

## FRANCHISE DISCLOSURE DOCUMENT



**TOWN SQUARE  
FRANCHISING LLC**  
9708 Belair Road  
Perry Hall, MD 21236  
(410) 847-2150  
[www.townsquare.net](http://www.townsquare.net)

The franchisee will operate a high-quality adult day care facility to provide high-quality adult day care and support services to families affected by Alzheimer's and other forms of memory impairment diseases (the "**Town Square Franchised Business**").

The total ~~estimated initial~~ investment necessary to begin operation of a Town Square Franchised Business ~~ranges~~ from ~~\$850,224~~ ~~\$944,579~~ - \$1,390,268-642,970.

This includes ~~an initial fee of \$99~~ ~~\$102,500~~ ~~and local advertising and promotion spend of \$3,000~~ ~~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 Lori McCauley, at 1-410-498-6562.

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 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 Franchise Disclosure Document is May 7, 2025- as amended on May 29, 2025.

## Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in ~~the state where we have our principal place of business (currently Maryland)~~. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost you more to mediate, arbitrate, or litigate with the franchisor in ~~the state where we have our principal place of business (currently Maryland)~~ than in your own state.
2. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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

## **ITEM 19**

### **FINANCIAL PERFORMANCE REPRESENTATIONS**

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

As of December 31, 2024, there were 7 Legacy Model Center franchises and 1 Standard Model Center franchise. The Standard Model Center franchise has been open for less than 12 months. Presented below is information and data for ~~the~~our affiliated company owned Town Square Corporate Business in Perry Hall, MD that was in operation as of December 31, 2024, and had been in operation for more than eighteen (18) months at the beginning of 2024 and the Glenner Town Square Business in Chula Vista, CA which opened in 2018. Because we are currently offering franchises for only the Standard Model centers, we have excluded data for the 7 Legacy Model Center franchises and the 1 Standard Model Center franchise which was open for less than 12 months as of December 31, 2024.

we are offering franchises for only the standard model centers

As a preliminary note and explanation, "guests" or "customers" are referred to as "Members." Each person who is a member may attend a Town Square Business, or Center, on any day he or she chooses to attend. The Centers charge Members a daily fee to attend, and that fee is also referred to as the "daily rate" or "Daily Member Rate." The Daily Member Rate may vary from Center to Center and may vary over time for a particular Center. Daily rates are set by the franchisee or owner of the Town Square Business.

19-A: Chart 19-A presents an unaudited income statement of the Town Square Perry Hall corporate non-owner operator legacy model that was open all 12 months in 2024 and shows gross revenue, net income, and other aspects of the operations. This statement reflects the results of this Center in 2024, along with two additional columns with estimated operating results for a similar Center if it was a 6,000 square foot Center.

19-B: Town Square Businesses: Affiliated Town Square Businesses

Please carefully read all ~~of~~ the information in this Item 19, and all ~~of~~ the notes prior to and following the charts, in conjunction with your review of the data. We also encourage you to review this data with your financial advisor and accountant, and to contact the franchisees to obtain additional information about their operations, including their financial results.

## 19-A: Town Square Businesses: 2024 Corporate Owned Legacy Model Non-Owner Operated Income Statement (Unaudited)

*Bases and Assumptions for the estimated financial performance information in the chart below:*

The following chart is based on the Town Square Corporate Perry Hall non-owner operated Town Square Legacy Model Center that opened in 2021 and was in operation for the full twelve months of 2024. The first column is the actual results of that franchised Center. The second and third columns represent an estimate for a standard Town Square Model, with non-owner operator and owner-operator estimated results, respectively, that is based on the financial results of the Legacy Model Center.

The principal difference between a Legacy Model Center and the standard Model Center is the square footage of the Center. All other elements of the two types of Centers are the same. For example, both Centers will have the internal retail stores, restaurants, and entertainment venues (e.g., 1950s style diner; movie theatre, and town park), that is used in reminiscence therapy, as well as other facilities, such as rest rooms, offices, storage, etc. Therefore, the principal cost difference between a Legacy Model Center and the standard Model Center is rent expense, utilities expense, cleaning, and the labor costs, as fewer employees are required for a smaller facility. All other expenses are likely to be the same or very similar between the two models. Therefore, as set forth in the chart below, the estimate expenses for the standard Model are the same as the actual expenses for the Legacy Model, except for “Rent Expense,” “Utilities,” “Cleaning,” and “Internal Wages and Taxes.”

From a revenue perspective, the factor that may limit revenue for all Town Square Centers, regardless of size, is the local capacity restrictions for people (who may be guests or customers, whom we refer to as “members”) at the Center. These capacity restrictions are established by local ordinances and laws. Generally, a larger facility will have a higher capacity than a smaller facility. In our experience, and based on information provided by our franchisees, a Legacy Model Center that is 10,000 square feet will have a capacity limit of 150 people. The capacity at the actual Legacy Model Center in this 19-A is 175 people. A Standard Model Center that is 6,000 square feet will generally have a capacity limit of 75 people. Based on our experience with our corporate operation of one Center in 2024, the average daily attendance was 37 people (or members) per day. That figure is significantly lower than the maximum capacity of the typical 6,000 square foot standard Model Center. Therefore, in estimating the Revenue for the standard Model Center, we used the Revenue figures for the Legacy Model Center, because it was based on a member count that was significantly less than the maximum capacity of the standard Model Center.

Please read the notes ~~that~~and follow the charts for more information.

**INCOME STATEMENT WORKSHEET**  
**TOTAL ~~LEGACY MODEL~~**



**TOTAL ESTIMATED STANDARD MODEL**

<del>NON-OWNER</del>	<del>OWNER</del>
<del>OPERATED</del>	<del>OPERATED</del>
<del>6000 SQ/FT</del>	<del>6000 SQ/FT</del>

**NON-OWNER**

**OPERATED**

<del>11900</del>
<b>6,000 SQ/FT</b>

NOTES

**REVENUE**

Adult Day Care Services	\$	
		\$
		<b>1,292,811</b>

Rental Income	\$	3,332
Event Income	\$	<u>16,473</u>
<b>GROSS REVENUE (Note 2)</b>	<b>\$</b>	<b>1,312,615</b>
<b>COST OF GOODS SOLD</b>		
Caregiver Staffing Wages (Note 3)	\$	191,138
Client Meal Expense (Note 4)	\$	91,109
Supplies	\$	21,061
Transportation	\$	9,465
Activity Costs	\$	<u>25,734</u>
<b>TOTAL COST OF GOODS SOLD</b>	<b>\$</b>	<b>338,508</b>
<b>GROSS PROFIT</b>	<b>\$</b>	<b>974,108</b>

~~\$ 1,292,811 \$ 1,292,811~~

The figures in the center and right columns of the chart above are only estimates of what we think you may sell and the net income that may be generated. There is no assurance that you will sell or earn as much. These figures are only estimates of what we think you may earn. Your individual results may differ. There is no assurance that you'll earn as much.

**Explanations and Notes for 19-A**

1. Chart 19-A presents historical information for the Town Square Corporate Business in Perry Hall, MD that was in operation as of December 31, 2024, and had been in operation for more than eighteen (18) months at the beginning of 2024. This Town Square Franchise is a Legacy Model consisting of approximately 11,900 square feet.
2. "Gross Revenue": Gross Revenue is the actual gross revenue received by the corporate location in the sample for the period January 1, 2024, to December 31, 2024. Included in gross revenue are all revenues from the offer and sales of all services (and products) to customers and clients of the corporate location.
3. "Caregiver Staffing Wages and Taxes": This total represents the hourly wages and taxes associated with employing direct caregivers according to our model. This is a variable expense and will increase or decrease based on the number of members the Center is serving.
4. "Client Meal Expense": This total consists of the costs of serving our members' lunch. Meals are catered for and not prepared on site. This is a variable expense and will increase or decrease based on the number of members the Center is serving.

~~1. "Advertising and Marketing": This total consists of print advertising, digital marketing, and sponsorships.~~

~~2. “Internal Wages and Taxes”: This expense consists of the wages of the employees running the center: Center Administrator (PT), Enrollment Manager (FT), Activities Manager (FT), Activities Coordinator (FT), Office Coordinator (FT), RN (FT) and other nurses and social workers on a per diem basis. In the Standard Model Owner Operator column, this estimated expense consists of the same positions in the Standard Model Non Owner Operator less the Center Administrator. The franchisee will serve as the Center Administrator.~~

~~3. “Rent”: The Corporate Location is a Legacy Model consisting of 11,900 square feet. Rent for year ending 2024 was approximately \$30 per square foot. The Standard Model is based on 6,000 square feet. In the estimated columns, the rent was prorated based on the 6,000 square foot model.~~

~~4. “Royalty”: The Corporate Location is not subject to royalty as it is owned by the franchisor. In the estimated columns, the royalty is calculated at the current rate in the FDD which is 7% of Gross Sales.~~

~~5. “Utilities”: The Corporate Location is a Legacy Model consisting of 11,900 square feet. This expense consists of electricity, HVAC and telephone required to run the Center. In the estimated columns, the utilities were prorated based on the 6,000 square foot standard Model.~~

~~6. “Marketing and Technology”: The Corporate Location is not subject to the Marketing Fund and Technology Fees as it is owned by the franchisor. In the estimated columns, the Marketing Fund is calculated at the current rate in the FDD which is 1% of Gross Sales and the Technology Fee is calculated at the current rate in the FDD.~~

~~7. “Cleaning”: The Corporate Location is a Legacy Model consisting of 11,900 square feet. This expense consists of the costs to clean the Center. In the estimated columns, the cleaning costs were prorated based on the 6,000 square foot standard Model.~~

~~“Non-Owner Operated vs. Owner Operated”: The Center Director is primarily responsible for overseeing and managing the day to day operations of the Center. The Franchise Agreement allows the Franchisee to serve as the owner and Center Director (operator) which is designated as “Owner Operated”. The Franchise Agreement also allows the Franchisee to designate another person who will serve as the Center Director (not the Franchisee), which is designated as “Non-Owner Operated”. In the “Total Legacy Model Non-Owner Operated” column above, this Franchisee does not serve as the Center Director—therefore it is designated as “Non-Owner Operated”.~~

**19-B: Town Square Businesses: Affiliated Town Square Businesses**

The following information presents data from our affiliate Glenner Town Square – Chula Vista, CA which opened in 2018. The chart below shows data starting in 2022 as COVID severely affected Center operations in 2020 with multiple closures.

<b>Affiliate Town Square Businesses</b> <i>(Affiliate open since 2018)</i>	
Number of Units	1

2022		2023		2024	
Month Ending	Members	Month Ending	Members	Month Ending	Members
January	50	January	65	January	57
February	52	February	63	February	60
March	54	March	62	March	60
April	56	April	67	April	62
May	58	May	66	May	59
June	59	June	64	June	59
July	62	July	67	July	58
August	62	August	67	August	55
September	66	September	64	September	57
October	65	October	64	October	56
November	63	November	61	November	55
December	62	December	60	December	50

**Explanations and Notes for 19-B**

1. Chart shows average daily Member attendance or counts for the Glenner Town Square Chula Vista in each of the months from 2021 through 2023. The Chart also reports the Average Daily Member Rates for this Center. The information in this Chart 19-B was reported to us by Glenner. We have not verified or audited this information provided to us.

2. The Chula Vista Center would be considered a Legacy Center, and is approximately 10,500 to 12,000 square feet. It is important to note that the average daily Member counts at this Town Square Center, for 2022 and 2023, could be at the top end of certain local governmental capacity limitations for 6,000 square foot Centers.

3. The Chula Vista Center is neither a franchised business, nor an affiliate-owned business. The Chula Vista Center is the first Town Center opened, and is the basis for the Town Center concept, as it was developed by Glenner, and has been operated by Glenner. While the Chula Vista Center is not subject to a franchise agreement, and does not pay us a Royalty Fee, the Chula Vista Town Square Center operates using the same physical attributes, and staffing model, as the other Town Square Businesses that provide adult care using reminiscence therapy. Accordingly, we believe that it is representative of the operations of a mature Town Square Business.

**19-C: Town Square Businesses: Daily Rates for Membership by State and Type**

Here is a list of the average daily members rates at the end of 2024 by state and payor source:

<u>State/Payor</u>	<u>Daily Rate</u>
Florida	\$150.00
Georgia	\$169.00
Maryland	\$150.00
New Jersey	\$172.00
Texas	\$150.00
VA Reimbursement	\$166.25
Maryland Medicaid	\$116.59

\*\*\*      \*\*\*      \*\*\*

*Additional Notes, Applicable to this Entire Item 19:*

As noted above, we strongly encourage you to review these figures with you your financial and legal advisors, and to speak with existing franchisees. Their names and contact information are in Exhibit D to in this Disclosure Document.

**Some franchised businesses have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.**

Written substantiation for the data described in the charts will be made available by us to prospective franchisees upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Lori McCauley, COO, Town Square Franchising, LLC, 9708 Belair Road Perry Hall, MD 21236 (410)498-6562, the Federal Trade Commission, and the appropriate state regulatory agencies.

## Minnesota Disclosure

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Franchise Disclosure Document for Town Square Franchising LLC for use in the State of Minnesota shall be amended to include the following:

1. Item 5 of the Disclosure Document is amended to add the following: “The State of Minnesota has imposed a financial condition under which the initial franchise fees due will be deferred until the franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the franchisee is open for business.”

2. Item 17, “Renewal, Termination, Transfer and Dispute Resolution,” shall be amended by the addition of the following paragraphs:

With respect to franchisees governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice of non-renewal of the Franchise Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees, and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.

Minn. Stat. §80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to jury trial, any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction.

3. Exhibit J, “Franchisee Compliance Certification,” shall be amended by the addition of the following paragraph:

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

4. Each provision of this addendum shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the

## Minnesota Franchise Agreement Amendment

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the parties to the attached Town Square Franchising LLC Franchise Agreement (the “Agreement”) agree as follows:

1. The following is hereby added to Section 3.1 of the Franchise Agreement: “The State of Minnesota has imposed a financial condition under which the Initial Franchise Fees due will be deferred until the Franchisor has fulfilled its initial pre-opening obligations under the Franchise Agreement and the Franchisee is open for business.”

~~1.2.~~ Section 13.3 of the Agreement, under the heading “Agreements/Releases,” shall be deleted in its entirety and shall have no force or effect, and the following paragraph shall be inserted in lieu thereof:

13.3 If you satisfy all of the other conditions for a successor franchise agreement, you and your owners agree to execute the form of franchise agreement and any ancillary agreements we then customarily use in granting franchises for Town Square Franchised Businesses (modified as necessary to reflect the fact that it is for a successor franchise agreement), which may contain provisions that differ materially from any and all of those contained in this Agreement. You and your owners further agree to sign general releases, in a form satisfactory to us, of any and all claims against us and our shareholders, officers, directors, employees, agents, successors, and assigns; excluding only such claims as you may have that have arisen under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce. We will consider your or your owners’ failure to sign these agreements and releases and to deliver them to us for acceptance and execution within thirty (30) days after their delivery to you to be an election not to be granted a successor franchise agreement.

~~2.3.~~ Section 13 of the Agreement, under the heading “Expiration of this Agreement,” shall be supplemented by the addition of the following new paragraph:

13.4 Minnesota law provides you with certain non-renewal rights. In sum, Minn. Stat. § 80C.14 (subd. 4) currently requires, except in certain specified cases, that you be given 180 days’ notice of non-renewal of the Franchise Agreement.

~~3.4.~~ Section 12.3 (8), under the heading “Conditions for Approval of Transfer,” is deleted in its entirety, and shall have no force or effect; and the following paragraph shall be substituted in lieu thereof:

12.3 (8) you (and your transferring owners) sign a general release, in a form satisfactory to us, of all claims against us and our shareholders, officers, directors, employees, and agents, excluding only such claims as the transferor may have under the Minnesota Franchises Law and the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

**ITEM 23 • RECEIPTS**

(To be signed, dated, and sent to Franchisor)

This Disclosure Document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Town Square Franchising LLC offers you a franchise, we must provide this Disclosure Document to you:

- (a) 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale, or
- (b) Under New York and Rhode Island law, if applicable, at the earlier of (i) your first personal meeting to discuss the distributorship, or (ii) 10 business days before you sign a binding agreement with, or make payment to us for an affiliate in connection with the proposed franchise sale, or
- (c) Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Town Square Franchising LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and to the appropriate agency listed in Exhibit B.

The franchisor is Town Square Franchising LLC, located at 9708 Belair Road, Perry Hall, MD 21236. Its telephone number is 1-855-454-3056.

Issuance date: May 7, 2025, as amended May 29, 2025.

The franchise seller is: Lori McCauley, at 9708 Belair Road, Perry Hall, MD 21236, at 1-410-657-0996. Any additional individual franchise sellers involved in offering the franchise are:

Town Square Franchising LLC authorizes the respective agencies identified on Exhibit C to receive service of process for it in the particular state.

I received a Franchise Disclosure Document dated May 7, 2025, as amended May 29, 2025 (the effective date in certain states is listed on the State Effective Dates Page) that included the following Exhibits:

- |   |                                       |
|---|---------------------------------------|
| A Franchise Agreement                     | G Table of Contents for Manual        |
| B List of State Administrators            | H State-Specific Disclosures          |
| C Agents for Service of Process           | I State-Specific Agreement Amendments |
| D List of Current Town Square Franchisees | J Franchisee Compliance Certification |
| E List of Former Town Square Franchisees  | K General Release                     |
| F Financial Statements                    | L Receipts (2 copies)                 |

\_\_\_\_\_  
Date Received

\_\_\_\_\_  
Prospective Franchisee

\_\_\_\_\_  
Name (please print)