

FRANCHISE DISCLOSURE DOCUMENT



POS Franchising, LLC
a Delaware limited liability company
480 East Happy Canyon Road
Castle Rock, CO 80108
800.245.0245
www.portofsubs.com

As a Port of Subs franchisee, you will establish and operate a restaurant facility for the on-premises and off-premises consumption of a wide variety of made-to-order submarine-type sandwiches, hot sandwiches, salads, catering trays, wraps, desserts, beverages, and other quick service food items, under the “Port of Subs” trade name and business system.

The total investment necessary to begin operation of a Port of Subs restaurant ranges from \$419,895 to ~~\$856,875~~\$59,375. This includes the \$41,500 to \$51,500 that must be paid to the franchisor or its affiliates. We may offer you an area development agreement authorizing you to develop between three and nine Port of Subs restaurants. If you sign an area development agreement, you must pay a non-refundable development fee of \$65,000 (for three restaurants) to \$185,000 (for nine restaurants), which development fee encompasses all initial franchise fees for the restaurants to be developed and future initial franchise fees will not be owed in connection with franchise agreements executed pursuant to 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 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 this disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, please contact Andrew Beach at 480 East Happy Canyon Road, Castle Rock, Colorado 80108, abeach@portofsubs.com, 800.245.0245.

The terms of your contract will govern your franchise relationship. Do not rely on this 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 (“FTC”). 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 also can visit the FTC’s home page at 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 24, 2025

Type of Expenditure ¹	Amount	Method of Payment	When Due	To Whom Paid
Signage, Graphics, & Interior Décor Items	\$6,500 to \$18,375	As Incurred	Prior to Opening	Vendors or Third Parties
Furnishings, Fixtures, and Standard Equipment ⁷	\$96,000 to \$160,000	As Agreed	As Agreed	Vendors or Third Parties
POS and Technology Systems, including Initial Setup ⁸	\$26,500 to \$38,500	As Incurred	Prior to Opening	Vendors
Insurance ⁹	\$2,000 to \$6,000	As Arranged	As Agreed	Vendors
Initial Inventory & Smallwares	\$10,000 to \$25,000	Lump Sum	Prior to Opening	Vendors or Third Parties
Grand Opening Marketing ¹⁰	\$15,000 to \$17,500	Various	As Incurred	Various (which may include Us)
Licenses, Fees, and Deposits ¹¹	\$2,500 to \$12,000	As Incurred	As Incurred	Various
Additional Funds – Initial 3 Months ¹²	\$15,000 to \$25,000	Various	As Incurred	Various
TOTAL¹³	\$419,895 to \$856,875 \$859,375			

AREA DEVELOPMENT AGREEMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Paid
Development Fee ²	\$65,000 to 185,000	Lump Sum	Upon signing Area Development Agreement	Us
TOTAL¹³	\$65,000 to 185,000			

NOTES

- The chart above describes the estimated initial investment for a Port of Subs Restaurant operated from a leased facility. We prepared these estimates based on the experience and data collected from our affiliate-owned operating experience. Inflation, tariffs, and worldwide events may impact various costs, including, among others, furnishings, fixtures, signs, décor items, building costs, technology, and equipment. Except as expressly indicated otherwise, these estimates are intended to estimate the required initial cash investment up to the opening date of a Port of Subs Restaurant, and potential working capital needs for the first 90 days of operations thereafter. They do not include cash needs to cover any financing incurred or other expenses. You should not plan to draw income from your Port of Subs Restaurant during the start-up and development stage of your business, the actual duration of which will vary materially from one franchisee to another. We have no obligation to refund any costs paid to us. Whether any third party will refund any costs will depend on the third party involved.
- The Initial Franchise Fee and Development Fee, which are not refundable, are described in Item 5. The Development Fee under an Area Development Agreement covers all future Initial Franchise Fees under the Franchise Agreements executed pursuant to the Area Development Agreement; that is, if you pay a Development Fee to develop an agreed-upon number of Restaurants, you will not

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

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

State	Effective Date
California	Pending
Hawaii	Pending
Illinois	Pending April 28, 2025
Indiana	Pending May 22, 2025
Maryland	Pending
Michigan	May 31, 202 5 ⁴
Minnesota	Pending
New York	Pending
North Dakota	Pending April 26, 2025
Rhode Island	Pending
South Dakota	Pending April 26, 2025
Virginia	Pending
Washington	Pending
Wisconsin	Pending April 25, 2025

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