Service Centers**”), proprietary trademarks, trade dress, software, training materials and operational methods and manuals and methods for marketing the services offered at the Service Center and which may be modified, improved, discontinued or further developed by Franchisor from time to time.
- B.** Franchisor owns the property rights and interests in and to and utilizes the “Jiffy Lube” trademark, the “Flying J” logo and certain other service marks, symbols, word marks, trademarks, trade names and trade dress as currently designated, or as may hereinafter be designated by Franchisor in writing, in connection with the System (the “**Trademarks**”).
- C.** Franchisor continues to develop, use and control the use of the Trademarks in order to identify for the public the source of services marketed thereunder and in association with the System and to represent the System’s high standards of quality, appearance and service.
- D.** Franchisee wishes to locate, acquire, open and operate a Service Center utilizing the System at the location identified in the addendum as specified in Section 1.1 strictly in accordance with the terms and conditions of this Agreement.
- E.** Based upon the information provided by Franchisee to Franchisor in Franchisor’s prospective franchisee application process, Franchisor has decided to grant to Franchisee a license to develop a Service Center that strictly utilizes the System in accordance with the terms and conditions of this Agreement.

**NOW THEREFORE**, in consideration of the undertakings and commitments of each party to the other party set forth in this Agreement, the parties agree as follows:

## 7. OPERATION OF THE FRANCHISED CENTER

### 7.1 Supervision by a Trained Manager

The Franchised Center at all times will be under the personal supervision of an individual who has completed Franchisor's operations training course (or an alternate course approved by Franchisor) successfully. As used in this Agreement, "**personal supervision**" means that the individual (a) will be present at, or readily available to, the Franchised Center at opening, closing and peak business hours, (b) will inspect the Franchised Center regularly to insure the highest standards of cleanliness and general appearance, and (c) will assist in training employees.

### 7.2 The Manual and the System Manuals

**7.2.1** Franchisee agrees to operate the Franchised Center in strict conformance with the Policies and Procedures Manual developed by Franchisor for use in connection with the Products Program (the "**Manual**") and any System Manuals. System Manuals which may be issued by Franchisor from time to time describe particular phases of the System. Such System Manuals may be in different types of media, including computer-based training, on-the-job training, booklets, brochures, video, seminars, classroom training and other such types of media as Franchisor may develop from time to time. The Manual and all System Manuals are and will remain the exclusive property of Franchisor. A copy of the Manual and each System Manual will be loaned to Franchisee for the term of this Agreement either via hard copy, electronically, or both.

**7.2.2** Franchisee understands and agrees that the System may from time to time be modified, and that such modifications to the System may require modifications in the Manual or the System Manuals or issuance of new System Manuals. Franchisee agrees that in the event of any such modifications to the System and the Manual or the System Manuals, it will operate the Franchised Center in strict conformance with the Manual and the System Manuals as so modified. Any amendments or revisions to the Manual or System Manuals shall be effective seven days after receipt by Franchisee of such amendments or revisions. Franchisee will ensure that the copy of the Manual and any System Manuals loaned to Franchisee are kept current. In the event of any dispute as to the contents of any such Manual or System Manuals, the contents of the master copy of such Manual or System Manuals maintained by Franchisor at its principal place of business will be definitive.

### 7.3 Approved Products and Supplies

**7.3.1** From time to time, Franchisor may prescribe certain minimum quality and/or warranty specifications for equipment, products and supplies used by the System in connection with building and operating a Service Center. To the extent that Franchisor elects to do so, these specifications will be listed in the Manual or otherwise in writing.





## FRANCHISE DISCLOSURE DOCUMENT

### AAMCO TRANSMISSIONS, LLC

A Pennsylvania limited liability company  
410 Horsham Road, Suite 105  
Horsham, PA 19044  
Telephone: (800) 292-8500  
email: [franchise@aamco.com](mailto:franchise@aamco.com)  
[www.aamcofranchises.com](http://www.aamcofranchises.com)

The franchise offered is for a transmission and general automotive repair center under the AAMCO® brand. The total investment necessary for a new franchisee to begin operation of a new AAMCO Center is \$236,800 to \$361,200. This includes between \$70,000 to \$95,500 that must be paid to the franchisor or affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Warren Berest at 410 Horsham Road, Suite 105, Horsham, PA 19044 (telephone 267-464-7261 or e-mail to [wberest@aamco.com](mailto:wberest@aamco.com)).

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, N.W., Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 30, 2024

Hawaii	2021	1	0	0	0	0	1	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Idaho	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Illinois	2021	13	0	0	0	0	0	13
	2022	13	1	0	1	0	1	12
	2023	12	0	0	0	0	0	12
Indiana	2021	5	0	0	0	0	0	5
	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Iowa	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Kansas	2021	8	0	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Kentucky	2021	9	0	0	0	0	0	9
	2022	9	0	0	0	0	0	9
	2023	9	0	0	0	0	0	9
Louisiana	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Maine	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Maryland	2021	15	0	1	0	0	0	14
	2022	14	0	0	0	0	0	14
	2023	14	0	0	1	0	0	13
Massachusetts	2021	5	0	0	0	0	1	4
	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	1	4
Michigan	2021	4	0	0	0	0	1	3
	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Minnesota	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Mississippi	2021	4	0	0	0	0	0	4
	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4

Exhibit A-1  
Franchise Agreement

## FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("AGREEMENT") IS ENTERED INTO BY AND BETWEEN: (1) AAMCO TRANSMISSIONS, LLC, A PENNSYLVANIA LIMITED LIABILITY COMPANY LOCATED AT 201 GIBRALTAR ROAD, HORSHAM, PENNSYLVANIA 19044 ("AAMCO"); AND (2) THE PERSON OR PERSONS OR LEGAL ENTITY LISTED BELOW AS "FRANCHISEE." THIS AGREEMENT BECOMES EFFECTIVE ON THE DATE COUNTER-SIGNED BELOW BY AAMCO (THE "EFFECTIVE DATE").

FRANCHISEE: FULL LEGAL NAME (See Attached Ownership Information Form)

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

LOCATION OF FRANCHISEE'S AAMCO® CENTER (the "Approved Center Location"):

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

City/State/Zip Code: \_\_\_\_\_

AAMCO Center Number: \_\_\_\_\_

As a result of extensive experience in the transmission and general automotive repair business, AAMCO has developed methods, procedures and techniques for the operation of AAMCO centers devoted to such repair business and AAMCO has built up substantial business and valuable goodwill by the establishment of such centers throughout the United States and Canada; and

AAMCO has developed, and continues to develop, a comprehensive system for conducting operations in the transmission and general automotive repair business which consists, in part, of the use of the AAMCO Marks (defined below), AAMCO's methods, procedures and techniques, and a network of centers devoted to the transmission and general automotive repair business (the "System"); and

AAMCO identifies the System by means of certain trade names (for example, the "AAMCO" mark and logo), service marks, trademarks, logos, emblems, and indicia of origin, as well as other trade names, service marks, and trademarks that AAMCO may periodically specify in writing for use in connection with the System (all of these are referred to as the "AAMCO Marks"); and

AAMCO has created a substantial demand for its products and services by maintaining high standards of quality in its operation and in the operation of its franchised centers and by extensive advertising (for purposes of this Agreement, including without limitation Section 11, all references to "advertising" shall mean and include "advertising and marketing"); and

AAMCO makes its experience and proprietary know-how available to all its franchisees in order to assist them in opening and developing an AAMCO center. AAMCO makes this and other means at its disposal available to aid Franchisee in Franchisee's management and operation of Franchisee's AAMCO center.

Exhibit A-1  
Franchise Agreement

**7. Operator's Manual**

**7.1 Operator's Manual.**

(a) AAMCO shall loan to Franchisee or otherwise allow Franchisee to access, for the term of this Agreement, a manual produced and published by AAMCO (the "Operator's Manual") which: (i) is incorporated by reference into this Agreement; and (ii) includes, in part, the business procedures, technical advice, policies and procedures, and rules and regulations for the operation of the Center. AAMCO may provide the Operator's Manual in any format it deems appropriate (including, without limitation, by paper, electronically, or via an internet website or secured portal).

(b) Franchisee agrees that Franchisee will comply with all of the policies and procedures which AAMCO establishes from time to time including those set forth in AAMCO's Operator's Manual, training manuals as modified and/or updated by AAMCO from time-to-time as determined by AAMCO in its sole discretion.

**7.2 Franchisee acknowledges and agrees that:**

(a) the Operator's Manual is the property of AAMCO and shall remain its property during the term of this Agreement and during a renewal term of the Center's franchise rights;

(b) the Operator's Manual contains confidential information which Franchisee will protect as a trade secret, and that its loss will cause substantial damage to AAMCO and the System although the amount of such loss would be incalculable with any degree of accuracy. Consequently, in the event of loss of this Operator's Manual, Franchisee agrees to pay to AAMCO such sum as may be agreed upon for its replacement, as liquidated damages and not as a penalty;

(c) Franchisee will not reprint or reproduce any portion of the Operator's Manual for any reason whatsoever; and

(d) upon expiration or termination of this Agreement for any reason, the Operator's Manual will be immediately returned to AAMCO.

**8. Certain Obligations of Franchisee.** In order to maintain the high quality and uniform standards associated with the System and to protect its good will and reputation, Franchisee agrees to:

(a) deal fairly and honestly with AAMCO and with each customer, and that Franchisee will render prompt, workmanlike, courteous, and willing service in the Center;

(b) operate the Center in such a manner so as to avoid customer complaints, since any customer complaints cause harm to the growth of AAMCO's national identity, reputation in the marketplace and association of its name with quality repairs. Franchisee agrees that any customer complaints generated by the Center, including but not limited to those in which customers allege abuse, fraud, or deceptive or unfair trade practices, cause such harm individually and in the aggregate. Franchisee agrees to handle all customer complaints and adjustments in a uniform manner consistent with the protocols and requirements specified by the Operator's Manual whether they arise from the Center or from any other AAMCO center;



## FRANCHISE DISCLOSURE DOCUMENT

Valvoline Instant Oil Change Franchising, Inc.

A Delaware Corporation

100 Valvoline Way, Suite 100

Lexington, Kentucky 40509

(859) 357-7000

[www.vioc.com](http://www.vioc.com)

[www.valvoline.com](http://www.valvoline.com)

[www.viocfranchise.com](http://www.viocfranchise.com)

The franchisee will operate a Valvoline Instant Oil Change service center, a quick-service engine oil change facility which offers chassis lubrication, certain routine maintenance checks and other automotive services.

The estimated total investment necessary to begin operation of one Valvoline Instant Oil Change service center ranges from \$194,375 to \$3,485,550 per service center. This includes the \$73,750 to \$157,050 that must be paid to the franchisor or an affiliate.

If you are offered the opportunity to develop multiple service centers under a development agreement, you will pay us a development fee of \$5,000 for each existing oil change facility that you convert or newly constructed service center you develop. The minimum number of service centers that you must open under the development agreement will be mutually agreed upon by you and us, but will be at least three service centers. The estimated total investment ranges from \$209,250 to \$3,500,550 for the area development rights to open three service centers and the first service center licensed in connection with the development agreement. This includes the \$88,750 to \$172,050 that must be paid to the franchisor or an affiliate.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jeff Malicote, at [wjmalicote@valvoline.com](mailto:wjmalicote@valvoline.com), or at 100 Valvoline Way, Suite 100, Lexington, Kentucky 40509 and (859) 357-7000.

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 accountant.

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

	2022	15	11	0	0	0	0	26
	2023	26	6	0	0	0	0	32
Indiana	2021	6	2	0	0	0	0	8
	2022	8	0	0	0	0	0	8
	2023	8	2	0	0	0	0	10
Iowa	2021	6	0	0	0	0	0	6
	2022	6	2	0	0	0	0	8
	2023	8	0	0	0	0	0	8
Kansas	2021	9	0	0	0	9	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Kentucky	2021	22	0	0	0	6	0	16
	2022	16	0	0	0	0	0	16
	2023	16	0	0	0	0	0	16
Louisiana	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	1	0	0	0	0	3
Maryland	2021	19	2	0	0	0	0	21
	2022	21	2	0	0	0	0	23
	2023	23	0	0	0	0	0	23
Massachusetts	2021	43	2	0	0	0	0	45
	2022	45	2	0	0	0	0	47
	2023	47	0	0	0	0	0	47
Michigan	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	2	0
Mississippi	2021	7	0	0	0	0	0	7
	2022	7	0	0	0	0	0	7
	2023	7	0	0	0	0	0	7
Missouri	2021	12	4	0	0	12	0	4
	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Minnesota	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
Montana	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
	2023	5	1	0	0	0	0	6
Nebraska	2021	7	0	0	0	0	1	6
	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Nevada	2021	1	0	0	0	0	0	1
	2022	1	1	0	0	0	0	2
	2023	2	1	0	0	0	0	3
New Hampshire	2021	13	0	0	0	0	0	13
	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
New Jersey	2021	34	0	0	0	0	0	34

EXHIBIT A-1

CENTER NO.: \_\_\_\_\_

LICENSE AGREEMENT

This LICENSE AGREEMENT ("Agreement") is made and entered into as of \_\_\_\_\_ by and between VALVOLINE INSTANT OIL CHANGE FRANCHISING, INC., a Delaware corporation, with a mailing address of 100 Valvoline Way, Suite 100, Lexington, Kentucky, 40509 ("Licensor"), and \_\_\_\_\_, a \_\_\_\_\_ limited liability company, with a mailing address of \_\_\_\_\_ ("Licensee").

WITNESSETH:

WHEREAS, Licensor, as the result of the expenditure of time, skill, effort, and money, has developed and owns a distinctive system ("System") relating to the establishment and operation of quick-lube service centers providing motor vehicle oil change, lubrication, certain preventive maintenance and specified related services and featuring certain VALVOLINE® brand products ("Centers");

WHEREAS, the distinguishing characteristics of the System include, without limitation, specialized building design, equipment, standards, specifications, and procedures for operations; consistency of products and services offered; procedures for quality and inventory control; and training, assistance, advertising, and promotional programs; all of which may be changed, improved, and further developed by Licensor from time to time;

WHEREAS, Licensor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited to, the marks "V VALVOLINE INSTANT OIL CHANGE® AND DESIGN", "VALVOLINE®", "V®", "VALVOLINE INSTANT OIL CHANGE®", "INSTANT OIL®", and such other trade names, service marks, and trademarks as are now designated (and may hereafter be designated by Licensor in writing) for use in connection with the System ("Proprietary Marks");

WHEREAS, Licensor continues to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services marketed thereunder and under the System, and to represent the System's high standards of quality, appearance, and service;

WHEREAS, Licensee desires to enter into the business of operating a Center under Licensor's System at the location described in Section 1.2 and wishes to obtain a license from Licensor for that purpose, as well as to receive the training and other assistance provided by Licensor in connection therewith;

WHEREAS, Licensee understands and acknowledges the importance of Licensor's requirements that Licensee purchase and use certain VALVOLINE brand products at the Center and use such products exclusively where a different brand is not specified by Licensee's customer; the importance of Licensor's high standards of quality, cleanliness, appearance, and service; and the necessity of operating the Center on a full time and continual basis and in conformity with Licensor's standards and specifications; and

WHEREAS, Licensor has decided, based on the representations in Licensee's License questionnaire(s), application(s), and other information provided by Licensee to Licensor, to grant Licensee a license, pursuant to the terms and conditions set forth in this Agreement.



## EXHIBIT A-1

training program and Licensor's SuperPro® Training System, or successor training system ("Training System").

7.2. Within six (6) months after beginning employment in such position with Licensee, each Center Manager subsequent to the initial Center Manager shall be certified, to Licensor's satisfaction at Licensee's expense, through the management level of Training System. Each other employee shall likewise be certified at Licensee's expense through the appropriate level of the Training System within six (6) months of beginning employment at that position. Licensor may audit the Center at any time to ensure compliance with the then current Training System.

7.3. Licensee (or, if Licensee is an Entity, such principals of Licensee as are designated by Licensor), Licensee's Center Managers, and such of Licensee's employees as are designated by Licensor, shall complete such additional training programs as Licensor may require from time to time.

7.4. Licensee shall be responsible for any costs related to training requested by the Licensee, which training is beyond the standard initial training offered to licensees after execution of their first License Agreement. These additional training costs include, but are not limited to, all lodging, travel, meal expenses, training and staffing needs provided in connection therewith. All training shall be provided, from time to time and at such locations, as determined by Licensor.

## 8. DUTIES OF LICENSEE

8.1. Licensee understands and acknowledges that every detail of the Center and its operation is important to Licensee, Licensor, and other System licensees, in order to develop and maintain high operating standards, to increase the demand for the services and products sold by all System licensees, and to protect Licensor's reputation.

8.2. Licensee shall use the Center premises solely for the operation of the business licensed hereunder; shall refrain from using or permitting the use of such premises for any other purpose or activity at any time without first obtaining the written consent of Licensor; and shall continuously operate the Center throughout the term of this Agreement, at a minimum, on the days of Monday through Saturday, from 9:00 a.m. through 5:00 p.m. and as specified in the Manual, excluding up to ten (10) regionally or nationally recognized holidays and except as specified in Section 16.3.2.

8.3. Licensee agrees to comply with such dress codes as Licensor may prescribe, to maintain a competent, conscientious, and trained staff, and to take such steps as are necessary to preserve good customer relations, all as required by Licensor in this Agreement or otherwise in writing.

8.4. Licensee shall meet and maintain the highest environmental, health and safety standards and ratings applicable to the operation of the Center. Licensee shall furnish to Licensor, within five (5) days after Licensee's receipt thereof, a copy of any notice, request, violation or citation which indicates Licensee's or the Center premises' failure to comply with any applicable environmental, health and safety standards.

8.5. To ensure that the highest degree of quality, service, and appearance is maintained, Licensee shall operate the Center in strict conformity with such methods, standards, and specifications as Licensor may from time to time prescribe in writing.

8.5.1. Licensee shall maintain in sufficient supply (as Licensor may prescribe in writing), and use at all times, only such fixtures, furnishings, equipment, signs, products, materials, supplies, invoices and goods as conform to Licensor's standards and specifications, and shall refrain from deviating therefrom by the use of non-conforming items without Licensor's prior, written consent.

## FRANCHISE DISCLOSURE DOCUMENT



Class 101 Franchise, LLC,  
a Delaware limited liability company  
2350 Airport Freeway, Suite 505  
Bedford, Texas 76022  
866.501.2331  
letstalk@class101.com  
www.class101.com  
www.class101franchise.com

As a franchisee of Class 101, you will operate a business providing advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college under the CLASS 101® trademarks and system (each a “Class 101 Business”). The franchises offered are for the operation of an individual Class 101 Business under a franchise agreement or for development of multiple Class 101 Businesses under the development agreement.

The total investment necessary to begin operation of a CLASS 101® franchise is \$75,287 to \$130,187. This includes \$49,900 to \$54,900 that must be paid to us or our affiliates.

We may offer to enter into a development agreement to establish and operate two to three Class 101 franchised businesses at specific locations under individual franchise agreements. The total investment necessary under the development agreement ranges from \$150,574 (for a minimum of two Class 101 Businesses) to \$390,561 (for the maximum commitment of three Class 101 Businesses). This includes \$94,400 to \$89,400 that must be paid to us (for a minimum of 2 Class 101 Businesses) to \$105,400 to \$147,400 that must be paid to us (for the maximum commitment of 3 Class 101 Businesses).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Joshua Wall, Chief Growth Officer, Unleashed Services, LLC, 2350 Airport Freeway, Suite 505, Bedford, Texas 76022, 866.501.2331 or by email at [Franchising@unleashedbrands.com](mailto:Franchising@unleashedbrands.com).

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1.877.FTC.HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: April 30, 2024.

	2023	1	1	0	0	0	0	2
Idaho	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	1	0
Illinois	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Indiana	2021	1	1	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Kansas	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2021	2	1	0	0	0	1	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Louisiana	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Massachusetts	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Michigan	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Mississippi	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Missouri	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Jersey	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
New Mexico	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
New York	2021	3	0	0	0	0	0	3
	2022	3	0	1	0	0	0	2

**CLASS 101®****FRANCHISE AGREEMENT**

This FRANCHISE AGREEMENT (“Agreement”) is made and entered into on the Effective Date reflected in the Summary Page by and between Class 101 Franchise, LLC, a Delaware limited liability company with its principal business address at 2350 Airport Freeway, Suite 505, Bedford, Texas 76022 (“we,” “our” or “Franchisor”), and the Franchisee identified on the Summary Page (“you,” “your” or “Franchisee”).

**BACKGROUND:**

A. Franchisor, as the result of the expenditure of time, skill, effort, and money, has developed a distinctive business system relating to the development, establishment, and operation of businesses that provide advice, guidance and training to high school students and their parents in preparing for, selecting, applying to, and paying for college under the name CLASS 101® (generally, the “Class 101 Business”), which are based on and include the Proprietary Products, Proprietary Marks, Indicia, and Standards (“System”).

B. The distinguishing characteristics of the System include, without limitation, our program curricula, services, products, and merchandise, which incorporate Franchisor’s Proprietary Marks, trade secrets, and proprietary information (“Proprietary Products”); distinctive exterior and interior design, decor, color scheme, graphics, fixtures, and furnishings (“Indicia”); standards and specifications for products and supplies; service standards; uniform standards, specifications, and procedures for operations; procedures for inventory and management control; training and assistance; and advertising and promotional programs (“Standards”); all of which may be changed, improved, and further developed by Franchisor from time-to-time.

C. The System is identified and recognized by means of certain trade names, service marks, trademarks, logos, emblems, and indicia of origin, including, but not limited, to the word mark “Class 101” (the “Brand”) and the list of marks set forth in Attachment A to this Agreement, and such other trade names, service marks, trademarks, logos, emblems, and indicia of origin as Franchisor may hereafter designate in writing for use regarding the System (“Proprietary Marks”).

D. Franchisor and its Affiliates continue to develop, establish, use, and control the use of the Proprietary Products, Proprietary Marks, Indicia, Standards, and System to identify for the public the source of services and products marketed under this Agreement and under the System, and to represent the System’s high standards of quality, appearance, and service.

E. You have applied for the right to operate a business using the System and the Proprietary Products, Proprietary Marks, Indicia, and Standards (the “Franchised Business”), and Franchisor has approved your application in reliance on the representations contained therein, including those concerning your financial resources, your business experience and interests, and the way the Franchised Business will be owned and operated.

**AGREEMENT:**

IN CONSIDERATION OF the mutual promises contained in this Agreement, including the recitals set forth above, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereby agree as follows:

**1. GRANT OF FRANCHISE****A. Grant.**

Subject to the provisions of this Agreement, including without limitation Franchisor’s reservation of rights described in Section 1.B, Franchisor hereby grants you, upon the terms and conditions in this Agreement, the right and limited license (“Franchise”), and Franchisee hereby accepts the right and obligation, to develop and continuously operate the Franchised Business at the site identified (or to be

Franchisee shall not implement any change to the System (including the use of any product or supplies not already approved by Franchisor) without Franchisor's prior written consent. Franchisee acknowledges and agrees that, with respect to any change, amendment, or improvement in the System or use of additional product or supplies for which Franchisee requests Franchisor's approval: (i) Franchisor shall have the right to incorporate the proposed change into the System and shall thereupon obtain all right, title, and interest therein without compensation to Franchisee, (ii) Franchisor shall not be obligated to approve or accept any request to implement change, and (iii) Franchisor may from time to time revoke its approval of a particular change or amendment to the System, and upon receipt of written notice of such revocation, Franchisee shall modify its activities in the manner described by Franchisor.

At all times, Franchisee shall update, upgrade, maintain, replenish, replace and recondition Franchisee's supplies, and, if applicable, the premises of the Approved Location, as specified by Franchisor, in the Operations Manual and as modified by Franchisor from time to time. **NOTWITHSTANDING THE FOREGOING, FRANCHISEE EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE FOREGOING RELATES TO BRAND STANDARDS AND SPECIFICATIONS ASSOCIATED WITH THE PROPRIETARY MARKS AND THE SERVICES AND THAT, AT ALL TIMES, FRANCHISEE IS AND SHALL EXCLUSIVELY REMAIN RESPONSIBLE FOR CONDITIONS INVOLVING THE SAFETY OF CUSTOMERS.**

If Franchisee fails or refuses to initiate within 10 days after receipt of notice, and to continue in good faith and with due diligence, a bona fide program to undertake and complete required maintenance or refurbishing of the Approved Location that, in Franchisor's sole discretion, is necessary to prevent a negative impact upon the goodwill associated with the Proprietary Marks and/or the System, or for the safety of customers of the Franchised Business, then Franchisor has the right, but is not obligated, to enter upon the premises of Approved Location and effect maintenance and refurbishing on Franchisee's behalf, and Franchisee must pay the entire cost to Franchisor on demand. In lieu, Franchisor may also require Franchisee to shutter the Franchised Business until such required maintenance or refurbishment is conducted according to Franchisor's specifications.

## **11. PERFORMANCE REQUIREMENTS**

### **A. Best Efforts**

Your Designated Manager (see Section 11.K below) must use full time and best efforts in the operation of the Franchised Business and must personally supervise the day-to-day operation of the Franchised Business. An Owner may be the Designated Manager.

### **B. Standards, Specifications and Procedures.**

You agree to comply with all System specifications, standards, and operating procedures (whether contained in the Manual or any other written communication, or communicated in training) relating to the appearance, operation, customer experience, function, safety and cleanliness of a Class 101 business, including without limitation: (1) the types of programs offered; (2) uniformity, pricing and type of all products and services offered for sale at the Franchised Business; (3) sales and marketing procedures and customer service; (4) advertising and promotional programs; (5) Membership Programs (including compliance with the terms and formats of membership agreements in the form prescribed by Franchisor), customer loyalty programs and gift card programs; (6) layout, décor, and color scheme of the Franchised Business and Approved Location; (7) qualification and training of personnel; (8) submission of requests for approval of brands of products, supplies, and suppliers; (9) use and illumination of signs, posters, displays, standard formats, and similar items; (10) use of audio equipment and type and decibel levels of music; (11) use of video equipment and type and decibel level of television broadcasts (including closed captioning requirements); (12) types of fixtures, furnishings, equipment, computer systems, small wares, and packaging; and (13) the make, type, location, and decibel level of any entertainment or vending machine. Mandatory specifications, standards, and operating procedures, including upgraded or additional equipment