FRANCHISE DISCLOSURE DOCUMENT



FLOORS TO GO, LLC A Florida Limited Liability Company 3471 Bonita Bay Boulevard Bonita Springs, Florida 34134 (866) 357-7246 www.floorstogo.com

As a franchisee, you will have the right to use the FTG marketing and merchandising system for selling floor covering and window treatment products to consumers.

The total investment necessary to begin operation of a FTG franchise is between approximately \$23,050 and \$61,900. This includes \$10,000 that must be paid to FTG of which (a) \$1,000 is paid at the time your Membership Agreement is signed; and (b) the remaining \$9,000 is paid through the FTG CashBack Program.

This disclosure document summarizes certain provisions of your membership 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, FTG or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information 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, DC 20580. You can also 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: MARCH 12, 2025, AS AMENDED ON MAY 1, 2025

FTG is not aware of any regulations applicable specifically to the selling of floor coverings other than laws and regulations applicable to businesses in general, including, without limitation, the Americans with Disabilities Act, Federal Wage and Hour Laws, and the Occupational Safety and Health Act.

ITEM 2. BUSINESS EXPERIENCE

A. Officers and Managers of FTG

Philip Gutierrez - Chief Executive Officer, President and Sole Manager

Mr. Gutierrez has been the Sole Manager and Chief Executive Officer of FTG since it was founded in June 2002 and became the President in November 2017 in Bonita Springs, Florida. He is also the Chief Executive Officer, Sole Director and Chairman of Abbey since January 1981, and President of Abbey since November 2017. He currently serves as a member of the Board of Directors of the Floor Covering Industry Foundation.

<u>Ted DlugokienskiSusan Butler</u> - Chief Financial Officer, <u>Executive Vice President of Operations</u>, and <u>Secretary</u>

Mr. Dlugokienski has been the Vice President of Finance for FTG since it was founded in June 2002 and currently is the Chief Financial Officer, Executive Vice President of Operations and Secretary in Bonita Springs, Florida. He is also the Chief Financial Officer since August 2011, Secretary since December 2012, and Executive Vice President of Operations since November 2017 of Abbey.

Ms. Butler joined FTG and Abbey in April 2024 as Controller and became the Chief Financial Officer in May 2025 in Bonita Springs, Florida. From June 2020 to April 2024, she was the Chief Financial Officer for United Concrete Products in Yalesville, Connecticut.

<u>David L. Hardy - Executive Vice President of Merchandising and Member</u> Services

Mr. Hardy joined FTG and Abbey in November 2007 as Executive Vice President of Merchandising and Member Services in Bonita Springs, Florida.

Steven L. Mintz - Vice President of Franchise Development

Mr. Mintz has been the Vice President of Franchise Development for FTG since September 2004 in Bonita Springs, Florida. He holds the same position with Abbey, in which he has served since November 1998.

Bobby Thompson - Vice President of Merchandising and Member Services

Mr. Thompson has been employed by FTG and Abbey since January 2004 and currently is the Vice President of Merchandising and Member Services for FTG and Abbey in Bonita Springs, Florida.

<u>Bill Wilson - Chief Operating Officer and Executive Vice President of Sales</u> and Marketing

Mr. Wilson has been employed by FTG since June 2002 and currently is the Executive Vice President of Sales and Marketing of FTG since June 2002 and became the Chief Operating Officer in May 2025 in Bonita Springs, Florida. He holds the same position with Abbey, in which he has served is also Executive Vice President of Sales and Marketing of Abbey since December 2022, and Chief Operating Officer of Abbey since May 2025.

Gary Phelps - Regional Vice President - Midwest Region

Mr. Phelps joined FTG and Abbey in March 2014 as Regional Vice President – Midwest Region in Burnsville, Minnesota.

Harold Traister - Regional Vice President - Northeast Region

Mr. Traister joined FTG and Abbey in September 2008 as Regional Vice President – Northeast Region in Long Branch, New Jersey.

<u>Ken Sherwood - Vice President of Franchise Development - Western and</u> Rocky Mountain States

Mr. Sherwood joined FTG and Abbey in August 2016 as Vice President of Franchise Development - Western and Rocky Mountain States in Coto de Caza, California.

<u>Keith Johnson - Vice President of Merchandising</u>

Mr. Johnson joined FTG and Abbey in December of 2022 as Vice President of Merchandising in Bonita Springs, Florida. Prior to joining FTG, Keith worked for QEP / Harris Flooring Group in Boca Raton, Florida from September of 2018 to October of 2022 where he held various positions, most recently Senior Vice President of Sales and Strategic Accounts. From September of 2015 to September of 2018 Keith was Vice President of Sales for Kraus Flooring in Waterloo, Ontario, Canada.

Jeff Andrews - Regional Vice President - Southeast

Mr. Andrews joined FTG and Abbey in April 2022 as Regional Vice President – Southeast in Adairsville, Georgia. He currently serves Georgia, Tennessee, North Carolina, South Carolina, Alabama, and Mississippi. From August 2014 to April 2022, he was the Sales and Production Manager for Continental Tire Corporation.

membership agreements, and to encourage the opening of FTG Showrooms. We may, in the future, change the Initial Membership Fee then being charged to new members.

ITEM 6. <u>OTHER FEES</u>

Type of Fee	Amount	Due Date	Remarks ⁽¹⁾
Service Fee (Single Showroom) (2) (3)	\$400	10 th Day of Each Month	These fees are non-refundable.
Advertising Fee (Single or Multiple Showroom) (3)(4)	\$3,000	Payable semi-annually, in two equal payments of \$1,500	These fees are non-refundable. Paid to FTG.
Local Advertising ⁽⁵⁾	4%-6% of monthly gross sales ⁽⁶⁾	As Incurred Each Month	Paid to advertising vendors.
Renewal Fee	\$750	At Time of Renewal	This fee is non-refundable.
Insurance	Costs and premiums	As incurred	If you do not obtain or maintain insurance coverage, and we choose to do so on your behalf, you must reimburse us.
Transfer Fee	\$5,000	At Time of Transfer	This fee is non-refundable.
Audit	Cost of audit plus interest on underpayment	Due When Billed	Payable only if audit shows an understatement of at least 2%. ⁽⁷⁾
Indemnity	Will vary under circumstances	If incurred, on demand	You must indemnify and reimburse us for our costs and any judgment if we are sued for claims relating to the operation of your franchised business.
Early Termination Fee	\$20,000 to \$50,000	Upon early termination of the Membership Agreement	If the Membership Agreement is terminated prior to completion of the initial five-year term, you will reimburse us for the costs associated with the Redesign of your Showroom. (8)
Annual Convention	\$299 for the first two	<u>As incurred</u>	These fees are non-refundable.

Type of Fee	Amount	Due Date	Remarks ⁽¹⁾
	individuals and \$250.00 for each additional individual ⁽⁹⁾		
Website Design	\$60 to \$375(10)	As Incurred Each Month	These fees are non-refundable.

Footnotes to table:

- (1) All fees are uniformly imposed and, except as otherwise noted, collected by FTG.
- (2) The Service Fee will begin 90 days after you become a member. The purpose of the Service Fee is to offset a portion of the administrative costs associated with managing and servicing FTG's relationships with its members, including, without limitation, administrative costs connected to the FTG CashBack Program and FTG's merchandising programs, store design/Redesign (as defined below) programs and business-to-business programs.
- (3) FTG reserves the right to reasonably and uniformly increase or decrease the Service Fee and the Advertising Fee from time to time consistent with changes in the demands of the FTG System. The maximum amount that FTG will increase these fees to is \$5,000.
- (4) Your Advertising Fee will not exceed \$3,000.00 per year regardless of the number of Showrooms you have.
- (5) FTG expects, but does not require, that you spend a minimum of 4% to 6% of monthly gross sales per Showroom on local advertising.
- (6) Gross Sales includes all revenue from your Showroom for goods and services, but does not include sales and use taxes, and refunds.
- (7) FTG has the right to audit your books and records relating to your commitment to purchase, for each of your Showrooms, \$350,000 or 80% of your total floor covering and window treatment purchases, whichever is greater, through the FTG Marketing System during the calendar year following the opening of each such Showroom. If an inspection discloses a deficiency of two percent (2%) or more, you agree to reimburse FTG for all costs and expenses connected with such audit (including, without limitation, reasonable accounting and attorneys' fees).
- (8) FTG, at FTG's expense, will provide and deliver to you at your Showroom the racks, displays and samples necessary to convert your Showroom to a FTG Showroom as well as a retail store design consultant to assist you with adapting the FTG Showroom design package to your Showroom (the "Redesign"). FTG will not purchase any tenant improvement items including, among other things, installation of floor coverings in showrooms, furniture, or office equipment. FTG estimates that the cost of the Redesign will be between Twenty Thousand Dollars (\$20,000) and

Fifty Thousand Dollars (\$50,000) per Showroom, depending on the size of your FTG will cover these costs ofthe non-tenant-improvement-item costs); however, if your Membership Agreement is terminated prior to completion of the initial five-year term, you must pay FTG an early termination fee equal to the amount associated with the Redesign of your Showroom less 20% for each full year from the effective date of your Membership Agreement that you remained a member (the "Early Termination Fee"). example, if you became a member on March 1, 2025, and the cost of your Redesign was \$30,000, and your membership was terminated on January 1, 2028, you would owe us a cash payment equal to \$18,000 ($$30,000 - [$30,000 \times (20\% \times 2) = $12,000]$ = \$18,000). The Early Termination Fee shall be due and payable to FTG in cash immediately on the date of any such early termination. You will not be required to repay any portion of the cost to Redesign your Showroom if you remain a FTG member for the entire initial five-year term.

- (9) The fee for non-attendance is \$299. The maximum amount these fees can increase annually is \$100.
- (10) The maximum amount these fees can increase annually is 25%.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
Initial Membership Fee ⁽¹⁾	\$10,000	\$1,000 upfront fee; \$9,000 from CashBack Participation ⁽²⁾	\$1,000 at signing	FTG
Equipment, Fixtures, Other Fixed Assets, Construction, Remodeling, Leasehold Improvements, and Decorating Costs (Optional)(3)	\$7,500 to \$25,000 ⁽⁴⁾	Lump Sum or Independent Financing	6-12 months from signing	Third Parties
Other Displays ⁽⁵⁾ (Optional)	\$400 - \$1,500 per Showroom	Lump Sum	Upon Purchase of Displays	Third Parties
Service Fee	\$400	Periodic	Monthly after one (1) month	FTG

	Provision	Section in Membership Agreement	Summary
			document and membership agreement may not be enforceable.
u.	Dispute resolution by arbitration	Sections 14.1 through 14.3	Must use binding arbitration in certain cases, optional in other cases, subject to applicable state law
v.	Choice of forum	Section 16.2	Florida, subject to applicable state law
w.	Choice of law	Section 16.1	Florida, subject to applicable state law

ITEM 18. PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a member's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make 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 Ted DlugokienskiBill Wilson, Floors To Go, LLC, 3471 Bonita Bay Boulevard, Bonita Springs, Florida 34134, (866) 357-7246, the Federal Trade Commission and any appropriate state regulatory agencies.

ITEM 20. OUTLETS AND MEMBER INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the	Outlets at the End of the Year	Net Change
		Start of the	End of the rear	

EXHIBIT "A"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March 12, 2025, as amended on May 1, 2025

MEMBERSHIP AGREEMENT

Floors To Go, LLC MEMBERSHIP AGREEMENT

meeting within ten (10) days of receipt of the Dispute Notice and shall thereafter meet and negotiate in good faith for a period of not less than thirty (30) days to attempt to resolve the Dispute. During such 30-day negotiation period, a party asserting a claim for damages or equitable relief or any defense thereto against any other party shall disclose to the other party all previously undisclosed factual evidence and legal basis of such claim or defense; provided, however, that (i) failure to provide any such disclosure or to state any such legal basis shall not operate as a waiver of such legal basis or operate to preclude the presentation or introduction of such factual evidence in any subsequent arbitration or proceeding or otherwise constitute a waiver of any right or claim which a party may then or thereafter possess; and (ii) any settlement proposal made or provided shall be deemed to have been made or provided as part of a settlement discussion and may not be introduced in any arbitration or legal proceeding without the prior written consent of the party making such disclosure and/or statement.

- Arbitration. If the Negotiating Teams fail to resolve the Dispute within the 30-day negotiation period set forth above, any party may notify the other party of such failure by delivery of a written notice (a "Final Dispute Notice"). Upon the giving or receipt of a Final Dispute Notice, any unresolved Dispute, including without limitation, any disagreement regarding the interpretation or the operation of this Agreement shall be determined by final and binding arbitration under the rules of the American Arbitration Association ("AAA"). The arbitration shall be conducted in the county in Florida in which we maintain our principal office, or such other mutually agreed upon location before a panel of three arbitrators. One arbitrator shall be selected by each of the parties and the third arbitrator shall be selected by the two arbitrators designated by the parties. The arbitrators shall have the authority to award to the prevailing party all of its reasonable costs and expenses identified in Section 9.5 above, including, without limitation, paralegal and attorneys' fees. The arbitration award shall be final and binding on the parties, and judgment on the award may be entered in any court having jurisdiction. It is explicitly agreed by each of the parties hereto that no such arbitration shall be commenced except in conformity with this Article 14.
- 14.4. <u>Interim Relief</u>. Notwithstanding any provisions of Article 14 set forth above, any party to this Agreement may seek, at any time from any court having jurisdiction, any preliminary, interim or provisional relief or measures, including, without limitation, preliminary or temporary injunctive relief with respect to any violation of Sections 3.1(a), 4, 9.3, 9.4, 11.1(a), or 13.3(a)(2)-(a)(6), without violating the agreement to arbitrate set forth above, and without waiving the right to arbitrate.

15. Notices

15.1. <u>Address for Notice</u>. All notices hereunder shall be in writing and shall be duly given by hand delivery or sent by facsimile, registered or certified mail, via overnight delivery, postage prepaid, addressed:

If to us at: Floors To Go, LLC

3471 Bonita Bay Boulevard Bonita Springs, Florida 34134

Attention: Ted Dlugokienski Bill Wilson

Floors To Go, LLC <u>MEMBERSHIP AGREEMENT</u>

Please sign the Agreement where indicated and it will become effective as of the date and year executed by us below.

ATTEST:	MEMBER
	By:
Witness	Name:
Witness	Title:
	NAME AND ADDRESS OF PERSON TO RECEIVE NOTICE
	E-Mail Address:
We have duly executed an and year executed by us below.	d delivered this Agreement to be effective as of the date
ATTEST:	FLOORS TO GO, LLC , a Florida limited liability company
Witness	By:
Witness	Name: <u>Ted Dlugokienski</u> <u>Bill Wilson</u>
Witness	Title: Chief Financial Operating Officer, and Executive Vice President of Operations Sales and Secretary Marketing
	Effective Date:

SCHEDULE "A"

SHOWROOM LOCATION AND YOUR TERRITORY

Your Floors To Go Showroom (the "Showroom") shall be at the following street address:

The attached map delineates your protected geographic area ("Your Territory") in which the Showroom will be located, as mutually agreed upon prior to execution of the Membership Agreement. The following is a description of the Your Territory:

If you are establishing an additional Showroom or Showrooms simultaneously with the execution of your Membership Agreement, you acknowledge and agree that, notwithstanding the number of Showrooms established, you shall be deemed to have executed a separate Membership Agreement for each such Showroom and your rights and obligations with respect to each such Showroom shall be governed by the Membership Agreement.

	es have agreed to this Schedule on this
franchisor: FLOORS TO GO, LLC	MEMBER(S):
(signature of authorized officer)	(printed name of business entity)
Ted DlugokienskiBill Wilson (name of authorized officer)	(authorized signature)
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing	(printed name of authorized signatory)
(title of authorized officer)	(individual signature)
	(printed name of individual)

SCHEDULE "B"

STATE SPECIFIC AMENDMENTS to THE MEMBERSHIP AGREEMENT

Required by

HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA<mark>, WASHINGTON</mark> and WISCONSIN

PLEASE SEE EXHIBIT "B" FOR STATE SPECIFIC AMENDMENTS

EXHIBIT "B"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March 12, 2025, as amended on May 1, 2025

STATE SPECIFIC AMENDMENTS TO THE MEMBERSHIP AGREEMENT

HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, WASHINGTON and WISCONSIN

Exhibit B-1

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Hawaii Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:
FLOORS TO GO, LLC	
(signature of authorized officer)	(name of member)
Ted Długokienski Bill Wilson (name of authorized officer)	(signature)
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing	(name of authorized signatory)
(title of authorized officer) (effective date)	

Exhibit B-2

Illinois Amendment

In recognition of the requirements of Illinois Franchise Disclosure Act (815 ILCS 705 §§ 1 - 44) and the Rules promulgated thereunder (4 Ill Admin Code §§ 200.100-901) the parties to the attached Membership Agreement (the "Agreement") agree to amend the Agreement as follows:

- 1. Notwithstanding anything in Section 16.1 of the Agreement or otherwise in the Agreement to the contrary, Illinois law governs the agreement(s) between the parties to this franchise.
- 1. Illinois law governs the Franchise Agreement.
- 2. Pursuant to In conformance with Section 4 of the Illinois Franchise Disclosure Act(815 ILCS 705 § 4), any provision in a franchise agreement that designates jurisdiction
 or and venue in a forum outside of the State of Illinois is void. However, a franchise
 agreement may provide for arbitration may to take place outside of Illinois.
- <u>3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.</u>
- 4. 3. Notwithstanding anything in the Agreement to the contrary, pursuant to Inconformance with section 41 of the Illinois Franchise Disclosure Act (815 ILCS 705 § 41), any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
- 4. Sections 705/19 and 705/20 of the Illinois Franchise Act provide rights to Franchisees concerning nonrenewal and termination of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the Illinois Franchise Act, the Illinois Franchise Act will control.
- 5. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Illinois Franchise Disclosure Act are met independently without reference to this Illinois Amendment.
- 5. 6. No statement, questionnaire, or acknowledgement acknowledgment 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 franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THE REMAINDER OF THE PAGE LEFT BLANK INTENTIONALLY

Exhibit B-2

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Illinois Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:
FLOORS TO GO, LLC	
(signature of authorized officer)	(name of member)
Ted DlugokienskiBill Wilson	
(name of authorized officer)	(signature)
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing (title of authorized officer)	(name of authorized signatory)
(effective date)	

Exhibit B-3

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Indiana Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:
FLOORS TO GO, LLC	
(signature of authorized officer)	(name of member)
Ted Długokienski Bill Wilson	
(name of authorized officer)	(signature)
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing (title of authorized officer)	(name of authorized signatory)
(effective date)	

Exhibit B-4

6. Any claims arising under Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Maryland Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:
FLOORS TO GO, LLC	
(signature of authorized officer)	(name of member)
Ted DlugokienskiBill Wilson	(signature)
(name of authorized officer)	
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing (title of authorized officer)	(name of authorized signatory)
(effective date)	

Exhibit B-5

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Michigan Amendment to the to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:
FLOORS TO GO, LLC	
(signature of authorized officer)	(name of member)
Ted Długokienski Bill Wilson (name of authorized officer)	(signature)
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing (title of authorized officer)	(name of authorized signatory)
(effective date)	

Exhibit B-6

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Minnesota Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:	
FLOORS TO GO, LLC		
(signature of authorized officer)	(name of member)	
Ted DlugokienskiBill Wilson	-	
(name of authorized officer)	(signature)	
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing (title of authorized officer)	(name of authorized signatory)	
(effective date)		

Exhibit B-7

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this North Dakota Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:
FLOORS TO GO, LLC	
(signature of authorized officer)	(name of member)
Ted Długokienski Bill Wilson	
(name of authorized officer)	(signature)
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing (title of authorized officer)	(name of authorized signatory)
(effective date)	

Exhibit B-8

Rhode Island Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, Rhode Island General Laws §§19-28.1-14, the parties to the attached Membership Agreement (the "Agreement") agree as follows:

1. Section 16.2 of the Agreement shall be supplemented by the following provision which shall be considered an integral part of the Agreement:

This section shall not in any way abrogate or reduce any rights of franchisees as provided for under the Rhode Island Franchise Investment Act (Rhode Island General Laws § 19-28.1-14). A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this act.

2. Each provision of this Rhode Island Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act are met independently without references to this Rhode Island Amendment.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Rhode Island Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:	
FLOORS TO GO, LLC		
(signature of authorized officer)	(name of member)	
Ted Dlugokienski Bill Wilson (name of authorized officer)	(signature)	
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing (title of authorized officer)	(name of authorized signatory)	
(offoctive date)		

South Dakota Amendment

In recognition of the requirements of the South Dakota Franchise Investment Law, S.D. Codified Laws §§ 37-5B-1 to 37-5B-53, the parties to the attached Membership Agreement (the "Agreement") agree as follows:

1. Section 13.2(c) of the Agreement shall be amended by the addition of the following language to the original language that appears therein:

Notwithstanding the foregoing, if the Showroom is located in South Dakota, we must give you thirty (30) days written notice of your defaults involving breach of the Membership Agreement, your failure to meet performance and quality standards, and/or your failure to pay any services fees or other amount due under the Membership Agreement. You have an opportunity to cure said defaults within thirty (30) days.

- 2. Section 13 of the Agreement shall be supplemented by the addition of the following new Section 13.4, which shall be considered an integral part of the Agreement:
 - 13.4 Franchisor's Obligation to Comply with South Dakota Law.

Notwithstanding anything to the contrary herein, nothing in this Agreement shall be deemed to constitute a waiver of compliance with any provision of the South Dakota Franchise Investment Law.

3. Section 16.1(b) of the Agreement shall be supplemented by the addition of the following provision which shall be considered an integral part of the Agreement:

The law regarding franchise registration, employment, covenants not to compete, and other matters of local concern will be governed by the laws of the State of South Dakota; but as to contractual and all other matters, this agreement and all provisions of this instrument will be and remain subject to the application, construction, enforcement and interpretation under the governing laws of the State of Florida.

4. Section 16.2 of the Agreement shall be supplemented by the addition of the following provision, which shall be considered an integral part of the Agreement:

Any provision in a franchise agreement which designates jurisdiction or venue or requires the franchisee to agree to jurisdiction or venue, in a forum outside of South Dakota is void with respect to any cause of action which is otherwise enforceable in the State of South Dakota.

5. Section 16.3 of the Agreement shall be supplemented by the addition of the following provision, which shall be considered an integral part of the Agreement:

Any provision that provides that the parties waive their right to jury trial may not be enforceable under the laws of the State of South Dakota law.

Exhibit B-9

6. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the South Dakota Franchise Investment Law are met independently, without references to this Amendment.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this South Dakota Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:
FLOORS TO GO, LLC	
	(name of member)
	(name of member)
Ted Dlugokienski	(c)
(name of authorized officer)	(signature)
Chief Financial Officer, Executive Vice	
President of Operations and Secretary	(name of authorized signatory)
(title of authorized officer)	
(effective date)	

Washington Amendment

recognition of the requirements of the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 et seq., the parties to the attached Membership Agreement (the "Agreement") agree as follows:

- 1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.
- 2. RCW 19.100.180 may supersede the Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the Agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.
- 3. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the Agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
- 4. A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
- 5. Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- 6. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (anamount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the Agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.
- 7. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the Agreement or elsewhere are void and unenforceable in Washington.
- 8. No statement, questionnaire, or acknowledgment 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.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

Exhibit B-9

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Washington Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

MEMBER:	
(name of member)	
(signature)	
(name of authorized signatory)	

Exhibit B-10

Exhibit B-11-10

Wisconsin Amendment

In recognition of the requirements of the Wisconsin Fair Dealership Law, Wisconsin Statutes Chapter 135 (the "Wisconsin Fair Dealership Law"), the parties to the attached Membership Agreement (the "Agreement") agree as follows:

1. Section 2 of the Agreement shall be supplemented by the addition of the following new Section 2.4, which shall be considered an integral part of the Agreement:

2.4 Renewal Rights Under Wisconsin Law.

To the extent that the renewal provisions described in this Section 2 are inconsistent with the requirements of the Wisconsin Fair Dealership Law, said renewal provisions shall be superseded by the Wisconsin Fair Dealership Law's requirements and shall have no force or effect.

2. Section 13 of the Agreement shall be supplemented by the addition of the following new Section 13.4, which shall be considered an integral part of the Agreement:

13.4 Franchisor's Obligation to Comply With Wisconsin Law.

To the extent the repurchase provisions of this Agreement are inconsistent with the requirements of the Wisconsin Fair Dealership Law, said provisions of this Agreement shall be superseded by the Wisconsin Fair Dealership Law's requirements.

3. Section 13 of the Agreement shall be supplemented by the addition of the following new Section 13.5, which shall be considered an integral part of the Agreement:

13.5 Termination Rights Under Wisconsin Law.

To the extent that the termination provisions described in this Section 13 are inconsistent with the Wisconsin Fair Dealership Law, said termination provisions shall be superseded by the Wisconsin Fair Dealership Law's requirements and shall have no force or effect.

4. Each provision of this Wisconsin Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Wisconsin Fair Dealership Law are met independently, without references to this Wisconsin Amendment.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

Exhibit B-11-10

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have duly executed and delivered this Wisconsin Amendment to the Agreement to be effective on the day and year executed by Floors To Go, LLC below.

FRANCHISOR:	MEMBER:	
FLOORS TO GO, LLC		
(signature of authorized officer)	(name of member)	
Ted Dlugokienski Bill Wilson (name of authorized officer)	(signature)	
Chief Financial Operating Officer, and Executive Vice President of Operations and Secretary Sales and Marketing (title of authorized officer)	(name of authorized signatory)	
(effective date)		

EXHIBIT "C"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March 12, 2025, as amended on May 1, 2025

PRINCIPAL OWNER'S STATEMENT

EXHIBIT "D"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March 12, 2025, as amended on May 1, 2025

STATE SPECIFIC ADDENDA TO THE FRANCHISE DISCLOSURE DOCUMENT

Franchise Disclosure Document

Exhibit D-4

ILLINOIS DISCLOSURE

THE ILLINOIS FRANCHISE DISCLOSURE ACT OF 1987 MAKES IT UNLAWFUL FOR ANY PERSON TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISES AT LEAST 14 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 14 DAYS PRIOR TO THE RECEIPT BY SUCH PERSON OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST, A COPY OF A DISCLOSURE STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

With respect to franchises governed by Illinois law, the franchisor will comply with Illinois Franchise Disclosure Act (815 ILCS 705 § 20) which states that a franchisor may not refuse to renew a franchise without compensating the franchisee by repurchase or by other means for the diminution in the value of the franchised business caused by the expiration of the franchise where (a) the franchisee is barred by the franchise agreement (or by the refusal of franchisor at least 6 months prior to the expiration date of the franchise to waive any portion of the franchise agreement which prohibits franchisee) from continuing to conduct substantially the same business under another trademark service mark, trade name or commercial symbol in the same area subsequent to the expiration of the franchise; or (b) franchisee has not been sent notice of the franchisor's intent not to renew the franchise at least 6 months prior to the expiration date or any extension thereof of the franchise.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.

(a) Item 17 Cross Reference and Summary Table.

THE FOLLOWING TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT PERTAINING TO CHOICE OF FORUM AND CHOICE OF LAW WHICH MAY BE SUPERSEDED BY PROVISIONS OF ILLINOIS' FRANCHISE DISCLOSURE ACT:

v. Choice of forum Section 16.2 Florida, unless otherwise required by state laws of the State of Illinois. government the state of Illinois. w. Choice of Choice of Section 16.1 Florida unless otherwise required by the laws of the state of Illinois.		Provision	Section in Membership Agreement	Summary	Illin
W. Choice of Continue 16.1	₩.		Section 16.2		law gove the
	₩.	Choice of law	Section 16.1	Florida unless otherwise required by the laws of the State of Illinois.	Men ship nchi

Illinois law governs the Member ship Franchise

Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a membership franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a membership franchise agreement may provide for arbitration to take place outside of Illinois.

Franchise Disclosure Document

Exhibit D-4

Your rights upon termination and non-renewal Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement acknowledgment 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 franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Franchise Disclosure Document

Exhibit D-9

NEW YORK DISCLOSURE

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT "F" OR YOUR PUBLIC LIBRARY FOR SERVICES OR INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN ANYTHING IN THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. ITEM 3. LITIGATION.

On September 23, 2019, FTG voluntarily entered into an Assurance of Discontinuance with the State of Washington agreeing that it (i) will no longer include no recruiting provisions in any of its future membership agreements, (ii) no longer enforce no recruiting provisions in any of its existing membership agreements, (iii) will not seek to intervene or defend in any way the legality of any no recruiting provision, and (iv) will endeavor to amend all existing membership agreements with members in the State of Washington to remove any no recruiting provisions in those members' existing membership agreements.

2. 3. The following is to be added at the end of Item 3:

With the exception of what is stated above, the following applies to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

- A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.
- B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature, or financial condition of the franchise system or its business operations.

Franchise Disclosure Document

Exhibit D-9

- C. No such party has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded *nolo contendere* to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.
- D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.
- <u>4. ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION.</u>
 - (a) Item 17 Cross Reference and Summary Table.

THE FOLLOWING TABLE LISTS CERTAIN IMPORTANT PROVISIONS OF THE FRANCHISE AGREEMENT PERTAINING TO TERMINATION, ASSIGNMENT AND CHOICE OF LAW WHICH MAY BE SUPERSEDED BY THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK.

	GENERAL BUSINESS LAW OF THE STATE OF NEW YORK.		
	Provision	Section in Membership Agreement	Summary
c.	Requirements for franchisee to renew or extend	Section 2.2	Notice, compliance with Membership Agreement, sign new Membership Agreement, and pay renewal fee
			If you seek to renew your franchise at the expiration of the initial term or any renewal term, you may be asked to sign a new membership agreement that contains terms and conditions materially different from those in your previous membership agreement, such as different fee requirements and territorial

Franchise Disclosure Document

Exhibit D-9

Provision Section in Membership Agreement

Summary

33 of the General Business Law of the State of New York.

4. 5. Franchise Questionnaires and Acknowledgements:

No statement, questionnaire, or acknowledgment 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.

5. 6. Receipts:

Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

FLOORS TO GO, LLC Franchise Disclosure Document

Exhibit D-15

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

THIS DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS DISCLOSURE DOCUMENT AND ALL CONTRACTS OR AGREEMENTS SHOULD BE READ CAREFULLY IN THEIR ENTIRETY FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

IF THIS DISCLOSURE DOCUMENT IS NOT DELIVERED ON TIME, OR IF IT CONTAINS A FALSE, INCOMPLETE, INACCURATE OR MISLEADING STATEMENT, A VIOLATION OF FEDERAL AND STATE LAW MAY HAVE OCCURRED AND SHOULD BE REPORTED TO THE FEDERAL TRADE COMMISSION, WASHINGTON D.C. 20580 AND THE DEPARTMENT OF FINANCIAL INSTITUTIONS, SECURITIES DIVISION, 150 ISRAEL ROAD SW, TUMWATER, WASHINGTON 98501.

ON SEPTEMBER 23, 2019, FTG VOLUNTARILY ENTERED INTO AN ASSURANCE OF DISCONTINUANCE WITH THE STATE OF WASHINGTON AGREEING THAT IT (I) WILL NO LONGER INCLUDE NO RECRUITING PROVISIONS IN ANY OF ITS FUTURE MEMBERSHIP AGREEMENTS, (II) NO LONGER ENFORCE NO RECRUITING PROVISIONS IN ANY OF ITS EXISTING MEMBERSHIP AGREEMENTS, (III) WILL NOT SEEK TO INTERVENE OR DEFEND IN ANY WAY THE LEGALITY OF ANY NO RECRUITING PROVISION, AND (IV) WILL ENDEAVOR TO AMEND ALL EXISTING MEMBERSHIP AGREEMENTS WITH MEMBERS IN THE STATE OF WASHINGTON TO REMOVE ANY NO RECRUITING PROVISIONS IN THOSE MEMBERS' EXISTING MEMBERSHIP AGREEMENTS.

IN THE EVENT OF A CONFLICT OF LAWS, THE PROVISIONS OF THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, CHAPTER 19.100 RCW-WILL PREVAIL.

RCW 19.100.180 MAY SUPERSEDE THE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE. THERE MAY ALSO BECOURT DECISIONS WHICH MAY SUPERSEDE THE AGREEMENT IN YOUR

Franchise Disclosure Document

Exhibit D-15

RELATIONSHIP WITH THE FRANCHISOR INCLUDING THE AREAS OF TERMINATION AND RENEWAL OF YOUR FRANCHISE.

IN ANY ARBITRATION OR MEDIATION INVOLVING A FRANCHISE PURCHASED IN WASHINGTON, THE ARBITRATION OR MEDIATION SITE WILL BE EITHER IN THE STATE OF WASHINGTON, OR IN A PLACE MUTUALLY AGREED UPON AT THE TIME OF THE ARBITRATION OR MEDIATION, OR AS DETERMINED BY THE ARBITRATOR OR MEDIATOR AT THE TIME OF ARBITRATION OR MEDIATION. IN ADDITION, IF LITIGATION IS NOT PRECLUDED BY THE AGREEMENT, A FRANCHISEE MAY BRING AN ACTION OR PROCEEDING ARISING OUT OF OR IN CONNECTION WITH THE SALE OF FRANCHISES, OR A VIOLATION OF THE WASHINGTON FRANCHISE INVESTMENT PROTECTION ACT, IN WASHINGTON.

A RELEASE OR WAIVER OF RIGHTS EXECUTED BY A FRANCHISEE MAY NOT INCLUDE RIGHTS UNDER THE WASHINGTON FRANCHISE INVESTMENT-PROTECTION ACT OR ANY RULE OR ORDER THEREUNDER EXCEPT WHEN EXECUTED PURSUANT TO A NEGOTIATED SETTLEMENT AFTER THE AGREEMENT IS IN EFFECT AND WHERE THE PARTIES ARE REPRESENTED BY INDEPENDENT COUNSEL. PROVISIONS SUCH AS THOSE WHICH UNREASONABLY RESTRICT OR LIMIT THE STATUTE OF LIMITATIONS PERIOD FOR CLAIMS UNDER THE ACT, OR RIGHTS OR REMEDIES UNDER THE ACT SUCH AS A RIGHT TO A JURY TRIAL, MAY NOT BE ENFORCEABLE.

TRANSFER FEES ARE COLLECTABLE TO THE EXTENT THAT THEY REFLECT THE FRANCHISOR'S REASONABLE ESTIMATED OR ACTUAL COSTS IN EFFECTING A TRANSFER.

- 1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
- PURSUANT TO RCW 49.62.020, A NONCOMPETITION COVENANT IS VOID AND UNENFORCEABLE AGAINST AN EMPLOYEE, INCLUDING AN EMPLOYEE OF A FRANCHISEE, UNLESS THE EMPLOYEE'S EARNINGS FROM THE PARTY SEEKING ENFORCEMENT, WHEN ANNUALIZED, EXCEED \$100,000 PER YEAR (AN AMOUNT THAT WILL BE ADJUSTED ANNUALLY FOR INFLATION). IN ADDITION, A NONCOMPETITION COVENANT IS VOID AND UNENFORCEABLE AGAINST AN INDEPENDENT CONTRACTOR OF A FRANCHISEE UNDER RCW 49.62.030 UNLESS THE INDEPENDENT CONTRACTOR'S EARNINGS FROM THE PARTY SEEKING ENFORCEMENT, WHEN ANNUALIZED, EXCEED \$250,000 PER YEAR (AN AMOUNT THAT WILL BE ADJUSTED ANNUALLY FOR INFLATION). AS A RESULT, ANY PROVISIONS CONTAINED IN THE AGREEMENT OR ELSEWHERE THAT CONFLICT WITH THESE LIMITATIONS ARE VOID AND UNENFORCEABLE IN WASHINGTON.
- 2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There

Franchise Disclosure Document

Exhibit D-15

may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

- 3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
- 4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
- 5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
- 6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
- 7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.
- 8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
- 9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

Franchise Disclosure Document

Exhibit D-15

- 10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
- 11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
- 12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
- 13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
- 14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
- 15. Nonsolicitation Agreements. RCW 49.62.060 PROHIBITS A FRANCHISOR FROM RESTRICTING, RESTRAINING, OR PROHIBITING A FRANCHISEE FROM (I) SOLICITING OR HIRING ANY EMPLOYEE OF A FRANCHISEE OF THE SAME FRANCHISOR OR (II) SOLICITING OR HIRING ANY EMPLOYEE OF THE FRANCHISOR. AS A RESULT, ANY SUCH PROVISIONS CONTAINED IN THE AGREEMENT OR ELSEWHERE ARE VOID AND UNENFORCEABLE IN WASHINGTON. prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any

Franchise Disclosure Document

Exhibit D-15

such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

NO STATEMENT, QUESTIONNAIRE, OR ACKNOWLEDGMENT 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 FRAUDIN 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.

- 16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment 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.
- 17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
- 18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.
- 19. Section 16.5 of the Franchise Agreement. The second sentence of Section 16.5 of the Franchise Agreement shall not apply in the State of Washington.

EXHIBIT "F"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March 12, 2025, as amended on May 1, 2025

LIST OF STATE ADMINISTRATORS

MARYLAND

Office of Attorney General SECURITIES DIVISION 200 St. Paul Place Baltimore, Maryland 21202-2020

Telephone: (410) 576-6360

MICHIGAN

Franchise Administrator
THE STATE OF MICHIGAN
Consumer Protection Division
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Langing, Michigan 48006 48012

Lansing, Michigan 4890648913 Telephone: (877) 765-8388

MINNESOTA

Securities Unit - Franchise Examiner
MINNESOTA DEPARTMENT
COMMERCE
85 7th Place East
Suite 280
St. Paul, Minnesota 55101
Telephone: (651) 539-1500

NEBRASKA

Department of Banking and Finance THE STATE OF NEBRASKA 1526 "K" Street, Suite 300 Lincoln, Nebraska 68508-2732 Telephone: (402) 471-3445

NEW YORK

NYS Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 Telephone: (212) 416-8222

NORTH DAKOTA

Franchise Examiner
OFFICE OF SECURITIES COMMISSIONER
600 East Boulevard Avenue
State Capitol, 14th Floor
Bismarck, North Dakota 58505
Telephone: (701) 328-2910

OREGON

Department of Consumer & Business Services Division of Finance and Corporate Securities 350 Winter Street NE Fourth Floor Salem, Oregon 97301-3883 Telephone: (503) 378-4140

RHODE ISLAND

Securities Examiner
OF STATE OF RHODE ISLAND
DEPARTMENT OF BUSINESS
REGULATION
SECURITIES DIVISION
1511 Pontiac Avenue
Building 68-2
Cranston, Rhode Island 02920
Telephone: (401) 462-9527

SOUTH DAKOTA

Division of Insurance Securities Regulation 124 S. Euclid Avenue, 2nd Floor Pierre, South Dakota 57501 Telephone: (605) 773-3563

TEXAS

Statutory Documents Section TEXAS SECRETARY OF STATE Registrations Unit James Earl Rudder Office Building 1019 Brazos Street Austin, Texas 78701 Telephone: (512) 475-0775

<u>UTAH</u>

Division of Consumer Protection UTAH DEPARTMENT OF COMMERCE Herber M. Wells Building 2nd Floor 160 East 300 South Salt Lake City, Utah 84114-6704 Telephone: (801) 530-6601

VIRGINIA

State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, Ninth Floor Richmond, Virginia 23219 Telephone: (804) 371-9051

WASHINGTON

Washington State Department of Financial Institutions

SECURITIES DIVISION Securities Division

P.O. Box 41200
Olympia, WA 98504-1200
150 Israel Road SW

Tumwater, Washington 98501
Telephone: (360) 902-8760

WISCONSIN

Franchise Registration, Division of Securities WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS
4822 Madison Yards Way
North Tower
Madison, Wisconsin 53705
Telephone: (608) 266-0448

FEDERAL TRADE COMMISSION

Bureau of Consumer Protection FEDERAL TRADE COMMISSION 600 Pennsylvania Avenue, NW Washington, D.C. 20580 Telephone: (202) 326-2222

EXHIBIT "G"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March 12, 2025, as amended on May 1, 2025

FTG'S REGISTERED AGENTS
FOR SERVICE OF PROCESS

Floors To Go's Registered Agents for Service of Process

We intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in those states:

CALIFORNIA

Commissioner of Financial Protection and Innovation THE STATE OF CALIFORNIA 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344

Telephone: (213) 576-7500 (866) 275-2677

Website: www.dfpi.ca.gov Email: Ask.DFPI@dfpi.ca.gov

CONNECTICUT

CONNECTICUT DEPARTMENT OF BANKING 260 Constitution Plaza Hartford, Connecticut 06103-1800 Telephone: (860) 240-8230

HAWAII

Commissioner of Securities THE STATE OF HAWAII King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 Telephone: (808) 586-2744

ILLINOIS

Illinois Attorney General 500 South Second Street Springfield, Illinois 62701 Telephone: (217) 782-1090

INDIANA

Secretary of State STATE OF INDIANA 302 West Washington Street, Room E018 Indianapolis, Indiana 46204 Telephone: (317) 232-6531

MARYLAND

Securities Commissioner MARYLAND DIVISION OF SECURITIES 200 St. Paul Place Baltimore, Maryland 21202-2020 Telephone: (410) 576-6360

MICHIGAN

Attorney General
THE STATE OF MICHIGAN
Consumer Protection, Franchise Section
525 West Ottawa Street
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 4890648913
Telephone: (877) 765-8388

MINNESOTA

State of Minnesota Department of Commerce Securities Division 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 Telephone: (651) 539-1500

EXHIBIT "K"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March 12, 2025, as amended on May 1, 2025

STATE EFFECTIVE DATES

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	PendingMarch 24, 2025
Illinois	PendingMarch 18, 2025
Indiana	PendingApril 26, 2025
Maryland	PendingMarch 19, 2025
Michigan	PendingJanuary 26, 2025
Minnesota	PendingMarch 27, 2025
New York	PendingMarch 27, 2025
North Dakota	PendingMarch 18, 2025
Rhode Island	PendingApril 24, 2025
South Dakota	PendingMarch 18, 2025
Virginia	PendingMarch 18, 2025
Washington	Pending
Wisconsin	PendingMarch 18, 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.

EXHIBIT "L"

${\bf FLOORS\ TO\ GO, LLC}$

FRANCHISE DISCLOSURE DOCUMENT

Dated March 12, 2025, as amended on May 1, 2025

RECEIPT

RECEIPT

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 Floors To Go, LLC offers you a franchise, Floors To Go, LLC must provide this disclosure document to you fourteen (14) calendar days (or sooner, if required by applicable state law) before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

New York requires that Floors To Go, LLC provide you this disclosure document at the earlier of your first personal meeting to discuss the franchise or ten (10) business days before the execution of the membership or other agreement, or the payment of any consideration that relates to the franchise relationship. Michigan requires that Floors To Go, LLC provide you this disclosure document at least ten (10) business days before the execution of the membership or other agreement, or the payment of any consideration that relates to the franchise relationship. Iowa requires that Floors To Go, LLC provide you this disclosure document at the earlier of your first personal meeting to discuss the franchise or fourteen (14) calendar days before the execution of the membership or other agreement, or the payment of any consideration that relates to the franchise relationship.

If Floors To Go, 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 the appropriate state agency identified on Exhibit "F."

The franchise seller(s) involved with the sale of this franchise is/are the individual(s) indicated below. All of the below-listed franchise sellers share the same business address, which is Floors To Go, LLC, 3471 Bonita Bay Boulevard, Bonita Springs, Florida 34134, and the same business phone number, which is (866) 357-7246.

(franchisee or franchise seller must indicate "X" next to individual(s) involved in sales process)

I	Philip Gutierrez	I	Harold Traister
Steven Mintz		I	Ken Sherwood
(Gary Phelps	J	leff Andrews
Issuan	nce Date: March 12, 2025 <u>, as amended on May 1, 202</u>	<u>5</u>	
See Ex	xhibit "G" for registered agents authorized to receive	service o	of process.
	e received a disclosure document, dated March 12, 2 ing Exhibits:	2025, <u>as</u>	amended on May 1, 2025, that included the
A. B.	Membership Agreement State Specific Amendments to the Membership Agreement	G. H.	FTG's Registered Agents for Service of Process FTG's Currently Operating Members
C.	Principal Owner's Statement	I.	FTG's Not Yet Operational Members
D.	State Specific Addenda to the Franchise Disclosure Document	J.	FTG's Terminated or Cancelled Members
$\mathbf{E}.$	Audited Financial Statements	K.	State Effective Dates
F.	List of State Administrators	L.	Receipt
(Sign	nature of Prospective Franchisee)	Date of I	Receipt)
			YOUR COPY
(Nan	ne of Prospective Franchisee)		
KEEP	THIS COPY FOR YOUR RECORDS.		

RECEIPT

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D.	State Specific Addenda to the Franchise	J.	FTG's Terminated or Cancelled	
	Disclosure Document		Members	
$\mathbf{E}.$	Audited Financial Statements	K.	State Effective Dates	
F.	List of State Administrators	L.	Receipt	
(Signature of Prospective Franchisee)		(Date of Receipt)		
0.1			OUR COPY	
(Nan	ne of Prospective Franchisee)			
RETU	RN THIS COPY TO US FOR OUR RECORDS.			