

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.

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 ~~13~~¹², ~~2024~~²⁰²⁵

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only FTG business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be an FTG franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit F.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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 arbitration and/or litigation only in Florida. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Florida than in your own state.
2. **Inventory Control.** For each of your showroom, you must make inventory and supply purchases of at least \$350,000 or 80% of your total floor covering and window treatment purchases, whichever is greater. Your inability to make these purchases or to maintain inventory levels at all times may result in termination of your franchise and loss of your investment.
3. **Mandatory Minimum Payments.** You must make minimum service fee and advertising fee payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.

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.

TABLE OF CONTENTS

	<u>PAGE</u>
ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES	1
ITEM 2. BUSINESS EXPERIENCE	3
ITEM 3. LITIGATION	3
ITEM 4. BANKRUPTCY	4
ITEM 5. INITIAL FEES	4
ITEM 6. OTHER FEES	6
ITEM 7. ESTIMATED INITIAL INVESTMENT	8
ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES	10
ITEM 9. FRANCHISEE'S OBLIGATIONS	13
ITEM 10. FINANCING	15
ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING	15
ITEM 12. TERRITORY	20
ITEM 13. TRADEMARKS	23
ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION	24
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS	25
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL	26
ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION	26
ITEM 18. PUBLIC FIGURES	29
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS	29
ITEM 20. OUTLETS AND MEMBER INFORMATION	30
ITEM 21. FINANCIAL STATEMENTS	40
ITEM 22. CONTRACTS	40
ITEM 23. RECEIPTS	40

EXHIBITS:

Exhibit "A"	Membership Agreement
Exhibit "B"	State Specific Amendments to the Membership Agreement
Exhibit "C"	Principal Owner's Statement
Exhibit "D"	State Specific Addenda to the Franchise Disclosure Document
Exhibit "E"	Audited Financial Statements
Exhibit "F"	List of State Administrators
Exhibit "G"	FTG's Registered Agents for Service of Process
Exhibit "H"	FTG's Currently Operating Members
Exhibit "I"	FTG's Not Yet Operational Members
Exhibit "J"	FTG's Terminated or Cancelled Members
Exhibit "K"	State Effective Dates
Exhibit "L"	Receipt

APPLICABLE STATE LAW MIGHT REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION CONTAINED IN THIS DISCLOSURE DOCUMENT, AND MIGHT REQUIRE A RIDER TO THE MEMBERSHIP AGREEMENT. THESE ADDITIONAL DISCLOSURES AND RIDERS, IF ANY, APPEAR IN EXHIBITS "B" AND "D."

ITEM 1. THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

A. Floors To Go, LLC

The franchisor is Floors To Go, LLC, which will be referred to in this disclosure document as "we," "us," or "FTG". "You" means the person or entity that buys the franchise. If you are a corporation, partnership, or other entity, certain provisions of the Membership Agreement also apply to your owners/partners and will be noted.

FTG is a Florida limited liability company that was organized on June 3, 2002 under the name Floors To Go Acquisition, LLC. On June 24, 2002, Floors To Go Acquisition, LLC filed Articles of Amendment to its Articles of Organization changing its name to Floors To Go, LLC. FTG began offering franchises in certain states in June 2002. FTG does business under the name Floors To Go. FTG has its principal office at 3471 Bonita Bay Boulevard, Bonita Springs, Florida 34134.

FTG was organized for the sole purpose of acquiring certain assets of Floors To Go, Inc., a California corporation ("FTGI"), and to operate as the franchisor of the FTG System, as defined below, on a going-forward basis. In June 2002, FTG acquired certain assets of FTGI.

FTG has members located throughout the United States. FTG does not currently own or operate any retail floor covering outlets. FTG and its predecessor have not sold franchises in any other lines of business during the last 10 years. FTG has never done business under another name.

FTG does not have a parent company.

B. Predecessors of FTG

In light of the acquisition described above, FTGI could be deemed a predecessor of FTG. The former address of FTGI was 4295 Business Drive, Shingle Springs, California 95682.

C. Affiliates of FTG

Abbey Carpet Co., Inc. ("Abbey") is the owner and franchisor of *Abbey Carpet®* Showrooms, a floor covering and home fashion franchise catering to the upscale consumer market on a custom-ordered basis. Abbey is owned by Philip Gutierrez, FTG's Chief Executive Officer. Abbey has been offering its *Abbey Carpet®* franchises since 1963, and currently has ~~423~~⁴²⁰ showrooms throughout the country. Abbey is located at the same address as FTG. Abbey is not engaged in any other line of business and has never offered franchises in any other line of business. For five years prior to becoming a franchisor, Abbey operated retail carpet stores in California.

Abbey is located at the same address as FTG. There are no other companies that are controlled by, controlling, or under common control with FTG which are currently offering franchises in any line of business or will provide products or services to you.

D. FTG's Agents for Service of Process

FTG has authorized various agencies to receive legal service of process for Floors To Go, LLC. These agents and the states in which they are authorized to receive service of process are set forth in Exhibit "G."

E. Membership Offered

FTG offers you a marketing and merchandising system for selling floor covering and window treatment products to consumers from your store's location ("Showroom"). The FTG marketing system is based upon owners/operators of these Showrooms selling to individual consumers from a wide variety and selection of samples and purchasing such merchandise from FTG-approved floor covering and window treatment vendors (the "FTG Marketing System"). FTG members also have the option of utilizing FTG's merchandising system which features showroom design, displays, product selection, and interior signage (the "FTG Merchandising System" and, together with the FTG Marketing System, the "FTG System").

This concept is such that a member of the FTG System can offer a wide variety of quality floor covering and window treatment products to the consumer by selling from samples and then purchasing merchandise necessary to supply a particular consumer's needs at special prices negotiated by FTG from designated vendors. The concept eliminates the need to maintain a substantial inventory of floor covering and window treatment products. The special orders of merchandise sold are obtained from FTG-approved floor covering and window treatment vendors at prices that normally are less than those available to a store not participating in the FTG System.

The individual or business entity becoming a member will be licensed for five (5) years to utilize the FTG System and the Floor To Go trademarks, trade names and service marks, as the same currently exist (the "Marks"). Memberships in the FTG System are offered on both a single-Showroom and a multiple-Showroom basis, and members that choose to operate more than one Showroom will not be required to pay an Initial Membership Fee (defined in Item 5 below) or any Service Fees or Advertising Fees (defined respectively in Item 6 below) for their additional Showrooms. Only the first Showroom will be required to pay the Initial Membership Fee, and only the first Showroom will be entitled to the \$1,000 sign credit (described in Item 7, footnote 6 below). The minimum purchase requirements are set forth in Item 8 below (see Section 7.1 of the Membership Agreement).

The FTG membership concept is intended for and directed towards the experienced owner/operator of an existing floor covering store, and accordingly FTG does not provide site selection, business financing, employee training, or management supervision before or

after the execution of any FTG membership agreements. The FTG System competes with other national floor covering marketing and merchandising systems.

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.

Ted Dlugokienski – Chief Financial Officer, Executive Vice President of Operations, and Secretary

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.

David L. Hardy – Executive Vice President of Merchandising and Member 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.

Bill Wilson – Executive Vice President of Sales and Marketing

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

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.

Ken Sherwood – Vice President of Franchise Development – Western and 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.

Keith Johnson – Vice President of Merchandising

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.

~~Stephen Killard – Regional Manager – Northeast~~

~~Mr. Killard joined FTG and Abbey in July 2022 as Regional Manager – Northeast in Plainview, New York. He currently serves Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island,~~

~~Vermont, and Virginia. From November 2020 to July 2022, he worked as a sales associate for our Floors To Go franchise in Long Island, New York. From May 2019 to November 2020, he was a junior advisor for Vortex Wealth Management in Long Island, New York.~~

ITEM 3. LITIGATION

In Re: Franchise Poaching Provisions Assurance of Discontinuance (Floors To Go, LLC), King County Superior Court, State of Washington Antitrust Division, Office of the Attorney General (No. 19-2-24814-9). The Attorney General asserted that FTG included language in its franchise agreements that restricted a franchisee's ability to solicit or hire workers from FTG or another franchisee (no-recruiting provision). 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.

Other than this action, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

ITEM 5. INITIAL FEES

A. Single Showroom Membership

As a new member, you will be charged an Initial Membership Fee of \$10,000. This fee is payable as follows: (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 (described below) whereby you will grant FTG the right to retain all proceeds allocable to you from the FTG CashBack Program up to the \$9,000 amount or for a five-year time period, whichever occurs first (referred to hereafter as the "CashBack Participation"). If the CashBack Participation does not generate proceeds to FTG of \$9,000, whatever lesser amount of proceeds is collected by FTG over the five-year participation period on your behalf will be deemed payment in full for your Initial Membership Fee. If your Membership Agreement is terminated prior to completion of the initial five-year term, the remaining balance of the Initial Membership Fee shall be due and payable by you to us in cash immediately upon the date of any such termination.

The FTG CashBack Program consists of various floor covering and window treatment manufacturers offering CashBack incentives for the purchase of **selected** floor covering and window treatment products. When you purchase such selected carpets and/or floor coverings you will be credited with a cash rebate based upon a percentage of the selected carpets and/or floor coverings purchased. These percentages range up to 8% of the purchase price of selected items. Such cash rebates will be paid to FTG on your behalf

when you earn such CashBack incentives. FTG will hold such funds, without liability for interest, and after verification of amounts received, and after setting off any amounts that you owe to FTG, will distribute such funds to you annually or semi-annually. You are eligible to participate in the FTG CashBack Program and will be notified on a regular basis of qualifying CashBack items received on your behalf.

The Initial Membership Fee entitles you to participate in the FTG System and to receive various marketing materials currently available through the FTG System. Proceeds from the Initial Membership Fee are, in part, profit to us and are, in part, used to pay some of the following costs and expenses incurred by us for: (1) obtaining and screening Members; (2) administering the territories; (3) providing assistance to Members; (4) accounting fees and legal fees; (5) protection of our commercial symbols, names, proprietary trademarks, service marks and copyrights; (6) developing new product lines, marketing programs and advertising materials; (7) paying salaries and benefits to our management and employees; and (8) marketing and selling memberships.

In addition to the Initial Membership Fee, you will be obligated to make certain other expenditures, which are described in Items 6 and 7 below. Some of these expenditures must be made before you can open your Showroom for business. However, other than the Initial Membership Fee, you will not be required to pay FTG or its affiliates any fees or amounts for services or goods received from them prior to the time you open your FTG Showroom for business.

The Initial Membership Fee is not refundable except that if you reach \$350,000 of first quality, running line purchases, exclusive of promotional products, special purchases and SP's, through the FTG System within the twelve-month period beginning on the 90th day after the date your membership begins, your Initial Membership Fee will be waived, and all payments you have made for such fee will be refunded to you by FTG on or after the fifteenth month after the date your membership begins.

B. Multiple Showroom Memberships

If you open or convert more than one Showroom on or after the execution of your initial Membership Agreement, you will pay the \$10,000 Initial Membership Fee for your first Showroom (see Item 5(A) above), but you will not be required to pay an additional Initial Membership Fee or any Service Fees or Advertising Fees (see Item 7 below) for any additional Showrooms that you own and operate. If you add an additional Showroom(s) simultaneously with the execution of your first (initial) Membership Agreement then an additional Schedule "A" will be attached to such Membership Agreement for each additional Showroom. If you would like to operate additional Showrooms subsequent to the execution of your initial Membership Agreement, we must approve the opening of such additional Showroom(s), and we may require that you execute the then-current membership agreement (see Section 3.3 of the Membership Agreement). The Early Termination Fee described below applies to each of your Showrooms.

C. Membership Promotions

We may offer promotions for limited periods of time in the form of credits against Initial Membership Fees as part of a program designed to promote the execution of 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. OTHER FEES

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⁾

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 Showroom. FTG will cover these costs of the Redesign (i.e., 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"). For example, if you became a member on March 1, ~~2024~~2025, and the cost of your Redesign was \$30,000, and your membership was terminated on January 1, ~~2027~~2028, you would owe us a cash payment equal to \$18,000 (\$30,000 – [\$30,000 X (20% x 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.

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
Advertising Fee	\$3,000	Lump Sum	Payable semi-annually, in two equal payments of \$1,500	FTG
Local Advertising/Promotional Costs	\$0-\$4,000 per Showroom	Periodic	Monthly	Third Parties
Store Signage ⁽⁶⁾	\$1,000-\$5,000	As incurred	180 days after	Third Parties

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment is to be Made
	per Showroom		signing	
Insurance ⁽⁷⁾	\$250-\$1,500	Per terms of policy	Before signing	Insurer
Professional Fees ⁽⁸⁾	\$500-\$1,500	As incurred	As needed	Third Parties
Additional Funds—Three Months ⁽⁹⁾	\$0-\$10,000	As incurred	As needed	Employees, Expenses and Overhead
TOTAL⁽¹⁰⁾	\$23,050 and \$61,900			

Footnotes to table:

- (1) The Initial Membership Fee is non-refundable except that, if you attain \$350,000 of first quality, running line purchases, exclusive of promotional products, special purchases and SP's, through the FTG System within the 12-month period beginning 90 days after your membership begins, your Initial Membership Fee will be waived, and all payments you have made for that fee will be refunded to you by FTG on or after the fifteenth month after the date your membership begins.
- (2) The Initial Membership Fee is paid as follows: (a) \$1,000 is due at signing; and (b) \$9,000 is paid through the participation in the FTG CashBack Program. FTG charges no interest on such deferred payments. See Item 5 for an explanation of the FTG CashBack Program which is based on a percentage of **selected** carpets and floor coverings purchased by you through the FTG System. Nine Thousand Dollars (\$9,000) of your Initial Membership Fee will be collected from your CashBack Participation over five years.
- (3) If you choose to have the retail store design consultant visit your Showroom, you will be required to pay the designer's travel, lodging and meal expenses.
- (4) You may have construction and related costs in connection with the Redesign of your Showroom which may range from \$7,500 to \$25,000, depending upon the size of your Showroom and the extent of improvements made (see Item 11(B) below).
- (5) If you choose to sell products containing any other trademarks we may license in the future, you will also be required to purchase separate display racks for such products starting at a price of \$400 each (see Item 13 below and Section 4.13 of the Membership Agreement).
- (6) You must install FTG Showroom signage either on the exterior facade of your Showroom building, prominently displayed in the front window of your Showroom, or on a marquee or free-standing sign in the front of your Showroom. If you use FTG's approved sign vendor, FTG will credit up to \$1,000 against your future

accounts payable for actual costs incurred for Showroom signage upon your providing proof of installation and proper invoices. The FTG signage must conform to all specifications provided by FTG and be approved by FTG before construction, meet all local signage regulations, and be installed within ninety (90) days after the effective date of your Membership Agreement.

- (7) Section 7.8 of the Membership Agreement requires that you have in force an insurance policy before beginning business with FTG, at your sole expense, protecting both you and FTG and its officers, managers, and employees against losses and with the limits described. The figures in the chart are estimated annual premiums for the minimum amount of insurance required by FTG.
- (8) This amount reflects the use of an attorney, accountant, and other consultants both in the purchase of a membership and in the operation of your FTG Showroom for up to three months.
- (9) This item estimates your expenses during your initial three-month period of operating your Showroom (other than the items identified separately in the table). These expenses include payroll costs, but not any draw or salary for you. You will need capital to support ongoing business expenses. Since you have an established floor covering business, operating a FTG Showroom is expected to require only minimal additional operating capital. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary to fund the FTG System during this start-up phase or thereafter.
- (10) These figures are only estimates for the first three months of operation, and FTG cannot guarantee that your expenses will not exceed these estimates or that you will not have additional expenses not listed here in starting the business. FTG relied on the collective experience of its management in preparing these estimates. FTG does not offer direct or indirect financing to members for any items.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

A. Volume of Required Purchases, Purchase Restrictions and Approved Suppliers

In order to utilize the FTG System, you must purchase a certain amount of merchandise from the floor covering vendors or manufacturers with whom FTG has negotiated favorable group prices and terms. Section 7.1 of the Membership Agreement requires you to purchase, for each of your Showrooms, a minimum of \$350,000 or 80% of your total floor covering and window treatment purchases, whichever is greater, through the FTG System during the calendar year following the opening of each such Showroom. Therefore, Multiple Showroom Members are required to satisfy minimum purchase requirements for each of their Showrooms. Only those floor covering and window treatment products that FTG designates as part of the FTG System qualify towards the minimum purchase requirements. Failure to meet the minimum purchase requirements for your Showrooms could result in the termination of your membership in the FTG

System. Compliance with the minimum purchase requirements could also be one factor, among others, when determining whether to renew or grant additional showroom memberships.

Since the Floors To Go membership concept is intended for and directed toward the experienced owner/operator of existing floor covering stores, there are no purchases required to establish a FTG franchise. FTG estimates that required purchases are approximately thirty-seven percent (37%) of total purchases made in operating a FTG franchise.

You are prohibited from participating in any other marketing and merchandising system which offers products similar to those offered by FTG while a member of the FTG System (i.e., mill-sponsored programs or buying groups). However, you are permitted to purchase floor covering merchandise sold in your Showrooms from floor covering sources that are not affiliated with the FTG System, provided that you satisfy the minimum purchase requirements set forth in Section 7.1 of the Membership Agreement.

FTG will regularly update its price list to inform you as to the current approved vendors and manufacturers, carpet and floor covering selections and grades, vendor's prices as negotiated by FTG, the vendor's distribution arrangements, and other pertinent information.

B. Manufacturers CashBack Program

By purchasing through the FTG Marketing System you will be able to purchase floor and window covering products at a reduced price, and you will be eligible to participate in the FTG CashBack Program (the "FTG CashBack Program"). The FTG CashBack Program consists of various floor covering and window treatment manufacturers offering CashBack incentives for the purchase of **selected** floor covering and window treatment products. When you purchase such selected items you will be credited with a cash rebate based upon a percentage of the purchase price of the selected items purchased. These percentages range up to 8% of the purchase price of the selected items. Such cash rebates will be paid to FTG on your behalf when you earn such CashBack incentives. FTG will hold such funds, without liability for interest, and after verification of amounts received, and after setting off any amounts that you owe to FTG, will distribute such funds to you annually or semi-annually. You are eligible to participate in the FTG CashBack Program and will be notified on a regular basis of CashBack rebates received on your behalf.

C. New Suppliers and Product Testing

FTG will from time to time research the market for the purpose of evaluating the floor coverings offered and discounts available so that it may update its list of approved merchandise and approved vendors and manufacturers. FTG will be responsible for identifying, negotiating with, and approving all suppliers to the FTG System. However, a member can recommend other suppliers for FTG to consider (at no cost to the member or to the supplier being recommended). FTG formulates its approach for the FTG System by emphasizing value and variety. Although FTG does not maintain any specific product mix,

it attempts to maintain a broad range of floor covering products in wide ranges of cost, quality and styles. FTG will negotiate the best vendor prices and discounts available for the FTG System available at the time. Other than the general guidelines set forth below, FTG has no established standards or specifications to disclose to its members or suppliers. There are no approved suppliers in which any of our officers owns an interest.

FTG approves or disapproves suppliers based upon the type of floor covering offered, the negotiated price available from each supplier, the delivery terms and conditions provided by each supplier, and the positive or negative feedback FTG receives from its members. As a FTG member, you will not be entitled to negotiate floor covering purchases for the FTG System nor will you be authorized to offer any floor covering products under the FTG trademarks, logos or service marks which are not set forth in the price list.

D. Required Signage

FTG requires that each new member place FTG Showroom signage either on the exterior facade of the member's Showroom building, in the front window of the member's Showroom, or on a marquee or free-standing sign in the front of the member's Showroom, and that such signage will conform to all specifications provided by FTG, be approved by FTG before construction, meet all local signage regulations, and be installed within ninety (90) days after the effective date of each new member's Membership Agreement. However, since the FTG membership concept is intended for and directed toward the experienced owner/operator of existing floor covering stores, FTG does not otherwise impose on new members additional requirements with respect to constructing and improving a business site in connection with such member's establishment of a FTG franchise. Other than in connection with the above-referenced signage requirements, FTG does not require members to use designated sources or to adhere to FTG's standards/specifications in the construction and improvement of such members' Showrooms.

E. Brokerage Fees

FTG will receive a brokerage fee from each manufacturer or merchandise vendor participating in the FTG System, based upon the total amount of sales made by each manufacturer or vendor through the FTG System. You will not be responsible for the payment of this fee. During fiscal year ~~2023~~2024, FTG received \$~~2,611,722~~2,384,489 in brokerage fees, which represents approximately ~~seventy-nine~~seventy-six percent (~~79~~76%) of the \$~~3,327,028~~3,154,986 in total revenue that FTG received. FTG also receives certain payments from merchandise vendors for the space such vendors occupy while participating in trade shows and sales shows hosted by FTG. The amounts paid by the merchandise vendors vary depending on a number of factors, such as the amount and type of space the vendor requires to display its products, as well as the degree of the vendor's participation within the FTG System. FTG's affiliate, Abbey, does not sell or lease products or services to FTG members and, therefore, Abbey does not benefit from corresponding revenues.

F. Purchasing or Distribution Cooperatives

There currently are no purchasing or distribution cooperatives. We may negotiate purchase arrangements with suppliers (including price terms), for the benefit of the franchise system. We do not provide material benefits to you (for example, renewal or granting additional franchises) based on your purchase of particular products or services or use of particular suppliers.

G. Insurance

Section 7.8 of the Membership Agreement requires you to obtain the types and amounts of insurance coverage customary in the industry. Such coverage would normally be expected to include liability, automobile and workers' compensation. FTG does not currently have minimum insurance coverage requirements.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the membership and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section of Agreement	Disclosure Document Item
a. Site Selection and acquisition/lease	Not applicable	Not applicable
b. Pre-opening purchases/leases	Not applicable	Item 7
c. Site development and other pre-openings requirements	Not applicable	Not applicable
d. Initial and ongoing training	Section 5	Item 11
e. Opening	Not applicable	Not applicable
f. Fees	Section 6	Items 5, 6 and 7
g. Compliance with standards and policies/Operating Manual	Sections 3.2, 5.3, 6 and 7	Items 13, 14 and 15
h. Trademarks and proprietary information	Sections 5.3, 4 and 9	Items 13 and 14

Obligation	Section of Agreement	Disclosure Document Item
i. Restrictions on products/services offered	Sections 1.2 and 9.2(d)	Items 8 and 16
j. Warranty and customer service requirements	Sections 7.1, 7.11 and 9.2	Items 8 and 11
k. Territorial development and sales quotas	Not applicable	Not applicable
l. Ongoing product/service purchases	Subsection 7.1(a)	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 6.2, Subsection 7.1(c), and Section 7.3	Items 6, 7 and 11
n. Insurance	Section 7.8	Items 6, 7 and 8
o. Advertising	Sections 6.4 and 7.4	Items 6, 7 and 11
p. Indemnification	Sections 4.12, 7.9 and 7.10	Item 6
q. Owner's participation/management staffing	Not applicable	Item 15
r. Records/reports	Section 8	Not applicable
s. Inspections/audits	Section 8	Item 6
t. Transfer	Sections 10 and 11	Item 17
u. Renewal	Sections 2 and 13.1	Item 17
v. Post-termination obligations	Section 13.3	Item 17
w. Non-competition covenants	Subsections 9.2(d) and Section 9.4	Item 17
x. Dispute resolution	Section 14	Item 17
y. Territory	Section 1.2 and Schedule "A"	Item 12

ITEM 10. FINANCING

Neither FTG nor any of its agents or affiliates offers any financing arrangements, directly or indirectly, to you except that FTG permits deferred payment of the Initial Membership Fee which is paid over a period of time in conjunction with the CashBack Participation program (see Section 7.2 of the Membership Agreement). No interest will be charged to you and no separate promissory note will be executed by you. The amount of the Initial Membership Fee which is deferred is \$9,000. You will grant FTG the right to retain all proceeds allocable to you from the FTG CashBack Program up to the \$9,000 amount or for a five-year time period, whichever occurs first. If the CashBack Participation does not generate proceeds to FTG of \$9,000, whatever lesser amount of proceeds is collected by FTG over the five-year participation period on your behalf will be deemed payment in full for your Initial Membership Fee. If your Membership Agreement is terminated prior to completion of the initial five-year term, the remaining balance of the Initial Membership Fee shall be due and payable by you to us in cash immediately upon the date of any such termination and FTG may assess attorneys' fees and other costs associated with the collection of such amount. FTG does not require any security interest or personal guaranty from anyone other than the member in connection with this deferred payment of the Initial Membership Fee.

FTG does not offer direct or indirect financing. FTG does not intend in the future to sell, assign or discount to a third party any note, contract or other obligation of yours which is owed to FTG. FTG does not arrange financing from other sources, and accordingly, does not receive payments for placing financing.

FTG does not guarantee your note, lease or obligation.

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, FTG is not required to provide you with any assistance.

A. FTG's Pre-Opening Obligations

Prior to the time you begin participating in the FTG System, FTG is obligated to provide you with advertising material, the price list, and other documents relating to the FTG System (see Sections 5.2 and 5.3 of the Membership Agreement). FTG does not currently have a formal operations manual. The price list identifies the approved vendors and manufacturers, carpet and floor covering selections and vendor prices currently available to FTG members. FTG members are responsible for establishing the prices they charge to their customers.

B. FTG's Obligations During Membership Operation

During the operation of the FTG System, FTG's obligations are limited to selecting floor covering and window treatment products that meet FTG's quality standards,

negotiating with vendors to offer favorable pricing to FTG members (see Section 5 of the Membership Agreement), controlling the management and disbursement of the funds received as Advertising Fees (see Sections 5.2 and 6.4 of the Membership Agreement), and providing certain approved artwork, print media presentations, direct mail flyers, promotional materials, point-of-sale formats, audio and video presentations for our approved advertising programs and information we develop for your use in marketing and conducting local advertising for your FTG Showroom at a reasonable cost to you (see Sections 5.2 and 6.4 of the Membership Agreement).

FTG is also obligated to use its commercially reasonable efforts to:

- (1) maintain the reputation of the FTG System;
- (2) maintain a wide variety of floor covering and window treatment products at favorable prices; and
- (3) defend the Marks licensed with the FTG System.

FTG is also obligated to 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 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 (see Section 5.2 of the Membership Agreement).

C. Expected Days to Commence Operations

The typical length of time between the signing of the Membership Agreement and the opening of the member's showroom as a FTG Showroom is 30 to 90 days. Since all current FTG members have established floor covering stores prior to becoming a member, there are generally no delays occasioned by the new member needing to obtain a lease or to secure financing and building permits. The time period between the signing of the Membership Agreement and the new member commencing use of the FTG System may be impacted by the length of time needed to ensure that such member's FTG Showroom signage complies with local zoning and other ordinances and by delays in the installation of equipment, fixtures and signs in connection with the Redesign.

D. Member Training

Since FTG members already have experience in owning and operating floor covering stores, FTG does not offer an initial training program.

From time to time, FTG may offer seminars focused on topics of interest to FTG members (e.g., sales and marketing techniques, retail management best practices, new product offerings, and Internet applications), in which FTG members may voluntarily choose to participate. Since these seminars are specifically designed in response to timely issues faced by FTG members, the subjects taught, as well as the formats and venues in which such subjects are presented, vary from year to year. There is no predetermined plan

with respect to the locations at which such seminars are held; nor is there any predetermined plan with respect to the seminar instructors or the nature of corresponding instructional materials. There are no plans or instructors for the seminars. Attending members are expected to bear the expenses of attending these elective seminars, including lodging and meals.

In addition, FTG may hold conferences or conventions at various times to discuss matters such as sales techniques, product selection and costs, performance standards, advertising programs, new products, and operational modifications and updates. You must attend FTG's annual convention. FTG will bear the cost of your registration fee for your first convention, but you must pay all related travel, lodging and other personal expenses you incur (see Section 5.2(b) of the Membership Agreement). In addition, you must also attend FTG's annual convention in subsequent years, in order to receive the full benefit of the FTG System, and we reserve the right to charge you a fee if you elect not to attend. FTG will charge you a registration fee for your attendance at all subsequent annual conventions, and you must pay all related travel, lodging and other personal expenses that you incur during such conventions. The annual conventions, voluntary training programs, and other elective conferences and conventions will be held in a location within the United States designated by FTG.

During the past 12 months, one hundred percent (100%) of new members enrolled in our voluntary training programs and elective conferences and conventions.

E. Advertising Materials, Fees, Services and Responsibilities

FTG will develop advertising materials and marketing programs during the term of your Membership Agreement and provide these materials and programs to you and all FTG members (see Section 6.4 of the Membership Agreement).

Some advertising materials are prepared by FTG, and you are permitted to develop your own advertising material consistent with FTG's standards or otherwise subject to FTG's approval. All advertising, marketing and promotional materials which you use in connection with your Showroom must conform to all restrictions and specifications provided by us from time to time. You are not permitted to use the name "*Floors To Go*" as part of your legal or business name except to describe that you are doing business as a FTG member or to geographically describe the location of your franchised business. Any advertising, marketing or promotional materials must be approved in writing by us prior to any publication by you. You may publish any of our approved advertising materials in any reputable media utilized for those purposes in your territory.

Our members-only website may contain approved artwork print media presentations, promotional materials, direct mail flyers, point-of-sale formats, audio and video presentations for our approved advertising programs as well as the guidelines for and limitations upon their usage. Members are responsible for paying any additional cost of having these audio and video presentations customized for local usage. Multiple copies of these advertising materials and programs will be furnished to you at FTG's direct cost of producing them, plus any related shipping, handling and storage charges. One hundred percent (100%) of the Advertising Fees FTG received from its members during fiscal year ~~2023~~2024 was used for production and media placement expenses. None of the Advertising Fees that FTG received from its members during fiscal year ~~2023~~2024 were used to solicit new franchise sales.

All Advertising Fees paid by you will be used solely for the development of advertising materials and marketing programs for system-wide use and will not be used for marketing individual showrooms or to defray any of FTG's expenses not directly related to the development of these materials and programs. Members, including company-owned outlets, are required to pay Advertising Fees (payable semi-annually, in two equal payments of \$1,500). Members are not required to participate in any other advertising fund. FTG will direct all programs financed by the Advertising Fees, with sole discretion over the creative concepts, materials and endorsements used, market and media selection (including whether the corresponding media coverage is local, regional or national in scope), and the allocation of resources. Advertising Fees may, in FTG's sole discretion, be used to pay the costs for preparing and producing customizable artwork, print media, television and radio commercials, as well as for conducting market research, public relations, and paying FTG's related administrative expenses.

FTG will have absolute discretion with the administration of the funds received as Advertising Fees, including but not limited to, the allocation of the funds, methods of payment, and reimbursement of expenses and advances paid by FTG to develop any such advertising materials or programs. The Advertising Fees and earnings, if any, will not otherwise inure to FTG's benefit, and FTG will maintain separate bookkeeping accounts for these Advertising Fees.

There is currently no advertising council composed of members that advise FTG on advertising policies. Members are not presently required to participate in a local or regional advertising cooperative.

Upon your request, we will provide you with a statement setting forth an accounting of our advertising expenditures. However, FTG is not responsible for, nor will FTG assume any direct or indirect liability or obligation to you with respect to, having independent certified public accountants conduct a separate audit on the receipt and disbursement of the Advertising Fees that FTG receives from its members. All Advertising Fees remaining for any particular year, if any, will be carried forward for use during the next year. FTG assumes no other direct or indirect liability or obligation to you with respect to collecting or maintaining the Advertising Fees or with respect to developing advertising materials, or with respect to directing or administering the advertising and

marketing programs. FTG is not required to spend any amounts for advertising in the area where a member's showroom is located.

F. Computer Hardware and Software

You are not required to install, maintain or use any specified or approved computer system or point-of-sale ("POS") hardware or any designated software programs to maintain data, business records or customer transactions for your Showroom. You may in the future, at your own expense, be required to purchase or otherwise acquire POS hardware and a computer system which are compatible and capable of running certain POS and other software programs which we may approve and upon which the records retention and operation of your Showroom may become dependent.

We reserve the right, in our sole discretion, to uniformly require all our members to install and maintain certain hardware and software (the "Computer System"). To ensure full operational efficiency and communication capability between our computers and those of all our members at all times, you will be required, under the terms of the Membership Agreement and at your own expense, to keep the Computer System in good repair and to purchase certain annual maintenance and service contracts (hardware and software, including upgrades to the POS system) from the manufacturer of the hardware or the licensor of the software or from one of their respective authorized distributors. You will not be required to purchase your Computer System or any nonproprietary software programs from us or from any specific designee on the approved list of suppliers.

FTG will not have independent access to any information generated or stored in any electronic cash register or computer system that you use in your Showroom.

G. Internet

1. Website. You will be provided a website, maintained by us, on the domain www.floorstogo.com for each of your FTG Showrooms. In addition, you will have access to several additional pages, which may be customized for your Showroom. The content of these customized pages and any changes thereto will be subject to our prior review and written approval. From time to time, additional features and benefits may be added to the website, for which we reserve the right to charge a fee to assist in covering costs, including, but not limited to, the costs of developing, implementing and maintaining said features and benefits. In addition, we reserve the right to require you to use "Floors To Go" in your fictitious trade name and make it a permanent part of your exterior signage. If you choose to develop an independent website, it must comply with our trademark, service mark, logo and advertising requirements, as well as any of our applicable policies and procedures. Therefore, among other things, you must (i) obtain our prior written approval of any Internet domain name and home page addresses used for your independent website, (ii) obtain our prior written approval of all hyperlinks and other links to appear on your independent website, and (iii) restrict your use of any materials in which any third party has any interest. Upon your request and our prior written approval, if you include "Floors To Go" in your fictitious trade name and make it a permanent part of your exterior signage, a hyperlink to your independent website will be placed on the website that we maintain for your Showroom.

2. Advertising. If you develop or purchase internet-based advertising through email services, search engines, web portals or other internet-based advertising vehicles, you must comply with our trademark, service mark, logo and advertising requirements, as well as any of our other applicable policies and procedures that we may institute from time to time.

ITEM 12. TERRITORY

A. Your Territory

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Specifically, you may face competition from other FTG Showrooms that we or our affiliates franchise or own and that operate at traditional sites outside your territory. Also, you may face competition from other outlets that we franchise or own, or from other channels of distribution or competitive brands we control, including, but not limited to, competition from the FTG Shop At Home program.

As part of the FTG System, FTG will grant territorial rights to you which are officially identified in Schedule "A" of the Membership Agreement. FTG will not open any company-owned Floors To Go Showrooms or permit other franchised Floors To Go Showrooms to be located within your territory. Your territory will be determined based on the factors that we deem relevant, which might include population, traffic flow, presence of

businesses, location of competitors (including other showrooms), demographics, and other market conditions. You agree to conduct your business at the location designated in Schedule "A" of the Membership Agreement and in no other location. Schedule "A" to the Membership Agreement will include the location of your principal place of business (the approved Showroom location) and a description of your territory. If your territory is defined as a radius, it will be measured from your approved Showroom. Otherwise, the boundaries of a territory are typically designated by streets or by the political boundaries of cities as they exist on the date the Membership Agreement is signed.

FTG, under Section 1.2 of the Membership Agreement, specifically agrees that it will not open or license any other person or entity to open a Showroom using FTG's trade name or service marks within your territory designated in Schedule "A" to the Membership Agreement.

On renewal or relocation of a franchise, the territory may be modified. Depending on the then-current demographics of the territory, and on our then-current standards for territories, if the territory is larger than our then-current standard territory, we may require you or the transferee to accept a renewal territory or a transfer territory smaller than your then-current territory.

You have no options, rights of first refusal, or similar rights to acquire additional franchises. If after the execution of your initial Membership Agreement you wish to open additional showrooms using the FTG System, and even if the proposed showrooms are within your territory, you must enter into a separate Membership Agreement for each such showroom.

You are not permitted to use our corporate name or trade names or the Floors To Go Marks, or any colorable imitations of those Floors To Go Marks, for identifying, referencing, linking or otherwise connecting to any Internet Web Site or Domain Name other than those Internet Web Sites and Domain Names as are presently, or may be subsequently, owned by or registered to us. You are not permitted to use or assist others, in any manner, with using Floors To Go Marks or our corporate name, trade names, trade symbols, logos, emblems, slogans or designs, in whole or in part, to offer or sell any floor covering or window treatment products on or through any Internet Web Site or Domain Name.

Continuation of your franchise or territorial rights is not directly dependent upon achievement of certain sales volume, market penetration or other contingency. However, you must purchase, for each of your Showrooms, a minimum of \$350,000 or 80% of your total floor covering and window treatment purchases, whichever is greater, through the FTG System during the calendar year following the opening of each such Showroom. Only those floor covering and window treatment products that FTG designates as part of the FTG System qualify towards the minimum purchase requirements. Failure to achieve the volume purchase requirements set forth in Subsection 7.1(a) of the Membership Agreement does give FTG the right to terminate your Membership Agreement (see Subsection 13.2(b)(4) of the Membership Agreement).

We do not restrict you from soliciting or accepting orders from outside your territory, but you do not have the right to use other channels of distribution to make sales outside your territory.

Under the Membership Agreement, you will have the right to move your Showroom to another location, provided that (i) you give us ninety (90) days' prior written notice of the proposed relocation, (ii) the new location is within your existing territory, (iii) the new location otherwise complies with the terms of the Membership Agreement, and (iv) you agree to a revision of your existing territory, as determined by us in our sole discretion. The relocation must be approved in writing by FTG. You will be required to continue paying the monthly Service Fee and Advertising Fee during the time between termination of operations at the original Showroom location and commencement of operations at the new Showroom location.

Provided that you are in full compliance with the Membership Agreement, we and our affiliates will not operate or grant a franchise for the operation of another FTG Showroom at a location within your territory during the term of this Membership Agreement, except under the circumstances set forth below. Otherwise, we and our affiliates retain all rights not expressly granted to you under the Membership Agreement (with respect to, among other things, FTG Showrooms, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire), including, but not limited to, the right in our sole discretion:

1. to operate, and to grant others the right to operate, FTG Showrooms located anywhere outside your territory;
2. to develop, use, and license the rights to any tradenames, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights that we have not licensed to you under the Membership Agreement;
3. to freely and unconditionally do business, or authorize others to do business, under the FTG Marks, through alternative marketing plans or systems, alternative distribution methods or procedures, and different business formats, at any locations inside or outside your territory.
4. to establish, own and operate, or grant others the right to establish, own and operate, businesses offering dissimilar products and services, at any locations inside and outside your territory, under the FTG Marks;
5. to establish, own and operate, or grant the right to establish, own and operate, similar businesses or any other businesses or any other businesses offering similar or dissimilar products and services, through similar or dissimilar channels of distribution (including the Internet and similar electronic media), at any locations inside or outside your territory, under trademarks or service marks other than the FTG Marks;

6. to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at FTG Showrooms, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, including in your territory;

7. to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) by a business providing products and services similar to those provided at FTG Showrooms, or by another business, even if such business operates, franchises, and/or licenses competitive businesses in your territory; and

8. to engage in any other activities we and/or our affiliates desire within or outside of your territory that are not specifically prohibited under the Membership Agreement.

We are not required to pay you if we exercise any of the rights specified above inside your territory.

B. Abbey Carpet Co., Inc.

FTG's affiliate, Abbey Carpet Co., Inc., offers franchises for floor covering stores under the name "*Abbey Carpet & Floor.*" Abbey Carpet Co., Inc. currently has ~~423~~[420](#) showrooms in its system. Members of the Abbey Carpet System sell floor and window coverings and may compete to a certain extent with your Showroom. Abbey Carpet Co., Inc. does not own or operate any Floors To Go showrooms.

There may be overlap between the territories of FTG members and the *Abbey Carpet & Floor* franchisees. There is also no limitation on the right of any franchisee to sell products for installation outside of that franchisee's territory.




The conflict resolution provisions of the Membership Agreement would apply to any disputes relating to disputes among the FTG members and *Abbey Carpet & Floor* franchisees regarding territory, customers, or franchisor support. FTG and Abbey Carpet Co., Inc. will maintain adequate staffing to be able to perform their obligations under their respective franchise agreements. FTG does not currently plan to maintain physically separate offices from Abbey Carpet Co., Inc.

ITEM 13. TRADEMARKS

FTG exercises the rights, title and interest in, together with all the goodwill connected to, the trademark "Floors To Go" and all other marks used in connection with the FTG System.

The following table lists all the principal trademarks to be licensed to FTG members, including all Federal Trademarks and Service Marks that have been registered

with the U.S. Patent and Trademark Office ("PTO") and those for which registration is pending.

TRADEMARK	REGISTRATION NO.	REGISTRATION DATE	REGISTE R
Floors To Go (stylized lettering) (SM) 	1,903,872	July 4, 1995	Principal
Floors To Go (SM) 	3,227,579	April 10, 2007	Principal
Floors To Go and design (stylized lettering) (SM) 	3,227,580	April 10, 2007	Principal

A combined Affidavit of Continued Use and Incontestability (§ 8 and § 15 of the Trademark Act of 1946, as amended) relating to Registration No. 1,903,872 was filed and has been accepted by the PTO. This registration was renewed for additional ten-year periods in 2005 and 2015.

Combined Affidavits of Continued Use and Incontestability (§ 8 and § 15 of the Trademark Act of 1946, as amended) relating to Registration Nos. 3,227,579 and 3,227,580 were filed and have been accepted by the PTO. Each registration was renewed for a 10 year period in 2016.

There are presently no currently effective material determinations of the PTO, Trademark Trial and Appeal Board, the trademark administrator of any state or any court, nor any pending infringement, opposition or cancellation proceeding, nor any pending material litigation involving such trademarks, service marks, trade names, logotypes or other commercial symbols of FTG which is relevant to their use in your state or in any other state. FTG is not aware of any use of the Floors To Go name or marks by a third

party other than a Washington corporation named "Floors To Go, Inc." doing business in Renton, Washington.

There are no agreements currently in effect that significantly limit the rights of FTG to use or license the use of the above-identified trade names and trademarks.

FTG will defend you against any infringement, unfair competition, or other claim respecting your lawful and authorized use of any name or mark licensed by FTG. FTG will make reasonable efforts to protect your rights to use the Marks. If any infringement of, or challenge to, your use of the Marks should occur, you are obligated to immediately provide FTG with written notice of the same. FTG will then have the sole discretion to take such action as it deems appropriate. The Membership Agreement requires FTG to protect and defend the use of all membership-related trade names and service marks. FTG is required to indemnify you for expenses or damages for any administrative or judicial proceeding involving a mark licensed to you by FTG. You agree to indemnify FTG for any expenses or damages for any improper or unauthorized use of any licensed mark by you.

To the best of FTG's knowledge, there are currently no superior prior rights or infringing uses actually known to FTG that could materially affect your use of the FTG trademarks in the United States.

You irrevocably agree not to contest, directly or indirectly, FTG's ownership, title, right, or interest in its trade name, and any trademarks, service marks, or any domain names that include FTG's trademarks or service marks, trade secrets, methods, procedures, and advertising techniques which are a part of FTG's business or to contest FTG's sole right to register, use or license others to use such trade names, trademarks, service marks, domain names trade secrets, methods, procedures, and techniques anywhere in the world. You shall not incorporate the words "Floors To Go" or any other confusingly similar names, marks, or logos associated therewith as part of your legal business name or domain names, but you are authorized and required to adopt a fictitious trade name incorporating the words "Floors To Go."

ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

A. Patents and Copyrights

There are no patents or registered copyrights that are material to the FTG System. FTG claims ownership of, and all copyrights for, all lists, manuals and other written materials originating from FTG. Your right to use such materials is governed by the Membership Agreement.

B. Proprietary Information

FTG asserts a proprietary interest and right in and to its price list, cashback list, advertising, marketing and merchandising information, and product specifications (the "Proprietary Information") and all other material provided by FTG to you for use with the FTG System, including without limitation, information you receive on FTG's website located at www.ftginfo.net. You must treat the Proprietary Information, any other materials created for or approved for use in the operation of the FTG System, and the information contained in them, as confidential, and must use all reasonable efforts to maintain this information as secret and confidential. You must not copy, duplicate, record or otherwise reproduce these materials or otherwise make them available to any person, other than those employees who require access in order for your business to operate under the FTG System. The Proprietary Information will remain FTG's sole property and must be kept in a secure place in your Showroom.

You must not, during the term of the Membership Agreement or after the term of the Membership Agreement, communicate, divulge, or use for the benefit of any other person, partnership, association or corporation any confidential information, knowledge, or know-how concerning the methods of operation of the FTG System which may be communicated to you or of which you may be apprised by virtue of your operation under the terms of the Membership Agreement (including information, knowledge, or know-how concerning floor covering marketing and merchandising systems, procedures, processes and techniques). You may divulge this confidential information only to those employees who must have access to it in order to operate the FTG System. Any and all information, knowledge, know-how, techniques, and other data, which FTG designates as confidential, will be deemed confidential for purposes of the Membership Agreement. Upon the termination or expiration of the Membership Agreement, you must immediately return to FTG the Proprietary Information that were loaned to you, including all copies and supplements thereto, during the term of the Membership Agreement. You must destroy all other proprietary items and dispose of same within ten (10) days after termination or expiration of the Membership Agreement for any reason.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

There is no obligation that you participate in the actual operation of the membership business. However, FTG does expect either you or your Showroom manager to devote full time to the management and operation of the FTG System. If you are a business entity, the Showroom manager is not required to have an equity interest in the FTG membership.

FTG imposes no limitation as to who will manage the FTG System in your Showroom, except that such manager must comply with all applicable laws (which may require that the manager obtain a license) and that you must not harm the goodwill associated with the FTG System and the trade names, trademarks and service marks associated with the FTG System.

You must ensure that your Showroom manager(s) comply fully, with all applicable terms of the Membership Agreement including, maintaining all trade secrets, not competing with the Showroom, and safeguarding all FTG System documents, Proprietary Information, etc. provided to you by FTG.

If you are a business entity, such as a corporation, limited liability company or limited partnership, our required form of owner's statement, which is attached as Exhibit "C" to this disclosure document (the "Principal Owner's Statement") describes all of your owners and their interests in you.

[The spouse of an owner is not required to sign a separate personal guaranty, confidentiality or non-competition agreement.](#)

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

With regard to the FTG System, there are no restrictions on the goods and services which may be offered by you, including competing floor covering products, except that you may not participate in a competing marketing and merchandising system which offers products similar to those offered by the FTG System while a member of the FTG System.

The FTG System may be supplemented, improved, and otherwise modified from time to time by FTG. With regard to the FTG System, the Pricing Manual will be regularly updated to identify the selected vendors, floor coverings and prices currently available to FTG System members. You must comply with all of FTG's reasonable requirements in that regard, including offering and selling new or different products or services as specified by FTG.

Section 7.1 of the Membership Agreement requires you to purchase, for each of your Showrooms, a minimum of \$350,000 or 80% of your total floor covering and window treatment purchases, whichever is greater, through the FTG System during the calendar year following the opening of each such Showroom. Only those floor covering and window treatment products that FTG designates as part of the FTG System qualify towards the minimum purchase requirements.

We do not impose any restrictions or conditions that limit your access to customers.

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

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Membership Agreement and related agreements. You should read these provisions in the agreements attached to this disclosure document.

	Provision	Section in Membership Agreement	Summary
a.	Length of the franchise	Section 2.1	5 Years

	Provision	Section in Membership Agreement	Summary
	term		
b.	Renewal or extension of the term	Section 2.1; Section 2.2	Renewal terms of 5 years each, subject to contractual requirements
c.	Requirements for franchisee to renew or extend	Section 2.2; Section 13.1	<p>Notice, compliance with Membership Agreement, sign new Membership Agreement, and pay renewal fee</p> <p>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 rights.</p>
d.	Termination by franchisee	Section 13.1	Notice, compliance with Membership Agreement, release of liability, subject to applicable state law
e.	Termination by franchisor without cause	Not applicable	
f.	Termination by franchisor with cause	Section 13.2	Failure to comply with Membership Agreement
g.	"Cause" defined—curable defaults	Section 13.2	You have thirty (30) days after notice to cure certain defaults
h.	"Cause" defined—non-curable defaults	Section 13.2	Non-curable defaults include, insolvency, bankruptcy, failure to stay open, failure to meet minimum sales levels, misuse of trademarks and repetition of earlier defaults.
i.	Franchisee's obligations on termination/non-renewal	Section 13.3	Obligations include stop using FTG Marks and System, and payment of amounts due, including the unpaid portion of your Initial

	Provision	Section in Membership Agreement	Summary
			Membership Fee or any applicable Early Termination Fee.
j.	Assignment of contract by franchisor	Section 10	Notice
k.	"Transfer" by franchisee—defined	Sections 11.1, 11.2, 11.3 and 11.4	Includes transfer of interest in Membership Agreement and in member if a business entity, upon death/disability, and change in business form
l.	Franchisor approval of transfer by franchisee	Section 11.1	We have right to approve/disapprove transfer.
m.	Conditions for franchisor approval of transfer	Section 11.1	Includes payment of monies owed and fee; no breach; release of liability; transferee suitability; and execution of new agreement
n.	Franchisor's right of first refusal to acquire franchisee's business	Not applicable	
o.	Franchisor's option to purchase franchisee's business	Not applicable	
p.	Death or disability of franchisee	Section 11.2	Includes payment of money owed, transferee suitability, assumption of current agreement, release from estate
q.	Non-competition covenants during the term of the franchise	Subsection 9.2(d) and Section 9.4	No participation in other marketing and merchandising systems, subject to applicable state law
r.	Non-competition covenants after the franchise is terminated or expires	Not applicable	
s.	Modification of the agreement	Section 3.2; Section 5.3	Pricing Manual subject to change; improvements, additions and changes to FTG System must be adopted
t.	Integration/merger clause	Section 16.5	Only terms of the disclosure document and Membership

	Provision	Section in Membership Agreement	Summary
			Agreement are binding (subject to state law). Any representations or promises outside of the disclosure 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 Dlugokienski, 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 ~~2021~~2022 TO ~~2023~~2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	149	151	2
<u>Franchised</u>	2022	151	151	0
	2023	151	161	10
Company-Owned	2021 2024	0 <u>161</u>	0 <u>150</u>	0 <u>-11</u>
<u>Company-Owned</u>	2022	0	0	0
	2023	0	0	0
Total Outlets	2021 2024	149 <u>0</u>	151 <u>0</u>	20 <u>-11</u>
<u>Total Outlets</u>	2022	151	151	0
	2023	151	161	10
	<u>2024</u>	<u>161</u>	<u>150</u>	<u>-11</u>

TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR OR AN AFFILIATE)
FOR YEARS ~~2021~~2022 TO ~~2023~~2024

State	Year	Number of Transfers
Alabama	2021 2022	0
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>Alaska</u>	2022	0
	2023	0
Alaska	2021 2024	0
<u>Arizona</u>	2022	0
	2023	0
Arizona	2021 2024	0 <u>1</u>
<u>Arkansas</u>	2022	0
	2023	0
Arkansas	2021 2024	0

State	Year	Number of Transfers
California	2022	0
	2023	0
California	2021 2024	0
Colorado	2022	0
	2023	0
Colorado	2021 2024	1
Connecticut	2022	0
	2023	0
Connecticut	2021 2024	0
Delaware	2022	0
	2023	0
Delaware	2021 2024	0
Florida	2022	0
	2023	0
Florida	2021 2024	0 1
Georgia	2022	0
	2023	0
Georgia	2021 2024	0
Hawaii	2022	0
	2023	0
Hawaii	2021 2024	0
Idaho	2022	0
	2023	0
Idaho	2021 2024	0
Illinois	2022	0
	2023	0
Illinois	2021 2024	0
Indiana	2022	0
	2023	0 1
Indiana	2021 2024	0
Iowa	2022	0
	2023	1 0
Iowa	2021 2024	0
Kansas	2022	0
	2023	0
Kansas	2021 2024	0
Kentucky	2022	0
	2023	0
Kentucky	2021 2024	0
Louisiana	2022	0
	2023	0
Louisiana	2021 2024	0
Maine	2022	0
	2023	0

State	Year	Number of Transfers
Maine	2021 2024	0
Maryland	2022	0
	2023	0
Maryland	2021 2024	0
Massachusetts	2022	0
	2023	0
Massachusetts	2021 2024	0
Michigan	2022	0
	2023	0
Michigan	2021 2024	0
Minnesota	2022	0
	2023	0
Minnesota	2021 2024	0
Mississippi	2022	0
	2023	0
Mississippi	2021 2024	0
Missouri	2022	0
	2023	0
Missouri	2021 2024	0
Montana	2022	0
	2023	0
Montana	2021 2024	01
Nebraska	2022	0
	2023	0
Nebraska	2021 2024	0
Nevada	2022	0
	2023	0
Nevada	2021 2024	0
New Hampshire	2022	0
	2023	0
New Hampshire	2021 2024	0
New Jersey	2022	0
	2023	0
New Jersey	2021 2024	0
New Mexico	2022	0
	2023	0
New Mexico	2021 2024	0
New York	2022	0
	2023	0
New York	2021 2024	0
North Carolina	2022	0
	2023	0
North Carolina	2021 2024	0
North Dakota	2022	0

State	Year	Number of Transfers
	2023	0
North Dakota	2021 2024	0
<u>Ohio</u>	2022	0
	2023	0
Ohio	2021 2024	0
<u>Oklahoma</u>	2022	0 1
	2023	0
Oklahoma	2021 2024	0
<u>Oregon</u>	2022	1 0
	2023	0
Oregon	2021 2024	0 1
<u>Pennsylvania</u>	2022	0
	2023	0
Pennsylvania	2021 2024	0
<u>Rhode Island</u>	2022	0
	2023	0
Rhode Island	2021 2024	0
<u>South Carolina</u>	2022	0
	2023	0
South Carolina	2021 2024	0
<u>South Dakota</u>	2022	0
	2023	0
South Dakota	2021 2024	0
<u>Tennessee</u>	2022	0
	2023	0
Tennessee	2021 2024	0
<u>Texas</u>	2022	0
	2023	0 1
Texas	2021 2024	0
<u>Utah</u>	2022	0
	2023	1 0
Utah	2021 2024	0
<u>Vermont</u>	2022	0
	2023	0
Vermont	2021 2024	0
<u>Virginia</u>	2022	0
	2023	0
Virginia	2021 2024	0
<u>Washington</u>	2022	0
	2023	0
Washington	2021 2024	0
<u>West Virginia</u>	2022	0
	2023	0
West Virginia	2021 2024	0

State	Year	Number of Transfers
<u>Wisconsin</u>	2022	0
	2023	0
Wisconsin	2021 <u>2024</u>	0
<u>Wyoming</u>	2022	0
	2023	0
Wyoming	2021 <u>2024</u>	0
<u>Totals</u>	2022	0 <u>1</u>
	2023	0 <u>2</u>
<u>Totals</u>	2021 <u>2024</u>	1 <u>5</u>
	2022	1
	2023	2

TABLE NO. 3

STATUS OF FRANCHISED OUTLETS FOR YEARS ~~2021~~2022 TO ~~2023~~2024*

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Alabama	2021	4	0	0	0	0	0	4
<u>Alabama</u>	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
Alaska	2021 <u>2024</u>	1 <u>5</u>	0 <u>1</u>	0	0	0	0 <u>1</u>	1 <u>5</u>
<u>Alaska</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arizona	2021 <u>2024</u>	1	0	0	0	0	0 <u>1</u>	1 <u>0</u>
<u>Arizona</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Arkansas	2021 <u>2024</u>	2 <u>1</u>	1 <u>0</u>	0	0	0	0	3 <u>1</u>
<u>Arkansas</u>	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
California	2021 <u>2024</u>	29 <u>4</u>	1 <u>0</u>	0	0	0	3	27 <u>1</u>
<u>California</u>	2022	27	2	0	0	0	0	29
	2023	29	1	0	0	0	1	29
Colorado	2021 <u>2024</u>	5 <u>29</u>	1 <u>5</u>	0	0	0	0 <u>6</u>	6 <u>28</u>

State	Year	Outlets at Start of Year	Outlets Open ed	Termin -ations	Non-Re new-als	Re-acqui red by Fran-chi sor	Ceased Opera-t ions Other Reasons	Outlets at End of the Year
Colorado	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
Connecticut	2021 2024	3 6	0	0	0	0	0	3 6
Connecticut	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Florida	2021 2024	11 3	1 0	0	0	0	1 0	11 3
Florida	2022	11	0	0	0	0	0	11
	2023	11	1	0	0	0	0	12
Georgia	2021 2024	0 12	0	0	0	0	0 1	0 11
Georgia	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Hawaii	2021 2024	0 1	0	0	0	0	0	0 1
Hawaii	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Idaho	2021 2024	1 0	0	0	0	0	0	1 0
Idaho	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Illinois	2021 2024	6 2	0	0	0	0	0	6 2
Illinois	2022	6	0	0	0	0	1	5
	2023	5	0	0	0	0	0	5
Indiana	2021 2024	5	0	0	0	0	0	5
Indiana	2022	5	0	0	0	0	0	5
	2023	5	0	0	0	0	1	4
Iowa	2021 2024	3 4	1 0	0	0	0	0	4
Iowa	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Kansas	2021 2024	1 4	0	0	0	0	0	1 4
Kansas	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Kentucky	2021 2024	0 1	0	0	0	0	0	0 1

State	Year	Outlets at Start of Year	Outlets Open ed	Termin -ations	Non-Re new-als	Re-acqui red by Fran-chi sor	Ceased Opera-t ions Other Reasons	Outlets at End of the Year
Kentucky	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Louisiana	2021 2024	4 0	0	0	0	0	0	4 0
Louisiana	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Maryland	2021 2024	0 4	0	0	0	0	0	0 4
Maryland	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Massachusetts	2021 2024	0	0	0	0	0	0	0
Massachusetts	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Michigan	2021 2024	1 0	0	0	0	0	0	1 0
Michigan	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Minnesota	2021 2024	2 1	0	0	0	0	0	2 1
Minnesota	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Mississippi	2021 2024	0 2	0	0	0	0	0	0 2
Mississippi	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Missouri	2021 2024	3 0	0	0	0	0	0	3 0
Missouri	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
Montana	2021 2024	1 3	0	0	0	0	0	1 3
Montana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nebraska	2021 2024	1	0	0	0	0	0	1
Nebraska	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
Nevada	2021 2024	2 1	0	0	0	0	0	2 1

State	Year	Outlets at Start of Year	Outlets Open ed	Termin -ations	Non-Re new-als	Re-acqui red by Fran-chi sor	Ceased Opera-t ions Other Reasons	Outlets at End of the Year
Nevada	2022	2	0	0	0	0	0	2
	2023	2	1	2	0	0	0	1
New Jersey	2021 2024	4 1	0	0	0	0	0	4 1
New Jersey	2022	4	0	0	0	0	0	4
	2023	4	1	0	0	0	0	5
New Mexico	2021 2024	1 5	0	0	0	0	0 1	1 4
New Mexico	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
New York	2021 2024	17 1	1 0	0	0	0	0	18 1
New York	2022	18	0	0	0	0	0	18
	2023	18	2	0	0	0	0	20
North Carolina	2021 2024	1 20	0	0 1	0	0	0 3	1 16
North Carolina	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
North Dakota	2021 2024	0 1	0	0	0	0	0	0 1
North Dakota	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Ohio	2021 2024	0 1	0	0	0	0	0	0 1
Ohio	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Oklahoma	2021 2024	3 0	0	0	0	0	0	3 0
Oklahoma	2022	3	0	0	0	0	1	2
	2023	2	0	0	0	0	0	2
Oregon	2021 2024	5 2	0	0	0	0	0	5 2
Oregon	2022	5	0	0	0	0	1	4
	2023	4	0	0	0	0	0	4
Pennsylvania	2021 2024	0 4	0	0	0	0	0	0 4
Pennsylvania	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
Rhode Island	2021 2024	0	0	0	0	0	0	0

State	Year	Outlets at Start of Year	Outlets Open ed	Termin -ations	Non-Re new-als	Re-acqui red by Fran-chi sor	Ceased Opera-t ions Other Reasons	Outlets at End of the Year
Rhode Island	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
South Carolina	2021 2024	10	0	0	0	0	0	10
South Carolina	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
Tennessee	2021 2024	2	1	0	0	0	0	3
Tennessee	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
Texas	2021 2024	16	0	0	0	0	0	16
Texas	2022	16	0	0	0	0	1	15
	2023	15	2	0	0	0	0	17
Utah	2021 2024	2	0	0	0	0	0	2
Utah	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Virginia	2021 2024	3	0	0	0	0	1	2
Virginia	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Washington	2021 2024	4	0	0	0	0	0	4
Washington	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
Wisconsin	2021 2024	4	0	0	0	0	0	4
Wisconsin	2022	4	1	0	0	0	1	4
	2023	4	0	0	0	0	0	4
Totals	2021 2024	149	7	0	0	0	5	151
Totals	2022	151	5	0	0	0	5	151
	2023	151	14	2	0	0	2	161
	2024	161	7	1	0	0	17	150

* If multiple events occurred affecting an outlet, this table shows the event that occurred last in time.

TABLE NO. 4

STATUS OF COMPANY-OWNED OUTLETS FOR YEARS ~~2021~~2022 TO ~~2023~~2024

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisee s	Outlets Closed	Outlets Sold to Franchisee s	Outlets at End of the Year
Florida	2021 2022	0	0	0	0	0	0
	2022 2023	0	0	0	0	0	0
	2023 2024	0	0	0	0	0	0
Total	2021 2022	0	0	0	0	0	0
	2022 2023	0	0	0	0	0	0
	2023 2024	0	0	0	0	0	0

TABLE NO. 5

PROJECTED OPENINGS AS OF DECEMBER 31, ~~2023~~2024

State	Membership Agreements Signed, But Outlets Not Opened	Projected New Franchised Outlets in the Current Fiscal Year (2024 2025)	Projected New Company-Owned Outlets in the Current Fiscal Year (2024 2025)
Alabama	0	0	0
Alaska	0	0	0
Arizona	0	1	0
Arkansas	0	0	0
California	0	2 1	0
Colorado	0	0	0
Connecticut	0	0	0
Delaware	0	0	0
Florida	0	0 1	0
Georgia	0	0	0
Hawaii	0	0	0
Idaho	0	0	0
Illinois	0	0	0
Indiana	0	0	0
Iowa	0	0	0

State	Membership Agreements Signed, But Outlets Not Opened	Projected New Franchised Outlets in the Current Fiscal Year (2024 2025)	Projected New Company-Owned Outlets in the Current Fiscal Year (2024 2025)
Kansas	0	0	0
Kentucky	0	0	0
Louisiana	0	0	0
Maine	0	0	0
Maryland	0	0	0
Massachusetts	0	0	0
Michigan	0	0	0
Minnesota	0	0	0
Mississippi	0	0	0
Missouri	0	0	0
Montana	0	0	0
Nebraska	0	0	0
Nevada	0	0	0
New Hampshire	0	0	0
New Jersey	0	1 0	0
New Mexico	0	0	0
New York	0	1 0	0
North Carolina	0	0	0
North Dakota	0	0	0
Ohio	0	0	0
Oklahoma	0	0	0
Oregon	0	0	0
Pennsylvania	0	0	0
Rhode Island	0	0	0
South Carolina	0	0	0
South Dakota	0	0	0
Tennessee	0	0	0
Texas	0	2	0
Utah	0	0	0
Vermont	0	0	0
Virginia	0	0	0
Washington	0	0	0
West Virginia	0	0	0
Wisconsin	0	0	0
Wyoming	0	0	0
Puerto Rico	0	0	0
Totals	0	7 5	0

Exhibit "H" lists the names of all of our operating franchisees and the addresses and telephone numbers of their Showrooms as of December 31, ~~2023~~2024. Exhibit "I" lists the franchisees who have signed Membership Agreements for Showrooms which were not

yet operational as of December 31, ~~2023~~2024. Exhibit "J" lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Membership Agreement during the most recently completed fiscal year, or who has not communicated with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last 3 fiscal years, we have not signed any confidentiality clauses with current or former franchisees which would restrict them from speaking openly with you about their experience with us.

There is no trademark-specific franchisee organization associated with the FTG System.

ITEM 21. FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit "E" is the Floors To Go, LLC audited financial statements for the years ended December 31, ~~2023~~2024, December 31, ~~2022~~2023 and December 31, ~~2021~~2022.

ITEM 22. CONTRACTS

The following Exhibits contain all the contracts which you will be required to sign in connection with being granted a franchise:

Exhibit "A" Membership Agreement

Exhibit "B" State Specific Amendments to the Membership Agreement (if applicable)

Exhibit "C" Principal Owner's Statement

ITEM 23. RECEIPTS

Two copies of an acknowledgment of your Receipt of this disclosure document appear as Exhibit "L" Thank you for printing your full name in the appropriate spaces and for signing and dating both copies. Please return the one marked "Our Copy" to us and retain the one marked "Your Copy" for your records.

EXHIBIT "A"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March ~~13~~12, ~~2024~~2025

MEMBERSHIP AGREEMENT

TABLE OF CONTENTS

1.	Our Relationship	1
1.1.	Your Membership	1
1.2.	Your Territory	1
2.	Term	2
2.1.	Duration/Renewal	2
2.2.	Conditions to Renewal	2
2.3.	Notice Required By Law	2
3.	Your Rights Under Our Relationship	2
3.1.	Membership Rights	2
3.2.	Our Standards and Policies	4
3.3.	Multiple Showrooms	4
3.4.	Affiliates	5
4.	Our Name and Mark	5
4.1.	Ownership Rights Defined	5
4.2.	Use of the FTG Marks and Names	6
4.3.	Appearance of the FTG Marks on Items	6
4.4.	Use of Trademark to Identify Site	6
4.5.	Website	6
4.6.	Advertising	7
4.7.	Interference with Our Use of the FTG Marks	7
4.8.	Your Name	7
4.9.	Protection of Marks	7
4.10.	Related Rights	8
4.11.	Right to Enjoin Improper Use of Marks and Names	8
4.12.	Indemnification	8
5.	Our Obligation to You	8
5.1.	Training to be Provided	8
5.2.	Assistance to Members	9
5.3.	Proprietary Information	9
5.4.	Commercially Reasonable Efforts	10
5.5.	Rights	10
6.	Your Obligation to Us	10
6.1.	Initial Membership Fee	10
6.2.	Showroom Redesign	10
6.3.	Service Fee	11
6.4.	Advertising Fee	11
6.5.	Brokerage Fee	11
6.6.	Renewal Fee	11
6.7.	Transfer Fee	11
6.8.	Interest on Late Payment	12
6.9.	Set-Off	12

7.	Our Expectation	12
7.1.	General Operations.	12
7.2.	FTG CashBack Program.	12
7.3.	Showroom Signage.	13
7.4.	Advertising and Promotions.	13
7.5.	Approved Vendors and Merchandise.	14
7.6.	Working Capital.	14
7.7.	Relationship of Parties.	14
7.8.	Insurance.	14
7.9.	Indemnification.	15
7.10.	Litigation.	15
7.11.	No Liability; No Warranty.	16
8.	Your Records	17
8.1.	Record Maintenance and Reporting	17
8.2.	Inspection Rights	17
9.	Your Promises to Us	17
9.1.	Your Representations and Warranties.	17
9.2.	Obligations.	18
9.3.	Confidentiality.	18
9.4.	Covenant Not to Compete During Term of Agreement.	19
9.5.	Legal Fees and Costs	20
10.	Transfer Of Agreement By Us	20
11.	Transfer Of Membership By You	20
11.1.	Requirements for Transfer.	20
11.2.	Transfer to Heirs Upon Your Death or Disability	21
11.3.	Business Entity Member	21
11.4.	Change of Your Form of Business.	22
11.5.	Consent Does Not Constitute Waiver.	22
12.	Relocation Of Your Showroom	22
13.	Termination and Defaults	22
13.1.	Termination by You.	22
13.2.	Termination by Us.	22
13.3.	Rights and Duties of Parties Upon Expiration or Termination.	25
14.	Arbitration	26
14.1.	Initiation.	26
14.2.	Negotiating Teams.	27
14.3.	Arbitration.	27
14.4.	Interim Relief	27
15.	Notices	27
15.1.	Address for Notice.	27
15.2.	Notice to Your Employees.	28

16.	Interpretation, Modification, And Execution	28
16.1.	Governing Law.	28
16.2.	Venue.	28
16.3.	Waiver of Jury Trial.	29
16.4.	Gender and Number.	29
16.5.	Entire Agreement.	29
16.6.	Joint and Several Obligations.	29
16.7.	Severability.	29
16.8.	Non-Waiver of Rights.	30
16.9.	Cost of Enforcement.	30
16.10.	Remedies Cumulative.	30
16.11.	Business Entities.	30
16.12.	No Third Party Beneficiaries.	30
16.13.	State Required Addendum	30
16.14.	Employment Policies	31

SCHEDULES:

Schedule "A"	Showroom Location and Your Territory
Schedule "B"	State Specific Amendments to Membership Agreement
Schedule "C"	Principal Owner's Statement

FLOORS TO GO MEMBERSHIP AGREEMENT

Welcome to Floors To Go, LLC ("FTG") and our FTG System. Our method of marketing floor and window covering products, known as the "FTG Marketing System" is based upon owner/operators of floor covering showrooms, like yourself, selling carpeting, other floor coverings, and window covering products to individual consumers from a designated selection of samples. You will be able to purchase, special order or inventory this merchandise from our-approved suppliers.

In addition to the FTG Marketing System, our "FTG System" allows you to utilize a merchandising system that includes showroom design, displays, product selection, and interior signage (the "FTG Merchandising System"). Our goal in developing the FTG System is to better serve you and your customers.

We own and/or use certain trade names, service marks, and trademarks for the operation of the FTG System. We believe that this ensures uniform standards of appearance, quality, and operation for all participating showrooms and enhances and protects the use of the FTG System.

By signing this Membership Agreement (the "Agreement") you agree to the terms and conditions contained herein.

1. Our Relationship

1.1. Your Membership. You will have the right to (a) participate as a member in the FTG System for the purchase of floor coverings and window covering products, and to indicate to the public that your independent business is operated as part of the FTG System; (b) participate in the FTG CashBack Program (see Section 7.2 for details); and (c) adopt and use our selected trademarks, service marks, and trade names with our signs, emblems, and insignia.

1.2. Your Territory. You will be granted the right to conduct your business at the location designated on the attached Schedule "A" ("Your Territory" or "Showroom"). Your Territory will be determined based on the factors that we deem relevant, which might include population, traffic flow, presence of businesses, location of competitors (including other showrooms), demographics, and other market conditions. The Territory may be defined based on geographic boundaries, streets or other criteria, as we determine appropriate. On renewal or transfer of your franchised business, Your Territory may be modified. Depending on the then-current demographics of Your Territory, and on our then-current standards for territories, if Your Territory is larger than our then-current standard territory, we may require you or the transferee to accept a renewal territory or a transfer territory that is smaller than Your Territory. This means that we will not open or license any other person or entity to open a showroom using the "Floors To Go" trade name or trademarks within Your Territory. However, you may face competition from other outlets that we franchise or own, or from other channels of distribution or competitive brands we control, within Your Territory, including, but not limited to, competition from the FTG Shop At Home program. We will not prohibit you from selling products for installation outside of Your Territory nor will we prohibit you from offering other floor covering or window treatment products for sale along with those products available through the FTG System. In other words, we will not restrict you from marketing or soliciting customers outside Your Territory.

Floors To Go, LLC
MEMBERSHIP AGREEMENT

2. Term

2.1. Duration/Renewal. Our relationship will begin on the date this Agreement is signed by you and us and will continue for a period of five (5) years (the "Original Term"). You will also have the right to renew your FTG membership for successive terms of five (5) years.

2.2. Conditions to Renewal. If you would like to renew your FTG membership for a successive term of five (5) years and you meet the conditions contained in this Section 2.2, you must provide us with written notice, by registered or certified mail, of your exercise of each option, not less than sixty (60) days prior to the expiration of your membership (each a "Renewal Term"). If you do not provide us with such notice and a renewal fee as set forth in Section 6.6, this Agreement will continue on a month-to-month basis until we either (i) send you notice of termination, or (ii) we agree to renew the Agreement pursuant to the terms provided herein, whichever occurs first. Our only conditions to your renewal of this Agreement are that (a) you cannot be in default of any material term or condition of any amendments hereof, or any other agreement in which we are both a party; (b) you execute the then-current FTG System membership agreement, which agreement shall supersede this Agreement in all respects, and which may contain terms that materially differ from the terms of this Agreement, such as different fee requirements and territorial rights; and (c) you pay the applicable renewal fee (see Section 6.7 for details).

2.3. Notice Required By Law. Where required by law, we will give you notice prior to the expiration of the Original Term or any Renewal Term. This Agreement shall remain in effect on a month-to-month basis until we have given the requisite notice required by such applicable law. If for some reason we are not offering new memberships, or if we are in the process of revising, amending or renewing our form of membership agreement or disclosure document, or if we are not lawfully able to offer you our then-current form of membership agreement at the time you advise us that you desire to renew, we may: (i) offer to renew this Agreement upon the same terms set forth herein for a Renewal Term, or (ii) offer to extend the Original Term or any Renewal Term on a month-to-month basis following the expiration of such Original Term or Renewal Term for as long as it should be necessary or appropriate so that we may lawfully offer our then-current form of membership agreement, which may include territorial rights that are more limited in scope than Your Territory under this Agreement.

3. Your Rights Under Our Relationship

3.1. Membership Rights.

a. As a member all of your rights under this Agreement are personal and cannot be sold, assigned, transferred, or encumbered in any way, in whole or in part, except as set forth in Article 11. Except as permitted by us, you cannot subfranchise.

b. As a member, you agree that the only rights pertaining to the identification, schemes, standards, specifications, operating procedures, and other concepts embodied in the FTG System to which you are entitled are those that are given to you under this Agreement. You will not be acquiring any ownership or other rights, title, or interests to the FTG System or the rights licensed hereunder unless expressly granted to you in this Agreement. Any and all goodwill associated with the FTG System and the rights licensed in this Agreement shall inure exclusively to our benefit.

c. As a member, you agree that we and our affiliates retain all rights not expressly granted to you under this Agreement (with respect to, among other things, FTG Showrooms, the FTG Marks (as defined in Subsection 4.1(a)), the sale of similar or dissimilar products and services, and any

Floors To Go, LLC
MEMBERSHIP AGREEMENT

other activities we deem appropriate, whenever and wherever we desire), including, but not limited to, the right in our sole discretion:

1. to operate, and to grant others the right to operate, FTG Showrooms located anywhere outside Your Territory;
2. to develop, use, and license the rights to any tradenames, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights that we have not licensed to you under this Agreement;
3. to freely and unconditionally do business, or authorize others to do business, under the FTG Marks, through alternative marketing plans or systems, alternative distribution methods or procedures, and different business formats, at any locations inside or outside Your Territory;
4. to establish, own and operate, or grant others the right to establish, own and operate, businesses offering dissimilar products and services, at any locations inside and outside Your Territory, under the FTG Marks;
5. to establish, own and operate, or grant others the right to establish, own and operate, similar businesses or any other businesses offering similar or dissimilar products and services, through similar or dissimilar channels of distribution (including the Internet and similar electronic media), at any locations inside or outside Your Territory, under trademarks or service marks other than the FTG Marks;
6. to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at FTG Showrooms, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, including Your Territory;
7. to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) by a business providing products and services similar to those provided at FTG Showrooms, or by another business, even if such business operates, franchises and/or licenses competitive businesses in Your Territory; and
8. to engage in any other activities we and/or our affiliates desire within or outside of Your Territory that are not specifically prohibited under this Agreement.

We will not operate, or grant others the right to operate, a business substantially identical to yours within Your Territory under the FTG Marks. Otherwise, we are not required to pay you if we exercise any of the rights specified above in Your Territory.

3.2. Our Standards and Policies. You agree to follow the standards, policies and programs of the FTG System, as may be changed from time to time. We may supplement, improve, or alter the

Floors To Go, LLC
MEMBERSHIP AGREEMENT

methods and procedures with which you are authorized and required to comply with in your use of the FTG System.

3.3. Multiple Showrooms. We offer you the option, upon our prior approval, of adding additional showrooms to your membership. If you add an additional Showroom or Showrooms simultaneously with the execution of this Agreement, then an additional Schedule "A" will be attached to this Agreement for each additional Showroom. If you would like to operate an additional Showroom or Showrooms subsequent to the execution of this Agreement, we must approve the opening of such additional Showroom(s), and we may require that you execute the then-current membership agreement for each additional Showroom, which may include territorial rights that are more limited in scope than Your Territory under this Agreement.

If you operate more than one Showroom, you will not be required to pay the Initial Membership Fee set forth in Section 6.1 or any Service Fee or Advertising Fee (defined respectively in Sections 6.3 and 6.4 below) for your additional Showrooms, so long as the Service Fees and Advertising Fees are otherwise being paid to us by you under the terms of this Agreement or one of your other membership agreements. If, for any reason whatsoever, the Service Fees or Advertising Fees are not otherwise being paid to us, you shall be required to pay the Service Fee and Advertising Fee set forth in Sections 6.3 and 6.4 of this Agreement.

We do not require any additional membership fees other than the Initial Membership Fee on your first Showroom, and only your first Showroom is entitled to the \$1,000 sign credit set forth in Section 7.3. The minimum purchase requirements set forth in Article 7 will also apply to each additional showroom that you operate. The minimum purchase requirements for each additional Showroom shall be as follows:

Commit to purchasing, for each of your Showrooms, a minimum of \$350,000 or 80% of your total floor covering and window treatment purchases, whichever is greater, through the FTG System during each calendar year following the opening of each such Showroom. Only those floor covering and window treatment products that we designate as part of the FTG System qualify towards the minimum purchase requirements.

3.4. Affiliates.

a. Abbey Carpet Co., Inc. Our affiliate, Abbey Carpet Co., Inc. offers franchises for floor covering stores under the name "Abbey Carpet." Abbey Carpet Co., Inc. sells floor and window coverings and may compete to a certain extent with your Showroom.

b. The Floor Club, Inc. In 1998, our affiliate, The Floor Club, Inc., began offering franchises for "members only," wholesale floor covering showrooms operating under the name "The Floor Club" and catering primarily to the non-retail trade. The Floor Club, Inc. showrooms sell floor and window covering at wholesale to large commercial customers and are prohibited from engaging in general public-oriented advertising.

Every effort will be made to avoid overlap between the territories of FTG members and *The Floor Club*® franchisees and the *Abbey Carpet*® franchisees. However, some overlap may occur, and there is no limitation on the right of any member to sell products for installation outside of that member's territory. There is currently no formal plan for resolving conflicts among the FTG members, *The Floor Club*® franchisees and *Abbey Carpet*® franchisees regarding territory, customers, or

Floors To Go, LLC
MEMBERSHIP AGREEMENT

franchisor support. The conflict resolution provisions of the Agreement apply to any disputes relating to your FTG membership.

4. Our Name and Mark

One of our most valued assets is our intellectual property rights in our name. As such, at no time will you be permitted or authorized, directly or indirectly, to take any action to contest our ownership, title, right, or interest in the "Floors To Go" trade names, trademarks, service marks, trade secrets, methods, procedures, or advertising techniques which are a part of our business, or to contest our sole right to register, use, or license others to use such trade names, trademarks, service marks, trade secrets, methods, procedures, or advertising techniques.

4.1. Ownership Rights Defined.

a. Your use of our service marks, trade names, and trademarks, including, but not limited to, Floors To Go and design and Floors To Go Your Hometown Flooring Center and design (collectively referred to as the "FTG Marks" or the "Marks") shall inure to our sole benefit. We are the sole owner of all right, title, and interest in and to the FTG Marks and goodwill attributed to the use of the FTG Marks. You expressly disclaim any and all rights, title, and interest in and to the FTG Marks licensed for your use and to any additional marks introduced by us after execution of this Agreement.

b. All rights in and to the Marks, including, without limitation, trademark, design, patent and copyright rights, other than the user trademark rights specifically granted herein, are reserved to us. Any such rights which may arise in connection with your use of the Marks shall, without any requirement of notice or deed, be our property; provided, however, that you shall have the right, to the extent necessary in exercising your rights as a member hereunder, to the use of such rights during the Original Term and any Renewal Term of this Agreement only in Your Territory.

c. Whenever requested by us, whether during the term or thereafter, you shall execute such documents and instruments as our legal counsel may deem necessary or appropriate to confirm our ownership of all rights in and to the Marks, to maintain the validity of the Marks, or to obtain or maintain registrations thereof.

d. You agree that the nature and quality of the goods sold by you or on your behalf in connection with Marks shall be subject to our approval, and we shall have the right to inspect the quality of the goods sold under Marks.

e. You may not transfer or assign to anyone, including your employees or independent contractors, your rights to use the Marks or your rights to participate in the FTG System or any of the FTG programs.

4.2. Use of the FTG Marks and Names. You shall confine your use of the FTG Marks to the sale of products and services authorized by us, unless otherwise approved in writing. You shall use the FTG Marks only in connection with the FTG System, and such use is specifically limited to your operation within Your Territory. Use of the FTG Marks or reference to your FTG location for any other business, event, or purpose is strictly prohibited, except with our prior written consent. If you or an affiliate of yours owns or operates an Abbey Carpet Showroom or a The Floor Club Showroom, you are expressly prohibited from using the Abbey Carpet name, marks or business address or The Floor Club name, marks or business address in any FTG advertisement or other form of publicity, which may include newspaper and radio advertisements, signs, billboards, flyers, coupons or similar items. You specifically

Floors To Go, LLC
MEMBERSHIP AGREEMENT

acknowledge and agree that you are not permitted to use our corporate name or trade names or the FTG Marks, or any colorable imitations of those FTG Marks, for identifying, referencing, linking or otherwise connecting to any Internet Web Site or Domain Name other than those Internet Web Sites and Domain Names as are presently, or may be subsequently, owned by or registered to us. You further acknowledge and agree that you shall not be permitted to use or assist others, in any manner whatsoever, with using the FTG Marks or our corporate name, trade names, trade symbols, logos, emblems, slogans or designs, in whole or in part, to offer or sell any floor covering or window treatment products on or through any Internet Web Site or Domain Name.

4.3. Appearance of the FTG Marks on Items. You shall use the name "Floors To Go" and/or such other names or logos as authorized by us on all display signs, decorations, advertising, carpet, floor covering samples, and other printed and decorative materials used in or on the premises in connection with the advertising, displaying, or selling of Floors To Go products or services. You shall cause to appear such legends, markings and notices on all uses of the Marks as we may reasonably require, including, without limitation, appropriate copyright and trademark notices, including the ® and ™ symbols as appropriate.

4.4. Use of Trademark to Identify Site. You are required to use the name "Floors To Go" and/or such other names, marks, or logos as we shall direct within Your Territory (see Section 7.3). We shall have the right to approve such signs in order to ensure that they comply with applicable trademark or trade name requirements and contain such legends and symbols as we shall require.

4.5. Website. You will be provided a website, maintained by us, on the domain www.floorstogo.com for each of your FTG Showrooms. From time to time, additional features and benefits may be added to the website, for which we reserve the right to charge a fee to assist in covering costs, including, but not limited to, the costs of developing, implementing and maintaining said features and benefits. In addition, we reserve the right to require you to use "Floors To Go" in your fictitious trade name and make it a permanent part of your exterior signage. If you choose to develop an independent website, it must comply with our trademark, service mark, logo and advertising requirements, as well as any of our applicable policies and procedures. Therefore, among other things, you must (i) obtain our prior written approval of any Internet domain name and home page addresses used for your independent website, (ii) obtain our prior written approval of all hyperlinks and other links to appear on your independent website, and (iii) restrict your use of any materials in which any third party has any interest. Upon your request and our prior written approval, if you include "Floors To Go" in your fictitious trade name and make it a permanent part of your exterior signage, a hyperlink to your independent website will be placed on the website that we maintain for your Showroom.

4.6. Advertising. If you develop or purchase internet-based advertising through email services, search engines, web portals or other internet-based advertising vehicles, you must comply with our trademark, service mark, logo and advertising requirements, as well as any of our other applicable policies and procedures that we may institute from time to time.

4.7. Interference with Our Use of the FTG Marks. You shall not interfere in the use of the name "Floors To Go", or any part thereof, or any other of the FTG Marks by us, any subsidiary or affiliate of us, or any other member; and you shall execute such further documents as are necessary to accomplish this purpose. You shall conduct and operate your business in a manner which will not impair the goodwill associated with the FTG Marks.

Floors To Go, LLC
MEMBERSHIP AGREEMENT

4.8. Your Name. You shall not incorporate the words "Floors To Go" or any other names, marks, or logos associated therewith as part of your legal business name, but you are authorized and required to adopt a fictitious trade name incorporating the words "Floors To Go" and you shall comply with all fictitious name registration statutes. You will, within thirty (30) days after termination of this Agreement, amend your fictitious business name registrations to remove the words "Floors To Go" and all marks and logos associated therewith from your business name.

4.9. Protection of Marks.

a. We may seek, in our own name and at our own expense, appropriate trademark protection for the Marks. You shall not seek or acquire any registration or other interest in any of the Marks anywhere in the world.

b. You understand and agree that we shall retain all right, title and interest in the original Marks, as well as in any modifications or improvements made to the Marks by you, except to the extent provided otherwise herein.

c. You acknowledge our exclusive rights in the Marks and acknowledge that the Marks are unique and valuable.

d. You shall not at any time dispute or contest the validity or value of the Marks or our exclusive rights to use and exploit the Marks.

4.10. Related Rights.

a. You acknowledge our ownership of and other rights in connection with the Marks, as well as the validity of all registrations thereof and shall not at any time do or permit to be done any act or thing which will in any way impair our rights.

b. You shall not in any way challenge or contest the validity of the Marks or any of our rights under this Agreement, nor shall you willingly become an adverse party to litigation in which others shall so contest the Marks or our rights. In addition, you shall not in any way seek to avoid or reduce your obligations hereunder because of the assertion or allegation by any person(s) that the Marks or any of them are invalid or by reason of any contest or claim concerning our rights. You further agree not to contest that your rights under this Agreement are solely those of a franchisee and that such rights end upon the termination or expiration of the Agreement as provided herein.

c. Any permutation of the Marks adopted and used by you shall be and become our property and shall be included as Marks subject to this Agreement. You agree that your every use of the Marks shall inure to our benefit, and that you shall not at any time acquire any rights in such Marks beyond the license herein provided by virtue of any use you may make of such Marks.

d. You acknowledge that only we may file and prosecute applications for registration of the Marks in any country or jurisdiction and agree that we may, from time to time, pursue such registrations we may deem advisable. You shall cooperate with us in connection with any such filings, but the expenses of preparing and prosecuting such applications shall be borne solely by us.

4.11. Right to Enjoin Improper Use of Marks and Names. We shall protect and maintain all rights to the name and mark "Floors To Go" and all related names, marks, or logos against encroachment, misuse, or unauthorized use and against challenges to any rights of your use, as we shall determine in our

Floors To Go, LLC
MEMBERSHIP AGREEMENT

sole discretion. With respect to any use of the name and mark "Floors To Go" by you under this Agreement, you agree to give such reasonable assistance which we may require in order to defend or protect all rights to said name and mark. In the event that you become aware of any infringement of said name or mark, you shall promptly report such infringement to us, and we shall have the sole discretion to take such action as we deem advisable, at our sole expense.

4.12. Indemnification. We shall indemnify you against any claims for infringement arising out of your use of the FTG Marks as authorized herein. You shall indemnify us against all claims arising from your improper or unauthorized use of the FTG Marks.

5. Our Obligation to You

5.1. Training to be Provided. From time to time, we may offer voluntary training programs which focus on sales and management training. Members electing to participate are expected to pay a per trainee fee, plus transportation, lodging and meals.

5.2. Assistance to Members.

a. We will provide and deliver to your Showroom, at our expense, the racks, displays and samples necessary to convert your Showroom to a FTG Showroom, as well as a store design consultant to assist you with adapting the FTG Showroom design package to your Showroom (the "Redesign"). We estimate 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 Showroom. 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 Original Term. We will not purchase any tenant improvement items, including, among other things, installation of floor coverings in showrooms, furniture, or office equipment. We may also, upon your request: (i) provide you with a consultation regarding carpet quality and product mix; and (ii) assist you with resolving problems with merchandise vendors or manufacturers participating in the FTG System.

b. For administrative convenience: (1) we will control the management and disbursement of the funds received as Advertising Fees, as defined in Section 6.4 of this Agreement; (2) we will serve as the advertising agency primarily responsible for creating and developing the advertising materials (e.g., artwork, print media presentations, direct mail flyers, promotional materials, point-of-sale formats, audio and video presentations) which we deem appropriate for the membership advertising programs; (3) we will be authorized and available to provide local or regional advertising placement services to all members upon request and be compensated for our placement services at a rate not in excess of fifteen percent (15%) of the cost of the requested advertising; and (4) we will, upon request, provide advertising consulting and media planning services to you or groups of members for a mutually agreed upon fee.

c. We may hold conferences or conventions from time to time to discuss matters such as sales techniques, product selection and costs to members, performance standards, advertising programs, new products and programs, and operational modifications and updates. You must attend our annual convention. We will bear the cost of your registration fee for your first convention, but you must pay all related travel, lodging and other personal expenses you incur. You must also attend FTG's annual convention in subsequent years, in order to receive the full benefit of the FTG System, and we reserve the right to charge you a fee if you elect not to attend. We will charge you a registration fee for your attendance at all subsequent annual conventions, and you must pay all related travel, lodging and other personal expenses that you incur during such conventions. The annual conventions, voluntary training

Floors To Go, LLC
MEMBERSHIP AGREEMENT

programs, and other elective conferences will be held in a location within the United States designated by FTG. After the first year, attending members are expected to bear the expenses of attending these elective conferences.

5.3. Proprietary Information As part of the FTG System, you will have access on our members-only website to electronic copies of our price list, cashback list, advertising, marketing and merchandising information, and product specifications (this information is collectively referred to as the "Proprietary Information"). As a result, (i) we are and shall remain the owner of any and all Proprietary Information; and (ii) we claim copyright ownership with respect to the Proprietary Information. From time to time we revise and update our Proprietary Information and you agree to adhere to and abide by all such revisions. All Proprietary Information is hereby incorporated into this Agreement. We do not have a formal operations manual.

5.4. Commercially Reasonable Efforts. We agree that we will use commercially reasonable efforts (i) to maintain the reputation of the FTG System; (ii) to make available through the FTG System a wide variety of floor covering and window treatment products at favorable prices; and (iii) to defend the FTG Marks licensed with the FTG System, as described in Article 4 of this Agreement.

5.5. Rights. We will determine and approve the quality, variety, and wholesale prices of floor coverings and window covering products available through the FTG System, and we will take all reasonable actions necessary to maintain the quality and standards of such products. We may inspect your operations, service, premises, and management, to determine the quality thereof and the faithfulness of your compliance with the provisions of this Agreement.

6. Your Obligation to Us

6.1. Initial Membership Fee. The initial membership fee is \$10,000 and is payable as follows:

- a. \$1,000 is due and payable at the time this Agreement is signed by you; and
- b. \$9,000 paid or funded from your participation in the FTG CashBack Program.

In order to pay or fund the \$9,000 balance of the initial membership fee, you grant us the right to retain all proceeds allocable to you from the FTG CashBack Program (see Section 7.2 for details) up to \$9,000 or for a five-year time period commencing on the date FTG executes this Agreement (the "Effective Date"), whichever occurs first (referred to hereafter as the "CashBack Participation"). If your CashBack Participation does not generate proceeds to pay or fund the \$9,000 within five years, whatever lesser amount of proceeds is collected by us during the five-year period on behalf of your Showroom will be deemed payment in full for your initial membership fee. If this Agreement is terminated prior to completion of the initial five-year term, the remaining balance of the initial membership fee shall be due and payable by you to us in cash immediately upon the date of any such termination.

The initial membership fee is not refundable, except that if you attain \$350,000 of first quality, running line purchases, exclusive of promotional products, special purchases and SP's, through the FTG System within the twelve (12) month period commencing on the 90th day following the date on which we execute this Agreement, your initial membership fee will be waived, and all payments made by you for such fee will be refunded to you by us on or after the fifteenth month after the Effective Date.

Floors To Go, LLC
MEMBERSHIP AGREEMENT

6.2. Showroom Redesign. In order to maximize your FTG membership, you must Redesign your Showroom to prominently display the FTG Display System and FTG signage (see Section 5.2 for details). If you make any further material renovations or improvements to the Showroom, you are required to promptly furnish us updated photographs of your Showroom.

6.3. Service Fee.

a. Our monthly service fee is \$400 (hereinafter the "Service Fee"). The Service Fee shall be payable commencing three (3) months after the Effective Date and shall be due and payable thereafter on each successive 10th day of each month.

b. We reserve the right to reasonably and uniformly increase or decrease the Service Fee from time to time consistent with changes in the demands of the FTG System, and you agree to pay such an increased or decreased Service Fee.

6.4. Advertising Fee.

a. In order to promote your membership in Your Territory, an annual advertising fee (the "Advertising Fee") of \$3,000.00 is payable semiannually, in two equal payments of \$1,500.

b. You will not be responsible for the Advertising Fee for the first three (3) months following the Effective Date of this Agreement. The Advertising Fee payable for the first year of this Agreement shall be prorated accordingly.

c. All Advertising Fees paid by you shall be used solely for the development and production of advertising programs and materials to promote the products and services provided by FTG members to their customers. All Advertising Fees paid by you are for system-wide use and will not be used for marketing individual showrooms. These programs and materials may, as available funds permit, include, but not be limited to, in-store point-of-purchase displays, customizable direct mail materials, customizable newspaper and print advertising materials, customizable radio script packages, customizable television commercial packages, and focused multi-media promotions.

d. We reserve the right to reasonably and uniformly increase or decrease the Advertising Fee from time to time consistent with changes in the advertising needs of the FTG System, and you agree to pay such an increased or decreased Advertising Fee.

6.5. Brokerage Fee. You are not responsible for any brokerage fees due to us from manufacturers or vendors participating in the FTG System. You agree to authorize merchandise vendors and manufacturers to inform us of the amount of goods you purchased through the FTG System.

6.6. Renewal Fee. Upon renewal of this Agreement pursuant to Section 2.1 above, we will charge you a modest renewal fee of \$750.

6.7. Transfer Fee. We charge a \$5,000 transfer fee if the membership and the rights under this Agreement are transferred in any way. However, no transfer fee will be charged if you assign your membership under this Agreement in connection with a reorganization that does not result in an actual change of your ultimate beneficial ownership or if the transfer is to heirs upon your death or disability.

6.8. Interest on Late Payment. In the event you should fail to pay the Service Fee, the Advertising Fee, or any other fee payable to us under this Agreement within ten (10) days after your due

Floors To Go, LLC
MEMBERSHIP AGREEMENT

date, you agree to pay interest on the amount due at the rate of one percent (1%) per month for each month that said amount is not paid, but in no event will you pay interest at a rate greater than the maximum permitted by applicable law.

6.9. Set-Off. We reserve the right to setoff against any and all amounts which we owe you, including any amounts due to you by us under the FTG CashBack Program, against any and all amounts which you owe us.

7. Our Expectation

7.1. General Operations. As part of the FTG commitment, we ask each member to:

a. Commit to purchasing, for each of your Showrooms, a minimum of \$350,000 or 80% of your total floor covering and window treatment purchases, whichever is greater, through the FTG System during each calendar year following the opening of each such Showroom. This minimum purchase requirement shall go into effect three (3) months after the Effective Date;

b. Adhere to high ethical standards of business;

c. Keep the premises and any vehicles or signs displaying any of the FTG Marks safe, neat, clean, orderly, and in good repair;

d. Maintain a competent, conscientious, and qualified sales and installation staff;

e. Train each employee in the types and quality of Floors To Go floor coverings and familiarize employees with our price list to the extent necessary and appropriate for said employee to perform his/her duties and functions;

f. Make prompt payment in accordance with the terms of invoices rendered to you from merchandise vendors and manufacturers for the purchase of floor covering products and other supplies, and for all other obligations necessary to conduct the business operations and to maintain reasonable financial stability and good credit standing, including, but not limited to, demonstrated ability to obtain and maintain credit with such merchandise vendors and manufacturers;

g. Maintain good customer relations; and

h. Follow reasonable recommendations that we may make so that the operation of your Showroom shall in no way damage our reputation or the reputation of other members.

7.2. FTG CashBack Program. You will have the right to participate in the FTG CashBack Program. This program consists of various floor covering and window treatment manufacturers offering CashBack incentives for the purchase of **selected** floor coverings and window treatments, specifically marked as CashBack eligible. By purchasing such selected items, you will receive a cash rebate based upon a percentage of the purchase price of the selected items purchased. These percentages range up to 8% of the purchase price of the selected items. All cash rebates will be paid by the suppliers to us on your behalf. You agree that you will have only one account number with each supplier. We will hold such funds, without liability for interest, and after verification of amounts received, and after setting off

Floors To Go, LLC
MEMBERSHIP AGREEMENT

any amounts owed to us by you hereunder, will distribute such funds to you, annually or semi-annually. You will be notified on a regular basis of qualifying CashBack terms and any deduction therefrom.

Our goal is to obtain the best possible rebate terms from manufacturers for the FTG CashBack Program. However, our sole responsibility under the FTG CashBack Program is to properly distribute to you and our other members the funds paid into the FTG CashBack Program by participating manufacturers. We are not responsible if a manufacturer changes the terms of its rebate, discontinues its rebate, or fails to pay your rebate. You agree and acknowledge that we have no fiduciary duties with regard to the operation or administration of the FTG CashBack Program.

In the event you become the subject of a voluntary or involuntary case or proceeding commenced under Title 11 of the United States Code (the "Bankruptcy Code"), you hereby consent to relief from the automatic stay imposed by 11 U.S.C. § 362(a) so we may exercise our right to set-off any funds due and owing to you under the FTG CashBack Program.

7.3. Showroom Signage. You agree to install signage identifying your Showroom as an Floors To Go Showroom either on the exterior facade of your Showroom building, prominently displayed in the front window of your Showroom, or on a marquee or free-standing sign in front of your Showroom. The FTG signage must conform to all specifications provided by us and be approved by us before construction, meet all local signage regulations, and be installed within ninety (90) days after the Effective Date. Upon installation of the FTG sign, we ask that you provide us with photographs of the installed sign.

If you use our FTG approved vendor to purchase your outdoor Showroom signage, following installation, you can apply for a sign credit by submitting copies of the invoices for the Showroom sign to us. Upon verification of your use of our FTG approved vendor and the photographs and invoices, we will issue you a credit of up to \$1,000 on your initial Showroom to offset the actual, verified cost of the sign, which credit shall be applied toward your future payment obligations to us. You must be current on all payments due to us to be eligible for the sign credit. If you make any additional changes to the exterior signage, you are required to promptly furnish us with photographs of such altered signage.

7.4. Advertising and Promotions. In order to promote your Showroom, we expect you to conduct, at your own expense, all local advertising and marketing activities relating to your Showroom. All advertising, marketing and promotional materials which you use in connection with your Showroom must conform to all restrictions and specifications provided by us from time to time. We will not participate in any advertising or promotion of your Showroom, nor will advertising be subject to our approval, except to the extent that any such advertising or promotions violate Section 3.2, Article 4, Section 5.3 or this Section 7.4 of this Agreement or could adversely affect the rights licensed by us or the goodwill associated therewith.

7.5. Approved Vendors and Merchandise. For the FTG System, we will approve such vendors and their products which meet our standards with respect to style, color, quality, value, reliability of vendor's cut order service, our adherence to rigid quality controls, our prompt attention to customer complaints, our distribution system, the amount and types of discounts available, and such other factors as affect the ability of you to service your customers with excellence and favorable pricing. We will cause to be affixed to samples of approved merchandise the "Floors To Go" label and other evidence of the FTG Mark, including our private names for the merchandise. We will regularly inform you as to the approved vendors and manufacturers, floor covering selections and grades, the vendor's prices therefor, the vendor's distribution arrangements, and other pertinent information. We will research

Floors To Go, LLC
MEMBERSHIP AGREEMENT

the market for the purpose of evaluating the floor coverings, and other window treatment products offered and discounts available so that we may continually update our list of approved merchandise and approved vendors. You agree and covenant not to cause to be affixed to samples of non-approved merchandise the "Floors To Go" label or any other evidence of the FTG Mark, including our private names for merchandise.

7.6. Working Capital. You agree to maintain sufficient working capital to pay all obligations incurred which relate to your Showroom when the same are due. Failure to pay such obligations when due could constitute an event of default under this Agreement.

7.7. Relationship of Parties. It is understood between us that you are an independent contractor and are in no way authorized to make any contract, agreement, warranty, or representation on behalf of us, or to create any obligation, express or implied, on our behalf. The parties agree that this Agreement shall not create a fiduciary relationship between us. We will not be liable for any act, omission, contract, debt, tax, or any other obligation of yours. You shall prominently display at your place of business a certificate from us stating that your business is operated by you independent of and separate from Floors To Go, LLC. We and you shall refrain from making any representation or creating any impression upon any third party or the public that they are partners, associates, joint employers, joint venturers, subsidiaries, principal and agent, or are in any way the agents, fiduciaries or instrumentalities of each other in any sense. We and you shall not be construed to be jointly liable for any of your acts or omissions under any circumstances. We have no relationship with your employees, and you have no relationship with our employees.

7.8. Insurance. Prior to commencement of business with us, you shall procure, at your sole expense, an insurance policy or policies acceptable to us protecting you and us against any loss, liability, or expense whatsoever from personal injury, death, or product liability arising from, or occurring upon, or in connection with such premises, or by reason of your operation of your Showroom. You shall maintain such policy or policies in full force and effect during the term of this Agreement.

a. Your insurance policy shall cover those risks as usually insured against by persons operating like properties in localities where the property operated by you is located, including automobile insurance, in amounts sufficient to prevent you from becoming a coinsurer within the terms of the policy or policies in question.

b. The insurance afforded by the policy or policies respecting liability shall not be limited in any way by reason of any insurance, that may be maintained by us.

c. A Certificate of Insurance showing compliance with the foregoing requirements shall be furnished by you to us at least annually.

d. Maintenance of such insurance, and your performance of your obligations under Sections 7.1 through and including Section 7.8 shall not relieve you of any liability under the indemnity provisions set forth herein, nor shall it operate to render us liable for your acts, omissions, or other liabilities, either in conjunction with or independent of said insurance.

7.9. Indemnification. You agree to indemnify and hold us, our affiliates, successors, assigns and designees of each, and their respective officers, directors, employees, agents, attorneys, owners, designees and representatives, harmless from and against, and reimburse us for any and all claims, demands, losses, damages, judgments, orders, decrees, actions, lawsuits, proceedings, costs, liabilities, and expenses (including, but not limited to, reasonable attorneys' fees and costs of suit) of whatever kind

Floors To Go, LLC
MEMBERSHIP AGREEMENT

or character (collectively "Claims"), on account of any actual or alleged loss, injury, or damage to any person, firm, or corporation, or to any property, arising out of or in connection with your membership, your Showroom, any and all Claims of your Showroom customers, or the exercise or purported exercise by you of your rights hereunder, except the foregoing does not apply to any Claims: (i) caused by our negligence; (ii) caused by the negligence of our employees, agents, or independent contractors; or (iii) for which we have indemnified you pursuant to Article 4. This indemnification shall survive the termination of this Agreement.

7.10. Litigation.

a. If you are sued by a third party in an action involving this Agreement, or us, or the FTG Marks or any of our other legitimate business interests ("Covered Litigation") the following shall occur:

1. Notice. You will notify us in writing within ten (10) days of commencement of the action, suit, or proceeding, or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other judicial or governmental instrumentality.

2. Covered Litigation. Upon receipt of such notice, we will have the right, but not the obligation, to consult with you, unless our interests are adverse. If we wish to select your counsel for litigation involving the protection of our interests, we shall pay the costs of litigation, including, but not limited to, attorneys' fees so incurred; and you shall cooperate fully with us and such litigation counsel.

3. Your Obligation to Pay Judgment or Award. If you are ultimately found by a court of law or an arbitration panel to have been liable for the damages or other relief sought, then you shall promptly pay the amount of any judgment or award obtained against you, without reimbursement from us.

4. Settlement Agreements. We will not enter into a settlement agreement that would affect you in any way in a case where you are a defendant, co-defendant, or third party defendant without your consent. Should a settlement agreement be entered into with your consent, both of us, as part of that settlement agreement, shall negotiate responsibility for the attorneys' fees and expenses incurred to the date of the settlement agreement.

5. Attorney/Client Privilege. During the course of any Covered Litigation in which our interests are not adverse, both parties shall be deemed to be joint clients of the litigation counsel; and in that event, no attorney/client privilege shall attach to restrict either parties' right to communicate with and receive information relating to the Covered Litigation.

6. Reservation of Rights. Should we exercise any of our rights under this Section, we hereby reserve any rights we might have to seek indemnification from you in any appropriate case.

7. Right to Intervene. We also reserve the right, in an appropriate case, to intervene in the Covered Litigation and/or file amicus briefs rather than exercising our

Floors To Go, LLC
MEMBERSHIP AGREEMENT

rights pursuant to Subsection 7.12(a)(2) and paying our own attorney's fees and expenses then required.

b. If you intend to institute a lawsuit the following shall occur:

1. Notice and Consent. You shall not institute any action related in any way to FTG or the operation of your Floors To Go Showroom without prior notice to and consent from us, unless our interests are adverse.

2. Right to Take Action. We shall have the right upon such notice to take the action contemplated by you in your name, or if appropriate or possible, in our own name, if we determine it to be reasonably necessary in good faith for the continued protection of other members or the FTG System.

3. Current Obligation for Costs and Fees. In the event we exercise such right, then except as provided below, if damages are recovered, we shall pay current the reasonable costs of any such action, including attorneys' fees.

4. Recovery of Damages and Costs and Fees. Any recovery of money damages shall be shared pro rata between the parties, as the parties' interests may appear; and in such case, the fees and expenses incurred in obtaining such recovery shall be paid first and shared between the parties on the same pro rata basis, with you reimbursing us for fees and expenses paid.

c. In the unlikely event a dispute arises between the parties relating to actions occurring under this Section 7.10 or to apportionment of fees, expenses, or recovery, such dispute shall be submitted to arbitration in accordance with Article 14 below.

7.11. No Liability; No Warranty. We will not be liable to you for any damages caused or alleged to be caused by: (i) the form of business records required to be kept; or (ii) any supplies or goods purchased from or specified by us. WE SHALL HAVE NO LIABILITY TO YOU FOR ANY DAMAGES CAUSED OR ALLEGED TO BE CAUSED BY ANY SHOWROOM SUPPLIES, FLOOR COVERING PRODUCTS, OR OTHER GOODS PURCHASED FROM OR SPECIFIED BY US. WE EXPRESSLY DISCLAIM ANY WARRANTY, EXPRESS OR IMPLIED, AS TO ANY SUPPLIES OR PRODUCTS PURCHASED FROM OR SPECIFIED BY US, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE.

8. Your Records

8.1. Record Maintenance and Reporting. In order for us to be able to ensure the accuracy of the money you are entitled to receive under the FTG CashBack Program, you agree to (a) keep true, complete, and correct books of account and business records in accordance with generally accepted accounting principles; (b) provide us with financial statements upon our request; and (c) keep and maintain records of all purchases indicating which purchases were made through the FTG System, and make such records available for inspection by our representatives upon request.

8.2. Inspection Rights. We shall have the right during reasonable business hours 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 System during each calendar year following the opening of each such Showroom. If an inspection

Floors To Go, LLC
MEMBERSHIP AGREEMENT

reveals that you have not purchased the requisite amount through the FTG System, then we have the right to terminate you pursuant to Section 13.2(b)(4) of this Agreement. If an inspection discloses a deficiency of two percent (2%) or more, you agree to reimburse us for all costs and expenses connected with such audit (including, without limitation, reasonable accounting and attorneys' fees).

9. Your Promises to Us

9.1. Your Representations and Warranties. If you are a business entity or partnership, you and any individual member, or any partner, shareholder, member, or beneficiary of a non-individual member (each a "Principal") represent, warrant and covenant that:

a. You are duly organized and validly existing under the state law of your formation and you are duly qualified and authorized to do business in each jurisdiction in which your business activities or the nature of the properties require such qualification;

b. Your execution of this Agreement and the transactions contemplated hereby are within your corporate power, are permitted under all documents governing your organization and management, have been duly authorized, and the person executing this Agreement on your behalf has the requisite authority to bind you to this Agreement;

c. Your ownership interests are accurately described in the Principal Owner's Statement (see Section 11.3). In order to keep our records current, we require that you provide us with an updated Principal Owner's Statement if any change of ownership or beneficial interest occurs; and

d. In the event you become the subject of a voluntary or involuntary case commenced under any chapter of the Bankruptcy Code, upon the filing of an appropriate motion by us, you hereby consent to relief from the automatic stay imposed by 11 U.S.C. § 362(a) so we may exercise our right to setoff any funds we hold or owe to you in order to satisfy any and all claims we have or may have against you in such bankruptcy case.

You and your Principals acknowledge and agree that the representations, warranties, and covenants set forth above in Section 9.1(a)-(d) are continuing obligations of you and your Principals, and that any failure to comply with such representations, warranties, and covenants shall constitute a material event of default under this Agreement.

9.2. Obligations. You agree that you will (a) maintain high moral and ethical standards of conduct and shall neither engage in, nor allow others to engage in, deceptive, fraudulent, or unethical practices of any kind in connection with the "Floors To Go" name or FTG System, nor suffer, nor allow any part thereof to be used for immoral or illegal purposes or in any illegal manner; (b) provide an efficient, courteous, and high quality service to the public; (c) operate your Showroom continuously and in compliance with this Agreement; (d) promote the FTG System and not provide or participate in any other buying, merchandising, sales or marketing service, group, cooperative, system or franchise for floor covering or window treatment products or accessories which offers products similar to those offered by us while you are a member of the FTG System; (e) take sole responsibility for the performance of all obligations arising out of the operation of your business, including, but not limited to, workers' compensation, real estate, sales, payroll, franchise, income, personal property, and gross receipt taxes levied or assessed by reason of such operation; (f) indicate clearly the independent ownership of your business in all public records, and that the operations of said business are separate and distinct from the operation of Floors To Go, LLC; (g) use all reasonable means to promote and encourage the purchase of Floors To Go products by the public, and use your best efforts to create and maintain goodwill among the

Floors To Go, LLC
MEMBERSHIP AGREEMENT

public towards the names "Floors To Go" and toward the FTG System; and (h) promptly provide us with written notice of any infringement of, or challenge to, your use of the FTG Marks.

9.3. Confidentiality.

a. You acknowledge that you are to receive information which we have developed over time at great expense, including but not limited to, our Proprietary Information, trade secrets, operating procedures, and approved suppliers, advertising and marketing materials, specifications, standards and proprietary methods of doing business (collectively the "Confidential Information") and all other material provided by us to you for use with the FTG System, including without limitation, information you receive on our website located at www.ftginfonet.com. You also acknowledge that this information is not generally known in the industry and is beyond your own present skills and experience, and that to develop it independently would be expensive, time-consuming and difficult. You further acknowledge that the Confidential Information provides a competitive advantage and will be valuable in the development of your Showroom, and that gaining access to it is therefore a primary reason why you entered into this Agreement.

b. At all times, both during the Original Term of this Agreement, including any Renewal Term thereof, and after its expiration or termination for any reason, you agree to keep strictly confidential and in trust (except as we may otherwise consent to in writing) and not to disclose, or make any use of, the Confidential Information, in whole or in part, or any amendments, inserts or forms, including any revisions thereof, or any other trade secrets, business plans, marketing plans and strategies, customer lists or other subject matter pertaining to our business or the business of any of our members, affiliates, clients, customers or consultants which we provide pursuant to our obligations to you, except otherwise provided in this Agreement and the Confidential Information. You also agree not to deliver, reproduce or in any way allow any such trade secrets, confidential information, knowledge, data or other information, or any documentation relating thereto, to be delivered or used by any third parties without the specific prior written consent of a duly authorized representative of us.

c. You agree to limit the access of your employees to the Confidential Information and any other trade secrets, confidential information, knowledge, data or other proprietary materials on a need-to-know basis for performing your obligations pursuant to this Agreement.

d. You hereby represent that your performance of all the terms and conditions of this Agreement do not and will not breach any agreement or duty to keep in confidence any proprietary information, knowledge or data acquired by you in confidence or in trust prior to entering into this Agreement. You agree that you will not disclose to us, or induce us to use, any confidential or proprietary information or material belonging to any third party or enter any agreement, either written or oral, in conflict herewith.

e. You acknowledge that in the event of a breach of this Section 9.3, we will be irreparably injured and without an adequate remedy at law. In such an event, we will therefore be entitled to seek a temporary, preliminary and/or permanent injunction without the need to show actual or threatened harm or to post a bond or other security. This remedy shall be in addition to any other remedies we may have under this Agreement, at law or in equity.

9.4. Covenant Not to Compete During Term of Agreement. You agree that during the Original Term and any Renewal Term of this Agreement, you will not, within Your Territory or anywhere outside Your Territory, either directly or indirectly, individually or as a shareholder, director,

Floors To Go, LLC
MEMBERSHIP AGREEMENT

officer, partner, lender, consultant, representative, agent or employee of any, firm, partnership, corporation or business entity:

- a. Engage in or advise any business whose products or methods of operation are similar to ours, our subsidiaries' or affiliates' or any of our members';
- b. Own, manage, operate, sell, control or participate in the ownership, management, operation, sales or control or be connected in any manner with any business competing with any business in which we now or may hereafter become engaged;
- c. Canvass or solicit any business from any present, former or prospective customer of ours, any of our affiliates, or any of our members, or advise any such customer to curtail or cancel their business with us, any of our affiliates, or any of our members;
- d. Divert or attempt to divert any business of the Floors To Go Showroom licensed under this Agreement to any competitor by direct or indirect inducements or otherwise, or to do or perform directly or indirectly, any other act injurious or prejudicial to the goodwill associated with our Marks and the franchise system; or
- e. Disclose to any person, firm or corporation the name of, or business arrangement with, any of our present, former, future or prospective suppliers or customers, or any of those of our subsidiaries, our affiliates or any of our members.

9.5. Legal Fees and Costs.

- a. In the event we incur reasonable costs and expenses, including, without limitation, paralegal or attorneys' fees, in connection with your failure to comply with any term, condition or obligation under this Agreement, you shall promptly reimburse and pay us for such costs and expenses within ten (10) days of request for same.
- b. The prevailing party in any litigation, arbitration or other dispute resolution proceeding shall be entitled to recover from the other party: (a) all of its reasonable costs and expenses, including, without limitation, paralegal and attorneys' fees, incurred prior to the commencement of such litigation, arbitration or other dispute resolution proceeding in connection with any failure of the other party to comply with any term, condition or obligation under this Agreement; and (ii) all of its reasonable costs and expenses, including, without limitation, any court fees or costs, any arbitration fees or costs (including any payable to the American Arbitration Association), research fees and costs (including any incurred with online research providers, such as Westlaw), investigation fees and costs, discovery costs, court reporter and transcription fees and costs, compensation payable to the arbitrators, and paralegal and attorneys' fees, whether incurred in connection with such litigation, arbitration or other dispute resolution proceeding, or in connection with any appellate, enforcement, collection or bankruptcy proceedings.

10. Transfer Of Agreement By Us

We may assign or transfer this Agreement, and if so, it shall be binding upon and inure to the benefit of our successors and assigns. We shall give you at least sixty (60) days' notice of any proposed assignment or transfer of this Agreement.

Floors To Go, LLC
MEMBERSHIP AGREEMENT

11. Transfer Of Membership By You

11.1. Requirements for Transfer.

a. Neither you nor any of your equity owners shall, without our prior written consent, by operation of law or otherwise, attempt to sell, assign, transfer, convey, give way or encumber to any person, this Agreement, your interest in your membership or your interest in any proprietorship, partnership or business entity which owns any interest in your membership. Any transfers shall be binding upon and inure to the benefit of your successors and assigns. An unauthorized transfer, however, shall be null and void and shall constitute a material default hereunder. We require the following in order to consent to your transfer:

1. You must provide us with written notification of such proposed transfer at least ninety (90) days in advance;

2. All accrued money obligations of yours owed to us, our subsidiaries, or our assigns, shall be satisfied prior to the assignment or transfer;

3. The transferee(s) shall meet our standards of qualifications including, but not limited to, financial strength and business experience;

4. The transferee(s) shall jointly and severally execute both or either (as we shall direct):

a. A membership agreement and other ancillary agreements with us on our then-current standard forms, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement; and/or

b. A written assignment between you, transferee(s), and us (in a form satisfactory to us) with transferee(s) assuming all of your obligations;

5. You or the transferee(s) shall pay to us the Transfer Fee; and

6. Two representatives of the transferee(s) shall attend a two-day training program at our headquarters in Bonita Springs, Florida prior to our consent to transfer. We will reimburse transferee(s) for all reasonable costs relating to travel and lodging incurred by the two representatives for their attendance at this two-day program.

b. We will approve or disapprove the proposed transferee(s) within sixty (60) days after notification. If we fail to disapprove the proposed transferee(s) within this time, the transfer shall be deemed approved. Upon such transfer, transferee(s) shall assume the remaining term of the transferor's current membership agreement. Subsequent renewals can be made in accordance with the terms as set forth in transferee(s)' new agreement. Upon our approval of the transfer, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the transfer), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees) regarding your previous participation in the FTG System.

11.2. Transfer to Heirs Upon Your Death or Disability. In the event of your death or incapacity (or, if you are a partnership or business entity, the death or incapacity of a partner or equity owner), the executor, administrator, personal representative, guardian or other person acting in a like

Floors To Go, LLC
MEMBERSHIP AGREEMENT

capacity shall have six (6) months from the date of death or judgment of incapacity to either: (i) assume and be bound by the terms of this Agreement; or (ii) sell and transfer the membership to another person under the conditions as set forth in Section 11.1 above. If your legal or personal representative elects to assume this Agreement, he/she shall comply, or cause your estate to comply, with Subsections 11.1(a)(2),(3),(4) and (5) above. Provided, however, that if your legal or personal representative has not assumed the obligations under this Agreement or sold the membership within such six (6) month period, we may terminate this Agreement.

11.3. Business Entity Member. If you are a business entity, a list of all of your shareholders, partners, or other investors who own or hold a direct or indirect equity interest and a description of the nature of their respective interests is set out in the Principal Owner's Statement attached as Schedule "C" to this Agreement. Each of the persons referenced as a Principal agree to execute the Principal Owner's Statement attached hereto as Schedule "C." You must notify us in writing within ten (10) days of any change in the information set forth in this Section.

11.4. Change of Your Form of Business. You shall promptly notify us of any changes in your form of business (i.e. from corporation to partnership, etc.) or in your ownership or management and provide us with the following: (a) a list of any new partners, shareholders, owners, or management for our approval, and (b) your new entity and any partners, officers, directors, shareholders, owners, or managers of such new entity shall jointly and severally execute such documents as necessary (in a form satisfactory to us) to assume and continue all of your obligations under this Agreement.

11.5. Consent Does Not Constitute Waiver. Our consent to an assignment or transfer of any interest subject to the restrictions of this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand compliance with any of the terms or conditions hereof by the assignee or transferee.

12. Relocation Of Your Showroom For your convenience, you will have the right, during the term of this Agreement, to relocate your Showroom provided that: (i) you give us ninety (90) days prior written notice of such proposed relocation; (ii) the new location for the Showroom is within Your Territory; and (iii) the new location of the Showroom otherwise complies with the terms of this Agreement and you agree to a revision of Your Territory as determined by us in our sole discretion. We must consent in writing to the change of location, which consent will not be unreasonably withheld. Upon your request, we may waive your Service Fee and Advertising Fee while you are in the process of relocating. Such payment waiver shall in no event extend beyond ninety (90) days.

13. Termination and Defaults

13.1. Termination by You. You have the right to terminate this Agreement at any time upon doing the following: (a) giving us at least twelve (12) months prior notice of the proposed termination; and (b) complying with the terms and conditions of Section 13.3. Upon the expiration or termination of this Agreement, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees) regarding your previous participation in the FTG System.

Floors To Go, LLC
MEMBERSHIP AGREEMENT

13.2. Termination by Us.

a. We may only terminate this Agreement prior to the expiration of your term for good cause or as specified in Subsection 13.2(b) below. Good cause shall include, but not be limited to, your failure to comply with any lawful requirement of this Agreement or any of the agreements that are attached as schedules to this Agreement, after being given notice of the failure and thirty (30) days to cure the failure. The description of any default in any notice given by us hereunder to you shall in no way preclude us from specifying additional or supplemental defaults in any action, arbitration, hearing or suit relating to this Agreement or the termination thereof.

b. Only in the following instances may we give you immediate notice of termination without opportunity to cure:

1. The parties agree in writing to terminate this Agreement;
2. You make a material misrepresentation relating to your acquisition of the membership, or you engage in conduct which reflects materially and unfavorably upon the goodwill and reputation of our business or the FTG System, including, but not limited to, a failure to represent the Showroom as "Independent";
3. You fail to comply with any federal, state, or local law or regulation applicable to the operation of your Showroom for a period of ten (10) days after notification of noncompliance;
4. You fail to achieve the volume purchases through the FTG System as agreed to in Subsection 7.1(a);
5. You fail to timely install the Showroom signage as required by Section 7.3;
6. You fail to obtain and maintain credit with merchandise vendors and manufacturers for the purchase of floor covering products and other supplies;
7. You, after curing any failure in accordance with Subsection 13.2(a), engage in the same noncompliance whether or not such noncompliance is corrected after notice;
8. You repeatedly fail to comply with one or more requirements of this Agreement, whether or not corrected after notice;
9. You disregard the requirements set forth in Section 7.2 by attempting to obtain direct payment of cash rebates from, and/or multiple account numbers with, any supplier;
10. You, or any person controlling, controlled by, or under common control with you, shall be convicted of a felony or any other criminal misconduct which is relevant to the operation of your business;
11. You fail to pay any Service Fees, Advertising Fees, or other amounts due to us within five (5) days after receiving notice that such fees are overdue;
12. You fail to maintain the confidentiality of the Proprietary Information, or any other documents or material provided by us, or you are found to have disclosed, disseminated, or otherwise made available such information to any other person or entity

Floors To Go, LLC
MEMBERSHIP AGREEMENT

not directly employed by you at your Showroom, or you have breached any provisions of Sections 9.3 or 9.4;

13. You assign, attempt to assign, transfer, or convey the Marks or goodwill attached thereto, or if you use or permit the use of the Marks in a manner not permitted under this Agreement, or if you use or permit the use of the Marks in a manner or at a location not authorized by us under this Agreement.

14. You attempt to assign or transfer your rights under this Agreement, other than in accordance with Article 11;

15. You default under any of your obligations relating to any one of the FTG Showrooms governed by this Agreement or any other agreement (the "Defaulting Showroom"), in which event we may, at our option, terminate either (i) your rights to operate the Defaulting Showroom or (ii) your rights to operate all of your FTG Showrooms, whether or not such showrooms are governed by this Agreement;

16. Your Showroom ceases operations without our consent for any reason for five (5) consecutive business days under circumstances whereby we could reasonably conclude that you no longer intend to operate the Showroom. However, upon our written approval, you may discontinue operations for a reasonable period of time, which in no event shall exceed one hundred eighty (180) days, in the case of fire, condemnation, or acts of God; or

17. Except as prohibited by federal bankruptcy law, if you, or any person controlling, controlled by, or under common control with you, shall become the subject of a voluntary or involuntary case commenced under the Bankruptcy Code; or a receiver, permanent or temporary, of the business, assets, or property of you or any such person, or any part thereof, is appointed by a court of competent authority; you or any such person shall request the appointment of a receiver or make a general assignment for the benefit of creditors; or there is a judgment against you or any such person in the amount of Ten Thousand Dollars (\$10,000) or more which, after all rights of appeal have been exhausted, is not satisfied or released within thirty (30) days; or the bank accounts, property, or receivables of you or any such person are attached and such attachment proceedings are not dismissed within thirty (30) days; or execution is levied against the business or property of you or any such person; or suit to foreclose any lien or mortgage against your Showroom, the premises thereof, or equipment thereon is instituted and not dismissed within thirty (30) days. If you become the subject of a voluntary or involuntary case commenced under the Bankruptcy Code, upon the filing of an appropriate motion by us, you hereby consent to relief from the automatic stay imposed by 11 U.S.C. § 362(a) so we may, at our election, unilaterally terminate this Agreement post-petition in accordance with the terms and provision of this Agreement. You agree to waive any and all rights you may have under 11 U.S.C. § 365 to challenge any such decision by us in the event of a bankruptcy filing.

c. Unless otherwise provided in Article 13, in the event any valid, applicable law or regulation of a competent governmental authority having jurisdiction over this Agreement and the parties hereto shall limit our rights of termination hereunder or shall require longer notice periods than those set forth above, this Agreement shall be deemed amended to conform to the minimum notice periods or restrictions on termination required by such laws and regulations. We shall not, however, be precluded

Floors To Go, LLC
MEMBERSHIP AGREEMENT

from contesting the validity, enforceability or application of such laws or regulations in any action, arbitration, hearing or dispute relating to this Agreement or the termination thereof.

13.3. Rights and Duties of Parties Upon Expiration or Termination.

a. If this Agreement is terminated prior to completion of the Original Term, you must pay us 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 this Agreement that you remained a member (the "Early Termination Fee"). For example, if you became a member on March 1, ~~2024~~2025, and the cost of your Redesign was \$30,000, and your membership was terminated on January 1, ~~2027~~2028, you would owe us a cash payment equal to \$18,000 ($\$30,000 - [\$30,000 \times (20\% \times 2)] = \$18,000$). The Early Termination Fee shall be due and payable to us in cash immediately on the date of any such early termination. This Early Termination Fee applies to each Showroom we Redesign.

b. Upon termination or expiration of this Agreement, you shall immediately cease to be a member and shall fully comply with the following conditions.

1. You shall promptly pay all sums owing to us under the terms of this Agreement and addenda or amendments hereto, including, but not limited to, the unpaid portion of your initial membership fee or any applicable Early Termination Fee. We retain the right to setoff any and all amounts owed to you by us, including any amounts due to you under the FTG CashBack Program, against any and all amounts due to us by you. Said sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, if any, incurred by us by reason of default on your part, whether or not such occurs prior to or subsequent to the termination or expiration of this Agreement; and said sums shall include all costs and expenses, including reasonable attorneys' fees, incurred by us in obtaining injunctive or other relief to enforce the provisions of this Agreement;

2. You shall promptly discontinue use of all floor covering samples, labels, display racks, Proprietary Information, advertisements, and any other items bearing the FTG Marks or relating to the FTG System (the "Proprietary Items") and shall promptly remove all such Proprietary Items from the Showroom and totally deidentify the Showroom premises as being or ever having been a Floors To Go Showroom. You must destroy all Proprietary Items and dispose of same within ten (10) days after termination or expiration of this Agreement for any reason. You shall be prohibited from copying, disseminating, or in any other manner disclosing or using any Proprietary Information and other proprietary materials, all of which you acknowledge to be our trade secrets;

3. You shall remove the FTG Marks from all Showroom signage, interior and exterior;

4. You shall cease to utilize the FTG System;

5. You shall immediately cease to use, by advertising or in any manner whatsoever, the name "Floors To Go" and any forms, slogans, signs, marks, symbols, and devices used in connection with the operation of a Floors To Go independent Showroom. You shall not represent or advertise that we were formerly parties to this Agreement or that you did business under our trademarks or trade names; and

Floors To Go, LLC
MEMBERSHIP AGREEMENT

6. You shall take such action as shall be necessary to cancel any assumed name or equivalent registration which contains the name "Floors To Go" or any of our other trademarks, and you shall furnish to us evidence satisfactory to us of compliance with this obligation within thirty (30) days after said termination.

c. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy given hereunder.

d. Termination or expiration of this Agreement shall not affect your rights to operate other independently owned Floors To Go Showrooms in accordance with the terms of any other membership agreements until and unless such other membership agreements, or any of them, are terminated or expire in accordance with their terms.

e. Notwithstanding any provision herein contained providing for the termination of this Agreement, all obligations of the parties hereto which expressly arise upon or after the termination of this Agreement shall survive such termination.

14. Arbitration

Any dispute, controversy or claim arising out of, relating to or in connection with this Agreement, including any question regarding its validity or the termination thereof, or a breach thereof (in any such case, a "Dispute") shall be resolved pursuant to the following:

14.1. Initiation. Any party wishing to initiate consideration of a Dispute hereunder shall first give written notice (a "First Notice") to the other party setting forth in reasonable detail the nature of the Dispute. Both parties shall then use their best efforts to negotiate in good faith to diligently resolve the Dispute within fifteen (15) days of the giving and receipt of the First Notice. If the Dispute remains unresolved after the expiration of this fifteen (15) day period, then the party that delivered the First Notice, shall give written notice to the other (a "Dispute Notice"), which notice shall set forth a full disclosure of all factual evidence and a statement of the applicable legal basis of the dispute; provided, however, that (i) failure to provide 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 proceeding without the prior written consent of the party making such disclosure and/or statement.

14.2. Negotiating Teams. Upon giving and receipt of a Dispute Notice, each party shall appoint a negotiating team consisting of not less than one and not more than three representatives (each a "Negotiating Team"). The Negotiating Teams shall commence 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

Floors To Go, LLC
MEMBERSHIP AGREEMENT

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.

14.3. 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. Interim Relief. 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. Address for Notice. 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 Fax No. (239) 948-4855
--------------	--

If to you at:	the address set forth on the signature page to this Agreement, or at such other address as such party shall have specified by notice to the other party hereunder. Any notice shall be deemed to have been given at the time of personal delivery or, in the case of facsimile, upon transmission (provided confirmation is sent as described above) or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing.
---------------	--

15.2. Notice to Your Employees. If we are unable to locate one of your authorized Principals at the current address(es) known to us, we are hereby authorized by you to send or give notices

Floors To Go, LLC
MEMBERSHIP AGREEMENT

required by this Agreement to any manager employed to operate the Showroom, and you hereby appoint every such manager your agent to receive such notices.

16. Interpretation, Modification, And Execution

16.1. Governing Law. This Agreement shall be interpreted, construed and governed according to the internal laws of the State of Florida, and not the laws pertaining to choice or conflict of laws, thereof, except that:

a. The laws of the state in which the franchised business is to be located which govern the offer, sale, and registration of franchises, including, without limitation, any so-called "Little FTC Act" of such state, shall apply to the offer, sale, and registration of the Floors To Go membership granted by this Agreement and not such laws of the State of Florida (unless the franchised business is to be located in Florida);

b. The laws of the jurisdiction in which any action to enforce any covenants not to compete provided or referenced herein shall govern such covenants not to compete, without giving effect to the principles pertaining to choice or conflict of laws thereof.

c. The U.S. Trademark Act Of 1946 (Lanham Act, 15 U.S.C. §1051 *et seq.*) shall govern all matters related to your use of the FTG Marks, and the Federal Arbitration Act (9 U.S.C. §1 *et seq.*) shall govern all matters related to arbitration. To the extent that the Federal Arbitration Act is found inapplicable for any reason, then the provisions of the Florida Arbitration Code (Fla. Stat. Chapter 682) shall govern all matters related to arbitration.

16.2. Venue. The parties hereby consent to the jurisdiction of the courts of the State of Florida, County of Lee, or, if it has or can acquire jurisdiction, in the United States District Court for the Middle District of Florida, and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any action or proceeding and waives any objection to venue laid there. You agree to and hereby designate the Secretary of State as your agent for receipt of service of process, provided that a copy of such service of process is mailed, return receipt requested, to your last known mailing address. Neither you nor any assignee, successor, heir or personal representative of yours will join together with any other franchisee of FTG in bringing any litigation against FTG, including FTG's affiliates, successors, assigns and designees of each, and their respective officers, directors, employees, agents, attorneys, owners, designees and representatives of all of the foregoing (the "FTG Parties"); nor will you maintain any claim against any of the FTG Parties in a class action, whether as a representative or as a member of a class or purported class; nor will you seek to consolidate, or consent to the consolidation of, all or any part of any litigation by either of them against any of the FTG Parties with any other litigation against any of the FTG Parties.

16.3. Waiver of Jury Trial. Neither you, or any assignee, successor, heir or personal representative of yours, nor we shall seek a jury trial in any lawsuit, proceeding, counterclaim or any other litigation procedure based upon or arising out of this Agreement, or any related agreement, or the dealings or the relationship between or among such persons or entities, or any of them. Neither party nor any such other person or entity will seek to consolidate any such action, in which a jury trial has been waived, with any other action in which a jury trial cannot or has not been waived. The provisions of this Section have been fully discussed by the parties hereto, and the provisions hereof shall be subject to no exceptions. No party has in any way agreed with or represented to any other party that the provisions of this Section will not be fully enforced in all instances.

Floors To Go, LLC
MEMBERSHIP AGREEMENT

16.4. Gender and Number. All terms and words used in this Agreement, regardless of the number and gender in which they are used, shall be deemed and construed to include singular and plural and any other gender, masculine, feminine or neuter, as the context or sense of this Agreement or any section or clause herein may require the same, as if such words had been fully and properly written in the appropriate number or gender.

16.5. Entire Agreement. This Agreement and any agreement or document referenced herein, and any schedules attached hereto or thereto, constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof and supersedes all prior agreements. No other representation has induced you to execute this Agreement, and there are no representations, inducements, promises, or agreements, oral or otherwise, between the parties not embodied herein which are of any force or effect with reference to this Agreement or otherwise, except those which may be contained in this Agreement and any addenda thereto or in the Franchise Disclosure Document. Nothing in this Agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document. No amendment, change, or variance from this Agreement shall be binding on any party unless executed in writing by the parties. No field representative of ours has the right or authority to make oral or written amendment or modification to this Agreement, and any purported amendment or modification made by such field representative shall not be binding upon any of the parties hereto.

16.6. Joint and Several Obligations. If you consist of more than one individual or entity, your liability under this Agreement shall be deemed to be joint and several.

16.7. Severability. If any term or other provision of this Agreement is invalid, illegal, or incapable of being enforced by any rule of law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such determination that any term or other provision is invalid, illegal, or incapable of being enforced, the parties hereto shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the extent possible.

16.8. Non-Waiver of Rights. Failure of either party to enforce any provision, or waiver by either party of any default, shall not operate as a waiver of successive defaults, and all the rights of the parties shall continue notwithstanding one or more such failures or waivers. The failure of either party to insist at any time upon strict performance or enforcement of any one or more of the terms, conditions, or obligations herein, or the failure to exercise any rights hereunder, shall not be deemed an abandonment thereof, and the same shall continue in full force and effect notwithstanding one or more waivers.

Further, we shall have the right to waive, reduce, or defer any payments, fees, or charges due to us from you at our option without impairing our rights to collect any payments, fees, or charges accruing thereafter, nor shall it affect our right to collect full payments, fees, or charges from all other members. You shall be eligible for consideration of any such waiver, reduction, or deferral only if we are requested in advance to make such consideration, and we expressly grant any such waiver, reduction, or deferral in writing.

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

Floors To Go, LLC
MEMBERSHIP AGREEMENT

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

16.9. Cost of Enforcement. In the event of any default on the part of either party hereto, in addition to any other remedies of the aggrieved party, the party in default shall pay to the aggrieved party all amounts due and all damages, costs, and expenses, including reasonable attorneys' fees, incurred by the aggrieved party as a result of any such default.

16.10. Remedies Cumulative. All rights and remedies of the parties enumerated in this Agreement shall be cumulative, and, except as specifically contemplated otherwise by this Agreement, none shall exclude any other right or remedy allowed at law or in equity, and said rights or remedies may be exercised and enforced concurrently.

16.11. Business Entities. Each reference in this Agreement to a corporation or partnership shall be deemed to also refer to a limited liability company and any other entity or organization similar thereto. Each reference to the organizational documents, equity owners, directors, and officers of a corporation in this Agreement shall be deemed to refer to the functional equivalents of such organizational documents, equity owners, directors, and officers, as applicable, in the case of a limited liability company or any other entity or organization similar thereto.

16.12. No Third Party Beneficiaries. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, or shall be deemed, to confer upon any person or legal entity other than you, us, our officers, directors and personnel and such of either parties respective successors and assigns as may be contemplated (and, as to you, authorized by Article 11), any rights or remedies under or as a result of this Agreement.

16.13. State Required Addendum. If the franchise regulatory authority for the state in which you are located requires certain terms and conditions to be included in this Agreement, such terms and conditions will be found on the state-required amendments attached hereto as Schedule "B" and incorporated herein by reference.

16.14. Employment Policies. You are solely responsible for all labor and employment related-matters and decisions related to your FTG Showroom, including hiring, firing, promoting, demoting and compensation (including through wages, bonuses, or benefits) your employees. You must ensure that your employees are qualified to perform their duties in accordance with our standards. We do not require you to implement any employment-related policies or procedures.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

Floors To Go, LLC
MEMBERSHIP AGREEMENT

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

ATTEST:

MEMBER

Witness

By: _____

Name: _____

Witness

Title: _____

**NAME AND ADDRESS OF PERSON
TO RECEIVE NOTICE**

E-Mail Address: _____

We have duly executed and delivered this Agreement to be effective as of the date and year executed by us below.

ATTEST:

FLOORS TO GO, LLC,
a Florida limited liability company

Witness

By: _____

Name: Ted Dlugokienski

Witness

Title: Chief Financial Officer, Executive Vice President
of Operations and Secretary

Effective Date: _____

SCHEDULE "A"

**SHOWROOM LOCATION and
YOUR TERRITORY**

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.

IN WITNESS WHEREOF, the parties have agreed to this Schedule on this ____ day of _____, _____.

FRANCHISOR:

FLOORS TO GO, LLC

(signature of authorized officer)

Ted Dlugokienski
(name of authorized officer)

Chief Financial Officer, Executive Vice
President of Operations and Secretary
(title of authorized officer)

MEMBER(S):

(printed name of business entity)

(authorized signature)

(printed name of authorized signatory)

(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, WASHINGTON and
WISCONSIN*

PLEASE SEE EXHIBIT "B" FOR STATE SPECIFIC AMENDMENTS

SCHEDULE "C"

PRINCIPAL OWNER'S STATEMENT

PLEASE SEE EXHIBIT "C" FOR PRINCIPAL OWNER'S STATEMENT

EXHIBIT "B"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March ~~13~~12, ~~2024~~2025

STATE SPECIFIC AMENDMENTS

TO THE MEMBERSHIP AGREEMENT

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

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-1

Hawaii Amendment

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E-1 *et seq.*, the parties to the attached Membership Agreement (the "Agreement") agree to amend the Agreement as follows:

1. 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 **Your Interest Upon Termination.**

Upon termination or refusal to renew or extend the franchise either by us or you for any reason, you will have no interest in the goodwill or intangibles of the franchised business or equity in the franchise, apart from the leasehold, fixtures, equipment and supplies you have purchased. We shall have the right (but not the duty unless required by Hawaii Rev. Stats. § 482E-6(3)), to be exercised by notice of intent to do so within thirty (30) days after termination or expiration of this Agreement, to purchase any and all improvements, equipment, advertising and promotional materials, products, supplies, inventory and any other items bearing our Marks at current fair market value. If we cannot agree with you upon a fair market value within a reasonable time, we shall designate an independent appraiser, and the appraiser's determination of fair market value shall be binding. If we elect to exercise any option to purchase herein provided, we shall have the right to set-off all amounts due to us from you under this Agreement and the cost of the appraisal, if any, against any payments to be made for any such purchase.

2. Each provision of this Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law are met independently without reference to this Hawaii Amendment.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

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 Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice
President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

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.
2. Pursuant to the Illinois Franchise Disclosure Act (815 ILCS 705 § 4), any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, arbitration may take place outside of Illinois.
3. Notwithstanding anything in the Agreement to the contrary, pursuant to 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.
6. 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

THE REMAINDER OF THE PAGE LEFT BLANK INTENTIONALLY

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

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 Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice

President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-3

Indiana Amendment

In recognition of the requirements of the Indiana Franchise Acts, Ind. Code §§ 23-2-2.5 and 23-2-2.7, the parties to the attached Membership Agreement (the "Agreement") agree to amend the Agreement as follows:

1. Subsection (c) of Section 3.1 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

(c) As a member, you agree that we and our affiliates retain all rights not expressly granted to you under this Agreement (with respect to, among other things, FTG Showrooms, the FTG Marks (as defined in Subsection 4.1(a)), the sale of similar or dissimilar products and services, and any other activities we deem appropriate, whenever and wherever we desire), including, but not limited to, the right in our sole discretion:

1. to operate, and to grant others the right to operate, FTG Showrooms located anywhere outside Your Territory;
2. to develop, use, and license the rights to any tradenames, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights that we have not licensed to you under this Agreement;
3. to freely and unconditionally do business, or authorize others to do business, under the FTG Marks, through alternative marketing plans or systems, alternative distribution methods or procedures, and different business formats, at any locations inside or outside Your Territory;
4. to establish, own and operate, or grant others the right to establish, own and operate, businesses offering dissimilar products and services, at any locations inside and outside Your Territory, under the FTG Marks;
5. to establish, own and operate, or grant others the right to establish, own and operate, similar businesses or any other businesses offering similar or dissimilar products and services, through similar or dissimilar channels of distribution (including the Internet and similar electronic media), at any locations inside or outside Your Territory, under trademarks or service marks other than the FTG Marks;
6. to acquire the assets or ownership interests of one or more businesses providing products and services similar to those provided at FTG Showrooms, and franchising, licensing or creating similar arrangements with respect to these businesses once acquired,

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-3

wherever these businesses (or the franchisees or licensees of these businesses) are located or operating;

7. to be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction) by a business providing products and services similar to those provided at FTG Showrooms, or by another business; and

8. to engage in any other activities we and/or our affiliates desire within or outside of Your Territory that are not specifically prohibited under this Agreement.

Floors To Go, LLC will not operate, or grant others the right to operate, a business substantially identical to yours within Your Territory under any other trade name. Otherwise, we are not required to pay you if we exercise any of the rights specified above inside Your Territory.

2. Section 7.11 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

You agree to indemnify and hold us harmless from and against, and reimburse us for any and all claims, demands, losses, damages, judgments, orders, decrees, actions, lawsuits, proceedings, costs, liabilities, and expenses (including, but not limited to, reasonable attorneys' fees and costs of suit) of whatever kind or character (collectively "Claims"), on account of any actual or alleged loss, injury, or damage to any person, firm, or corporation, or to any property, arising out of or in connection with the membership, your Showroom, any and all claims of your Showroom customers, or the exercise or purported exercise by you of your rights hereunder, except the foregoing does not apply to: (i) Claims caused by our negligence; or (ii) the negligence of our employees, agents, or independent contractors; (iii) any Claims for which we have indemnified you pursuant to Section 4; or (iv) claims arising out of your proper reliance on or use of procedures or materials provided by us. This indemnification shall survive the termination of this Agreement.

3. The last sentence of Section 11.1(b) of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon the our approval of the transfer, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our officers, directors, agents and employees as of the date of the transfer), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees as of the date of the transfer), excluding only such claims as you may have based upon or arising from Indiana's Franchise Acts.

4. The last sentence of Section 13.1 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-3

Upon the expiration or termination of this Agreement, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the expiration or termination), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees as of the date of the expiration or termination), excluding only such claims as you may have based upon or arising from Indiana's Franchise Acts.

5. 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 Indiana's Franchise Act (Indiana Code § 23-2-2.7-1(10)). A provision in a franchise agreement limiting litigation brought for breach of the franchise agreement in any manner whatsoever (e.g., 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.

6. Section 16.3 of the Agreement shall be deleted in its entirety and shall have no force or effect.

7. Each provision of this Indiana Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of Indiana's Franchise Acts are met independently without reference to this Indiana Amendment.

THE REMAINDER OF THE PAGE LEFT BLANK INTENTIONALLY

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

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 Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice
President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT

Exhibit B-4

Maryland Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 14-201 through 14-233, the parties to the attached Membership Agreement (the "Agreement") agree to amend the Agreement as follows:

1. The last sentence of Section 11.1(b) of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon our approval of the transfer, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the transfer), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees as of the date of the transfer), excluding only such claims as you may have based upon or arising from the Maryland Franchise Registration and Disclosure Law.

2. The last sentence of Section 13.1 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon the expiration or termination of this Agreement, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the transfer), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees as of the date of the expiration or termination), excluding only such claims as you may have based upon or arising from the Maryland Franchise Registration and Disclosure Law.

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

We have filed an irrevocable consent to be sued in Maryland, and you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Section 16.5 of the Agreement shall be supplemented by the addition of the following sentence, which shall be considered an integral part of the Agreement:

Franchisee's representations in this Section are not intended nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. Each provision of this Maryland Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-4

Registration and Disclosure Law are met independently without reference to this Maryland Amendment.

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 Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice

President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-5

Michigan Amendment

In recognition of the requirements of the Michigan Franchise Investment Law, Mich. Comp. Laws §§ 445.1501 through 445.1546, and of the Rules and Regulations promulgated thereunder by the Michigan Attorney General's Office, the parties to the attached Membership Agreement (the "Agreement") agree as follows:

1. The last sentence of Section 11.1(b) of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon our approval of the transfer, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the transfer), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees as of the date of the transfer), excluding only such claims as you may have based upon or arising from the Michigan Franchise Investment Law.

2. The last sentence of Section 13.1 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon the expiration or termination of this Agreement, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the expiration or termination), and against our subsidiaries or affiliates, (and their respective officers, directors, agents and employees as of the date of the expiration or termination), excluding only such claims as you may have based upon or arising from the Michigan Franchise Investment Law.

3. Each provision of this Michigan Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Michigan Franchise Investment Law or the Rules and Regulations promulgated thereunder by the Michigan Attorney General are met independently without references to this Michigan Amendment.

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

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 Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice
President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT

Exhibit B-6

Minnesota Amendment

In recognition of the requirements of the Minnesota Franchise Act, 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 Membership Agreement (the "Agreement") agree as follows:

1. The first sentence of Section 4.11 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

We shall protect and maintain all rights to the name and mark "Floors To Go" and all related names, marks, or logos against encroachment, misuse, or unauthorized use and against challenges to any rights of your use, to the extent required by Minnesota Statutes §80C.12, Subd. 1(g).

2. The first sentence of Section 4.12 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

We shall indemnify you against any claims for infringement arising out of your use of the FTG Marks as authorized herein, to the extent required by Minnesota Statutes §80C.12, Subd. 1(g).

3. The second sentence of Section 9.3(e) of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

In such an event, we may seek a temporary, preliminary and/or permanent injunction.

4. The last sentence of Section 11.1(b) of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon our approval of the transfer, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the transfer), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees as of the date of the transfer), excluding only such claims as you may have that have arisen under the Minnesota Franchise Act and/or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

5. The last sentence of Section 13.1 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon the expiration or termination of this Agreement, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the expiration or termination), and against our

FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT

Exhibit B-6

subsidiaries or affiliates, (and their respective officers, directors, agents and employees as of the date of the expiration or termination) excluding only such claims as you may have that have arisen under the Minnesota Franchise Act and/or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

6. 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 Termination and Non-Renewal Rights Under Minnesota Law.

The parties acknowledge that Minnesota law provides franchisees with certain termination and non-renewal rights and that Minnesota Statutes § 80C.14, Subds. 3, 4 and 5 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 Membership Agreement. To the extent that any provisions of Section 13 of the Membership Agreement are inconsistent therewith, the provisions and requirements of said Minnesota Law shall supersede Section 13.

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

Minnesota Statutes §80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or membership agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided by the laws of the jurisdiction, or your rights to consent to liquidated damages, termination penalties or judgment notes, or waiving your rights to a jury trial.

8. Section 16.3 of the Agreement shall be deleted in its entirety.
9. Each provision of this Minnesota Amendment shall be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchise Act or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce are met independently without references to this Minnesota Amendment.
10. 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 with the franchise.

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

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 Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice
President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT

Exhibit B-7

North Dakota Amendment

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the parties to the attached Membership Agreement (the "Agreement") agree as follows:

1. The last sentence of Section 11.1(b) of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon our approval of the transfer, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the transfer), and against our subsidiaries or affiliates (and their respective officers, directors, agents and employees as of the date of the transfer), excluding only such claims as you may have that have arisen under the North Dakota Franchise Investment Law.

2. The last sentence of Section 13.1 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Upon the expiration or termination of this Agreement, and without any further action by us or you, we shall be released and forever discharged of any and all claims you may have against us (and our respective officers, directors, agents and employees as of the date of the expiration or termination), and against our subsidiaries or affiliates, (and their respective officers, directors, agents and employees as of the date of the expiration or termination), excluding only such claims as you may have that have arisen under the North Dakota Franchise Investment Law.

3. Section 16.1 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. §1051 *et seq.*), The Federal Arbitration Act (9 U.S.C. § 1 *et seq.*) or other federal law, this Agreement and the franchise shall be governed by the law of the State of North Dakota. References to any law or regulation also refer to any successor laws or regulations and any impending regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

4. Section 16.2 of the Agreement shall be deleted in its entirety and shall have no force or effect, and the following shall be substituted in lieu thereof:

With respect to any claims, controversies or disputes which are not finally resolved through arbitration, the parties hereby irrevocably submit themselves to the jurisdiction of the state and federal district courts of the state in which said

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-7

arbitration was filed (and to the appropriate appellate courts within that state). The parties hereby waive all questions of personal jurisdiction for the purpose of carrying out this provision and hereby agree that service of process may be made upon any of them in any proceeding relating to or arising out of this Agreement by any means allowed by applicable state or federal law. The parties further agree that venue for any proceeding relating to or arising out of this Agreement shall be in the courts of appropriate jurisdiction in the state in which the underlying demand for arbitration was filed (and to the appropriate appellate courts within that state); provided, however, with respect to any action for injunctive or other extraordinary relief, any party may bring such action in any state or federal district court which has jurisdiction. The Commissioner has held that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota is unfair, unjust or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Nothing in this Agreement can abrogate or reduce any of Franchisee's rights as provided for by the North Dakota Franchise Investment Law (N.D. Cent. Code, §§ 51-19-01 through 51-19-17), or Franchisee's rights to any procedure, forum, or remedies provided for by the laws of North Dakota.

5. Section 16.3 of the Agreement shall be deleted in its entirety and shall have no force or effect.

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

THE REMAINDER OF THIS PAGE LEFT BLANK INTENTIONALLY

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

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 Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice
President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT

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

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice
President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT

Exhibit B-9

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.

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

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

(signature of authorized officer)

(name of member)

Ted Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice

President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT

Exhibit B-10

Washington Amendment

In 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 (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.

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

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-10

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

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-10

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.

FRANCHISOR:

MEMBER:

FLOORS TO GO, LLC

(signature of authorized officer)

(name of member)

Ted Dlugokienski

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice

President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-11

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

**FLOORS TO GO, LLC
MEMBERSHIP AGREEMENT**

Exhibit B-11

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

(name of authorized officer)

(signature)

Chief Financial Officer, Executive Vice

President of Operations and Secretary

(title of authorized officer)

(name of authorized signatory)

(effective date)

EXHIBIT "C"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March ~~13~~12, ~~2024~~2025

PRINCIPAL OWNER'S STATEMENT

PRINCIPAL OWNER'S STATEMENT MEMBERS

This form must be completed by the prospective member ("I," "me," or "my") if I have multiple owners or if I, or my franchised business, is owned by a business organization (like a corporation, partnership or limited liability company). Floors To Go, LLC is relying on the truth and accuracy of this form in awarding the franchise to me.

1. **Form of Owner.** I am a (check one):

- | | |
|-------------------------------|--------------------------|
| (a) General Partnership | <input type="checkbox"/> |
| (b) Corporation | <input type="checkbox"/> |
| (c) Limited Partnership | <input type="checkbox"/> |
| (d) Limited Liability Company | <input type="checkbox"/> |
| (e) Other | <input type="checkbox"/> |

Specify: _____

I was formed under the laws of _____.
(state of formation or organization)

2. **Business Entity.** I was incorporated or formed on _____, _____, under the laws of the State of _____. I have not conducted business under any name other than the legal name of my business entity (corporation, limited liability company, partnership or other form of organization) and _____. The following is a list of all persons who have management rights and powers (e.g., officers, managers, partners, etc.) and their positions:

<u>Name of Person</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. **Owners.** The following list includes the full name and mailing address of each person who is one of my owners and fully describes the nature of each owner's interest (***Attach additional sheets if necessary***).

<u>Owners Name and Address</u>	<u>Description of Ownership Interest</u>
_____	_____
_____	_____
_____	_____

**PRINCIPAL OWNER'S STATEMENT
MEMBERS**

4. **Governing Documents.** Attached are copies of the documents and contracts governing ownership, management and other significant aspects of the business organization (e.g., articles of incorporation or organization, partnership or shareholder agreements).

THIS STATEMENT of Principal Owners is current and complete as of _____,
_____.

INDIVIDUAL OWNERS:

(signature of owner)	(signature of owner)
(printed name of owner)	(printed name of owner)
(signature of owner)	(signature of owner)
(printed name of owner)	(printed name of owner)

CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP:

(printed name of business entity)
(signature of officer or managing partner)
(printed name and title of officer or managing partner)

EXHIBIT "D"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March ~~13~~12, ~~2024~~2025

STATE SPECIFIC ADDENDA

TO THE FRANCHISE DISCLOSURE DOCUMENT

CALIFORNIA DISCLOSURE

The California Franchise Investment Law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the Disclosure Document.

In recognition of the requirements of the California Franchise Investment Law, California Corporations Code § 31000 *et seq.*, the Floors To Go, LLC Disclosure Document for the offer of Floors To Go Showroom franchises for use in California shall be amended as follows:

1. Our website, www.floorfranchise.com, has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.

2. The State Cover Page shall be amended by the addition of the following risk factor:

The Membership Agreement contains a provision that requires the member to waive his, her or its right to a jury trial.

Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.

The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the Cartwright Act. Note: maximum price agreements are not per se violations of the Sherman Act.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.

3. Item 3 shall be amended by the addition of the following:

No person or company identified in Items 1 or 2 of this Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. § 78a *et seq.*, suspending or expelling such persons from membership in such association or exchange.

4. Item 17 shall be amended by the addition of the following:

California Business and Professions Code §§20000 through 20043 provides rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-1

The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under the federal bankruptcy law. (11 U.S.C.A. § 101 *et seq.*).

The franchise agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The franchise agreement requires binding arbitration. The arbitration will occur in Lee County, Florida with the costs being borne by the non-prevailing party.

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

If you renew or transfer your franchise, you release us from any claims you may have. California Corporations Code §31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code §§31000 through 31516). Business and Professions Code §20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code §§20000 through 20043).

Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

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.

California's Franchise Investment Law (Corporations Code sections 31512 and 31512.1) states that any provision of a franchise agreement or related document requiring the franchisee to waive specific provisions of the law is contrary to public policy and is void and unenforceable. The law also prohibits a franchisor from disclaiming or denying (i) representations it, its employees, or its agents make to you, (ii) your ability to rely on any representations it makes to you, or (iii) any violations of the law.

CONNECTICUT DISCLOSURE

DISCLOSURES REQUIRED BY CONNECTICUT LAW

THE STATE OF CONNECTICUT DOES NOT APPROVE, RECOMMEND, ENDORSE OR SPONSOR ANY BUSINESS OPPORTUNITY. THE INFORMATION CONTAINED IN THIS DISCLOSURE HAS NOT BEEN VERIFIED BY THE STATE. IF YOU HAVE ANY QUESTIONS ABOUT THIS INVESTMENT, SEE AN ATTORNEY BEFORE YOU SIGN A CONTRACT OR AGREEMENT.

IF THE SELLER FAILS TO DELIVER THE PRODUCTS, EQUIPMENT OR SUPPLIES OR FAILS TO RENDER THE SERVICES NECESSARY TO BEGIN SUBSTANTIAL OPERATION OF THE BUSINESS WITHIN FORTY-FIVE (45) DAYS OF THE DELIVERY DATE STATED IN YOUR CONTRACT, YOU MAY NOTIFY THE SELLER IN WRITING AND DEMAND THAT THE CONTRACT BE CANCELLED.

SECTION 36B-63(B)(4) OF THE CONNECTICUT BUSINESS OPPORTUNITY INVESTMENT ACT REQUIRES THE FOLLOWING DISCLOSURE PROVISION WHICH SHALL SUPERSEDE THE CORRESPONDING DISCLOSURE PROVISION IN THE BODY OF THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION:

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.

No person or company identified in Items 1 or 2 of this Disclosure Document has any administrative, criminal or civil action pending against that person alleging: a felony; a violation of any franchise, business opportunity, antitrust or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; unfair or deceptive trade practices or comparable civil or misdemeanor allegations.

No person or company identified in Items 1 or 2 of this Disclosure Document has been convicted of a felony or pleaded *nolo contendere* to a felony charge or, within the seven (7) 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, business opportunity, antifraud or securities law; fraud; embezzlement fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-2

Other than the above action, no person or company identified in Items 1 or 2 of this Disclosure Document is subject to any currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, business opportunity, 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 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.

HAWAII DISCLOSURE

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE HAWAII FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THIS DISCLOSURE DOCUMENT TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

THE NAME AND ADDRESS OF THE FRANCHISOR'S REGISTERED AGENT IN THIS STATE IS: SECURITIES COMMISSIONER, THE STATE OF HAWAII, 335 MERCHANT STREET, ROOM 203, HONOLULU, HAWAII 96813.

IN RECOGNITION OF THE REQUIREMENTS OF THE HAWAII FRANCHISE INVESTMENT LAW, HAWAII REV. STAT. §§ 482E-1 *ET SEQ.*, THE FLOORS TO GO, LLC DISCLOSURE DOCUMENT FOR THE OFFER OF FLOORS TO GO SHOWROOM FRANCHISES FOR USE IN HAWAII SHALL BE AMENDED AS FOLLOWS:

1. ITEM 20 SHALL BE AMENDED BY THE ADDITION OF THE FOLLOWING:

THE STATES IN WHICH THIS PROPOSED REGISTRATION IS OR WILL SHORTLY BE ON FILE OR EXEMPT IN, ARE: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON AND WISCONSIN. NO STATES HAVE REFUSED, BY ORDER OR OTHERWISE, TO REGISTER THESE FRANCHISES. NO STATES HAVE REVOKED OR SUSPENDED THE RIGHT TO OFFER THESE FRANCHISES (OTHER THAN UPON THE EXPIRATION OF THE

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-3

REGISTRATION TERM). THE PROPOSED REGISTRATION OF THESE FRANCHISES HAS NOT BEEN INVOLUNTARILY WITHDRAWN IN ANY STATE.

2. EACH PROVISION OF THIS ADDENDUM TO THE DISCLOSURE DOCUMENT SHALL BE EFFECTIVE ONLY TO THE EXTENT, WITH RESPECT TO SUCH PROVISION, THAT THE JURISDICTIONAL REQUIREMENTS OF THE HAWAII FRANCHISE INVESTMENT LAW ARE MET INDEPENDENTLY WITHOUT REFERENCE TO THIS ADDENDUM TO THE DISCLOSURE DOCUMENT.

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 FRANCHISEE 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:

	Provision	Section in Membership Agreement	Summary
v.	Choice of forum	Section 16.2	Florida, unless otherwise required by state laws of the State of Illinois.
w.	Choice of law	Section 16.1	Florida unless otherwise required by the laws of the State of Illinois.

Illinois law governs the Membership Agreement.

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

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-4

Your rights upon termination and non-renewal 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 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

INDIANA DISCLOSURE

**REGISTRATION DOES NOT CONSTITUTE APPROVAL,
RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF THE
STATE OF INDIANA.**

**THE FRANCHISE ACTS OF THE STATE OF INDIANA TITLE 23, ARTICLE
2, CHAPTERS 2.5 AND 2.7 MAY SUPERSEDE YOUR RELATIONSHIP WITH THE
FRANCHISOR UNDER THE TERMS OF THE FRANCHISE AGREEMENT. THE
FOLLOWING ADDITIONAL DISCLOSURE PROVISIONS ARE REQUIRED
UNDER INDIANA LAW AND SUPERSEDE THE CORRESPONDING
DISCLOSURE PROVISIONS IN THE BODY OF THE FRANCHISE DISCLOSURE
DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION.**

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 FRANCHISE TRANSFERS, CHOICE OF
FORUM AND CHOICE OF LAW WHICH MAY BE SUPERSEDED BY PROVISIONS OF
INDIANA'S FRANCHISE ACTS, IND. CODE §§ 23-2-2.5 AND 23-2-2.7

	Provision	Section in Membership Agreement	Summary
m.	Conditions for our approval of transfer	Section 11.1	Includes payment of monies owed and fee, no breach, release of liability, transferee suitability, execution of new agreement. Any release must exclude liabilities arising under Indiana Code § 23-2-2.7-1(5)
v.	Choice of forum	Section 16.2	Florida, unless otherwise required by state law. Choice of an exclusive forum other than Indiana is prohibited pursuant to Indiana Code § 23-2-2.7-1(10).
w.	Choice of law	Section 16.1	Florida unless otherwise required by the laws of the State of Indiana. This choice of law is subject to the superceding provisions of Indiana's Franchise Acts, Indiana Code §§ 23-2-2.5 and 23-2-2.7.

MARYLAND DISCLOSURE

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, Md. Code Ann. Bus. Reg. §§ 14-201 to 14-233, the Floors To Go, LLC Franchise Disclosure Document for the offer of Floors To Go Showroom franchises for use in Maryland shall be amended to include the following:

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 ASSIGNMENT AND CHOICE OF LAW WHICH MAY BE SUPERSEDED BY THE MARYLAND FRANCHISE REGISTRATION AND DISCLOSURE LAW.

Provision	Section in Membership Agreement	Summary
m. Conditions for our approval of transfer	Section 11.1	Includes payment of monies owed and fee, no breach, release of liabilities, transferee suitability, execution of new agreement. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
w. Choice of law	Section 16.1	Florida, unless otherwise required by the laws of the State of Maryland. Floors To Go, LLC, has filed an irrevocable consent to be sued in Maryland and you may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

The provision in the Membership Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.)

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-6

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

IF YOU DEFAULT UNDER THE MEMBERSHIP AGREEMENT FOR ONE OF YOUR FTG SHOWROOMS, FRANCHISOR HAS THE RIGHT TO TERMINATE YOUR RIGHTS TO OPERATE ALL OF YOUR FTG SHOWROOMS.

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.

MICHIGAN DISCLOSURE

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

(A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.

(B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND PROTECTIONS PROVIDED IN THIS ACT. THIS SHALL NOT PRECLUDE A FRANCHISEE, AFTER ENTERING INTO A FRANCHISE AGREEMENT, FROM SETTLING ANY AND ALL CLAIMS.

(C) A PROVISION THAT PERMITS A FRANCHISOR TO TERMINATE A FRANCHISE PRIOR TO THE EXPIRATION OF ITS TERM EXCEPT FOR GOOD CAUSE. GOOD CAUSE SHALL INCLUDE THE FAILURE OF THE FRANCHISEE TO COMPLY WITH ANY LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND TO CURE SUCH FAILURE AFTER BEING GIVEN WRITTEN NOTICE THEREOF AND A REASONABLE OPPORTUNITY, WHICH IN NO EVENT NEED BE MORE THAN 30 DAYS, TO CURE SUCH FAILURE.

(D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISED BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.

(E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-7

THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.

(F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

(G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:

(i) THE FAILURE OF THE PROPOSED TRANSFEREE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.

(ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.

(iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.

(iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.

(H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).

(I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-7

PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

* * * *

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

DEPARTMENT OF THE ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
525 WEST OTTAWA STREET
G. MENNEN WILLIAMS BUILDING, 1st FLOOR
LANSING, MICHIGAN 48913
TELEPHONE NUMBER: 517-335-7567

MINNESOTA DISCLOSURE

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.

A FEDERAL TRADE COMMISSION RULE MAKES IT UNLAWFUL FOR YOU TO SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR THE FRANCHISOR'S AFFILIATES IN CONNECTION WITH THE PROPOSED FRANCHISE SALE IF THE FRANCHISOR HAS NOT PROVIDED YOU WITH THIS DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS BEFOREHAND. THE PROSPECTIVE FRANCHISEE MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST.

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 OFFICE OF THE COMMISSIONER OF COMMERCE OF MINNESOTA, DEPARTMENT OF COMMERCE, 85 7TH PLACE EAST, SUITE 280, ST. PAUL, MINNESOTA 55101.

ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF THE STATE OF MINNESOTA OR A FINDING BY THE COMMISSIONER OF COMMERCE OF THE STATE OF MINNESOTA THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, ACCURATE OR NOT MISLEADING.

WITH RESPECT TO FRANCHISES GOVERNED BY MINNESOTA LAW, THE FRANCHISOR WILL COMPLY WITH MINNESOTA STATUTES §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 FOR A NON-RENEWAL OF THE FRANCHISE AGREEMENT.

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-8

MINNESOTA STATUTES §80C.21 AND MINNESOTA 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 ANY PROCEDURE, FORUM, OR REMEDIES PROVIDED FOR BY THE LAWS OF THE JURISDICTION, OR CONSENTING TO LIQUIDATED DAMAGES, TERMINATION PENALTIES OR JUDGMENT NOTES OR WAIVING YOUR RIGHTS TO A JURY TRIAL.

ITEM 13 SHALL BE AMENDED BY THE ADDITION OF THE FOLLOWING:

With respect to franchises governed by Minnesota law, we will comply with Minnesota Statutes §80C.12, Subd. 1(g) which requires us to indemnify you from any loss, costs or expenses arising out of claims, suits or demands regarding your use of the Marks.

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 FRANCHISE TERMINATIONS, TRANSFERS, CHOICE OF FORUM AND CHOICE OF LAW WHICH MAY BE SUPERSEDED BY PROVISIONS OF THE MINNESOTA FRANCHISE ACT, MINNESOTA STATUTES §80C, SUBDS. 3, 4, AND 5, MINNESOTA STATUTES §80C.21 AND MINNESOTA RULE 2860.4400J.

	Provision	Section in Membership Agreement	Summary
b.	Renewal or extension of the term	Section 2.1; Section 2.2	<p>Renewal terms of 5 years each, subject to contractual requirements.</p> <p>Under Minnesota law, if we determine not to renew your FTG membership, (i) we must provide you with written notice of our intention not to renew at least 180 days in advance of the expiration of your FTG membership, and (ii) you must be given an opportunity to operate your Showroom over a sufficient period of time to enable you to recover the fair market value of the Showroom as a going concern, as determined and measured from the date of the failure to renew.</p>

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-8

We may not refuse to renew your FTG membership for the purpose of converting your Showroom to an operation that we will own for our own account.

- f. Termination by franchisor with cause Section 13.2

Failure to comply with Membership Agreement

Except where termination is due to (i) your voluntary abandonment, (ii) your conviction of an offense directly related to your business, or (iii) your failure to cure a default under the Membership Agreement that materially impairs the goodwill associated with the Marks (after you have received written notice to cure of at least 24 hours in advance thereof), in each of which instances notice of termination shall be effective immediately upon receipt, we may not terminate your FTG membership unless we (A) give you written notice, setting forth all the reasons for the termination at least 90 days in advance of termination, and (B) you fail to correct the reasons stated for termination in the notice within 60 days of receipt of the notice.

- m. Conditions for franchisor approval of transfer Section 11.1

Includes payment of monies owed and fee; no breach; release of liability; transferee suitability; and execution of new agreement.

Any release required as a condition of transfer shall not apply to any claims you may have under the Minnesota Franchise Act and/or the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce.

- v. Choice of forum Section 16.2

Florida unless otherwise required by another state law. Choice of an exclusive forum other than Minnesota is prohibited pursuant to Minnesota Statutes § 80C.21 and Minnesota Rule 2860.4400J.

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-8

w.	Choice of law	Section 16.1	Florida unless otherwise required by another state law. This choice of law is subject to the superseding provisions of Minnesota Statutes § 80C.21 and Minnesota Rule 2860.4400J.
----	---------------	--------------	---

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 with the franchise.

NEW YORK DISCLOSURE

~~UNDER NEW YORK LAW, WE MUST PROVIDE THIS DISCLOSURE DOCUMENT TO YOU AT THE EARLIER OF (A) THE FIRST PERSONAL MEETING BETWEEN THE FRANCHISOR OR ITS AGENT AND THE PROSPECTIVE FRANCHISEE, (B) AT LEAST TEN (10) BUSINESS DAYS PRIOR TO THE EXECUTION OF A BINDING FRANCHISE OR OTHER AGREEMENT, OR (C) AT LEAST TEN (10) DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION IN CONNECTION WITH THE SALE OR PROPOSED SALE OF A FRANCHISE.~~

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 ~~THAT~~ 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 ~~TO DO SO~~, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR ~~CANNOT~~CAN NOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS ~~WHICH~~THAT ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

~~THE GENERAL BUSINESS LAW OF THE STATE OF NEW YORK, ARTICLE 33, SECTIONS 680 THROUGH 695, AND THE CODES, RULES AND REGULATIONS OF THE STATE OF NEW YORK, TITLE 13, CHAPTER VII, SECTIONS 200.1 THROUGH 200.13 AND 201.1 THROUGH 201.16 MAY SUPERSEDE THE FRANCHISE AGREEMENT IN YOUR RELATIONSHIP WITH THE FRANCHISOR. THE FOLLOWING ADDITIONAL DISCLOSURE PROVISIONS ARE REQUIRED UNDER NEW YORK LAW AND SUPERSEDE THE CORRESPONDING DISCLOSURE PROVISIONS IN THE BODY OF THE FRANCHISE DISCLOSURE DOCUMENT REQUIRED BY THE FEDERAL TRADE COMMISSION.~~

~~WE REPRESENT THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF MATERIAL FACT.~~

2. ITEM 3. LITIGATION.

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-9

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.

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 ~~person or company identified in Items 1 or 2 of this Disclosure Document has~~ any such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of any 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 ~~person or company identified in Items 1 or 2 of this Disclosure Document has~~ any 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.
- C. No ~~person or company identified in Items 1 or 2 of this Disclosure Document~~ 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. ~~Other than the above action, no person or company identified in Items 1 or 2 of this Disclosure Document~~ No such party is subject to any 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

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-9

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.

ITEM 4. ~~BANKRUPTCY.~~

~~No person or company previously identified in Items 1 or 2 of the Disclosure Document nor any of their current or former officers, directors or principals has, during the ten (10) year period immediately preceding the date of this Disclosure Document, been adjudged bankrupt or reorganized due to insolvency, nor was any person identified in Item 2 of the Disclosure Document a director or principal officer of any company or a general partner in any partnership that was adjudged bankrupt or reorganized due to insolvency either during or within one (1) year after the period that such person was an officer, director or partner of such company or partnership, nor have any such bankruptcy or reorganization proceedings been commenced under the U.S. Bankruptcy Code.~~

4. **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 TERMINATION,
ASSIGNMENT AND CHOICE OF LAW WHICH MAY BE SUPERSEDED BY THE
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	<p>Notice, compliance with Membership Agreement, sign new Membership Agreement, and pay renewal fee</p> <p>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 rights.</p> <p>However, to the extent required by applicable law, all rights you enjoy and any causes of</p>

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-9

Provision	Section in Membership Agreement	Summary
		action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.
d. Termination by you	Section 13.1	Notice, compliance with Membership Agreement, release of liability. You may terminate the Membership Agreement on any grounds available by law.
m. Conditions for franchisor approval of transfer	Section 11.1	Includes payment of monies owed and fee; no breach; release of liability; transferee suitability; and execution of new agreement. However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.
<u>v. Choice of forum</u>	<u>Section 16.2</u>	<u>Florida, unless otherwise required by the laws of the State of New York. The foregoing choice of forum should not be considered a waiver of any right conferred upon you or us by Article 33 of the General Business Law of the State of New York.</u>
w. Choice of law	Section 16.1	Florida, unless otherwise required by the laws of the State of New York. The foregoing Choice of Law should not be considered a waiver of any right conferred upon you or us by Article 33 of the General Business Law of the State of New York.

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-9

~~ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS.~~

~~REPRESENTATIONS REGARDING EARNINGS CAPABILITY~~

5. Franchise Questionnaires and Acknowledgements:

~~THE FRANCHISOR DOES NOT FURNISH OR AUTHORIZE ITS SALESPERSONS TO FURNISH ANY ORAL OR WRITTEN INFORMATION CONCERNING THE ACTUAL OR POTENTIAL SALES, COSTS, INCOME OR PROFITS OF A FTG FRANCHISE. ACTUAL RESULTS VARY FROM UNIT TO UNIT AND WE CANNOT ESTIMATE THE EARNINGS OF ANY PARTICULAR FRANCHISE.~~

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.

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.

NORTH DAKOTA DISCLOSURE

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT ARE PROVIDED FOR YOUR OWN PROTECTION AND CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THIS ADDENDUM, THE 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.

A FEDERAL TRADE COMMISSION RULE MAKES IT UNLAWFUL FOR YOU TO SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR THE FRANCHISOR'S AFFILIATES IN CONNECTION WITH THE PROPOSED FRANCHISE SALE IF THE FRANCHISOR HAS NOT PROVIDED YOU WITH THIS DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS BEFOREHAND. THE PROSPECTIVE FRANCHISEE MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST SEVEN (7) DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN (7) DAYS PRIOR TO THE RECEIPT OF ANY CONSIDERATION, WHICHEVER OCCURS FIRST.

IF THIS ADDENDUM AND THE DISCLOSURE DOCUMENT ARE NOT DELIVERED ON TIME, OR IF THEY CONTAIN 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 SECURITIES COMMISSIONER, 600 EAST BOULEVARD, FIFTH FLOOR, BISMARCK, NORTH DAKOTA 58505.

ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE NORTH DAKOTA FRANCHISE INVESTMENT LAW, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE SECURITIES COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, ACCURATE OR NOT MISLEADING.

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: THE SECURITIES COMMISSIONER, 600 EAST BOULEVARD, FIFTH FLOOR, BISMARCK, NORTH DAKOTA 58505.

OREGON DISCLOSURE

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.

A FEDERAL TRADE COMMISSION RULE MAKES IT UNLAWFUL FOR YOU TO SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR THE FRANCHISOR'S AFFILIATES IN CONNECTION WITH THE PROPOSED FRANCHISE SALE IF THE FRANCHISOR HAS NOT PROVIDED YOU WITH THIS DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS BEFOREHAND. THE PROSPECTIVE FRANCHISEE MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE SIGNING OF THE FRANCHISE AGREEMENT. DELIVERY OF THIS DISCLOSURE DOCUMENT AND PROPOSED AGREEMENTS IS ACCOMPLISHED ONLY WHEN THE PROSPECTIVE FRANCHISEE OR ITS AUTHORIZED REPRESENTATIVE ACTUALLY RECEIVES THESE DOCUMENTS.

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 OREGON DEPARTMENT OF CONSUMER & BUSINESS SERVICES, DIVISION OF FINANCE AND CORPORATE SECURITIES, 350 WINTER STREET NE, ROOM 410, SALEM, OREGON 97301-3881.

RHODE ISLAND DISCLOSURE

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.

A FEDERAL TRADE COMMISSION RULE MAKES IT UNLAWFUL FOR YOU TO SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR THE FRANCHISOR'S AFFILIATES IN CONNECTION WITH THE PROPOSED FRANCHISE SALE IF THE FRANCHISOR HAS NOT PROVIDED YOU WITH THIS DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS BEFOREHAND. THE PROSPECTIVE FRANCHISEE MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT THE EARLIER OF: (1) THE PROSPECTIVE FRANCHISEE'S FIRST PERSONAL BUSINESS MEETING WITH THE FRANCHISOR WHICH IS HELD FOR THE PURPOSE OF DISCUSSING THE SALE OR POSSIBLE SALE OF A FRANCHISE; OR (2) TEN (10) BUSINESS DAYS PRIOR TO THE EXECUTION OF AN AGREEMENT OR PAYMENT OF ANY CONSIDERATION RELATING TO THE FRANCHISE RELATIONSHIP.

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 TO THE STATE OF RHODE ISLAND, DEPARTMENT OF BUSINESS REGULATION, SECURITIES DIVISION, 1511 PONTIAC AVENUE, BUILDING 69-1, CRANSTON, RHODE ISLAND 02920.

ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE RHODE ISLAND FRANCHISE AND DISTRIBUTORSHIP INVESTMENT REGULATIONS ACT, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION OR A FINDING BY THE RHODE ISLAND DEPARTMENT OF BUSINESS REGULATION THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, ACCURATE OR NOT MISLEADING.

EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT "HOME STATE" LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO THE STATE-SPECIFIC AMENDMENTS THAT ARE ATTACHED TO THE DISCLOSURE DOCUMENT AS EXHIBIT "B" FOR DETAILS.

SOUTH DAKOTA DISCLOSURE

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.

A FEDERAL TRADE COMMISSION RULE MAKES IT UNLAWFUL FOR YOU TO SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR THE FRANCHISOR'S AFFILIATES IN CONNECTION WITH THE PROPOSED FRANCHISE SALE IF THE FRANCHISOR HAS NOT PROVIDED YOU WITH THIS DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS BEFOREHAND. THE PROSPECTIVE FRANCHISEE MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE SIGNING OF THE FRANCHISE AGREEMENT.

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 DIVISION OF INSURANCE, SECURITIES REGULATION, 124 S. EUCLID, SUITE 104, PIERRE, SOUTH DAKOTA 57501.

ALTHOUGH THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE SOUTH DAKOTA FRANCHISE LAW, REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF THE DIVISION OF SECURITIES OF THE STATE OF SOUTH DAKOTA THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE, ACCURATE OR NOT MISLEADING.

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-14

VIRGINIA DISCLOSURE

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Floors To Go, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional disclosure. The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause or to use undue influence to induce a franchisee to surrender any right given to him by any provision contained in the franchise agreement. If any ground for default or termination stated in the Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

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.

WASHINGTON DISCLOSURE

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 BE COURT DECISIONS WHICH MAY SUPERSEDE THE AGREEMENT IN YOUR 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

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-15

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.

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.

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.

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

FLOORS TO GO, LLC
Franchise Disclosure Document

Exhibit D-15

ON BEHALF OF THE FRANCHISOR. THIS PROVISION SUPERSEDES ANY OTHER TERM OF ANY DOCUMENT EXECUTED IN CONNECTION WITH THE FRANCHISE.

WISCONSIN DISCLOSURE

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.

A FEDERAL TRADE COMMISSION RULE MAKES IT UNLAWFUL FOR YOU TO SIGN A BINDING AGREEMENT WITH, OR MAKE A PAYMENT TO, THE FRANCHISOR OR THE FRANCHISOR'S AFFILIATES IN CONNECTION WITH THE PROPOSED FRANCHISE SALE IF THE FRANCHISOR HAS NOT PROVIDED YOU WITH THIS DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) CALENDAR DAYS BEFOREHAND. THE PROSPECTIVE FRANCHISEE MUST ALSO RECEIVE A FRANCHISE AGREEMENT CONTAINING ALL MATERIAL TERMS AT LEAST SEVEN (7) CALENDAR DAYS PRIOR TO THE SIGNING OF THE FRANCHISE AGREEMENT.

REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES OF THE STATE OF WISCONSIN.

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 WISCONSIN DEPARTMENT OF FINANCIAL INSTITUTIONS, DIVISION OF SECURITIES, FRANCHISE REGISTRATION, 201 WEST WASHINGTON AVENUE, 5TH FLOOR, MADISON, WISCONSIN 53703.

IN RECOGNITION OF THE REQUIREMENTS OF THE WISCONSIN FRANCHISE INVESTMENT LAW, WISCONSIN STATUTES §§ 553.01 TO 553.78, AND THE WISCONSIN FAIR DEALERSHIP LAW, WISCONSIN STATUTES, CHAPTER 135 (THE "WISCONSIN FAIR DEALERSHIP LAW"), THE FLOORS TO GO, LLC FRANCHISE DISCLOSURE DOCUMENT FOR THE OFFER OF FLOORS TO GO SHOWROOM FRANCHISES FOR USE IN WISCONSIN SHALL BE AMENDED TO INCLUDE THE FOLLOWING:

EACH PROVISION OF THIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT 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 REFERENCE TO THIS ADDENDUM.

EXHIBIT "E"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated December 31, ~~2023~~2024

**AUDITED FINANCIAL STATEMENTS OF FTG FOR THE YEARS ENDED
DECEMBER 31, ~~2023~~2024, DECEMBER 31, ~~2022~~2023, AND DECEMBER 31,
~~2021~~2022**

Floors To Go,
LLC



Years Ended
December 31,
2024 and 2023

Financial
Statements

Rehmann

FLOORS TO GO, LLC

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements for the Years Ended December 31, 2024 and 2023	
Balance Sheets	3
Statements of Income and Member's Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITORS' REPORT

March 12, 2025

Board of Directors and Member
Floors To Go, LLC
Bonita Springs, Florida

Opinion

We have audited the financial statements of **Floors To Go, LLC** (the "Company"), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income and member's equity, and cash flows for the years then ended, and the related notes to the financial statements (the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Floors To Go, LLC** as of December 31, 2024 and 2023, and the results of its operations and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.



Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

A handwritten signature in black ink that reads "Lehmann Lohman LLC". The signature is written in a cursive, flowing style.

FLOORS TO GO, LLC

Balance Sheets

	December 31	
	2024	2023
ASSETS		
Current assets		
Cash	\$ 973,148	\$ 812,308
Accounts receivable, less allowance for credit losses of approximately \$33,500 (\$27,500 in 2023)	471,369	461,463
Prepaid expenses	2,475	3,189
Total current assets	1,446,992	1,276,960
Goodwill	50,000	50,000
Total assets	\$ 1,496,992	\$ 1,326,960
LIABILITIES AND MEMBER'S EQUITY		
Liabilities		
Accounts payable	\$ 800	\$ 9,763
Deferred revenue	28,516	34,409
Due to franchisees - cashback program	483,563	472,253
Accrued expenses	284,241	260,669
Total liabilities (all current)	797,120	777,094
Member's equity	699,872	549,866
Total liabilities and member's equity	\$ 1,496,992	\$ 1,326,960

The accompanying notes are an integral part of these financial statements.

FLOORS TO GO, LLC

Statements of Income and Member's Equity

	Year Ended December 31	
	2024	2023
Revenue		
Operating	\$ 3,132,489	\$ 3,313,578
Sale of franchise licenses	22,496	13,451
	<u>3,154,985</u>	<u>3,327,029</u>
Total revenue	3,154,985	3,327,029
Operating expenses		
Management fees - related party	800,000	800,000
Franchise-related costs	501,628	474,154
Commissions	186,800	207,300
Professional services	61,317	44,403
Credit losses	52,720	35,724
Travel, meals and entertainment	33,996	49,481
General office	623	6,328
	<u>1,637,084</u>	<u>1,617,390</u>
Total operating expenses	1,637,084	1,617,390
Net income	1,517,901	1,709,639
Member's equity, beginning of year	549,866	1,259,440
Member distributions	<u>(1,367,895)</u>	<u>(2,419,213)</u>
Member's equity, end of year	<u>\$ 699,872</u>	<u>\$ 549,866</u>

The accompanying notes are an integral part of these financial statements.

FLOORS TO GO, LLC

Statements of Cash Flows

	Year Ended December 31	
	2024	2023
Cash flows from operating activities		
Net income	\$ 1,517,901	\$ 1,709,639
Adjustments to reconcile net income to net cash from operating activities		
Credit losses	52,720	35,724
Changes in operating assets and liabilities which (used) provided cash		
Accounts receivable	(62,626)	(113,736)
Prepaid expenses	714	-
Accounts payable	(8,963)	(5,267)
Deferred revenue	(5,893)	(17,352)
Due to franchisees - cashback program	11,310	(90,896)
Accrued expenses	23,572	33,669
Net change in cash from operating activities	1,528,735	1,551,781
Cash flows from financing activities		
Member distributions	(1,367,895)	(2,419,213)
Net change in cash	160,840	(867,432)
Cash, beginning of year	812,308	1,679,740
Cash, end of year	\$ 973,148	\$ 812,308

The accompanying notes are an integral part of these financial statements.

FLOORS TO GO, LLC

Notes to Financial Statements

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Floors To Go, LLC, a Florida LLC (the "Company"), is in the business of selling franchise licenses and providing various support services to franchisees operating in the retail floor covering industry located throughout the United States.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting year. Actual results could differ from those estimates. Significant estimates include, but are not limited to, the franchisee cashback program accruals.

Cash

Cash consists of demand deposits in banks. The Company maintains its deposits in amounts which, at times, may exceed federally insured limits, in one local financial institution. Management does not believe the Company is exposed to any significant interest rate or other financial risk as a result of these deposits.

Revenue Recognition

Revenues are primarily derived from service fees, member advertising fees, and brokerage fees from certain floor and window covering manufacturers utilized by the franchisees. The performance obligation related to these services is met over the terms of the franchise agreement. In certain circumstances fees collected are deferred and recognized over time as the related performance obligations are satisfied.

We identified the following services as one performance obligation in connection with the franchise contracts:

- Intellectual Property (IP) license to the Company's programs, registered trademarks and name.
- Service fees are monthly charges for training and other support services recognized when invoiced.
- Member advertising fees consist of annual charges for advertising and marketing materials.

The Company also recognizes a portion of revenue from the sale of franchisee licenses at the time a contract between the Company and the franchisee is executed; additional license revenue is received in installments over a period of up to five years. The performance obligation related to the sale of a franchisee license is met over the terms of the franchise agreement.

Brokerage fees from certain floor and window covering manufacturers utilized by the franchisees are recognized monthly based on the total amount of purchases made by the member franchisees and the terms of the contract. The performance obligation for the franchisees and manufacturers are considered to be met over the terms of the franchise agreement.

FLOORS TO GO, LLC

Notes to Financial Statements

Accounts Receivable

Accounts receivable are customer obligations due under normal trade terms generally requiring payment within 30 to 60 days from the invoice date. No collateral or other security is required to support accounts receivable, which are stated at the amount management expects to collect from outstanding balances. None of the Company's contracts have a significant financing component. Management estimates an allowance for expected credit losses based on the amount it expects to collect from customers, based on the length of time the receivables have been outstanding, historical collection experience, current market conditions and forecasted economic and business environments. Amounts that are deemed to be uncollectible are written off against the allowance for credit losses. The expense associated with the allowance for credit losses of \$52,720 and \$35,724 for the years ended December 31, 2024 and 2023, respectively, is recognized in operating expenses.

Deferred Revenue

Deferred revenue represents amounts received from both franchisees and manufacturers for participation in an annual convention, which is sponsored by the Company. These amounts will be recognized as revenue when the convention is held and the related expenses incurred. The Company also records deferred revenue for amounts received from franchisees for member advertising fees. Revenue for these services will be recognized over the terms of the franchise agreement and the related expenses are incurred.

Balances for accounts receivable and deferred revenue were as follows:

	December 31, 2024	December 31, 2023	January 1, 2023
Accounts receivable	\$ 471,369	\$ 461,463	\$ 383,451
Deferred revenue	28,516	34,409	51,761

Goodwill

Goodwill represents the excess of purchase over estimated fair value of the identifiable assets of an entity acquired in 2002. The Company evaluates goodwill for impairment on an annual basis. In completing this evaluation, the Company considers the profitability from those assets and compares its best estimate of future cash flows with the net carrying value of goodwill. Management does not believe there is any impairment of the Company's goodwill as of December 31, 2024 or 2023.

Cashback Program

The Company administers a manufacturer's cashback program on behalf of its franchisees consisting of various incentives provided to purchase selected products. Each participating franchisee receives a cash rebate, ranging from .5% to 8%, based on the amount and type of products purchased. Cash rebates, which are received by the Company on behalf of each franchisee generally on a semi-annual basis, are recorded as a liability on the accompanying balance sheets until paid to the franchisees.

FLOORS TO GO, LLC

Notes to Financial Statements

Income Taxes

The Company is disregarded as a separate entity from its owner under provisions of the Internal Revenue Code whereby taxable income, as well as tax credits, are passed directly to the member for inclusion in the personal tax returns. The Company has elected as an accounting policy not to provide income taxes in the financial statements. Therefore, income taxes are not provided in these financial statements.

Management has analyzed the Company's income tax filing positions in the state jurisdictions where it is required to file income tax returns, for all open tax years in these jurisdictions, to identify potential uncertain tax positions. As of December 31, 2024, there are no uncertain income tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. While the Company is subject to routine audits by taxing jurisdictions, there are currently no audits for any tax periods in progress.

Advertising Expenses

The costs of advertising and product promotion, which are expensed as incurred, are recognized in franchise-related costs on the statements of income. Such costs totaled \$261,790 and \$259,435 in 2024 and 2023, respectively.

Subsequent Events

In preparing these financial statements, management has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to the most recent balance sheet presented herein, through the date these financial statements were available to be issued.

2. RELATED PARTY TRANSACTIONS

The Company receives accounting and management services from a related company, wholly-owned by the Company's member. This arrangement includes the use of space and equipment at the corporate headquarters. Management fees charged to the Company by the affiliate for these services totaled \$800,000 in both 2024 and 2023.

■ ■ ■ ■ ■

Floors To Go,
LLC



Years Ended
December 31,
2023 and 2022

Financial
Statements

Rehmann

FLOORS TO GO, LLC

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements for the Years Ended December 31, 2023 and 2022	
Balance Sheets	3
Statements of Income and Member's Equity	4
Statements of Cash Flows	5
Notes to Financial Statements	6

INDEPENDENT AUDITORS' REPORT

March 13, 2024

Board of Directors and Member
Floors To Go, LLC
Bonita Springs, Florida

Opinion

We have audited the accompanying financial statements of **Floors To Go, LLC** (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income and member's equity, and cash flows for the years then ended, and the related notes to the financial statements (the "financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Floors To Go, LLC** as of December 31, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in Accounting Principle

As described in Note 1 to the financial statements, effective January 1, 2023, the Company adopted Accounting Standards Codification Topic 326, *Financial Instruments - Credit Losses*. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Rehmann Robson LLC

FLOORS TO GO, LLC

Balance Sheets

	December 31	
	2023	2022
ASSETS		
Current assets		
Cash	\$ 812,308	\$ 1,679,740
Accounts receivable, less allowance for credit losses of \$27,615 (\$19,131 in 2022)	461,463	383,451
Prepaid expenses	3,189	3,189
Total current assets	1,276,960	2,066,380
Goodwill	50,000	50,000
Total assets	\$ 1,326,960	\$ 2,116,380
LIABILITIES AND MEMBER'S EQUITY		
Liabilities		
Accounts payable	\$ 9,763	\$ 15,030
Due to franchisees - cashback program	472,253	563,149
Deferred revenue	34,409	51,761
Accrued expenses	260,669	227,000
Total liabilities (all current)	777,094	856,940
Member's equity	549,866	1,259,440
Total liabilities and member's equity	\$ 1,326,960	\$ 2,116,380

The accompanying notes are an integral part of these financial statements.

FLOORS TO GO, LLC

Statements of Income and Member's Equity

	Year Ended December 31	
	2023	2022
Revenue		
Operating	\$ 3,313,578	\$ 3,301,062
Sale of franchise licenses	13,451	5,000
	<u>3,327,029</u>	<u>3,306,062</u>
Total revenue	3,327,029	3,306,062
Operating expenses		
Management fees - related party	800,000	800,000
Franchise related costs	474,154	418,488
Commissions	207,300	189,800
Travel, meals and entertainment	49,481	48,161
Professional services	44,403	55,813
Credit losses	35,724	3,504
General office	6,328	5,899
	<u>1,617,390</u>	<u>1,521,665</u>
Total operating expenses	1,617,390	1,521,665
Net income	1,709,639	1,784,397
Member's equity, beginning of year	1,259,440	1,296,759
Member distributions	<u>(2,419,213)</u>	<u>(1,821,716)</u>
Member's equity, end of year	<u>\$ 549,866</u>	<u>\$ 1,259,440</u>

The accompanying notes are an integral part of these financial statements.

FLOORS TO GO, LLC

Statements of Cash Flows

	Year Ended December 31	
	2023	2022
Cash flows from operating activities		
Net income	\$ 1,709,639	\$ 1,784,397
Adjustments to reconcile net income to net cash provided by operating activities		
Credit losses	35,724	3,504
Changes in operating assets and liabilities which provided (used) cash		
Accounts receivable	(113,736)	58,903
Prepaid expenses	-	(3,189)
Accounts payable	(5,267)	12,690
Due to franchisees - cashback program	(90,896)	(47,387)
Deferred revenue	(17,352)	21,986
Accrued expenses	33,669	(67,703)
Net cash provided by operating activities	1,551,781	1,763,201
Cash flows used in financing activities		
Member distributions	(2,419,213)	(1,821,716)
Net decrease in cash	(867,432)	(58,515)
Cash, beginning of year	1,679,740	1,738,255
Cash, end of year	\$ 812,308	\$ 1,679,740

The accompanying notes are an integral part of these financial statements.

FLOORS TO GO, LLC

Notes to Financial Statements

1. NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Business

Floors To Go, LLC, a Florida LLC (the "Company"), is in the business of selling franchise licenses and providing various support services to franchisees operating in the retail floor covering industry located throughout the United States.

Risks and Economic Uncertainties

The extent of the impact of the global events on the Company's operational and financial performance will depend on various factors, including the duration and its effect on customers, suppliers, and employees, all of which cannot be reasonably predicted at this time. The impact of global events on the Company's financial position, operating results, and the timing and amounts of cash flows continue to be highly uncertain.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include, but are not limited to, the franchisee cashback program accruals.

Cash

Cash consists of demand deposits in banks and cash on hand. The Company maintains cash balances that at times may exceed federally insured limits. Management does not believe the Company is exposed to any significant interest rate or other financial risk as a result of these deposits.

Revenue Recognition

Revenue is generally recognized as services are provided. Revenues are primarily derived from service fees, member advertising fees, and brokerage fees from certain floor and window covering manufacturers utilized by the franchisees. The performance obligation related to these services is met over the terms of the franchise agreement. In certain circumstances fees collected are deferred and recognized over time as the related performance obligations are satisfied.

FLOORS TO GO, LLC

Notes to Financial Statements

We identified the following services as one performance obligation in connection with the franchise contracts:

- Intellectual Property (IP) license to the Company's programs, registered trademarks and name.
- Service fees are monthly charges for training and other support services recognized when invoiced.
- Member advertising fees consist of annual charges for advertising and marketing materials.

The Company also recognizes a portion of revenue from the sale of franchisee licenses at the time a contract between the Company and the franchisee is executed; additional license revenue is received in installments over a period of up to five years. The performance obligation related to the sale of a franchisee license is met over the terms of the franchise agreement.

Brokerage fees from certain floor and window covering manufacturers utilized by the franchisees are recognized monthly based on the total amount of purchases made by the member franchisees and the terms of the contract. The performance obligation for the franchisees and manufacturers are considered to be met over the terms of the franchise agreement.

Deferred Revenue

Deferred revenue represents amounts received from both franchisees and manufacturers for participation in an annual convention, which is sponsored by the Company. These amounts will be recognized as revenue when the convention is held and the related expenses incurred. The Company also records deferred revenue for amounts received from franchisees for member advertising fees. Revenue for these services will be recognized over the terms of the franchise agreement and the related expenses are incurred.

Deferred revenue were as follows for the year ended December 31:

	2023	2022
Deferred revenue, beginning of year	\$ 51,761	\$ 29,775
Deferred revenue, end of year	34,409	51,761

FLOORS TO GO, LLC

Notes to Financial Statements

Accounts Receivable

Accounts receivable are customer obligations due under normal trade terms generally requiring payment within 30 to 60 days from the invoice date. No collateral or other security is required to support accounts receivable, which are stated at the amount management expects to collect from outstanding balances. None of the Company's contracts have a significant financing component. Management estimates an allowance for expected credit losses based on the amount it expects to collect from customers, based on the length of time the receivables have been outstanding, historical collection experience, current market conditions and forecasted economic and business environments. Amounts that are deemed to be uncollectible are written off against the allowance for credit losses. The expense associated with the allowance for credit losses of \$35,724 and \$3,504 for the years ended December 31, 2023 and 2022, respectively, is recognized in operating expenses.

Accounts receivable were as follows for the years ended December 31:

	2023	2022
Accounts receivable, beginning of year	\$ 383,451	\$ 445,858
Accounts receivable, end of year	461,463	383,451

Goodwill

Goodwill represents the excess of purchase over estimated fair value of the identifiable assets of an entity acquired in 2002. The Company evaluates goodwill for impairment on an annual basis. In completing this evaluation, the Company considers the profitability from those assets and compares its best estimate of future cash flows with the net carrying value of goodwill. Management does not believe there is any impairment of the Company's goodwill as of December 31, 2023 or 2022.

Cashback Program

The Company administers a manufacturer's cashback program on behalf of its franchisees consisting of various incentives provided to purchase selected products. Each participating franchisee receives a cash rebate, ranging from .5% to 10%, based on the amount and type of products purchased. Cash rebates, which are received by the Company on behalf of each franchisee generally on a semi-annual basis, are recorded as a liability on the accompanying balance sheets until paid to the franchisees.

Income Taxes

The Company is a single member limited liability company that is taxed under provisions of the Internal Revenue Code whereby taxable income, as well as tax credits, are passed directly to the member for inclusion in the personal tax returns. Therefore, income taxes are not provided in these financial statements.

FLOORS TO GO, LLC

Notes to Financial Statements

Management analyzes its income tax filing positions in the state jurisdictions where it is required to file income tax returns, for as all open tax years in these jurisdictions, to identify potential uncertain tax positions. As of December 31, 2023, there are no uncertain income tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. While the Company is subject to routine audits by taxing jurisdictions, there are currently no audits for any tax periods in progress. Generally, the Company is no longer subject to income tax examinations for years prior to 2020.

Change in Accounting Principle

The Financial Accounting Standards Board issued Accounting Standards Update 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326)*, in June 2016. The standard replaced the incurred loss impairment methodology with a new methodology that reflects current expected credit losses ("CECL") on financial assets, including receivables, available-for-sale securities, and certain off-balance sheet commitments. The new methodology requires the measurement of all expected credit losses based on historical experience, current economic conditions, and reasonable and supportable forecasts. The standard also expands the required quantitative and qualitative disclosures for expected credit losses. On January 1, 2023, the Company adopted the standard using a modified retrospective method. The adoption of this standard did not have a material impact on our financial statements and disclosures.

Advertising Expenses

The costs of advertising and product promotion, which are expensed as incurred to franchise related costs on the statements of income, were \$259,435 and \$226,500 in 2023 and 2022, respectively.

Subsequent Events

In preparing these financial statements, the Company has evaluated, for potential recognition or disclosure, significant events or transactions that occurred during the period subsequent to December 31, 2023, the most recent balance sheet presented herein, through March 13, 2024, the date these financial statements were available to be issued. No such significant events or transactions were identified.

2. RELATED PARTY TRANSACTIONS

The Company receives accounting and management services from a related company, wholly-owned by the Company's member. This arrangement includes the use of space and equipment at the corporate headquarters. Management fees charged to the Company by the affiliate for these services totaled \$800,000 in both 2023 and 2022.

■ ■ ■ ■ ■

EXHIBIT "F"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March ~~13~~12, ~~2024~~2025

LIST OF STATE ADMINISTRATORS

FLOORS TO GO, LLC
List of State Administrators

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, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

CALIFORNIA

Department 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

~~Banking Commissioner~~
~~STATE OF CONNECTICUT~~
DEPARTMENT OF BANKING
[Securities and Business Investments Division](#)
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Telephone: (860) ~~240-8299~~ [240-8230](#)

FLORIDA

Florida Department of Agriculture
and Consumer Services
~~Plaza Level 10, The Capitol~~ [Attn: Finance and](#)
[Accounting](#)
[Mayo Building, Room 121](#)
~~400 S. Monroe~~ [407 South Calhoun](#) Street
Tallahassee, Florida 32399-0800
Telephone: (850) 410-3800

~~ILLINOIS~~ [HAWAII](#)

[Department of Commerce and Consumer](#)
[Affairs](#)
~~Franchise Bureau~~ [Business Registration](#)
[Division](#)
[Commissioner of Securities](#)
[King Kalakaua Building](#)
~~Office of the Attorney General~~
~~THE STATE OF ILLINOIS~~
~~500 South Second~~ [335 Merchant](#) Street, [Room](#)
[205](#)
~~Springfield, Illinois 62706~~
[Honolulu, Hawaii 96813](#)
Telephone: (~~217~~ [808](#)) ~~782-1090~~ [586-2744](#)

~~INDIANA~~ [ILLINOIS](#)

Franchise ~~Section~~ [Bureau](#)
~~INDIANA SECURITIES DIVISION~~
~~Office of the Attorney General~~
~~THE STATE OF ILLINOIS~~
~~302 West Washington~~ [500 South Second](#)
Street, ~~Room E-111~~
~~Indianapolis, Indiana 46204~~
[Springfield, Illinois 62701](#)
Telephone: (~~317~~ [217](#)) ~~232-6681~~ [782-1090](#)
~~IOWA~~ [INDIANA](#)

~~Regulated Industries Unit~~ [Franchise Section](#)
~~IOWA~~ [INDIANA](#) SECURITIES
~~BUREAU~~ [DIVISION](#)
~~601 Locust~~ [302 West Washington](#) Street, ~~4th~~
~~Floor~~ [Room E-111](#)
[Indianapolis, Indiana 46204](#)
Telephone: (317) 232-6681

FLOORS TO GO, LLC
List of State Administrators

IOWA

Iowa Insurance Division
1963 Bell Avenue, Suite 100
Des Moines, Iowa ~~50309-3738~~50315
Telephone: (515) ~~281-5705~~654-6600

~~HAWAII~~MARYLAND

~~Department of Commerce and Consumer Affairs~~
Office of Attorney General
~~Business Registration Division~~SECURITIES DIVISION
200 St. Paul Place
Baltimore, Maryland 21202-2020
~~THE STATE OF HAWAII~~
~~King Kalakaua Building~~
~~335 Merchant Street, Room 201~~
~~Honolulu, Hawaii 96813~~
Telephone: (808)~~410~~586-2722
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
Lansing, Michigan ~~48913~~48906
Telephone: (~~517~~877) ~~335-7567~~765-8388

MINNESOTA

Securities Unit - Franchise Examiner
MINNESOTA DEPARTMENT OF
COMMERCE
85 7th Place East
Suite 280
St. Paul, Minnesota 55101
Telephone: (651) ~~539-1638~~539-1500

NEBRASKA

~~MARYLAND~~NORTH DAKOTA

~~Office of Attorney General~~
Franchise Examiner
OFFICE OF SECURITIES
~~DIVISION~~COMMISSIONER
~~200 St. Paul Place~~
~~Baltimore, Maryland 21202-2020~~
600 East Boulevard Avenue
State Capitol, 14th Floor
Bismarck, North Dakota 58505
Telephone: (~~410~~701) ~~576-6360~~328-2910

OREGON

Department of Consumer & Business Services
Division of Finance and Corporate Securities
350 Winter Street NE
Fourth Floor
Salem, Oregon ~~97301-3881~~97301-3883
Telephone: (503) ~~378-4100~~378-4140

RHODE ISLAND

Securities Examiner
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

FLOORS TO GO, LLC
List of State Administrators

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

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

NEW YORK

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

TEXAS

~~Statutory Documents Section~~
~~TEXAS SECRETARY OF STATE~~
~~Registrations Unit~~
~~The Rudder Building~~
~~1019 Brazos Street~~
~~Austin, Texas 78701~~
~~Telephone: (512) 475-0775~~
FEDERAL TRADE COMMISSION

NORTH DAKOTA

~~Franchise Examiner~~Statutory Documents
Section
~~OFFICE~~TEXAS SECRETARY OF
~~SECURITIES COMMISSIONER~~STATE
~~600 East Boulevard Avenue~~Registrations Unit
~~State Capitol, Fifth Floor~~James Earl Rudder
Office Building
~~Bismarek, North Dakota 58505~~1019 Brazos
Street
Austin, Texas 78701
Telephone: ~~(701) 512~~ 328-4712 475-0775

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

UTAH

Division of Consumer Protection
UTAH DEPARTMENT OF COMMERCE
Herber M. Wells Building
2nd Floor
160 East ~~Three Hundred~~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

WISCONSIN

~~Franchise Registration, Division of Securities~~
~~WISCONSIN DEPARTMENT OF~~
~~FINANCIAL INSTITUTIONS~~
~~4822 Madison Yards Way~~
~~North Tower~~
~~Madison, Wisconsin 53705~~

FLOORS TO GO, LLC
List of State Administrators

Telephone: ~~(608) 261-9555~~

WASHINGTON

Department of Financial Institutions
SECURITIES DIVISION
150 Israel Road SW
Tumwater, Washington 98501
Telephone: (360) 902-8760

~~FEDERAL~~ ~~TRADE~~
~~COMMISSION~~ WISCONSIN

~~Bureau~~ Franchise Registration, Division of
~~Consumer Protection~~
Securities ~~FEDERAL TRADE COMMISSION~~
~~600 Pennsylvania Avenue, NW~~
~~Washington, D.C. 20580~~ WISCONSIN
DEPARTMENT OF FINANCIAL
INSTITUTIONS
4822 Madison Yards Way
North Tower
Madison, Wisconsin 53705
Telephone: (~~202~~ 608) ~~326-2222~~ 266-0448

EXHIBIT "G"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March ~~13~~12, ~~2024~~2025

FTG'S REGISTERED AGENTS

FOR SERVICE OF PROCESS

FLOORS TO GO, LLC
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

~~Banking Commissioner~~
~~STATE OF CONNECTICUT~~
DEPARTMENT OF BANKING
260 Constitution Plaza
Hartford, Connecticut 06103-1800
Telephone: (860) ~~240-8299~~ [240-8230](tel: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 ~~62706~~ [62701](tel:62701)
Telephone: (217) 782-1090

INDIANA

Secretary of State
STATE OF INDIANA
~~201 State House~~
~~200~~ [302](tel:302) West Washington Street, [Room E018](tel: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~~
G. Mennen Williams Building, ~~1st Floor~~
[525 West Ottawa Street](tel:525 West Ottawa Street)
Lansing, Michigan ~~48913~~ [48906](tel:48906)
Telephone: (~~517~~ [877](tel:877)) ~~335-7567~~ [765-8388](tel:765-8388)

MINNESOTA

State of Minnesota
Department of Commerce
Securities Division
85 7th Place East, Suite 280
St. Paul, Minnesota 55101
Telephone: (651) ~~539-1638~~ [539-1500](tel:539-1500)

FLOORS TO GO, LLC
Floors To Go's Registered Agents for Service of Process

NEW YORK

~~Secretary~~ [Office of the New York Department](#) of
State
[One Commerce Plaza](#)
99 Washington Avenue
[6th Floor](#)
Albany, New York 12231
Telephone: (518) 473-2492

SOUTH DAKOTA

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

NORTH DAKOTA

Commissioner of Securities
OFFICE OF SECURITIES COMMISSIONER
600 East Boulevard Avenue
State Capitol, ~~Fifth~~ [14th](#) Floor
Bismarck, North Dakota 58505
Telephone: (701) 328-2910

VIRGINIA

The Clerk of the
STATE CORPORATION COMMISSION
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
Telephone: (804) 371-9051

OREGON

Director
OREGON DEPARTMENT OF CONSUMER &
BUSINESS SERVICES
Division of Finance and Corporate Securities
350 Winter Street NE, ~~Room 410~~
[Fourth Floor](#)
Salem, Oregon ~~97301-3881~~ [97301-3883](#)
Telephone: (503) 378-4100

WASHINGTON

Department of Financial Institutions
SECURITIES DIVISION
150 Israel Road SW
Tumwater, Washington 98501
Telephone: (360) 902-8760

RHODE ISLAND

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

WISCONSIN

Franchise Registration, Division of Securities
WISCONSIN DEPARTMENT OF FINANCIAL
INSTITUTIONS
4822 Madison Yards Way
North Tower
Madison, Wisconsin 53705
Telephone: (608) ~~266-8557~~ [266-0448](#)

EXHIBIT "H"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated December 31, ~~2023~~2024

FTG'S CURRENTLY OPERATING MEMBERS

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

The following is a list of members who, as of December 31, ~~2023~~2024, had executed membership agreements and were operating FTG Showrooms:

Alabama

~~Floors To Go~~

~~Floors To Go of Anniston~~

~~JTG Enterprises, Inc.~~

~~2415 East H Street~~

~~Anniston, AL 36207~~

~~Ted Gregerson~~

~~Ben Lasslett~~

~~256-231-5600~~

Pfeffer Floor Covering

Floors To Go of Bay Minette

703 D'Olive Street

Bay Minette, AL 36507

Arlene Pfeffer

251-937-2189

Pridgen Flooring

Floors To Go of Geneva

1116 West Maple Avenue

Geneva, AL 36340

Michael Thornton

334-684-3442

Floors To Go of Monroeville

BD & S Services, Inc.

220 E. Clairbone Street

Monroeville, AL 36460

Al Brewton

251-743-3607

Oak Mountain Flooring

Floors to Go of Orange Beach

25299 Canal Road

Orange Beach, AL 36561

Charles Earl

205-281-1176

Nu-Floors

Floors To Go of Tuscaloosa

3621 Greensboro Avenue

Tuscaloosa, AL 35401

Jeff Clark

205-343-2200

Alaska

~~Eastside Carpet Company LLC~~

~~Floors To Go of Anchorage~~

~~7240 Lake Otis Parkway~~

~~Anchorage, AK 99507~~

~~Corry & Sean Casagrande~~

~~907-562-7444~~

Arizona

Castle Floors

Floors To Go of Mesa

4500 E. Main Street #3

Mesa, AZ 85205

~~Dean & Peggy~~Blake Merrell

480-396-6956

Arkansas

~~Carpet Barn~~

~~Floors To Go of Conway~~

~~1579 E. Oak Street~~

~~Conway, AR 72032~~

~~Shean Drewry~~

~~501-205-4240~~

~~Carpet Barn~~

~~Floors To Go of N. Little Rock~~

~~9313 Maumelle Boulevard~~

~~North Little Rock, AR 72113~~

~~Shean Drewry~~

~~501-771-2122~~

~~Carpet Barn~~

~~Floors To Go of Pine Bluff~~

~~2707 South Main Street~~

~~Pine Bluff, AR 71601~~

~~Shean Drewry~~

~~870-536-2123~~

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Premier Flooring & Design, Inc.
Floors To Go of Searcy
1627 East Beebe Capps Expressway
Suite A
Searcy, AR 72143
Michael Glenn
Heather Glenn
501-203-0700

California

~~Floors on First
Floors To Go
840 First Street
Benicia, CA 94510
Robert Totherow
Marilyn Stevens
707-747-5999~~

Harry's Carpets, Inc.
Floors To Go of Burlingame
808 Burlway Road, Suite 4
Burlingame, CA 94010
Harry Sellers
650-589-5022

The Carpet Man, Inc.
Floors To Go of Clearlake
3511 Redwood Street
Clearlake, CA 95422
Adam Knerschild
Nancy Johnson
Robert Keyes
707-994-5318

~~Floortex Design~~
Premiere Flooring & More, LLC
Floors To Go of ~~Corte~~
~~Madera~~Encinitas
~~5768 Paradise Dr.~~
1441 Encinitas Blvd, Ste 126
~~Corte Madera~~Encinitas, CA -
~~94925~~92024
~~Rudy Hassid~~
~~415-924-6545~~Luis Garcia
760-519-4821
Floors To Go of Fairfield
3046 Rockville Road, #A

Fairfield, CA 94534
Thomas Eaton
707-427-2811

Valley Remnants and Rolls
Floors To Go
1820 East McKinley
Fresno, CA 93703
Robert McParland
Fo Noriego
559-445-0227

Premier
Floors To Go
116 North Cabrillo Highway
Half Moon Bay, CA 94019
Kevin and Jill Palmer
650-726-6386

AZ Carpet Flooring
Floors To Go of Hayward
1204 West Winton Ave.
Hayward, CA 94545
Naim Rahimi
510-785-1000

~~Crenshaw Carpet
Floors To Go of Inglewood
4611 Crenshaw Blvd.
Los Angeles, CA 90043
Bruce Barnett
323-295-7731~~

Alpine Floors
Floors To Go
848 East Highway 88
Jackson, CA 95642
Carl Schaefer
209-223-3571

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

The Carpet Man
Floors To Go of Lakeport
339 Lakeport Boulevard
Lakeport, CA 95453
Adam Knernschied
Nancy Johnson
Robert Keyes
707-263-8834

Flooring San Diego
Floors To Go of San Diego
4752 Palm Avenue
Suite 104
La Mesa, CA 91941
Curtis Foster
619-548-4481

Flooring Solutions, Inc.
Floors To Go of Livermore
330 Wright Brothers Avenue
Livermore, CA 94551
Rick Elfman
925-294-5200

~~Speer Floors~~
~~Floors To Go of Modesto~~
~~937 N. Emerald Way #D~~
~~Modesto, CA 95351~~
~~Larry Speer~~
~~209-605-7141~~
~~Ashley Interiors~~
~~Floors To Go of Newark~~
~~5588 Central Avenue~~
~~Newark, CA 94560~~
~~Donna Ashley~~
~~510-793-7470~~

Just Floor It!
Floors To Go of Pittsburg
981 D Garcia Ave.
Pittsburg, CA 94565
Ryan Gage
925-238-7443

Pat's Carpet
Floors To Go
107 Placerville Drive
Placerville, CA 95667

Pat Pauly
530-622-4330

Mod Floors
Floors To Go of Rancho Mirage
720 CA-111, Suite A
Rancho Mirage, CA 92270
Kristin Pardun
760-636-4135

Wally's Carpet and Tile
Floors To Go of San Bernardino
909 S. Arrowhead Ave.
San Bernardino, CA 92408
Chris Rogers
909-381-0123

[Wally's Carpet and Tile](#)
[Floors To Go of Upland](#)
[1096 W 9th St](#)
[Upland, CA 91786](#)
[Chris Rogers](#)
[909-381-0123](#)

Sid's Carpet Barn
Floors To Go of San Diego
7666 Miramar Road
San Diego, CA 92126
Allan Ziman
858-566-8500

Floors To Go Outlet
Floors To Go of N. San Jose
1762 Rogers Avenue
San Jose, CA 95112
Mike & Viki Rorie
408-441-8000

Floors To Go Outlet
Floors To Go of S. San Jose
5807 Winfield Blvd. B-1
San Jose, CA 95123
Mike Rorie
408-441-8000

~~Sid's Carpet Barn, Inc.~~
~~Floors To Go of San Marcos~~

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

~~205 E. Carmel Street~~
~~San Marcos, CA 92078~~
~~Allan Ziman~~
~~Ginger Hadley~~
~~760-761-1100~~

Floortex Design
Floor To Go of San Rafael
923 E. Francisco Blvd.
San Rafael, CA 94901
Rudy Hassid
415-785-4614

Lawrence Floor Covering
Floors To Go of Campbell
470 Vandell Way
Campbell, CA 95008
Rudy Hassid
415-785-4614

Mertel Floor Coverings
Floors To Go of San Rafael
4212 Redwood Hwy
San Rafael, CA 94901
Rudy Hassid
415-785-4614

Tustin Carpet & Flooring
Floors To Go of Santa Ana
2201 N. Tustin Ave., Ste 100
Santa Ana, CA 92705
Duc H. Nguyen
714-550-9985

Interior Vision Flooring & Design
Floors To Go of Central Soquel
2800 Daubenbiss Ave.
Soquel, CA 95073
Deborah Cypert
Bobbie Frandeen
831-476-8780

Lake Carpet & Upholstery
Floors To Go of South Lake Tahoe
2141 James Avenue, Unit #7
South Lake Tahoe, CA 96150
James Sotelo
530-213-3905

National Hardwood Flooring
Floors To Go of Van Nuys
14959 Delano Street
Van Nuys, CA 91411
Omer Katzin
818-988-9663

Fine Floorz, Inc.
Floors To Go of Walnut Creek
2923 N. Main Street
Walnut Creek, CA 94597
Mitchell Barocio
925-938-2222
Wally's Carpet and Tile
Floors To Go of Yucaipa
33328 Calimesa Blvd.
Yucaipa, CA 92399
Chris Rogers
909-795-2171

Colorado

Gary Leimer, Inc.
Floors To Go Denver
4900 East Pacific Place
Denver, CO 80222
David Ahl
303-297-9261

Park Flooring
Floors To Go of Estes Park
860 Dunraven St.
Estes Park, CO 80517
Michael Reimer
970-577-9855

Floors To Go of Fowler
Cummings Carpet Service
Cummings Carpet
34191 County Road 3.5
Fowler, CO 81039
David Cummings
719-263-5647

Floors To Go of Gunnison
Hi Country Carpet & Tile

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Paul L. Jacobs, Jr., Enterprises, Inc.
111 S. 10th Street
Gunnison, CO 81230
Kory Platt
970-641-3373

Carpet Masters
Floors To Go of Longmont
618 S. Sunset Street
Longmont, CO 80501
Michael Reimer
303-651-2407

All About Floors
Floors To Go [of Loveland](#)
~~1410 E~~[530 W.](#) Eisenhower Blvd.
Loveland, CO 80537
~~Thomas St. Denis~~
[Michael Reimer](#)
~~970-612-0269~~[303-651-2407](#)

Connecticut

Floor Décor at the Galleria
Floors To Go of Middletown
234 Middle Street
Middletown, CT 06457
Michael Phoenix
860-343-7000

Rock Bottom Furniture
Floors To Go of Norwalk
3 Lois St.
Norwalk, CT 06851
Walter Czarneski
203-846-1789

Floor Décor, LLC
Floors to Go of Orange
555 Boston Post Rd.
Orange, CT 06477
Mike Phoenix
203-298-4081

Florida

~~8 Under, Inc.~~
~~Floors To Go of Bradenton~~
~~3115 81 Court East, Suite 204~~
~~Bradenton, FL 34211~~
~~Chris Museara~~
~~941-746-1200~~
Gearing Floors
Floors To Go of Fort Myers
6300 Topaz Ct.
Fort Myers, FL 33966
Paul Gearing
239-415-3377

Design Center At The Avenue
Floors To Go of Jacksonville
8999 Western Way #108
Jacksonville, FL 32256
Rene Fonseca
904-260-2729

Kitchen and Flooring Design Center
Design Center At The Avenues
Floors To Go of N. Jacksonville
4508 Southside Boulevard
Jacksonville, FL 32256
Rene Fonseca
904-854-9985

Sunshine Interiors
Floors To Go of Lakeland
2810 Drane Field Road
Lakeland, FL 33811
Dennis Harrison
863-644-5500

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Griffis Tile & Flooring
Floors To Go of Ocala
4620 E. Silver Springs Boulevard
Ocala, FL 34470
Doug Griffis
352-438-0060

William Floorcenter, Inc.
Williams Carpet & Floors
Floors To Go of Orange City
2740 Enterprise Road
Orange City, FL 32763
George Goshorn
Erie Alleyn
386-775-4400

Matt Manning Surfaces
Floors To Go of Orlando
2315 Lynx Lane #17
Orlando, FL 32804
Matt Manning
407-730-4897

~~PCL Enterprise Corp~~ [Floors To Go](#)
Floors To Go of ~~South~~
~~Florida~~ [Lighthouse Point](#)
~~1800 North~~ [5060 N](#) Federal Highway
~~Suite 1200~~
~~Pompano Beach~~ [Lighthouse Point](#), FL
~~33062~~ [33064](#)
~~Philip Lelie~~ [Jonathan Teich](#)
~~954-784-0809~~ [954-933-2587](#)

Carpet Studio, Inc.
Floors To Go of E. Tallahassee
2866 Industrial Plaza Drive
Tallahassee, FL 32301
Kirk Davis
850-656-2666

Link Floors, Inc.
Floors To Go of Tallahassee
4826 Corlett Place
Tallahassee, FL 32303
Kim & Alan Link
850-574-5465

Exclusive Flooring Center, LLC
Floors To Go of Tampa
4893 W. Waters Avenue, Suite A
Tampa, FL 33634
Chris Pettit
813-264-5673

Georgia

Floors To Go of Lake Oconee
Floors To Go of Eatonton
132 Scott Oak Drive
Eatonton, GA 31024
Mike Rorie
Viki Rorie
408-410-2015

Idaho

Hale Flooring LLC
Floors To Go of Kamiah
109 N. Front Rd
Kamiah, ID 83536
Moriah Hale
208-935-2546

Gundersen's Carpet and Vinyl
Floors To Go
2342 North 3000 West
Rexburg, ID 83440
Susan Gundersen
208-356-4100

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Illinois

Flooring Surfaces, Inc.
Floors To Go of Champaign
401 E. Mercury
Champaign, IL 61822
Kevin Applebee
217-398-1990

Flooring Resources Corporation
Floors To Go of Elk Grove Village
600 W Pratt Boulevard
Elk Grove Village, IL 60007
Keith Krueger
Molly Carlson
847-640-7300

Michael Kautz Carpets & Designs,
Inc.
Floors To Go of Mt. Prospect
730 E. Northwest Highway
Mt. Prospect, IL 60056
Michael Kautz
847-394-8200

Superior Floor Covering, Inc.
Floors To Go of Posen
9527 Corsair Rd.
Frankfort, IL 60423
Jon O'Connor
Karen O'Connor
708-371-0515

ABM Commercial Flooring, Inc.
Floors To Go of Roselle
163 Covington Dr.
Bloomington, IL 60108
Albert Lucenti
630-927-7766

Indiana

BK Flooring, Inc.
Floors To Go of Evansville
6825 Interchange Road
Evansville, IN 47715
Brian Mackey
812-401-9300

Flooring Services of Indiana, LLC
Floors To Go of Indianapolis
2720 East County Line Road
Indianapolis, IN 46227
Juan G. Soto
317-882-0777

The Floor Store
Floors To Go
1003 East State Road 28
Tipton, IN 46072
Steve Swan
Carolyn Swan
765-675-3230

Ed Whitcomb Carpet & Tile, Inc.
Floors To Go of Valparaiso
283 North State Road 2
Valparaiso, IN 46383
Ed Whitcomb
Jane Whitcomb
219-548-3133

Iowa

Mel's Carpet Outlet
Matous Enterprises, Inc.
Floors To Go of Dubuque
3120 Cedar Cross Court
Dubuque, IA 52003
Melvin & Kristin Matous
563-582-5777

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Hineline Home Furnishings
Floors To Go of Harlan
2205 23rd Street
Harlan, IA 51537
Gary Hineline
712-755-5118

Hineline Home Furnishings
Floors To Go of Shenandoah
1215 West Nishna Rd.
Shenandoah, IA 51601
Gary Hineline
712-581-9016

Heritage Interiors
Floors To Go of Des Moines
4105 120th St.
Urbandale, IA 50323
Denny Dickinson
Ryan Loftus
515-266-2811

Kansas

Capital City Flooring
Floors to Go of Topeka
118 NE Lyman Rd.
Topeka, KS 66608
Eric Wilson
785-232-0000

Louisiana

Cornerstone Commercial Flooring
Floors To Go of Baton Rouge
10125 Mammoth Avenue
Baton Rouge, LA 70816
Jim Lloyd
225-270-0749

Cornerstone Commercial Flooring
Floors To Go of Lafayette
112 Row Three
Lafayette, LA 70508
Jim Lloyd
337-504-4053

Floors To Go of Lutchter
The Décor Shoppe
The Décor Shoppe Interiors, Inc.
1915 Highway 3125
Lutchter, LA 70071
Camella St. Pierre Landry
225-869-8623

Floorworks & Blinds
Floors To Go of Slidell
1860 Shortcut Road
Slidell, LA 70458
Raymond Horvath
985-781-7999

Michigan

Preferred Flooring, Inc.
Floors To Go of Wyoming
530 32nd St. SE
Wyoming, MI 49548
Kory Snyder
616-805-4645

Minnesota

Huffman Flooring Design Center
Floors To Go of Austin
101 11th St. SE
Austin, MN 55912
Joe Huffman
507-433-6440

Tieben Floors, LLC
Floors To Go of Shakopee
1525 Dalles Drive
Shakopee, MN 55379
Jason Tieben
952-445-0520

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Missouri

Sommers Floor Covering and Interior
Floors To Go of Jefferson City
1215 Creek Trail Drive
Jefferson City, MO 65109
Edward & Rosetta Sommers
573-635-4131

Hineline Home Furnishings
Floors To Go of Maryville
1411 South Main
Maryville, MO 64468
Gary Hineline
660-562-0003

Wholesale Flooring USA
Floors To Go
823 West Terra Lane
O'Fallon, MO 63366
J.D. Dickherber
Mike Plackemeier
636-379-5859

Montana

Harbor Light Furniture & Flooring,
Inc.
Floors To Go [of Polson](#)
415 Main Street
Polson, MT 59860
Rocky ~~& Tammy~~ Whisman [Jr.](#)
406-883-4177

Nebraska

The Floor Club Omaha
Floors To Go of Omaha
3604 S. 138th Street
Omaha, NE 68144
Tommy Hughes
402-697-3876

Nevada

National Flooring Group, LLC
Floors To Go of Las Vegas
6329 Dean Martin Dr.
Las Vegas, NV 89118
Waheed Feda
702-854-9556

New Jersey

Harty Bros Carpet & Vinyl, Inc.
Floors To Go of Chester
221 Route 206
Chester, NJ 07930
Dean Boylan
908-879-9903

Premier Floor Covering
Floors To Go of Lawrenceville
2801 Brunswick Pike/Hwy. US 1
Lawrenceville, NJ 08648
Bryan Ecohardt
609-403-8535

Harty Bros Carpet & Vinyl, Inc.
Floors To Go of North Plainfield
392 Somerset Street
North Plainfield, NJ 07060
Cliff Vail
Jim Harty
908-753-0044

~~West Carpets, Inc.~~
~~Floors To Go of Rahway~~
~~385 St. George Avenue~~
~~Rahway, NJ 07065~~
~~Adelle & Peter Westerlund~~
~~732-499-8221~~
Wood Floor Planet, Inc.
Floors To Go of Weehawken
1822 Willow Ave.
Weehawken, NJ 07086
Eddy Laboy
Rosie Cardenas
212-252-3838

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

New Mexico

Callaway's Floors To Go
Floors To Go of Hobbs
2704 North Dal Paso
Hobbs, NM 88240
Larry Callaway
575-392-7705

New York

Long Island Paneling Centers, Inc.
Floors To Go of Bohemia
4769 Sunrise Hwy.
Bohemia, NY 11716
Joe Bair
631-567-6030

Wood Floor Planet, Inc.
Floors To Go of Bronx
261 E. 134th Street
Bronx, NY 10454
Eddy Laboy
Eric Rivera
Rosie Cardenas
212-252-3838

COU Carpets Corp
Floors To Go of SE Brooklyn
2612 Avenue U
Brooklyn, NY 11229
Steve Fleissig
718-769-8083

Decorative Touch Interiors, Inc.
Floors To Go of S. Brooklyn
1622 Coney Island Ave.
Brooklyn, NY 11230
Raquel Elbaz Fleissig
718-376-6065

M&M Floor Covering
Floors to Go of S. Central Brooklyn
3007 Avenue K
Brooklyn, NY 11210
Steve Fleissig
718-258-9784

~~Sino Carpet & Tile~~
~~Floors To Go of Brooklyn~~
~~6002 3rd Avenue~~
~~Brooklyn, NY 11220~~
~~Mary & Peter Lo~~
~~212-334-5046~~

Long Island Paneling Centers, Inc.
Floors To Go of Centereach
2410 Middle Country Rd.
Centereach, NY 11720
Joe Bair
631-588-8535

Long Island Paneling Centers, Inc.
Floors to Go of Commack
6225 Jericho Turnpike
Commack, NY 11725
Joe Bair
631-499-8595

~~Floral Park Design Center~~
~~Floors To Go of Floral Park~~
~~263 Jericho Turnpike~~
~~Floral Park, NY 11001~~
~~Burt Leeds~~
~~516-352-1323~~

Apple Floor Covering & Window
Treatments, Inc.
Floors To Go of Huntington Station
30 West Hills Rd.
Huntington Station, NY 11746
Joe Barton
631-423-1717

~~Carpets and Us~~
~~Floors To Go of Levittown~~
~~66 Gardiners Ave.~~
~~Levittown, NY 11756~~
~~Naney Skolnik~~
~~516-731-5034~~

Long Island Paneling Centers, Inc.
Floors To Go of Lindenhurst
69 East Sunrise Hwy.
Lindenhurst, NY 11757
Joe Bair
631-888-7668

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Long Island Paneling Centers, Inc.
Floors To Go of New Hyde Park
2060 Jericho Turnpike
New Hyde Park, NY 11040
Joe Bair
516-352-7374

Fenway Floor, Inc.
Floors To Go of New Rochelle
346 North Avenue
New Rochelle, NY 10801
Gary Klotzko
John Reggio
914-235-0400

Wood Floor Planet, Inc.
Floors To Go of New York
425 W. 46th Street
New York, NY 10036
Eddy Laboy
201-330-0909

Esse Floor Covering
Floors To Go of New York
3531 Broadway
New York, NY 10031
Jack Egenhauser
212-234-8699

Sino Carpet & Tile
Floors To Go of Manhattan
167 Bowery
New York, NY 10002
Mary & Peter Lo
212-334-5046

~~Westchester Wood Flooring Supply, Inc.~~

~~Westwood Floors To Go
3 Nelson Avenue
Ossining, NY 10562
Pat McCarney
914-736-9100~~

Redi-Cut Carpets
Mide, Inc.
Floors To Go of Port Chester
173 North Main Street
Port Chester, NY 10573
Michael Feldman
914-937-5885

Long Island Paneling Centers, Inc.
Floors To Go of Westbury
669 Old Country Rd.
Westbury, NY 11590
Joe Bair
516-997-3698

North Carolina

Raeford Floor & Wall Covering, Inc.
Floors To Go
7072 Fayetteville Road
Raeford, NC 28376
Deirdre & Michael Inman
910-875-1050

North Dakota

Accent Contracting
Accent Kitchen & Bath
Floors To Go of Fargo
3151 Main Ave.
Fargo, ND 58103
Mike Arnold
701-293-6000

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Oklahoma

Cliff's Flooring and Windows
Floors To Go of Bartlesville
308 S. Johnstone Ave.
Bartlesville, OK 74003
Cliff Morgan
918-336-7270

Floorco Design Center
Floors To Go of Oklahoma City
11716 S. Western Ave.
Oklahoma City, OK 73170
Matt Trammel
405-790-0309

Oregon

Nu-Way Carpet
Floors To Go
3925 Abbey Lane
Astoria, OR 97103
Burt & Cindy Young
503-338-5592

Rimport, LLC
Floors To Go of Grant Pass
870 Redwood Highway
Grant Pass, OR 97527
Randy Nicholson
541-479-8000

Petris Interiors
Floors To Go
125 North 9th Street
Klamath Falls, OR 97601
Terry Bennett
Lisa Sherrill
541-882-8543

Oliver's Floor Covering
Floors To Go of The Dalles
414 Federal Street
The Dalles, OR 97058
~~June & Don~~[Travis](#) Oliver
541-296-5616

South Carolina

Floors To Go by Hightide
High Tide Floorcoverings, LLC
Floors To Go of Hilton Head
123 Matthews Drive
Hilton Head Island, SC 29926
Bonnie & Steve Fisher
843-681-4925

[Floors To Go](#)
[Floors To Go of Bluffton](#)
[1204 Fording Island Rd.](#)
[Bluffton, SC 29910](#)
[Peter Horseman](#)
[843-681-4925](#)

Blue Mist Homes Corp
Blue Mist Paint & Flooring
Floors To Go of Spartanburg
300 E. Blackstock Road
Spartanburg, SC 29301
Heath Peterson
Christina Peterson
864-804-6086

Tennessee

Floorz
KMZ Investments
Floors To Go of Franklin
1731 Mallory Lane, Suite 103
Brentwood, TN 37027
Russ Jordan
615-771-7669

Cavender's LLC
Floors To Go of Cookeville
1641 E. Spring Street
Cookeville, TN 38506
Ernie Cavender
Kyle Cavender
931-372-2112

Floors To Go of Goodlettsville
CSSI
766 Rivergate Parkway
Goodlettsville, TN 37072

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Mark Cain
615-860-5600

Jaynes Flooring
Floors To Go of Greeneville
3245 E. Andrew Johnson Hwy
Greeneville, TN 37745
Scott Jaynes
423-639-1901

Texas

Floors To Go of Abilene
Knight Carpet & Flooring Floors To Go
Knight Carpet Co., Inc.
3012 North 1st Street
Abilene, TX 79603
Paige Watts
325-437-6436

Floors To Go of Corpus Christi
Discount Carpet & More
5218 Kostoryz Road
Corpus Christi, TX 78415
Sergio Sumrez
361-814-3030

Business Flooring Specialists
Floors To Go of Dallas
1304 Dragon Street
Dallas, TX 75207
Jeff Bennett
214-272-6999

Floors To Go of Del Rio
Quality Carpet & Tile
Quality CT Investments, LLC
2900 Veterans Blvd.
Del Rio, TX 78840
Laura Rodriguez
830-768-1667

Business Flooring Specialists
Floors To Go of Fort Worth
7337 Dogwood Park
Fort Worth, TX 76118

David Lockhart
817-909-6832

Business Flooring Specialists
Floors To Go of Ft. Worth
7341 Dogwood Park
Ft. Worth, TX 76118
Jeff Bennett
David Lockhart
817-282-1600

Floors To Go of Ft. Worth
Floor Partners in Design, Inc.
Floors To Go of E Ft. Worth
5212 Airport Freeway
Ft. Worth, TX 76117
Theril Williams
817-710-7030

Forever Floors Wholesale, LLP
Floors To Go of Garland
320 W. Interstate 30
Garland, TX 75043
Connie Lazenby
972-270-1288

Business Flooring Specialists
Floors To Go of Houston
1234 North Post Oak Road
Houston, TX 77055
Jeff Bennett
713-934-9000

Unmarked Interiors, LLC
All Surfaces Wholesale Flooring
Floors To Go of Houston
4240 Lockfield Street
Houston, TX 77092
Keri Porter
832-203-7600

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

Lakeside Floors
Lakeside Floors To Go
11335 FM 1960 E
Suite 100
Huffman, TX 77336
Ken Hoyt
Colleen Hoyt
281-324-9032

Floors To Go of League City
Flagship Floors, Inc.
1246 E. Main Street
League City, TX 77573
Dan Dorman
281-332-2272

Owl Flooring, LLC
Floors To Go of Longview
5101 W. Marshall Avenue
Longview, TX 75604
Amanda Martinez
903-445-9256

Paul Evans Flooring & Design Gallery
Floors To Go of Odessa
4425 West Wadley Avenue
Midland, TX 79707
Jeff Russell
432-231-0809

Floors To Go of Odessa
Paul Evan's Carpet & Flooring
CHC Family Ventures, Inc.
301 North Grant Avenue
Odessa, TX 79761
Jeff Russell
432-334-0418

Quality Carpet & Tile
Floors To Go of San Angelo
4605 S. Jackson St.
San Angelo, TX 76903
Laura Rodriguez
830-768-1667

Floors To Go of Breegle
Breegle Building Products

Floors To Go of Wichita Falls
2301 Grant Street
Wichita Falls, TX 76309
Bobby Diltz
940-322-3129

Utah

~~Eagle Ridge Floors To Go~~
~~Ray & Kevin's Flooring, LLC~~
~~Floors To Go of Cedar City~~
~~2086 N. Main Street~~
~~Cedar City, UT 84721~~
~~Ray Conger~~
~~Kevin McClellan~~
~~435-867-5807~~

Wilson's Quality Paint & Décor
Floors To Go
612 North Main #3
Kaysville, UT 84037
Matthew Wilson
801-544-1779

Virginia

RAB Services, Inc.
Floors To Go of Virginia Beach
1612 Centerville Turnpike, Suite 303
Virginia Beach, VA 23464
Rebecca & Ryan Beasley
757-389-9999
Mida, Inc.
Floors To Go of Sterling
21465 Price Cascades Plaza, Ste. 100
Sterling, VA 20164
Shiva Etessam
703-450-8181

Washington

Apple Valley Floors To Go
Floors To go of East Wenatchee
640 A Valley Mall Parkway
East Wenatchee, WA 98802
KC Hougan
Carlie Hougan
509-886-5076

**FLOORS TO GO, LLC
OPERATIONAL MEMBERS**

McDonald's Creative Floors, Inc.
Floors To Go
413 South 4th Avenue
Kelso, WA 98626
William & Dolores McDonald
360-577-5714

Hatkatosh Inc.
Floors To Go of Shelton
1069 S.E. State Route 3
Shelton, WA 98584
Bruce E. Brown
360-426-2499

Cabinet Pro
Floors To Go of Spokane Valley
5004 East Sprague, Suite 101
Spokane Valley, WA 99212
509-724-6671

Gary's Paint & Decorating
Floors To Go
114 S. 2nd Avenue
Walla Walla, WA 99362
Gary Wasemiller
509-525-1553

Wisconsin

Neve's Furniture & Flooring, Inc.
Floors To Go of Antigo
710 5th Avenue
Antigo, WI 54409
Gordon & Lisa Neve
715-623-5203

Floors To Go of Coon Valley
Selds Karpeland
Selds, Inc.
210 Central Avenue
Coon Valley, WI 54623
Tim Seland
608-452-3129

WIPF's Flooring
Floors To Go of Hillsboro
1243 Water Ave.
Hillsboro, WI 54634
Brandon Wipf
608-489-2400

Floorcrafters, Inc.
Floors To Go of Onalaska
N5570 Frontage Rd.
Onalaska, WI 54650
Daryl Ciokiewicz
608-783-1088

EXHIBIT "T"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated December 31, ~~2023~~2024

FTG'S NOT YET OPERATIONAL MEMBERS

FLOORS TO GO, LLC NOT YET OPERATIONAL MEMBERS

| There were no members that had signed membership agreements for FTG Showrooms that were not yet operational as of December 31, ~~2023~~2024.

EXHIBIT "J"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated December 31, ~~2023~~2024

FTG'S TERMINATED OR CANCELLED MEMBERS

FLOORS TO GO, LLC TERMINATED OR CANCELLED MEMBERS

The following is a list of members whose franchises were terminated, cancelled, not renewed, transferred, or otherwise voluntarily or involuntarily ceased to do business during the one-year period immediately preceding December 31, ~~2023~~2024 or who have not communicated with the franchisor within 10 weeks of the disclosure document issuance date.

~~California~~Alabama

~~Floors to Go of Davis~~

~~425 L Street~~

~~Davis, CA 95616~~

~~Anthony Riley~~

~~530-756-0106~~

~~Closed: 10/13/23~~

Indiana

Floors To Go

Floors To Go of Anniston

JTG Enterprises, Inc.

~~2720~~2415 East ~~County Line Road~~H

Street

~~Indianapolis, IN 46227~~

~~Randy & Kathy Arnold~~

Anniston, AL 36207

Ted Gregerson

Ben Lasslett

256-231-5600

Member Terminated: 01/01/24

~~317-859-3300~~

Alaska

Eastside Carpet Company LLC

Floors To Go of Anchorage

7240 Lake Otis Parkway

Anchorage, AK 99507

Corry & Sean Casagrande

907-562-7444

Closed: 07/12/24

Arizona

Castle Floors

Floors To Go of Mesa

4500 E. Main Street #3

Mesa, AZ 85205

Dean & Peggy Merrell

480-396-6956

Transferred Ownership 10/01/24

Arkansas

Carpet Barn

Floors To Go of Conway

1579 E. Oak Street

Conway, AR 72032

Shean Drewry

501-205-4240

Member Terminated: 01/01/24

Carpet Barn

Floors To Go of N. Little Rock

9313 Maumelle Boulevard

North Little Rock, AR 72113

Shean Drewry

501-771-2122

Member Terminated: 01/01/24

Carpet Barn

Floors To Go of Pine Bluff

2707 South Main Street

Pine Bluff, AR 71601

Shean Drewry

870-536-2123

Member Terminated: 01/01/24

California

Floortex Design

Floors To Go of Corte Madera

5768 Paradise Dr.

Corte Madera, CA 94925

Rudy Hassid

415-924-6545

Closed: 12/02/24

~~FLOORS TO GO, LLC TERMINATED OR CANCELLED MEMBERS~~

[Floors on First](#)
[Floors To Go](#)
[840 First Street](#)
[Benicia, CA 94510](#)
[Robert Totherow](#)
[Marilyn Stevens](#)
[707-747-5999](#)
[Closed: 07/03/24](#)

[Sid's Carpet Barn, Inc.](#)
[Floors To Go of San Marcos](#)
[205 E. Carmel Street](#)
[San Marcos, CA 92078](#)
[Allan Ziman](#)
[Ginger Hadley](#)
[760-761-1100](#)
[Closed: 12/02/24](#)

[Ashley Interiors](#)
[Floors To Go of Newark](#)
[5588 Central Avenue](#)
[Newark, CA 94560](#)
[Donna Ashley](#)
[510-793-7470](#)
[Member Terminated: 01/12/24](#)

[Speer Floors](#)
[Floors To Go of Modesto](#)
[937 N. Emerald Way #D](#)
[Modesto, CA 95351](#)
[Larry Speer](#)
[209-605-7141](#)
[Closed: 07/26/24](#)

[Crenshaw Carpet](#)
[Floors To Go of Inglewood](#)
[4611 Crenshaw Blvd.](#)
[Los Angeles, CA 90043](#)
[Bruce Barnett](#)
[323-295-7731](#)
[Member Terminated: 11/22/24](#)

[**Colorado**](#)

[All About Floors](#)
[Floors To Go](#)
[1410 E. Eisenhower Blvd.](#)

[Loveland, CO 80537](#)
[Thomas St. Denis](#)
[970-612-0269](#)
[Transfer of Ownership: 03/22/24](#)

[**Florida**](#)

[8 Under, Inc.](#)
[Floors To Go of Bradenton](#)
[3115 81 Court East, Suite 204](#)
[Bradenton, FL 34211](#)
[Chris Muscara](#)
[941-746-1200](#)
[Closed: 08/23/24](#)

[PCL Enterprise Corp](#)
[Floors To Go of South Florida](#)
[1800 North Federal Highway](#)
[Suite 1200](#)
[Pompano Beach, FL 33062](#)
[Philip Lelie](#)
[954-784-0809](#)
[Transfer of Ownership: -](#)
[~~08/15/23~~02/06/24](#)

[**Montana**](#)

~~Ruhl~~[Harbor Light Furniture &](#)
[Flooring](#)
~~Pape Enterprises~~, Inc.
[Floors To Go](#)
[415 Main Street](#)
[Polson, MT 59860](#)
[Rocky & Tammy Whisman](#)
[406-883-4177](#)
[Transferred Ownership 01/01/24](#)

[**New Jersey**](#)

[West Carpets, Inc.](#)
[Floors To Go of ~~New Haven~~Rahway](#)
[385 St. George Avenue](#)
[Rahway, NJ 07065](#)
[Adelle & Peter Westerlund](#)
~~511 Broadway Street~~
~~New Haven, IN 46774~~
~~John Pape~~

~~FLOORS TO GO, LLC TERMINATED OR CANCELLED MEMBERS~~

~~260-749-4717~~732-499-8221

Member Terminated:

~~08/08/23~~08/09/24

New York

Nevada

Floral Park Design Center

~~TLC The Flooring Boutique~~

Floors To Go of ~~Las Vegas~~Floral Park

263 Jericho Turnpike

Floral Park, NY 11001

~~4505 W. Hacienda, Ste A~~

~~Las Vegas, NV 89118~~

~~Ramin Rostamzadeh~~Burt Leeds

~~702-248-7777~~516-352-1323

Terminated: ~~10/31/23~~Closed: 05/24/24

~~TLC The Flooring Boutique~~

Carpets and Us

Floors To Go of ~~SW Las~~

~~Vegas~~Levittown

66 Gardiners Ave.

Levittown, NY 11756

~~7955 Blue Diamond Rd. #101~~

~~Las Vegas, NV 89178~~

~~Ramin Rostamzadeh~~Nancy Skolnik

~~702-248-7777~~516-731-5034

Terminated: ~~10/11/23~~03/12/24

Sino Carpet & Tile

Floors To Go of Brooklyn

6002 3rd Avenue

Brooklyn, NY 11220

Mary & Peter Lo

~~Texas~~212-334-5046

Closed: 08/09/24

~~All Surfaces Wholesale Flooring~~

Westchester Wood Flooring Supply,

Inc.

~~NW Houston~~Westwood Floors To Go

3 Nelson Avenue

Ossining, NY 10562

Pat McCarney

~~4240 Lockfield~~914-736-9100

~~Houston, TX 77091~~

~~Patricia Wedgeworth~~Closed: 12/02/24

~~832-203-7600~~

Oregon

Oliver's Floor Covering

Floors To Go of The Dalles

414 Federal Street

The Dalles, OR 97058

June & Don Oliver

541-296-5616

~~Transfer of~~Transferred Ownership:—

~~04/19/23~~ 12/16/24

Utah

Eagle Ridge Floors To Go
Ray & Kevin's Flooring, LLC
Floors To Go of Cedar City
2086 N. Main Street
Cedar City, UT 84721
Ray Conger
Kevin McClellan
435-867-5807
Closed: 06/04/24

EXHIBIT "K"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March ~~13~~12, ~~2024~~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	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

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"

FLOORS TO GO, LLC

FRANCHISE DISCLOSURE DOCUMENT

Dated March ~~13~~12, ~~2024~~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)

____ Philip Gutierrez

____ Steven Mintz

____ Gary Phelps

____ Harold Traister

____ Ken Sherwood

____ Jeff Andrews

~~____ Stephen Killard~~

Issuance Date: March ~~13~~12, ~~2024~~2025

See Exhibit "G" for registered agents authorized to receive service of process.

I have received a disclosure document, dated March ~~13~~12, ~~2024~~2025, that included the following Exhibits:

- | | |
|--|---|
| A. Membership Agreement | G. FTG's Registered Agents for Service of Process |
| B. State Specific Amendments to the Membership Agreement | H. 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 |
| E. Audited Financial Statements | K. State Effective Dates |
| F. List of State Administrators | L. Receipt |

(Signature of Prospective Franchisee)

(Date of Receipt)

(Name of Prospective Franchisee)

YOUR COPY

KEEP THIS COPY FOR YOUR RECORDS.

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)

____ Philip Gutierrez
____ Steven Mintz
____ Gary Phelps

____ Harold Traister
____ Ken Sherwood
____ Jeff Andrews

____ ~~Stephen Killard~~

Issuance Date: March ~~13~~12, ~~2024~~2025

See Exhibit "G" for registered agents authorized to receive service of process.

I have received a disclosure document, dated March ~~13~~12, ~~2024~~2025, that included the following Exhibits:

- | | |
|--|---|
| A. Membership Agreement | G. FTG's Registered Agents for Service of Process |
| B. State Specific Amendments to the Membership Agreement | H. 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 |
| E. Audited Financial Statements | K. State Effective Dates |
| F. List of State Administrators | L. Receipt |

(Signature of Prospective Franchisee)

(Date of Receipt)

(Name of Prospective Franchisee)

OUR COPY

RETURN THIS COPY TO US FOR OUR RECORDS.