

## FRANCHISE DISCLOSURE DOCUMENT

KS La Crosse Investments, LLC  
A Wisconsin Limited Liability Company  
301 4th Street South  
La Crosse, Wisconsin 54601  
608-791-5512  
[franchise@kitchensolvers.com](mailto:franchise@kitchensolvers.com)  
[www.kitchensolvers.com](http://www.kitchensolvers.com)



The franchise offered is for the operation of a KITCHEN SOLVERS® business within a particular geographic territory. The business features kitchen and bathroom update, beautification and remodeling services for residential and commercial buildings.

The total investment necessary to begin operation of a KITCHEN SOLVERS® franchised business is from \$99,739 to \$134,014. This includes \$67,575 that must be paid to us or our affiliates.

We may also offer qualified individuals the right to open and operate between two and five KITCHEN SOLVERS® franchised businesses within a designated development area and in accordance with a development schedule. The total investment necessary to commence operations will vary, based on the number of territories we grant you the right to open and operate. The total initial investment necessary to begin operation of your first Franchised Business under a development agreement ranges from (a) \$144,739 (if you sign a development agreement for the right to develop two franchised businesses) to (b) \$274,014 (if you sign a development agreement for the right to develop five franchised businesses). This includes initial fees ranging from \$112,575 to \$207,575 that must be paid to the franchisor or its affiliate.

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

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Thomas Miskowski at 301 4<sup>th</sup> Street, La Crosse, Wisconsin 54601; 608-791-5512.

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

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this Disclosure Document is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, DC 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://www.ftc.gov) for additional information on franchising. 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 31, 2023

## 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
<b>How much can I earn?</b>	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 D.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only KITCHEN SOLVERS business in my area?</b>	Item 12 and the “territory” provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What’s it like to be a KITCHEN SOLVERS franchisee?</b>	Item 20 or Exhibit D lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 A.

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 and area development agreement require you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only where our then-current headquarters are located, which is currently Wisconsin. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Wisconsin than in your own state.

2. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund 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.

**NOTICE REQUIRED BY  
STATE OF MICHIGAN**

**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.**

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (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 provision 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 franchise 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 the same class or type under similar circumstances. This section does not require a renewal provision.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE  
RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

- (f) A provision requiring that arbitration or litigation is 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 sub-franchisor.

(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 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 the Department of Attorney General, State of Michigan, 670 Williams Building, Lansing, Michigan 48913, telephone (517) 373-7117.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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### EXHIBITS

- A. List of State Agencies and Agents for Service of Process
- B. Franchise Agreement with Appendices A (Personal Guaranty), B (Data Sheet), C (Supplies Package), D (Assignment of Telephone Numbers), and E (Collateral Assignment of Lease)
- C. Area Development Agreement
- D. List of Current & Former Franchisees
- E. Table of Contents to Kitchen Solvers Business System Online Manual
- F. Financial Statements
- G. State Addenda
- H. Sample Release
- I. State Effective Dates and Receipts



## **Item 1**

### **THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language in this disclosure document, “KSLCILLC,” “we,” “us” or “our” means KS La Crosse Investments, LLC the franchisor. “You” means the person who buys the franchise. If the franchisee is a corporation, partnership or other entity, “you” may also mean its owners. Certain provisions of the Franchise Agreement will apply to your owners and will be noted in this disclosure document.

#### **The Franchisor**

We are a Wisconsin limited liability company formed on December 1, 2010. Our principal business address is 301 4<sup>th</sup> Street South, La Crosse, Wisconsin 54601; telephone: 608-791-5512; website: www.kitchensolversfranchise.com. We do business under our corporate name and Kitchen Solvers.

#### **Our Parents, Affiliates and Predecessors**

We do not have any parents or affiliates that must be disclosed in this disclosure document.

We have two predecessors: Kitchen Solvers, LLC and Kitchen Solvers, Inc. Kitchen Solvers, Inc. was formed by Gerald and Betty Baldner in 1987 and offered and sold KITCHEN SOLVERS® franchises in the United States and Canada from 1987 through 2006. Kitchen Solvers, LLC is a Wisconsin limited liability company with its principal place of business located at 301 4<sup>th</sup> Street South, La Crosse, WI 54601.

On January 1, 2007, Kitchen Solvers, LLC purchased all of the assets of Kitchen Solvers, Inc., including the KITCHEN SOLVERS® trademarks, franchise agreements and related assets of the franchise system. Upon the closing of this acquisition, Kitchen Solvers, Inc. changed its name to Baldner Consulting, Inc. Kitchen Solvers, Inc. was dissolved on December 7, 2010. Kitchen Solvers, LLC granted KITCHEN SOLVERS® franchises in the United States from January 1, 2007, through November 30, 2010.

On December 1, 2010, we purchased all of the assets of Kitchen Solvers, LLC, including the KITCHEN SOLVERS® trademarks, franchise agreements and related assets of the franchise system.

Our agents for service of process are disclosed in Exhibit A to this disclosure document.

#### **Our Business Experience**

We began offering franchises in February 2011 under the KITCHEN SOLVERS® name, although our predecessors have offered franchises under the KITCHEN SOLVERS® name since 1987. We do not offer and have not offered franchises in any other line of business. We have never operated a business similar to the business being franchised under this Disclosure Document. As of the date of this Disclosure Document, neither of our predecessors offer franchises in any other line of

business, nor do they operate a business similar to the business being franchised under this Disclosure Document.

### **The Franchise**

We grant franchises to qualified persons for the right to own and operate a retail KITCHEN SOLVERS® Business (the “Business” or “Franchised Business”) within a particular geographic territory (the “Territory”) and under the terms of our standard franchise agreement (the “Franchise Agreement”), a copy of which is included in this disclosure document as Exhibit B. Depending upon location and availability, we also grant qualified persons the right to execute multiple Franchise Agreements to operate a Business in multiple Territories. We also are in the business of the administration of our franchise system. As of December 31, 2022, there were 50 KITCHEN SOLVERS® franchised businesses in the United States, 1 KITCHEN SOLVERS® franchise in Canada and no company owned KITCHEN SOLVERS® businesses.

During the operation of your Business, you will use our Marks (as defined in Item 13), as well as our distinctive products and services, supplies, sales and business techniques, measuring and installation methods and procedures. Your Business will feature kitchen and bathroom update, beautification, and remodeling options such as kitchen and bathroom design and decorating consulting; refacing, installing and replacing of kitchen and bathroom cabinets and appliances; accessorizing cabinet interiors and exteriors; installing and replacing countertops; and other kitchen and bathroom remodeling services for residential and commercial buildings. Each KITCHEN SOLVERS® business is an independently owned and operated business and you, as the franchisee, are solely responsible for your day-to-day conduct and activities. Accordingly, no KITCHEN SOLVERS® business is our agent (actual or implied).

### **Area Development Offering**

We may offer qualified parties the right to own and operate multiple Businesses within a defined development area (the “Development Area”) and in accordance with a mandatory development schedule (the “Development Schedule”). To operate multiple Businesses, you must enter into our then-current form of area development agreement attached to this Disclosure Document as Exhibit C (the “Development Agreement” or the “ADA”).

Your right to develop multiple Franchised Businesses in your Development Schedule will depend on your ability to meet your “Minimum Productivity Levels” (discussed more fully in Item 12 of this Disclosure Document) in connection with any existing Businesses. You must execute a Franchise Agreement for the initial Business at the same time you execute your Development Agreement. You will also need to execute our then-current form of Franchise Agreement, which may differ from the Franchise Agreement disclosed in this Disclosure Document, for each subsequent Business you open under the Development Schedule.

There is a one-time development fee that will be calculated based on the number of Franchised Businesses we grant you permission to develop under the Development Agreement (the “Development Fee”). We anticipate granting rights to develop between two and five Franchised Businesses under the Development Agreement. The Development Fee will amount to (a) \$105,000 for the right to develop two Franchised Businesses; (b) \$140,000 for the right to develop three

franchised business; (c) \$170,000 for the right to develop four Franchised Businesses; and (d) \$200,000 for the right to develop five Franchised Businesses. Please note that the Development Fee is paid solely as consideration for the territorial rights that we grant you within the Development Area, and this fee is not tied to any particular franchise that we grant you the right to open (or any of our pre-opening obligations associated with such a franchise). You will not be required to pay any other initial franchise fee at the time you execute your franchise agreements for each Franchised Business we grant you under the Development Agreement.

### **The Market and Competition**

You will sell the services and products from your Business to the general public primarily in refacing and replacing their existing kitchen cabinet framework or bathroom cabinets. Your business also may sell our products and services to other businesses such as general contractors, interior decorators, insurance adjustors or other professionals in need of our products and services. Your sales may be seasonal with more than 65%-75% of sales through the beginning March until end of October when many customers do kitchen or bathroom remodeling.

You will compete with other businesses performing similar refacing, replacing, or restoring services, including other regional franchise systems, smaller independent businesses and national non-franchised companies.

### **Licenses and Permits**

There may be laws applicable to your Business, which may include bonding or licensing requirements for businesses performing home improvement work like the installation of kitchens, and we urge you to make further inquiries about these laws. You will be required to comply with all local, state and federal laws in the operation of your Business.

## **Item 2**

### **BUSINESS EXPERIENCE**

#### **President & Managing Member: Thomas Miskowski**

Thomas Miskowski has served as our President and Managing Member since December 2022 in La Crosse, Wisconsin. Mr. Miskowski has served as our Managing Member since December 2010. Additionally, Mr. Miskowski served as President of Century Foods located in Sparta, Wisconsin from August 2003 to June 2022.

#### **Member: Wade Nolte**

Wade Nolte has served as a Member since December 2010 in La Crosse, Wisconsin. Since January 2017, Mr. Nolte has served as the Director of Operations for Humm Kombucha located in Bend, Oregon, and continues in this capacity as of the date of this Disclosure Document.

#### **Director of Operations: David Kish**

David Kish has served as our Director of Operations since April 2017.

Chief Growth Officer: Kali Morgenthaler

Kali Morgenthaler has served as our Chief Growth Officer since December 2022. Prior to this role, she served as the Director of Marketing for Kitchen Solvers from January 2020 to December 2022. From June 2019 to January 2020, she served as the Marketing Manager for Kitchen Solvers. Prior to Kitchen Solvers, Kali was a Senior Product Marketing Specialist for Kaplan Professional from August 2015 to June 2019.

### **Item 3**

#### **LITIGATION**

No litigation is required to be disclosed in this Item.

### **Item 4**

#### **BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

### **Item 5**

#### **INITIAL FEES**

##### **Initial Franchise Fee**

At the time you sign your Franchise Agreement, you must pay us a nonrefundable Initial Franchise Fee of \$60,000 for a single Territory. The Initial Franchise Fee is earned upon receipt and not refundable under any circumstances. The Initial Franchise Fee includes your rights to your initial Territory (as defined in Item 12). During our fiscal year ended December 31, 2022, the lowest initial franchise fee we collected was \$60,000.

##### **Development Agreement**

If we grant you the right to enter into a Development Agreement, you must pay to us a one-time Development Fee, which is due when you sign your Development Agreement. The minimum number of Franchised Businesses you may be permitted to open under a Development Agreement is two and we anticipate limiting the maximum Franchised Businesses to be developed to five. The Development Fee will depend on the number of Franchised Businesses you are obligated to open within the Development Area and will be (a) \$105,000 for the right to develop two Franchised Businesses, (b) \$140,000 for the right to develop three Franchised Businesses, (c) \$170,000 for the right to develop four Franchised Businesses, and (d) \$200,000 for the right to develop five Franchised Businesses.

You will be required to enter into our then-current form of franchise agreement for each Franchised Business you wish to open under your Development Agreement, but you will not be required to pay any additional Initial Franchise Fee at the time you execute each of these franchise agreements. If you enter into a Development Agreement, you must execute our current form of Franchise

Agreement for the first Franchised Business we grant you the right to open within your Development Area concurrently with the Development Agreement.

The Development Fee will be deemed fully earned upon execution of your Development Agreement.

### **Additional Population Fee**

If we permit you to purchase additional contiguous zip codes for a specific Territory so that the Territory exceeds 80,000 owner occupied households, then you must pay us an additional fee in an amount equal to the number of owner occupied households in your Territory in excess of 80,000 multiplied by 75 cents (\$0.75) (the “Additional Population Fee”) and we may require you to sign a general release of claims. The Additional Population Fee is earned upon receipt and not refundable under any circumstances.

For example, if we permit you to purchase additional zip codes for your Territory so that the Territory consists of a total of 100,000 owner occupied households, then you must pay us an Additional Population Fee equal to \$15,000 (i.e., a total Initial Franchise Fee of \$75,000).

You may not purchase any additional zip codes so that the number of owner-occupied households in any individual Territory exceeds 110,000. Once a Territory contains 110,000 owner occupied households, then you will be required to sign a new Franchise Agreement for an additional Territory in order to acquire any additional owner-occupied households.

### **Supplies Package**

We have identified a “Supplies Package” that you must purchase from us for use in your Business. A detailed list of the items currently included in the Supplies Package is included as Appendix C to the Franchise Agreement (which is attached to this Disclosure Document as Exhibit B). As of the issuance date of this disclosure document, the cost of the Supplies Package is \$7,575. You must pay for the Supplies Package before opening, and it is nonrefundable.

## **Item 6**

### **OTHER FEES**

<b>Name of Fee</b>	<b>Amount (See Note 1)</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	An amount equal to the greater of (i) the Monthly Minimum Fee (as provided in Note 2, Table 1 below), or (ii) a specified percentage of your monthly Gross Sales (as provided in Note 2, Table 2 below).	On or before the 10th day of the month following the month for which the fee is due. Paid via electronic funds transfer withdrawal.	See Note 2.
Local Marketing	\$24,000 each calendar year (with a minimum spend of \$2,000 each month unless we designate or approve otherwise)	You must spend a minimum of \$2,000 each month.	See Note 3.

<b>Name of Fee</b>	<b>Amount (See Note 1)</b>	<b>Due Date</b>	<b>Remarks</b>
Technology Fee	Our then-current Technology Fee. Currently, \$264 per month	Monthly	CRM, Email, Reporting System, and any other technology we designate. We may increase this fee upon 30 days' prior written notice to you. This fee currently includes four (4) Microsoft 365 Business Standard accounts. Additional accounts may be added for an additional fee, currently \$17.50 per account as determined by Microsoft, which will be added to your monthly fee. You begin paying the Technology Fee after your business opens.
Brand Fund Fee	1% of your Gross Sales	On or before the 10th day of the month following the month for which the fee is due.	See Note 4.
Transfer Fee	\$5,000	At time of transfer	See Note 5. See Item 17 for additional information on transfer requirements.
Pre-Opening Training	Pre-Opening training for up to 2 people (you and your approved manager) is included in the Initial Franchise Fee. While we currently do not do so, we may charge a fee for any additional people who attend Pre-Opening Training.	When incurred	You must pay all travel and living expenses while attending any training program. You will pay those charges directly to third parties.  See Note 6.
Audit	Will vary under circumstances (generally \$500 to \$2,000).	30 days after inspection or audit	See Note 7.
Late Fee	\$25 late fee added one day after the due date; plus \$10 per day of delinquency.	When due	You must pay us a late fee of \$25 for each delinquent report or payment that we receive after its due date. An additional \$10 per delinquency per day shall be added for each day the default remains uncured.
Insurance – 3 Months (Single Territory)	Estimated at \$1,500 - \$4,000, annual premium which will vary under the circumstances.	When premiums are due	See Note 8.
On-site Training Fee	\$350 per day plus expenses	When incurred	See Note 9.
Annual Convention Registration Fee	Our then-current registration fee	Upon demand	We currently do not charge a registration fee to attend our annual convention, but we reserve the right to do so in the future.
Convention No-Show Fee	\$850	Upon demand	An \$850 fee will be assessed if you fail to attend our annual Kitchen Solvers convention.

Notes:

- (1) Except where otherwise noted, all fees are payable to us, are uniformly imposed and are not refundable.
- (2) You must pay us a monthly Royalty Fee equal to the greater of: (i) the Monthly Minimum Fee (as provided in Table 1 below), or (ii) a specified percentage of your monthly Gross Sales (as provided in Table 2 below).

<b>Table 1</b>	
<b>Number of Months Business Open</b>	<b>Monthly Minimum Fee</b>
0-6 months	\$0
7-12 months	\$300
13-24 months	\$600
After 24 months	\$900

<b>Table 2</b>	
<b>Monthly Gross Sales</b>	<b>Royalty Fee Percentage</b>
\$0 to \$50,000	6%
\$50,001 to \$75,000	5.5%
\$75,001 to \$100,000	5%
\$100,001 to \$125,000	4.5%
\$125,001 to \$175,000	4%
\$175,001 to \$225,000	3.5%
\$225,001 to \$275,000	3%
\$275,001+	2.5%

“Gross Sales” includes the total revenues and receipts from the sale of all products and services sold through your KITCHEN SOLVERS Business whether under any of the Trademarks or otherwise and whether the products or services are authorized or unauthorized by us. Gross Sales does not include sales tax.

We participate in the International Franchise Association’s Vet-Fran Program and offer qualified individuals honorably discharged from any branch of the U.S. Military who request at the time of signing the Franchise Agreement, a discount of 50% off of your Royalty Fee for the first 6 months of operations.

(3) Except if we provide written notice stating otherwise, commencing on the first full calendar year after you sign the Franchise Agreement, and continuing for each successive calendar year that you operate your KITCHEN SOLVERS Business, you must spend a minimum of \$24,000 each year on approved local marketing and advertising. Unless we designate otherwise in writing, you must spend a minimum of \$2,000 each month, commencing with the month you open your business and continuing for the remainder of the term of your Franchise Agreement. Your local marketing requirements for the first partial calendar year after you sign the Franchise Agreement will be identified on Appendix B to the Franchise Agreement. We must approve all local marketing and advertising. Upon our request, you must provide to us copies of all invoices and receipts evidencing your local marketing activities.

(4) In addition to local marketing, you must pay to us the monthly Brand Fund Fee as noted in the chart above. The Brand Fund Fee is currently equal to one percent (1%) of your Gross Sales. We may increase the maximum annual contribution upon 30 days’ prior written notice to you. The Brand Fund Fees are payable on the same day as the monthly Royalty Fees. See Item 11 for more information on marketing.

(5) In addition to the transfer fee described in the Item 6 table, you also must pay to us the total broker referral fee if the transferee is a person or entity that was referred to us by a broker organization that requires us to pay a referral fee payment.

(6) The Pre-Opening training is held at our corporate offices in La Crosse, WI as well as via telephone and internet. The fee for any additional people who attend Pre-Opening Training is currently \$150 per person.

(7) Audits and inspections generally will be at our expense. However, if an audit is made necessary by your failure to furnish reports, financial statements, tax returns or schedules as required under the Franchise Agreement, or if any audit or inspection reveals that you have understated or underreported Gross Sales, Royalty Fees, Brand Fund Fees or other amounts owed to us by an amount greater than 5%, in addition to the amounts owed to us, you must reimburse us the cost and out-of-pocket expenses of the inspection or audit.

(8) You must maintain in force such minimum insurance coverage that we require, as further described in Item 8.

### Item 7

#### ESTIMATED INITIAL INVESTMENT

#### A. Franchise Agreement

#### YOUR ESTIMATED INITIAL INVESTMENT

<b>Type of Expenditure</b>	<b>Amount<sup>1</sup></b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee <sup>2</sup>	\$60,000	Lump sum	Upon execution of Franchise Agreement	Us
Pre-Opening Training <sup>3</sup>	\$1,200 to \$2,500	As Incurred	As Incurred	Third parties for travel and living expenses
Supplies Package <sup>4</sup>	\$7,575	As incurred	Before opening	Us
Local Marketing <sup>5</sup>	\$6,000	As Incurred	As Incurred	Third Party Suppliers
Rent/Leasehold Improvements <sup>6</sup>	\$0 to \$4,500 (Showroom)	As incurred	As incurred	Landlord
Office Equipment & Computer System <sup>7</sup>	\$0 to \$3,500	As incurred	Before opening	Third-party suppliers
Vehicle <sup>8</sup>	\$0 to \$2,100	Lump sum	Before opening	Third-party suppliers
Vehicle and/or Trailer Wrap <sup>9</sup>	\$1,800 to \$2,500	Lump Sum	Before opening	Third-party suppliers
Insurance Premiums <sup>10</sup>	\$1,500 to \$4,000	Lump sum	Before opening	Insurance companies
Utility Deposits and Business Licenses <sup>11</sup>	\$100 to \$750	Lump Sum	Before opening	Third-party suppliers
Attorney's Fees <sup>12</sup>	\$500 to \$1,000	Lump sum	As incurred	Attorney
Bookkeeping Tech Fees <sup>13</sup>	\$50 to \$125	As incurred	As incurred	Third-party suppliers



<b>Type of Expenditure</b>	<b>Amount<sup>1</sup></b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Accounting Fees <sup>14</sup>	\$750 to \$1,500	As Incurred	As incurred	Third-party suppliers
Back Office Expenses <sup>15</sup>	\$0 to \$450	As incurred	As incurred	Third-party suppliers
Installation Tools <sup>16</sup>	\$0 to \$7,250	As incurred	As incurred	Third-party suppliers
Technology Fees <sup>17</sup>	\$264	As Incurred	As Incurred	Us
Additional Funds (3-month period) <sup>18</sup>	\$20,000 to \$30,000	As incurred	As Incurred	Employees, third-party suppliers, etc.
TOTAL <sup>19</sup>	\$99,739 to \$134,014			

Notes:

(1) The above chart assumes that you did not qualify for any discounts, and that you paid the standard Initial Franchise Fee.

(2) These are the estimated initial investments for beginning operations for a KITCHEN SOLVERS Business. The estimated initial investments will vary depending on factors like whether you operate your Business out of your home or lease an office and showroom, your financial condition and the arrangements and business decisions you make. Except where otherwise noted, all fees that you pay to us are nonrefundable. Third-party lessors and suppliers will decide if payments to them are refundable. Neither we nor our affiliate finance any portion of the initial investment.

(3) See Items 6 and 11 for additional information on training.

(4) As described in Item 5, you must purchase a Supplies Package from us for use in your Business. A detailed list of the items currently included in the Supplies Package is included as Appendix C to the Franchise Agreement (which is attached to this Disclosure Document as Exhibit B).

(5) Except if we provide written notice stating otherwise, commencing on the first full calendar year after you sign the Franchise Agreement, and continuing for each successive calendar year that you operate your KITCHEN SOLVERS Business, you must spend a minimum of \$24,000 each year on approved local marketing and advertising. Unless we designate otherwise, you must spend at least \$2,000 each month (for a total of \$24,000 each year) on approved local marketing and advertising. We reserve the right to require you to expend the minimum over a more concentrated period, or such other period as we designate (including higher expenditures during the period following the initial opening of the Business) effective on notice to you. Your local marketing requirements for the first partial calendar year after you sign the Franchise Agreement will be identified on Appendix B to the Franchise Agreement. The amount of local marketing you will be required to spend during your first partial calendar year will depend on when you sign the Franchise Agreement. The amount identified in the table above reflects three (3) months of local marketing expenses. We must approve all local marketing and advertising. Upon our request, you must provide to us copies of all invoices and receipts evidencing your local marketing activities.

(6) Your initial investment may not include any amount for office space, and we recommend that you initially operate your Business from your home. If you lease an office, showroom or shop space outside of your home, this expense will vary based upon local real estate market conditions and the size of the space you lease. The estimate provided assumes a high end of \$4,500 per month for a warehouse or shop. If you choose to have a showroom for your Business it must meet our specifications and standards for showrooms and you may incur additional expenses for furniture, fixtures, equipment and signage. Typically, a showroom is a minimum of 200-300 square feet of office space with 400-600 square feet of shop space and would be located in a light industrial park that will allow you to receive merchandise.

(7) You must use a computer system in connection with the operation of your Business. The low range assumes you already have a computer system and office equipment necessary to operate your Business.

(8) You must use either a motor vehicle or enclosed trailer with your Business. You may use your existing vehicle if it meets our standards and specifications. The low end of the range assumes you will use your existing vehicle with signage as noted below. If you do not currently own a vehicle that is capable of pulling a trailer or your existing vehicle does not meet our standards and specifications, you must purchase or lease a vehicle capable of serving in that capacity. The estimate for a lease on a vehicle that will serve as an installation vehicle is \$700 and includes sales tax and license and title fees. If you choose to purchase a trailer, the cost of the trailer will range from \$6,000 to \$8,000.

(9) You must wrap your motor vehicle or enclosed trailer with the approved branded vehicle wrap before you open your location. This is a one (1) time fee paid to our locally recommended vendor. The low end suggests one (1) motor vehicle or trailer is being wrapped. The high end range suggests you are wrapping a motor vehicle and a trailer. Materials and labor availability may cause you to use a different vendor.

(10) Insurance premium estimates are for general liability, workers compensation and commercial auto and such other insurance coverage that we designate. The amount indicated in the Chart above is the estimated cost for three (3) months of insurance premiums for a single Territory. See Item 8 for additional information on insurance.

(11) This amount includes utility deposits and business licenses. Deposits are generally refundable, but license fees are not. Business licenses include specialty or general contracting fees that are required on a per state or per county basis. Also, includes any other general business permits or fees required to create your business entity in your state. This range can change on a per state and/or county basis.

(12) This amount is an estimate for attorneys' fees in connection with your purchase of the franchise.

(13) This amount is an estimate of the third-party software fees that you will need to spend in connection with establishing and maintaining proper records and financial statements during the first three months.

(14) This estimates the amount that you may pay an accountant during the first three months. The low amount estimates the amount you may spend if you use our recommended accounting firm for their bookkeeping services. The high amount estimates the amount you may spend if you use your own accounting firm or if you engage an accounting firm for more than minimal services.

(15) This estimates the amount that you may spend during the first three months on back office services such as payroll services and general human resource services. The low estimates the amount that you may spend on these services if you do not have any employees during the first three months. The high end estimates the amount that you may spend during the first three months if you either use our recommended PEO (professional employment organization) if or you purchase separate payroll and human resource services for your Business.

(16) You may need to purchase approved tools for installation. We will supply you a suggested complete tool list upon request for your use in determining which tools you may need to purchase. The low end of the range assumes that you already have the tools necessary to complete the work.

(17) See Item 6 for additional information.

(18) The estimate of Additional Funds for the initial phase of your KITCHEN SOLVERS Business is based on recurring expenses and operating expenses for the first 3 months of operation. This estimate is based on costs experienced by our current franchisees, as well as our management team's and our predecessors' more than 30 combined years of industry experience and knowledge of average costs and market conditions prevailing as of the date of this Disclosure Document.

(19) This total is an estimate of your initial investment. This estimate is based on costs experienced by our current franchisees, as well as our management team's and our predecessors' more than 30 combined years of industry experience and knowledge of average costs and market conditions prevailing as of the date of this Disclosure Document. You should review this amount carefully with a business advisor before making any decision to purchase the franchise. You are cautioned to allow for inflation, discretionary expenditures, fluctuating interest rates and other costs of financing, and local market conditions, which can be highly variable and can result in substantial, rapid and unpredictable increases in costs. You must bear any deviation or escalation in costs from the estimates in this Item or estimates that we give during any phase of the development process.

## **B. Development Agreement**

### **YOUR ESTIMATED INITIAL INVESTMENT**

	<b>Amount</b>		<b>When Due</b>	<b>To Whom Payment</b>

Type of Expenditure		Method of Payment		Is Made
Development Fee <sup>2</sup>	\$105,000 (for two Territories) to \$200,000 (for five Territories)	Lump Sum	Upon execution of Development Agreement	Franchisor
Initial Investment to Open Initial Franchised Business <sup>3</sup>	\$39,739 to \$74,014	See Chart A and B of this Item 7.		
<b>Total Estimated Initial Investment</b>	\$144,739 to \$274,014	This is the total estimated initial investment to enter into a Development Agreement for a minimum of two and a maximum of five or more Franchised Businesses, as well as the costs to open and commence operating your initial Franchised Business for the first three months (as described more fully in Chart A of this Item 7). See Note 3.		

Explanatory Notes to Chart B:

1. All fees and payments are non-refundable, unless otherwise stated or permitted by us. This Chart details the estimated initial investment associated with executing a Development Agreement for between two and five or more Franchised Businesses, as well as the initial investment to open your first Franchised Business under your Development Schedule.
2. The Development Fee is described in greater detail in Item 5 of this Disclosure Document. The low range of the Development Fee is for the right to open two Franchised Businesses and the high range is for the right to open five or more Franchised Businesses.
3. This figure represents the total estimated initial investment required to open the initial Franchised Business under the Development Agreement. You will be required to enter into our then-current form of franchise agreement for the

initial Franchised Business you open under your Development Agreement. The range includes all the items outlined in Chart 7.A. of this Item, except for the \$60,000 Initial Franchise Fee (because you are not required to pay any Initial Franchise Fee for those Franchised Businesses you open under the Development Agreement). It does not include any of the costs you will incur in opening any additional Franchised Business(es) under your Development Agreement, which may be different and higher than those currently disclosed in Chart 7.A.

## **Item 8**

### **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

To help assure a uniform image and uniform quality of products and services in all KITCHEN SOLVERS® businesses, you must maintain and comply with our quality standards. Although you are not required to purchase or lease real estate from us, if you lease office space for your business or choose to have an office outside your home or a showroom, you must improve and equip the space in accordance with our then current approved design, specifications and standards. You also must use equipment (which includes hardware and software for the Technology Suite as described in Item 11), signage, fixtures, furnishings, an accounting firm, payroll and human resources services, products, supplies and advertising and sales promotion materials that meet our specifications and/or standards. You must offer for sale all programs, products and services we require in the manner and style we require.

The Franchise Agreement requires you to sell or use only those products and services that we have approved in writing. The purpose of this requirement is to ensure that all franchisees adhere to the uniformity and quality standards associated with KITCHEN SOLVERS® businesses. Upon request, we will periodically provide you with the names of approved vendors and suppliers for products, goods, supplies, fixtures, and equipment. The approved products will include “Primary Products and Services” for your Business such as new cabinet units, doors, drawer fronts, closet organizers, panels, trim and molding required for installing new cabinets or cabinet refacing and other supplies, products, and equipment. The approved suppliers for the Primary Products and Services may be Preferred Vendors as further described below.

We may modify the standards and specifications for products and services from time to time and add or delete from the list of approved vendors and suppliers. Standards may include minimum standards for delivery, performance, warranties, design, appearance and other restrictions. We may disapprove of a previously approved vendor, item, product and/or service at any time and you must discontinue offering for sale any such disapproved vendor, item, product and/or service immediately upon receipt of written notice. We reserve the right to limit the number of vendors and suppliers. From time to time, and at any time, we, an affiliate, or a third-party vendor or supplier may be the only approved supplier for certain products. You will pay the then-current price in effect for all purchases you make from us, our affiliate, or any third-party vendor we designate. As of the issuance date of this disclosure document, neither we nor any affiliate is the sole supplier of any items other than the Supplies Package. We and our affiliates reserve the right to become an approved or designated supplier (including an exclusive supplier) of any product or service at any time in the future, without restriction.

You may make written request for approval of a specific product of an additional qualified vendor or supplier. Except as noted below, we may, but are not required to, grant our approval of the product if doing so will not create an inordinate number of vendors/suppliers (usually not more than 2) of the product. In addition, each vendor/supplier of a product must meet the following requirements: its product must comply with the applicable specifications and/or standards; the vendor/supplier's facilities must be adequate to meet the needs of franchisees; and the vendor/supplier and its facilities must be accessible to our periodic evaluation. We do not charge a fee for evaluating a proposed new vendor/supplier and/or a new product, but we reserve the right to do so in the future.

You must initiate the formal approval process to have a specific product of an additional vendor/supplier approved. As part of this approval process, we may request that the vendor/supplier submit samples of its specific product to us. We then conduct an evaluation of the samples to determine whether the product conforms to our specifications and/or standards. We will notify the vendor/supplier of our evaluation results by mail usually within 30 days after our receipt of the sample.

As part of the approval process for a specific product, the vendor/supplier may be required to sign an applicable supplier agreement. We may revoke our agreement at any time, including if the vendor/supplier is in violation of any of the terms of the applicable supplier agreement or if we determine in our good faith but exclusive judgment that the vendor/supplier is not meeting the standards and specifications that we have established for that product or service.

While we do not require you to purchase your computer hardware or software from a specific source, your computer hardware and software must meet our standards and specifications.

Other than our members' ownership interest in us, as of the date of this Disclosure Document no officer has an ownership interest in any approved supplier.

We and our affiliates reserve the right to receive rebates and other consideration from suppliers in connection with your purchase or lease of goods, products, and services. Without limiting this broad right, some of these payments may be based on services we provide to the supplier, other payments may be calculated on an amount based on products or services sold or leased to you. We and/or our affiliates will retain and use such payments as we deem appropriate. We consider these suppliers Preferred Vendors. We also may occasionally negotiate with Preferred Vendors so that the Preferred Vendors may offer their products or services to franchisees at favorable or discount prices, although this is not a guarantee that the prices for these products or services will be lower than other similar products on the market. For items you purchase from us, our affiliates and approved suppliers, you will pay the then-current price in effect which may be higher than the cost of similar products on the market.

During our last fiscal year ending December 31, 2022, we derived revenue of \$1,937,414.29, of which \$181,309.17, or nine percent (9%), was from required purchases and leases by franchisees.

Our revenues from sale of products include amounts received from franchisees for items we purchase from vendors on their behalf. We and/or our affiliates also will derive revenue from the sale of products to you by charging more than our wholesale purchase price or by receiving

commissions, rebates and other payments from the manufacturers or suppliers. We and/or our affiliates may provide certain services and data to manufacturers and suppliers in return for a fee as a result of transaction with franchisees. As of the issuance date of this Disclosure Document, the fee may range from 0% to 10% of the manufacturers or suppliers' sales to franchisees and is subject to increase in the future. During our last fiscal year ending December 31, 2022, we derived revenue of \$214,969.60 as commissions from suppliers.

In addition to approved products, you must purchase and maintain in force such insurance coverage, including general liability, damage to rented premises, medical expense, personal and advertising injury occurrence, general aggregate, products liability aggregate, occurrence form, stop gap (applicable in ND, OH, WA and WY), auto liability, workers compensation and employers liability, property and such other insurance coverage that we designate, and any other insurance required by local, state or federal law. Our current minimum requirements as of the Issuance Date of this Disclosure Document are as follows:

- (a) general liability coverage with minimum policy limits of \$1,000,000 per occurrence and \$2,000,000 in the aggregate;
- (b) automobile liability insurance, including coverage of vehicles not owned by you, but used by your employees in connection with your business, with minimum policy limits of \$1,000,000;
- (c) workers' compensation & employer's liability insurance with minimum coverage of \$1,000,000 per employee, \$1,000,000 per accident, and a minimum policy limit of \$1,000,000, or in such larger amounts as may be required by the statute or rule in the jurisdiction in which your business is located;
- (d) property insurance, covering the full value of inventory and business interruption insurance covering at least 12 months of income loss;
- (e) as well as any other insurance, in such amounts, as may be required by statute or rule in the jurisdiction in which your business is located.

We may reasonably increase the minimum liability protection requirements annually and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards in public or product liability litigation or other relevant changes in circumstances. Premiums are payable in amounts and at times as required by your insurers. All insurance policies must name us and other related entities or persons, as designated by us, as additional insured parties and must provide that we will receive 30 days' prior written notice of amendment, termination, expiration or cancellation of any policy. You must submit to us each year a copy of the certificate, endorsement or other evidence of the issuance, renewal or extension of each insurance policy. If you fail to obtain insurance coverage, we may, but are not required to, obtain insurance coverage on your behalf and you must reimburse us for all costs and expenses we incur.

You may use only marketing and promotional materials that meet the standards described in Item 11 (see Items 6 and 11 for more information on marketing).

We estimate that your purchase of products, supplies, and marketing materials that meet our specifications and standards will represent approximately 55% to 85% or more of the cost to establish the franchise business and 45% to 60% or more of the cost to operate the franchise business on an ongoing basis.

When your franchise is up for renewal or you apply for an additional franchise, among the factors we consider are your compliance with your Franchise Agreement and support of our programs and policies, which would include compliance with the requirements described in this Item 8.

We do not guarantee the availability of independent sources of supply for any particular item, product or service required to establish or operate your Franchised Business. We do not provide material benefits to you (including renewal rights or the right to additional franchises) based on whether you purchase through the sources we designate or approve. As of the issuance date of this Disclosure Document, we are not aware of any purchasing or distribution cooperatives in the KITCHEN SOLVERS system that offer to you certain products used in the franchise business.

### **Item 9**

#### **FRANCHISEE’S OBLIGATIONS**

**This table lists your principal obligations under the franchise 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.**

<b>Obligation</b>		<b>Section in Agreement (1) Franchise Agreement (FA) and Area Development Agreement</b>	<b>Disclosure Document Item</b>
a.	Site selection and acquisition/lease	FA: Paragraphs 2, 5 ADA: Section 1	Items 1, 11, and 12
b.	Pre-opening purchases/lease	FA: Paragraphs 5, 6A-B ADA: Not applicable	Items 5 and 8
c.	Site development and other pre-opening requirements	FA: Paragraphs 2, 5 ADA: Section 1	Items and 11
d.	Initial and ongoing training	FA: Paragraphs 7B, 7D ADA: Not applicable	Items 6 and 11
e.	Opening	FA: Paragraphs 2, 5, 9A ADA: Not applicable	Items 5 and 11
f.	Fees	FA: Paragraphs 8A-D, 9A-B ADA: Section 2	Items 5, 6 and 7
g.	Compliance with standards and policies/Operating Manual	FA: Paragraphs 5, 6A-K ADA: Not applicable	Items 11 and 16
h.	Trademarks and proprietary information	FA: Paragraphs 3A-F, 6E, 12A ADA: Section 1	Items 13 and 14
i.	Restrictions on products/services offered	FA: Paragraphs 2, 6A-B ADA: Not applicable	Items 8, 11 and 16
j.	Warranty and customer service requirements	FA: Paragraph 6F ADA: Not applicable	Item 16



	<b>Obligation</b>	<b>Section in Agreement (1) Franchise Agreement (FA) and Area Development Agreement</b>	<b>Disclosure Document Item</b>
k.	Territorial development and sales quotas	FA: Paragraph 2 ADA: Section 1	Item 12
l.	Ongoing product/service purchases	FA: Paragraphs 6A-B ADA: Not applicable	Items 8 and 11
m.	Maintenance, appearance and remodeling requirements	FA: Not Applicable ADA: Not applicable	Not Applicable
n.	Insurance	FA: Paragraph 10B ADA: Not applicable	Items 6 and 8
o.	Advertising	FA; Paragraph 9 ADA: Not applicable	Items 6, 7 and 11
p.	Indemnification	FA: Paragraph 10B ADA: Not applicable	None
q.	Owner's participation/ management/staffing	FA: Paragraphs 7A-D ADA: Not applicable	Items 11 and 15
r.	Records/reports	FA: Paragraphs 8D-F ADA: Section 4	Item 6
s.	Inspections/audits	FA: Paragraphs 6G, 8F ADA: Not applicable	Item 6
t.	Transfer	FA: Paragraphs 14A-E, 15 ADA: Section 6	Items 6 and 17
u.	Renewal	FA: Paragraph 4 ADA: Not applicable	Items 6 and 17
v.	Post-termination obligations	FA: Paragraphs 12A ADA: Not applicable	Item 17
w.	Non-competition covenants	FA: Paragraphs 10D ADA: Section 7	Item 17
x.	Dispute resolution	FA: Paragraphs 13A-C ADA: Section 8	Item 17
y.	Other	FA: Not Applicable ADA: Section 9	Not Applicable

(1) Unless stated otherwise, references are to the Franchise Agreement.

### **Item 10**

## **FINANCING**

We do not offer any direct or indirect financing to our franchisees. We are unable to estimate whether you will be able to obtain financing for any of your investment and, if you are able to obtain financing, we cannot predict the terms of the financing. We do not receive payment from any person for obtaining or placing financing. We do not guarantee your obligations to third parties.

## **Item 11**

### **FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, we are not required to provide you with any assistance.**

Pre-opening Assistance: Before you operate your Business, we will:

- (1) Grant to you a license to operate the KITCHEN SOLVERS Business in a Territory (Subparagraph 2.A and Appendix B to the Franchise Agreement);
- (2) Provide you with site selection guidelines and general building and design requirements for a prototypical office or showroom (if you choose to have a location or showroom outside your home). You must, at your expense, adapt the standard specifications for the office or showroom for your premises. (Subparagraph 5 of the Franchise Agreement)
- (3) Provide training as described below in this Item 11 (Subparagraph 7B of the Franchise Agreement);
- (4) Upon your request, furnish to you a list of approved products and equipment (including installer's equipment) for your Business and any applicable standards and specifications related to such items. We do not deliver or install such items. (Subparagraphs 6A-B of the Franchise Agreement); and
- (5) Grant you access to you our confidential Kitchen Solvers Business System Online Manual for the Business (Subparagraph 6C of the Franchise Agreement). The Kitchen Solvers Business System Online Manual may include other manuals that we create for use in the operation of a KITCHEN SOLVERS Business.

Ongoing Assistance: During the operation of your Business, we will:

- (1) Furnish you from time to time with updated and revised material for your confidential Kitchen Solvers Business System Online Manual (if we elect to modify the Manual) (Subparagraph 6C of Franchise Agreement);
- (2) Evaluate your Business as necessary as we determine in our sole discretion (Subparagraph 6G of the Franchise Agreement);
- (3) Establish and conduct various marketing and sales promotion programs (Subparagraphs 9A-B of Franchise Agreement), as further described below; and
- (4) Supply ongoing support training as we determine necessary (Subparagraph 7B of the Franchise Agreement).

Marketing Programs:

Commencing on the first full calendar year after you sign the Franchise Agreement, and continuing for each successive calendar year that you operate your KITCHEN SOLVERS Business, you must

spend a minimum of \$24,000 each year on approved local marketing and advertising. You must spend at least \$2,000 on local advertising each month during the term, commencing with the month you begin operations. Your local marketing requirements for the first partial calendar year after you sign the Franchise Agreement will be identified on Appendix B to the Franchise Agreement. You must submit your marketing materials (print, electronic or other form of media, including the internet and social media) to us for approval. We will not unreasonably withhold approval of your marketing materials if they are factually accurate and current, dignified and in good condition and accurately depict the KITCHEN SOLVERS Marks. The marketing materials will be deemed approved if we do not disapprove or comment within 10 business days of receipt. We may revoke approval of any previously approved marketing materials at any time, effective on notice to you. Other items like the use of our approved kiosk/mall display will count towards your local marketing requirements. Upon our request, you must provide to us copies of all invoices and receipts evidencing your local marketing activities.

In addition to your local marketing obligations, you must pay us a Brand Fund Fee in an amount equal to 1% of your monthly Gross Sales. We may increase the maximum annual contribution upon 30 days' prior written notice to you.

The Brand Fund Fee will be deposited into a Brand Fund (the "Fund"). We will administer the Fund in our sole and absolute discretion. We may administer the Fund ourselves or designate or license one or more third parties to do so. Any company-owned or affiliate-owned KITCHEN SOLVERS® businesses we (or our affiliates) operate will contribute to the Fund at the same rate as similarly situated franchisees. We may formulate, develop, and conduct marketing and promotion programs out of the Fund to promote the KITCHEN SOLVERS® system and products in a form and media we determine in our sole judgment to be appropriate. We have sole discretion over the creative concepts, materials, media, type, nature, scope, frequency, place, form, copy, layout and content of all advertising and marketing paid out of the Fund. Media used for any marketing program may include internet, social media, television, radio, newspapers, magazines and other written publications, which all may be local, regional or national in coverage. We may use national and regional marketing and advertising agencies from time to time to create and place advertising and other marketing communications. We reserve the right to use the Fund to reimburse us for all costs that we incur related to the marketing and promotion programs, including the proportionate compensation of employees who devote time and render service in the conduct, formulation, development and production of the marketing and promotion programs or the administration of the Fund.

We have no obligations to spend any amount on marketing in the area or Territory where you are located. We are not required to ensure that you benefit directly or pro-rata from placement of advertising or marketing. Excess Fund contributions not spent in any fiscal year will be carried over for future use. The Fund is not a trust or escrow account, creates no fiduciary duties or obligations, and is our property. You have no property rights of any kind with respect to the monies in the Fund. We will provide you with a copy of an unaudited financial report showing receipts and disbursements of the Fund for the most recently concluded fiscal year within 30 days of the completion of the report if you send a written request for the report on or before March 31. The Fund program will not be used for advertising principally directed at the sale of franchises, however media, materials and programs prepared using the Fund may describe our franchise

program, reference the availability of franchises and related information, and process franchise leads.

During our last fiscal year ending December 31, 2022, we used the Fund as follows:

- 20% on support staff
- 56% on branding, promotion and advertising
- 16% on website development
- 6% on website hosting

Although we currently do not do so, we reserve the right to require advertising or marketing cooperatives to be formed, changed, dissolved or merged. We also have a franchisee advisory council that will provide advisory input on marketing and related matters from time to time. Members to the franchisee advisory council are selected by the current franchisee advisory council. The franchise advisory council serves in an advisory capacity only. We reserve the right to form, change or dissolve the franchise advisory council.

Computer System/Technology Suite: You must use a computer system in connection with the operation of your KITCHEN SOLVERS® Business. (Subparagraph 8E of the Franchise Agreement). You must participate in the KITCHEN SOLVERS® Internet web site. At no time during the franchise agreement period will a franchise have a separate or a conflicting website representing KSLCILLC, the KITCHEN SOLVERS® franchise system or your KITCHEN SOLVERS® franchise. The only website that franchisees can use is the website or landing page provided by KSLCILLC. You must use the e-mail address and system that we provide to you for electronic communication between you, your customers, and our support staff. We will have independent access to the information and data that is electronically generated. You must provide financial and business records and information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You must provide financial and business records and information to us according to reporting formats, methodologies and time schedules that we establish from time to time. We also reserve the right in the future to require you to install computerized management systems meeting our standards, as modified from time to time in response to business, operations and marketing conditions. You may be required to license proprietary software from us or a third-party and to pay for all future updates, licensing fees, supplements and modifications to the system. For example, as of the date of this Disclosure Document, you must pay us a Technology Fee of \$264 per month for access to the technology system. We may increase this fee upon 30 days' prior written notice to you. Four Microsoft 365 Business Standard accounts are currently included in the monthly fee. Additional accounts may be added for \$17.50 per account per month, which if purchased from us would be added to your Technology Fee.

We estimate the cost of purchasing the computer system will range from \$700.00 to \$1500.00. You will be solely responsible for the acquisition, operation, maintenance, and upgrading of your computer. Neither we nor our affiliates are obligated to provide ongoing maintenance, repairs upgrades or updates to your computer. We currently do not require you to purchase a maintenance, repair, upgrade or update service contract for your computer, but we reserve the right to do so in the future.

Site Selection: You are responsible for locating a Territory that meets our standards and criteria and that is acceptable to us. We may designate the boundaries of the Territory you identify. We generally will respond within 30 days of your request for approval of a proposed Territory. If we do not approve the Territory you propose, we will permit you to examine alternative search areas for your Territory until you and we agree on the Territory. The Franchise Agreement does not identify any time limit for locating or approving a site or any consequences if we cannot agree on a site. The Territory will be identified before you sign the Franchise Agreement and you may operate your KITCHEN SOLVERS® Business out of your home without obtaining our consent. When approving a Territory, we will consider local competition, population and character of the Territory, demographic surveys and customer information, the comparative advantages of a particular market and market penetration. A Territory will have a minimum of 80,000 owner occupied households. If you operate your KITCHEN SOLVERS® Business outside your home, you must provide a site for the showroom that meets our site selection guidelines and the showroom must be located in your Territory. You must provide the proposed lease agreement for the office site (if outside your home) and for the showroom before you sign the lease, and you and the landlord must enter into our designated form of Collateral Assignment of Lease Agreement (see Appendix E to the Franchise Agreement) for each lease agreement. We have no responsibility for the lease, as it is your sole responsibility to evaluate, negotiate and enter into the lease. If you choose to have an office location or showroom, you must obtain our consent to the site. If we do not consent to a site, you may propose another site or continue to operate the business from your home.

If you enter into a development agreement, we do not determine location of future KITCHEN SOLVERS® Businesses. You must, however, submit each proposed site to us for approval in accordance with the process disclosed above.

Development Time: The length of time between the signing of the Franchise Agreement and the opening of your Business may be 1 month to 6 months. Factors affecting this length of time usually include arranging financing, successfully completing training and other possible factors.

You should not expend funds or make any other commitment in connection with the franchise and should not resign from existing employment, relocate or take any similar action until our approval of the franchise, which we will specifically communicate to you in writing.

Training All franchisees must participate in our Pre-Opening Training Program. The Pre-opening Training Program is available to you and any approved manager for your Business. If your Business is run by a manager, the manager must attend and successfully complete, to our satisfaction, the Pre-Opening Training Program. Currently, if you have more than 2 people attend our Pre-Opening Training Program, we do not charge a fee for the additional attendees. We reserve the right to charge a fee for additional attendees in the future.

Pre-Opening Training: You must complete the Pre-Opening Training Program to our satisfaction before you begin to operate your Business. The Pre-Opening Training Program is held at our headquarters in La Crosse, Wisconsin as well as via telephone and internet. The Pre-Opening Training Program generally lasts about two months. There will be an initial two-week training period at our corporate office in La Crosse, Wisconsin (unless we designate otherwise – we reserve the right to hold the entire Pre-Opening Training Program remotely via any virtual platform we

designate). You must pay for the salaries, fringe benefits, travel costs and expenses, and all related costs for all persons associated with you who attend the Pre-Opening Training Program.

Our Pre-Opening Training Program includes the following:

### TRAINING PROGRAM

Subject(1)	Hours of Classroom Training	Hours of On-the-Job Training	Location
Intro/History/Core Values/General Set Up	6	0	La Crosse, Wisconsin
Franchise Vision Plan Creation	2	0	La Crosse, Wisconsin
Products/Services/Vendors	4	0	La Crosse, Wisconsin
Advertising and Marketing	5	2	La Crosse, Wisconsin
Sales	6	8	La Crosse, Wisconsin
Day in the Life	8	0	La Crosse, Wisconsin
Product Engineering/Ordering	3	4	La Crosse, Wisconsin
Management	0	3	La Crosse, Wisconsin
Software Use	4	1	La Crosse, Wisconsin
Financials	1	2	La Crosse, Wisconsin
Human Resource	0	2	La Crosse, Wisconsin
Refacing Training	30	0	La Crosse, Wisconsin
<b>TOTALS</b>	<b>70 hours</b>	<b>22 hours</b>	

The instructional materials for the Pre-Opening Training Program include the Kitchen Solvers Business System’s Online Manual, lecture, instructional materials, hands-on demonstration, and practice. We offer our Pre-Opening Training Program as needed throughout the year. Training instructors include David Kish, Kali Morgenthaler, Alec Baumer, and Joanne Du Charme. David joined us in March of 2017 and is currently our Director of Operations. He has 7 years of experience in the kitchen remodeling industry. David’s primary training responsibilities are Sales and Project Management. Kali joined us in June of 2019 and is currently our Chief Growth Officer. She has 13 years of experience in marketing. Kali’s primary training responsibilities are Marketing, Advertising, and business development. Alec joined us in January of 2021 and is currently our Installation and Product Specialist. He has 10 years of experience in the industry. Alec’s primary training responsibilities are product knowledge, installation, engineering, and business operations. Joanne joined us in March of 2012 and is currently our Onboarding Specialist. She has 13 years of experience in the industry. Joanne’s primary training responsibilities are new business onboarding and set up, social media, and Customer Data Management.

If, during the term of the Franchise Agreement, you hire a new installer, then we may require that person to complete one day of training prior to working as an installer. In addition to paying the salary, fringe benefits, travel costs and expenses, and related costs for the newly hired installer, you must pay us a daily fee of \$350 plus expenses for such training.

We may sponsor at least one annual convention per year in a location that we designate, for all of our franchisees. If held, you are required to attend this annual convention. We may charge a fee for attending the meeting, and you are responsible for travel, lodging and related costs for all

persons associated with you who attend the meeting. If you do not attend the annual convention, then you must pay us a fee equal to \$850.

We may require you to attend any additional training we determine appropriate, and we reserve the right to charge you a fee to attend any additional training (currently, \$350 per day plus expenses).

Kitchen Solvers Business Systems Online Manual. We will provide you access to our Kitchen Solvers Business Systems Online Manual. Our Kitchen Solvers Business Systems Online Manual addresses business start-up, installation and ongoing operations and contains proprietary information and you must keep such information confidential, as stated in Item 14 of this Disclosure Document. The current Kitchen Solvers Business Systems Online Manual, as of the issuance date of this Disclosure Document, is included in Exhibit E.

## **Item 12**

### **TERRITORY**

#### **Franchise Agreement**

We grant you the right to operate a KITCHEN SOLVERS® Business within a particular Territory. The method used to describe territorial boundaries of franchises will be one or a combination of the following: county lines, highways or streets, or zip codes. A standard Territory will consist of a maximum of 80,000 owner occupied households. If we permit you to acquire additional contiguous zip codes so that your Territory consists of more than 80,000 owner occupied households, then you must pay us the Additional Population Fee. In any event, your Territory may not contain more than 110,000 owner occupied households.

During the term of your Franchise Agreement, we will not establish either a company owned KITCHEN SOLVERS® business or another KITCHEN SOLVERS® franchise within your Territory or modify your Territory without your written permission, provided that you are in complete compliance with the terms and conditions of your Franchise Agreement. Your Territory is not dependent on achieving any particular sales volume or market penetration.

You are not permitted to operate your KITCHEN SOLVERS® Business outside of your Territory without first securing our prior written consent. You will not receive any right of first refusal under your Franchise Agreement.

You may not purchase or engage in marketing including via the Internet or other direct marketing, targeted at areas outside your Territory without our prior written approval. Marketing that is directed to your Territory, but also reaches outside your Territory (for example, radio, television or home shows) is permissible provided the marketing content must be approved by us prior to use. Other than as described in this paragraph, you may not operate your Business or offer services outside 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.

## Development Agreement: Development Area Rights

We may offer qualified candidates the right to enter into our form of Development Agreement (attached to this Disclosure Document as Exhibit C). If you enter into a Development Agreement with us, you will be granted the right and will undertake the obligation to develop multiple Franchised Businesses within your Development Area in accordance with your specified Development Schedule.

In order to develop a second or any subsequent Franchised Business pursuant to a Development Agreement you enter into with us, you must: (i) be in compliance with the terms of any and all Franchise Agreements by and between you (and/or any of your affiliates) and us; (ii) sign our then-current form of franchise agreement to govern that Franchised Business; and (iii) as of the date you sign, demonstrate that you have met the applicable Minimum Productivity Levels for each and every existing Franchised Business for at least the three (3) full calendar months preceding the date you wish to sign the franchise agreement for that subsequent Franchised Business. We reserve the right to designate and/or approve the locations and Territories of any subsequent Franchised Business that you open pursuant to a Development Agreement in accordance with our then-current standards and specifications. If you fail to meet your Development Schedule requirements, we may terminate your Development Agreement and/or elect to remove your territorial rights in your Development Area. Otherwise, we will not modify your Development Area except by mutual agreement of the parties in a separate writing.

During the term of the Development Agreement, we will not open or operate, or license any third party the right to open or operate, any other Franchised Business within the Development Area.

Once the Development Agreement expires or is terminated, you will not have any territorial rights within the Development Area (other than rights you were granted under any valid and existing Franchise Agreement(s) you entered into as of the date the Development Agreement expires).

## Reservation of Rights

Your rights under the Franchise Agreement and, if applicable, the Development Agreement, do not include: (a) any right to offer any products or services via e-commerce; (b) any right to establish an independent website or establish a URL incorporating the Proprietary Marks or any variation thereof; (c) any right to sell merchandise via wholesale; (d) any right to distribute, market or implement our products and services in any channel of distribution not specifically identified in the applicable agreement; (e) the right to sub-license the franchised business in any fashion; or (f) the right to sell your Territory to another person or franchisee without our prior written consent.

Except as set forth in this Item, we have not established and will not establish any other franchise or company-owned business that features kitchen or bathroom remodeling or cabinet refacing under the name KITCHEN SOLVERS® or under any other name within your Territory during the term of your Franchise Agreement.

You expressly understand and agree that we and our affiliates reserve all rights not expressly granted to you under the Franchise Agreement and, if applicable, the Development Agreement. We and/or our affiliates reserve the right to: (a) establish franchises or company-owned businesses under the Marks anywhere outside the Territory; (b) establish franchises or company owned



businesses under marks other than KITCHEN SOLVERS® both within and outside the Territory; (c) to distribute products or services through alternative channels of distribution, including by mail order, catalog, or the Internet (or any other existing or future form of electronic commerce) under any mark, including KITCHEN SOLVERS® (d) use the KITCHEN SOLVERS® and any and all other marks to market and advertise within the Territory; and (e) to merge or affiliate with any other brand, including a competitive brand with units operating in the Territory. We also reserve the right to develop and operate and to franchise or license others to develop and operate the KITCHEN SOLVERS® Business at any location outside your Territory. We and/or our affiliates may engage in these activities without compensation to you.

We have the right to develop, open and operate, and to license others the right to develop, open and operate, Businesses located in Non-Public Access Areas, including within the Territory and the Development Area. For purposes of this Agreement, the term Non-Public Access Area shall mean military bases, government institutions, and other areas that are not accessible to the general public.

We and/or our affiliates reserve the right to negotiate and enter into agreements with “Multi-Project Customers” and to, directly or indirectly (including through franchisees and licensees) provide KITCHEN SOLVERS® services under the Marks, even if those customers are located in your Territory and, if you sign a Development Agreement, in your Development Area. The term “Multi-Project Customer” means a customer that wishes to contract for the completion of fifty or more projects for KITCHEN SOLVERS® services, including, without limitation owners or managers of apartment and/or condominium buildings, residential home builders and/or developers, and hotel chains. We may, in our sole discretion, offer you the option to perform work for one or more Multi-Project Customers in the Territory and in the Development Area (if applicable), but we may also provide such services ourselves or through an affiliate, or we may contract with a third-party including another KITCHEN SOLVERS® franchisee, to perform such services in the Territory and in the Development Area (if applicable) without providing you with any compensation. If you qualify to service a Multi-Project Customer and we offer you the option to perform such work, you will be required to comply with our designated standards, specifications and procedures, and you may be required to enter into our then-current form of Multi-Project Customer Participation Agreement. We retain the right to set and modify the parameters for any Multi-Project Customer program, including the right to terminate your participation in the program, at any time.

We may market the KITCHEN SOLVERS® business within your Territory, including as part of the Brand Fund program described in Item 11. Other franchisee’s marketing may reach your Territory if contained in a general publication (or media) like a regional newspaper with general distribution (or broadcast).

Other than as described in this Item 12, we will not modify your Territory. If you choose to have an office location outside your home or a design studio, we will approve relocation of the office or design studio if the new location meets our site selection criteria and is in the Territory.

## Item 13

### TRADEMARKS

The Franchise Agreement licenses you to use the service mark KITCHEN SOLVERS, as well as other trademarks, service marks, trade names and commercial symbols as we designate (collectively, the “Marks”). We also claim common law trademark rights for all of the Marks. We have filed or intend to file all required affidavits and renewals for the Marks listed below.

<b>Principal Trademarks</b>	<b>Register</b>	<b>Reg. No.</b>	<b>Registration Date</b>
KITCHEN SOLVERS	Principal	2,542,956	2/26/2002
KITCHEN SOLVERS (vertical stylized logo)	Principal	3,510,154	9/30/2008
KITCHEN SOLVERS (horizontal stylized logo)	Principal	3,364,404	1/08/2008

We have the right to change the Marks at any time during the term of your Franchise Agreement and to require you to comply with the changes we designate at your sole cost and expense. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks upon expiration or termination of your Franchise Agreement.

You are not permitted to make any changes or substitutions of any kind in or to the use of the Marks unless we direct in writing.

We acquired the rights and ownership in the Marks from Kitchen Solvers, LLC pursuant to the Assignment Agreement we entered into on December 1, 2010 in connection with our acquisition of Kitchen Solvers, LLC’s assets. There are currently no effective material determinations by the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, or any pending infringement, opposition or cancellation proceeding, or any pending material litigation, involving the Marks. There are currently no agreements in effect that significantly limit our rights to use or license the use of any Marks in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the Marks.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of the Marks, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to the Marks and we have the sole right to decide to pursue or settle any infringement actions related to the Marks. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware. If we determine that a trademark infringement action requires changes or substitutions to the Marks, you must make such changes or substitutions at your own expense. In the limited circumstance that you must change the Trademarks in response to a third-party claim that its rights to use the Trademarks are superior to our rights, you must make the changes at your expense, except that we will reimburse you for any new signage that we determine is necessary, provided you have cooperated with any action we undertake with regard to the third party claim.

## **Item 14**

### **PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

There are no patents, patent applications, or copyrights currently registered or pending that are material to the franchise, although we do claim copyright ownership and protection for our KITCHEN SOLVERS Franchise Agreement, Kitchen Solvers Business System's Manual and for various sales promotional and other materials published from time to time.

There are no currently effective determinations of the Copyright Office (Library of Congress), United States Patent and Trademark Office, Board of Patent Appeals and Interferences, or any court, or any pending infringement, opposition or cancellation proceeding or any pending material litigation involving any patents or copyrights. There are currently no agreements in effect that significantly limit our rights to use or license the use of any patents or copyrights in any manner material to the franchise. There are no infringing uses actually known to us that could materially affect your use of the patents or copyrights.

We are not obligated to protect you against infringement or unfair competition claims arising out of your use of any patents or copyrights, or to participate in your defense or indemnify you. We reserve the right to control any litigation related to any patents and copyrights and we have the sole right to decide to pursue or settle any infringement actions related to the patents or copyrights. You must notify us promptly of any infringement or unauthorized use of the Marks of which you become aware.

You must keep confidential during and after the term of the Franchise Agreement all proprietary information, including the Kitchen Solvers Business Systems Online Manual. Upon termination of your Franchise Agreement, you must return to us all proprietary information, including but not limited to the Kitchen Solvers Business Systems Online Manual and all other copyright material. You must notify us immediately if you learn about an unauthorized use of proprietary information. We are not obligated to take any action and we have the sole right to decide the appropriate response to any unauthorized use of proprietary information. You must comply with all changes to the Kitchen Solvers Business System's Online Manual at your cost.

## **Item 15**

### **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

If you are an individual, you must directly supervise and manage the Business in the Territory. If you are a corporation, partnership or other business entity, you must designate in writing to us an individual who will directly supervise and manage the operation of the Business in the Territory. In either instance, the individual who will directly supervise and manage the operation of the Business in the Territory must complete our training program. Such individual need not have an ownership interest in the franchisee entity; however, he or she may be required to sign a written agreement maintaining confidentiality of proprietary information described in Item 14 and abiding by the non-compete covenants described in Item 17.

Each individual who owns an interest in the franchisee entity must sign the personal undertaking and guarantee attached to the Franchise Agreement. These people agree to discharge all obligations of the franchisee under the Franchise Agreement and are bound by all its terms and conditions, including maintaining confidentiality of proprietary information described in Item 14 and abiding by the non-compete covenants described in Item 17.

### **Item 16**

#### **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer and sell all, and only those products and services that we have approved (see Items 8 and 9). There are no limits on our right to make modifications to the approved products and services from time to time as set forth in the Kitchen Solvers Business Systems Online Manual or otherwise in writing. Any failure to comply with these standards may result in termination of your Franchise Agreement (see Item 17). You may use only marketing and promotional materials that we have approved.

Generally, you may not operate your Business or offer services to any customers outside your Territory, unless you receive our prior written consent to do so. You are not permitted to service Multi-Account Customers, even if they are located in your Territory, without our prior written consent. You are not otherwise limited in the customers to whom you may sell approved products and services in the Territory.

### **Item 17**

#### **RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION**

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

##### **A. Franchise Agreement**

<b>Provision</b>		<b>Section in Franchise Agreement (FA)</b>	<b>Summary</b>
a.	Length of the franchise term	FA: Paragraph 4	10 years
b.	Renewal or extension of the term	FA: Paragraph 4	If you satisfy renewal requirements, you have 2 options to renew for an additional 10 year renewal term each.
c.	Requirements for franchisee to renew or extend	FA: Paragraph 4	You must be in compliance with your Franchise Agreement, be current with all monetary obligations, attend any necessary training and have continuously operated the Business. You also must give us notice, maintain or obtain suitable premises for the Business (including modernization of sample doors, showcase display and all materials displaying the Marks), sign a release and sign a then current Franchise Agreement, which may have materially different terms and conditions from your original agreement.
d.	Termination by franchisee	None	Not applicable (subject to state law)

Provision		Section in Franchise Agreement (FA)	Summary
e.	Termination by franchisor without cause	None	Not applicable. Termination of a single-unit Franchise Agreement permits the Franchisor to also terminate the Development Agreement signed under the Franchise Agreement.
f.	Termination by franchisor with cause	FA: Paragraphs 11A-B	We can terminate only if you default. Termination of a single-unit Franchise Agreement permits the Franchisor to also terminate the Development Agreement signed under the Franchise Agreement.
g.	“Cause” defined – curable defaults	FA: Paragraphs 11A-B	You have 30 days to cure non-submission of reports, non-payment of amounts due and owing, failure to abide by our standards and requirements for the Business, failure to meet our requirements and specifications regarding to goods and services, and any other default not listed in Section 11.B(i) (subject to state law). Termination of a single-unit Franchise Agreement permits the Franchisor to also terminate the Development Agreement signed under the Franchise Agreement.
h.	“Cause” defined – non-curable defaults	FA: Paragraphs 11A-B	Non-curable defaults: abandonment, insolvency, assignment for the benefit of creditors, conviction of offenses, deception of customers regarding goods, willful falsification of reports, repeated audits because of underreporting, repeated defaults within 12-month period even if cured, and failure to cure within 24 hours-notice of default that materially impairs the goodwill associated with our Marks (subject to state law). Termination of a single-unit Franchise Agreement permits the Franchisor to also terminate the Development Agreement signed under the Franchise Agreement.
i.	Franchisee’s obligations on termination/nonrenewal	FA: Paragraph 12A	Obligations include complete de-identification, payment of amounts due, discontinue or assign business phone number, return of Kitchen Solvers Business Systems Online Manual and proprietary information, and assign any existing customer contracts and pay any customer deposits received to us, at our option.
j.	Assignment of contract by franchisor	FA: Paragraph 15	No restriction on our right to assign. Assignee must fulfill our obligations under the Franchise Agreement.
k.	“Transfer” by franchisee - definition	FA: Paragraphs 14A-C	Includes any transfer of your interest in the Franchise Agreement or Business.
l.	Franchisor approval of transfer by franchisee	FA: Paragraphs 14A-C	We have the right to approve all transfers but will not unreasonably withhold approval, provided all transfer conditions are satisfied.
m.	Conditions for franchisor approval of transfer	FA: Paragraphs 14A-C	New franchisee qualifies, you are not in default under the Franchise Agreement, transfer fee paid, all amounts owed by you are paid, training completed, non-compete agreements signed, a release signed by you and guarantees or new franchise agreement signed.
n.	Franchisor’s right of first refusal to acquire franchisee’s business	FA: Paragraph 14E	We can match any offer for your Business.
o.	Franchisor’s option to purchase franchisee’s business	Not Applicable	Not Applicable
p.	Death or disability of franchisee	FA: Paragraph 14D	Upon your death, disability or incapacity, franchise can be transferred to third party approved by us. Transfer conditions apply (see m, above).

Provision		Section in Franchise Agreement (FA)	Summary
q.	Non-competition covenants during the term of the franchise	FA: Paragraph 10D	No direct or indirect involvement by you or your personal guarantors in the operation of any construction or remodeling business or any other business selling products and services similar to those sold by your Business.
r.	Non-competition covenants after the franchise is terminated or expires	FA: Paragraph 10D	No competing business for 2 years within the Territory, or within 25 miles of the outer boundary of your Territory or 25 miles of the outer boundary of another franchisee's territory.
s.	Modification of the agreement	FA: Paragraph 16B	No modifications generally, but we may change Kitchen Solvers Business Systems Online Manual and list of Marks.
t.	Integration/ merger clause	FA: Paragraph 16B	Only the terms of the Franchise Agreement are binding. Any promises or representations not contained in the Franchise Agreement or this Disclosure Document may not be enforceable (subject to state law).
u.	Dispute resolution by arbitration or mediation	FA: Paragraph 13A	Except for certain claims, all disputes must be mediated and arbitrated where our then-current headquarters is located, which is currently La Crosse, Wisconsin (subject to state law).
v.	Choice of forum	FA: Paragraph 16I	Subject to the arbitration provisions, litigation must be brought in the Federal District Court for the District of Wisconsin or in La Crosse County District Court, La Crosse, Wisconsin (subject to state law).
w.	Choice of law	FA: Paragraph 16I	State of Wisconsin (subject to state law).

## B. Area Development Agreement

**This table lists important provisions of the Area Development Agreement. You should read these provisions in the Area Development Agreement attached to this FDD.**

Provision	Section in Development Agreement	Summary
a. Term of the franchise	Section 5.1	Commences on the date of the ADA is signed and ends on the last Development Deadline of the Mandatory Development Schedule.
b. Renewal or extension of the term	Section 5.1	The ADA is not subject to renewal.
c. Requirements for you to renew or extend	None	N/A
d. Termination by you	None	N/A (subject to state law)
e. Termination by us without cause	None	Termination of Development Agreement does not permit us to terminate a single-unit franchise agreement. We do have the right to terminate the development agreement if we have terminated a franchise agreement entered into between you and us.
f. Termination by us with cause	Section 5.2	We can terminate you for cause. Termination of Development Agreement does not permit us to terminate a single-unit franchise agreement. We do

Provision	Section in Development Agreement	Summary
		have the right to terminate the development agreement if we have terminated a franchise agreement entered into between you and us.
g. "Cause" defined – defaults which can be cured	Section 5.2	If you commit a default under the ADA (other than the type of default disclosed in (h) below, which defaults are non-curable), you have 15 days after you receive notice from us to cure the default identified in the notice. Termination of Development Agreement does not permit us to terminate a single-unit franchise agreement. We do have the right to terminate the development agreement if we have terminated a franchise agreement entered into between you and us.
h. "Cause" defined – non-curable defaults	Section 5.2	We have the right to terminate the ADA effective immediately on notice to you if you commit a Material Default, including: (i) you fail to meet your Minimum Development Obligations; (ii) you commit any conduct that impairs the goodwill associated with the marks or otherwise causes harm to us or the reputation of the brand or the System; (iii) the termination of any Franchise Agreement entered into by you or any of your affiliates and us and any of our affiliates; (iv) uncured default under any such Franchise Agreement; (v) violation of the confidentiality and/or non-competition covenants; and (vi) failure to cure any other default within 15 days after notice. Termination of Development Agreement does not permit us to terminate a single-unit franchise agreement. We do have the right to terminate the development agreement if we have terminated a franchise agreement entered into between you and us.
i. Your obligations on termination/nonrenewal	Section 5.3, Section 7.1.2, 7.3	Comply with covenants and all post-term obligations of the Development Agreement.
j. Assignment of contract by us	Section 6.1	No restriction on our right to assign.
k. "Transfer" by you – definition	Section 6.2	Includes transfer of the ADA or your ownership change.
l. Our approval of transfer by you	Section 6.2	You are not permitted to assign or transfer the ADA.
m. Conditions for our approval of transfer	Not applicable	You have no right to transfer or assign the ADA.
n. Our right of first refusal to acquire your business	None	N/A
o. Our option to purchase your business upon termination or non-renewal	None	N/A
p. Your death or disability	None	N/A
q. Non-competition covenants during the term of the franchise	Section 7.1.1	You may not (a) own, maintain, engage in, be employed by, lend money to, extend credit to or have any interest in any Competing Business (as defined in the franchise agreement), other than any other

Provision	Section in Development Agreement	Summary
		KITCHEN SOLVERS franchised business under license granted by us; or (b) divert or attempt to divert any business or customer or prospect of the Franchised Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System.
r. Non-competition covenants after the franchise is terminated or expires	Section 7.1.2	During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents will not directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any Competitive Business that is located: (a) anywhere in the Development Area; (b) within a twenty-five (25) mile radius of the Development Area; (c) within any territory of any Franchised Business in operation, under lease, or under construction as of the date of termination or expiration, as applicable; or (d) within a 25 mile radius of any Franchised Business territory in operation, under lease, or under construction as of the date of termination or expiration, as applicable. During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents will not directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any franchise system that is offering or selling the right to develop, open or operate Competitive Businesses anywhere in the United States. The covenants not to compete are in addition to and not in lieu of your express agreements set forth above to not use any trade secrets, confidential information or personal contacts except as authorized by us.
s. Modification of the agreement	Section 9.10	No modification except by written agreement signed by both parties.
t. Integration/merger clause	Section 9.10	Only the terms of the ADA are binding (subject to state law). Any representations made outside of the disclosure document and ADA may not be enforceable.
u. Dispute resolution by arbitration or mediation	Article 8	Except for certain claims, all disputes must be mediated and if not resolved through mediation, arbitrated (subject to state law).
v. Choice of forum	Section 9.1	Subject to the arbitration provisions, litigation must be brought in the Federal District Court for the District of Wisconsin or in La Crosse County District Court, La Crosse, Wisconsin (subject to state law).
w. Choice of law	Section 9.1	State of Wisconsin (subject to state law).



## **Item 18**

### **PUBLIC FIGURES**

We do not use any public figure to promote the franchise. No public figure is involved in our actual management or control.

## **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.

### **HISTORICAL FINANCIAL PERFORMANCE INFORMATION**

As of December 31, 2022, there were fifty (50) franchised outlets (with each “outlet” representing one franchised territory) open. Out of these fifty (50) franchised outlets: (a) five (5) were not in operation for a full twelve (12) months as of December 31, 2022; and (b) five (5) outlets were inactive during the 2022 Calendar Year. We sent Item 19 surveys to all remaining forty (40) franchised outlets requesting the financial performance information detail disclosed in this Item 19 (each an “Item 19 Survey”) for the 2022 calendar year (the “Measurement Period”). Twenty-two (22) franchise owners representing thirty-two (32) of the franchised outlets responded to the survey. We refer to these thirty-two (32) outlets as the “Item 19 Outlets” and the twenty-two (22) franchise owners as the “Item 19 Franchise Owners” in this Item 19 financial performance representation.

### **TABLE 1**

Table 1 reflects the following financial performance information reported to us by the Item 19 Franchise Owners through their responses to the Item 19 Surveys: total reported Gross Revenues for the Measurement Period; total number of Franchised Outlets (or “Territories”) owned by each Item 19 Franchise Owner; and the highest number of employees employed at one time for each of the Item 19 Outlet Owners.

Table 1 - Gross Revenue			
Rank	Total Gross Revenue During Measurement Period	Number of Territories Open	Highest Number of Employees
1	\$3,503,463.00	1	14
2	\$2,448,701.00	3	8
3	\$1,875,863.00	2	8

4	\$1,443,451.00	1	9
5	\$1,016,752.00	2	6
6	\$986,941.00	1	9
7	\$826,838.00	2	3
8	\$635,606.00	1	3
9	\$518,932.45	1	4
10	\$491,054.60	1	5
11	\$412,178.08	3	1
12	\$410,000.00	1	2
13	\$339,295.33	2	3
14	\$338,149.44	1	3
15	\$272,000.00	1	2
16	\$249,313.64	1	2
17	\$216,012.00	1	2
18	\$206,264.86	2	5
19	\$176,690.00	1	0
20	\$164,499.34	2	0
21	\$151,850.44	1	1
22	\$151,199.00	1	0

**TABLE 2**

Table 2 reflects the Average Gross Sales achieved during the Measurement Period for following three tiers of Item 19 Franchise Owners: the top, middle and bottom third. Table 2 also discloses the highest Gross Revenues achieved in each tier, the lowest Gross Revenue achieved in each tier, the median Gross Revenue achieved in each tier and the number and percentage of Franchise Owners that met or exceeded the average presented for each tier.

Table 2 - Gross Revenue					
Franchise Owners	Average Gross Revenues	Highest Gross Revenue in Group	Lowest Gross Revenue in Group	Median Gross Revenue in Group	Number that Met or Exceeded the Average
Top Third (7)	\$1,728,858.43	\$3,503,463.00	\$826,838.00	\$1,443,451.00	3 (43%)
Middle Third (7)	\$449,316.56	\$635,606.00	\$338,149.44	\$412,178.08	3 (43%)
Bottom Third (8)	\$198,478.66	\$272,000.00	\$151,199.00	\$191,477.43	4 (50%)

**TABLE 3**

Table 3 reflects the Average Revenue Per Job during the Measurement Period as reported by the three tiers of Item 19 Franchise Owners. Table 3 also discloses the highest Gross Revenue per Job achieved in each tier, the lowest Gross Revenue per Job achieved in each tier, the median Gross Revenue per Job achieved in each tier and the number and percentage of Item 19 Franchise Owners that met or exceeded the average presented for each tier.

Table 3 - Average Revenue per Job					
Franchise Owners	Average Revenue Per Job	Highest Average Revenue Per Job in Group	Lowest Average Revenue Per Job in Group	Median Average Revenue Per Job in Group	Number that Met or Exceeded the Average
Top Third (7)	\$36,458.82	\$51,944.26	\$16,399.23	\$43,517.79	4 (57%)
Middle Third (7)	\$17,018.78	\$21,693.58	\$13,049.82	\$17,018.78	4 (57%)
Bottom Third (8)	\$16,635.31	\$34,377.48	\$8,904.06	\$14,428.24	2 (25%)

**TABLE 4**

Table 4 reflects the Average Number of Jobs during the Measurement Period as reported by the three tiers of Item 19 Franchise Owners. Table 4 also discloses the highest number of Jobs performed during the Measurement Period in each tier, the lowest number of Jobs performed during the Measurement Period, the median number of Jobs performed in each tier and the number and percentage of Item 19 Franchise Owners that met or exceeded the average number of Jobs presented for each tier.

Table 4 - Number of Jobs					
Franchise Owners	Average Number of Jobs	Highest Number of Jobs in Group	Lowest Number of Jobs in Group	Median Number of Jobs in Group	Number that Met or Exceeded the Average
Top Third (7)	57	126	19	62	4 (57%)
Middle Third (7)	28	47	17	26	3 (43%)
Bottom Third (8)	14	28	6	13	4 (50%)

**TABLE 5**

Table 5 reflects the Average Overall Gross Profit Per Location during the Measurement Period as reported by the three tiers of Item 19 Franchise Owners. Table 5 also discloses the highest Overall Gross Profit per Location achieved in each tier, the lowest Overall Gross Profit per Location achieved in each tier, the median Overall Gross Profit per Location achieved in each tier and the number and percentage of Item 19 Franchise Owners that met or exceeded the average presented for each tier.

Table 5- Overall Gross Profit Per Location						
2022 Totals	Average	Met or Exceeded Average	Percentage of Gross Revenue	Median	Range High	Range Low
Gross Revenue	\$765,229.74	7 (32%)	100%	\$411,089.04	\$3,503,463.00	\$151,199.00
Materials Expenses	\$278,591.66	5 (23%)	36%	\$156,576.36	\$1,279,401.70	\$24,100.00
Installation Expense	\$154,075.79	9 (41%)	20%	\$78,037.18	\$1,173,292.00	\$ -
Gross Profit	\$306,012.02	7 (32%)	40%	\$ 128,325.86	\$1,387,441.00	\$24,531.00
Number of Jobs	32	6 (27%)	N/A	21	126	6

General Notes and Defined Terms for Tables 1 through 5:

- 1) “Gross Sales” means the total reported revenues and receipts from the sale of all products and services sold through each Item 19 Outlet. Gross Sales does not include sales tax.
- 2) “Range” provides the lowest and highest outcome experienced for each category.
- 3) “Job” means a customer contract for one job.
- 4) “Materials Expenses” means the cost of all direct materials purchased by the Item 19 Outlet to complete all customer projects during the Measurement Period.
- 5) “Installation Expenses” means the total amount of money spent on all subcontracted and employed labor needed to install and fulfill customers contract obligations by the Item 19 Outlet.
- 6) For purposes of Table 5, “Gross Profit” is defined as Gross Sales less Materials Expenses and Installation Expense.
- 7) For purposes of Materials Expense and Installation Expense, a franchisee is considered to have met or exceeded the average if they experienced total expense amounts equal to or less than the related averages identified in the tables above.

- 8) The Percentages of Gross Sales presented in Table 5 are disclosed to allow for the factoring in of the Materials Expenses incurred in connection with the performance of jobs.

**ADDITIONAL NOTES:**

**A. Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

B. You should develop your own business plan for your franchise, including capital budgets, financial statements, projections, pro forma financial statements and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business and legal advisors to assist you in preparing your business plan.

C. The information presented in this Item 19 does not reflect all of the operating expenses or other costs or expenses that must be deducted from the average total sales price or gross revenue to obtain net income or profit. For example, royalty fees and marketing expenses are not included. You should conduct an independent investigation of the costs and expenses you will incur in operating your Business. Franchisees or former franchisees listed in Exhibit D to this Disclosure Document may be one source of this information.

D. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

E. Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Thomas Miskowski at 301 4th Street, La Crosse, Wisconsin 54601, 608-791-5512, the Federal Trade Commission, and the appropriate state regulatory agencies.

**Item 20**

**OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1  
System wide Outlet Summary  
for Years 2020 to 2022**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised Outlets	2020	42	43	+1
	2021	43	48	+5
	2022	48	50	+2
Company-Owned	2020	0	0	0
	2021	0	0	0
	2022	0	0	0
TOTAL OUTLETS	2020	42	43	+1
	2021	43	48	+5
	2022	48	50	+2

**Table No. 2  
Transfers of Outlets From Franchisees  
to New Owners (Other than the Franchisor)  
for Years 2020 to 2022**

<b>State</b>	<b>Year</b>	<b>Number of Transfers</b>
Minnesota	2020	1
	2021	0
	2022	0
Florida	2020	1
	2021	0
	2022	0
South Carolina	2020	2
	2021	0
	2022	0
Illinois	2020	0
	2021	0
	2022	1
TOTAL	2020	4
	2021	0
	2022	1

Transfers of outlets from franchisees to new owners occurred only in the states identified above.

**Table No. 3**  
**Status of Franchised Outlets**  
**for Years 2020 to 2022**

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

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operation Other Reasons	Outlets at End of the Year
Florida	2020	12	0	0	0	0	0	12
	2021	12	1	0	0	0	0	13
	2022	13	1	0	0	0	0	14
Georgia	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	1	1	0	0	0	1
Illinois	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	1	1	0	0	0	2
Indiana	2020	0	0	0	0	0	0	0
	2021	0	2	0	0	0	0	2
	2022	2	0	0	0	0	0	2
Iowa	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	0	0	0	0	3
Idaho	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
Maryland	2020	1	0	0	0	0	0	1
	2021	1	1	0	0	0	0	2
	2022	2	0	1	0	0	0	1
Michigan	2020	1	0	0	0	0	0	1
	2021	1	0	1	0	0	0	0
	2022	0	0	0	0	0	0	0
Minnesota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Missouri	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
	2022	2	0	0	0	0	0	2

Nebraska	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
North Carolina	2020	2	1	0	0	0	0	3
	2021	3	0	1	0	0	0	2
	2022	2	1	0	0	0	0	3
Ohio	2020	4	0	0	0	0	0	4
	2021	4	1	0	0	0	0	5
	2022	5	0	0	0	0	0	5
Oklahoma	2020	0	0	0	0	0	0	0
	2021	0	1	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Pennsylvania	2020	0	0	0	0	0	0	0
	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
South Carolina	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
	2022	3	0	2	0	0	0	1
South Dakota	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Texas	2020	3	0	2	0	0	0	1
	2021	1	2	0	0	0	0	3
	2022	3	1	1	0	0	0	3
Virginia	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Washington	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
	2022	1	0	0	0	0	0	1
Wisconsin	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
	2022	5	0	0	0	0	0	5
TOTAL	2020	42	3	2	0	0	0	43
	2021	43	8	3	0	0	0	48
	2022	48	8	6	0	0	0	50



**Table No. 4**  
**Status of Company-Owned Outlets**  
**for Years 2020 to 2022**

State	Year	Outlets at Start of Year	Outlets Opened	Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
TOTAL	2020	0	0	0	0	0	0
	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0

**Table No. 5**  
**Projected Openings as of December 31, 2022**

State	Franchised Agreements Signed But Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
TN	1	0	0
FL	1	1	0
AZ	0	2	0
TX	2	1	0
MD	0	1	0
SC	0	1	0
PA	0	1	0
GA	0	1	0
OH	1	0	0
TOTAL	5	8	0

Attached as Exhibit D is a list of our current franchisees as of December 31, 2022. Exhibit D also contains the name, last known address and telephone number of each franchisee that has been terminated, not renewed, reacquired by us, otherwise ceased to do business under the franchise agreement or who has not communicated with us within the last 10 weeks. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, franchisees have signed confidentiality clauses with us. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all franchisees will be able to communicate with you.

We do not have a trademark specific franchisee association.

### Item 21

## FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit E are our audited, fiscal year financial statements for 2022, 2021 and 2020.

**Item 22**

**CONTRACTS**

This Disclosure Document includes the following contracts:

Exhibit B -- KITCHEN SOLVERS Franchise Agreement with Appendices – A (Personal Guaranty), B (Data Sheet), C (Supplies Package), D (Assignment of Telephone Numbers), E (Collateral Assignment of Lease), and F (ACH Agreement), and Franchisee Acknowledgement/Compliance Certification

Exhibit C – Area Development Agreement

Exhibit F – State Addenda

Exhibit G – Sample Release

**Item 23**

**RECEIPTS**

Attached as Exhibit H is a detachable acknowledgment of receipt.

**EXHIBIT A****LIST OF STATE AGENCIES AND ADMINISTRATORS**

<b>STATE</b>	<b>STATE ADMINISTRATOR/AGENT</b>	<b>ADDRESS</b>
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 212-416-8236 Phone 212-416-6042 Fax
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

**EXHIBIT B**

**FRANCHISE AGREEMENT WITH APPENDICES**

- A. (Personal Guarantee)
- B. (Data Sheet)
- C. (Supplies Package)
- D. (Assignment of Telephone Numbers)
- E. (Collateral Assignment of Lease)
- F. (EFT Authorization Form)

KITCHEN SOLVERS®  
FRANCHISE AGREEMENT  
BETWEEN KS LA CROSSE INVESTMENTS, LLC  
AND

---

Name(s) of Franchisee

Street

City State Zip

Area Code Telephone

FRANCHISED TERRITORY:

FRANCHISE AGREEMENT

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Personal Guarantee

Appendix A PERSONAL GUARANTEE AND AGREEMENT TO BE BOUND  
PERSONALLY BY THE TERMS AND CONDITIONS OF THE FRANCHISE AGREEMENT

Appendix B DATA SHEET

Appendix C SUPPLIES PACKAGE

Appendix D ASSIGNMENT OF TELEPHONE NUMBERS

Appendix E COLLATERAL ASSIGNMENT OF LEASE

Appendix F EFT AUTHORIZATION FORM

Franchise Acknowledgement/Compliance Certification

## KITCHEN SOLVERS® FRANCHISE AGREEMENT

This Franchise Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ between KS La Crosse Investments, LLC, a Wisconsin limited liability company with its principal business address at 301 4<sup>th</sup> Street South, La Crosse, Wisconsin 54601 (“we” or “us”), and \_\_\_\_\_, a(n) \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“franchisee” or “you”).

### RECITALS

- A. We and our predecessor have expended considerable time, effort, skill and financial resources in developing and establishing the KITCHEN SOLVERS® System.
- B. We are the owner of the KITCHEN SOLVERS® service mark and other trademarks, trade names and commercial symbols used in connection with the System.
- C. You wish to obtain the right to use the System and Trademarks in the operation of a KITCHEN SOLVERS Business.
- D. You have had a full and adequate opportunity to be advised thoroughly of the terms and conditions of this Agreement by legal counsel or other advisors, and have had sufficient opportunity to evaluate and investigate the System, the financial investment requirements, and the business risks associated with owning and operating a KITCHEN SOLVERS Business.

In consideration of the foregoing and the covenants and consideration below, you and we agree as follows:

### 1. DEFINITIONS

For purposes of this Agreement, the terms set forth below have the following definitions:

- A. “Business” means your KITCHEN SOLVERS Business developed and operated pursuant to this Agreement. The Business features kitchen and bathroom update, beautification and remodeling options such as kitchen and bathroom design and decorating consulting; refacing and replacing of kitchen and bathroom cabinets and appliances; accessorizing cabinet interiors and exteriors; rejuvenating wood cabinets; installing new cabinets; installing and replacing countertops; and other remodeling services for residential and commercial buildings.
- B. “Gross Sales” means and includes the total revenues and receipts from the sale of all products and services sold through your Business whether under any of the Trademarks or otherwise and whether the products or services are authorized or unauthorized by us. Gross Sales does not include sales tax.
- C. “System” means the KITCHEN SOLVERS System, which consists of the operation of a KITCHEN SOLVERS Business using distinctive and proprietary products and services under our Trademarks and utilizing certain distinctive types of supplies, services, measuring and installation

methods and procedures, and marketing programs, all of which we may modify and change from time to time.

D. “Trademarks” means the KITCHEN SOLVERS® service mark that has been registered with the United States Patent and Trademark Office and the other trademarks, service marks, and trade names as we may designate and as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Business. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of your Business from time to time.

## 2. GRANT OF LICENSE

The following provisions control with respect to the license granted to you:

A. Rights Granted. We hereby grant to you, subject to the terms and conditions of this Agreement, the right and license to engage in and conduct a KITCHEN SOLVERS Business identified by the Trademarks that we authorize for your use hereunder (or such other marks as we may direct) for the territory consisting of the area set forth in Appendix B (the “Territory”). You are not permitted to operate the KITCHEN SOLVERS Business outside the Territory unless you secure our prior written consent, which we may grant or withhold in our sole and absolute discretion. If we grant consent permitting you to operate outside the Territory, we may revoke our consent at any time on notice to you.

You hereby accept said license and undertake the obligation to operate your Business for the duration of the Term faithfully, honestly and diligently, using the System in compliance with our standards and requirements for the System. You agree to maintain and operate your Business under your active and continuous supervision and management. You may not commence operations of your Business until you successfully complete our training program and we have approved the commencement date of operations. The license granted herein is limited to the right to operate your Business only within the Territory. You do not have the right to sub-franchise, sublicense, assign or transfer your rights under this Agreement, except as specifically provided in this Agreement.

B. Territory Rights; Our Reservation of Rights. Except as otherwise expressly provided under this Agreement, during the term of this Agreement and provided that you are in compliance with the terms and conditions of this Agreement, we will not (i) modify the Territory without your written permission, or (ii) establish either a company-owned or franchised kitchen or bathroom remodeling or refacing business within the Territory under the KITCHEN SOLVERS Trademark.

You understand and agree that we and our affiliates reserve all rights not expressly granted to you under this Agreement. Without limiting the foregoing, we and/or our affiliates reserve the right to: (a) establish franchises and/or company-owned businesses under the Marks anywhere outside the Territory; (b) establish franchises and/or company owned businesses under marks other than the mark “KITCHEN SOLVERS®” both within and outside the Territory; (c) to manufacture, distribute, offer and/or sell, any goods and/or services in, at or from any location, including any location within the Territory, through alternative channels of distribution, including sales on the Internet (and/or any other existing or future form of electronic commerce), through kiosk locations,



through print and online catalogs and in retail locations; (d) use the KITCHEN SOLVERS® mark and any and all other marks to market and advertise within the Territory; and (e) to merge or affiliate with any other brand, including through purchase or sale of substantially all assets, including a competitive brand with units operating in the Territory. We also reserve the right to develop and operate, and to franchise or license others to develop and operate, the KITCHEN SOLVERS® Business at any location outside your Territory. We and/or our affiliates may engage in these activities without any obligation to compensate you in any way.

We have the right to develop, open and operate, and to license others the right to develop, open and operate, Businesses located in Non-Public Access Areas, including within the Territory and the Development Area. For purposes of this Agreement, the term Non-Public Access Area shall mean military bases, government institutions, and other areas that are not accessible to the general public.

We and/or our affiliates reserve the right to negotiate and enter into agreements with “Multi-Project Customers” and to, directly or indirectly (including through franchisees and licensees) provide KITCHEN SOLVERS® services under the Marks, even if those customers are located in your Territory and, if you sign a Development Agreement, in your Development Area. The term “Multi-Project Customer” means a customer that wishes to contract for the completion of fifty or more projects for KITCHEN SOLVERS® services, including, without limitation owners or managers of apartment and/or condominium buildings, residential home builders and/or developers, and hotel chains. We may, in our sole discretion, offer you the option to perform work for one or more Multi-Project Customers in the Territory and in the Development Area (if applicable), but we may also provide such services ourselves or through an affiliate, or we may contract with a third-party including another KITCHEN SOLVERS® franchisee, to perform such services in the Territory and in the Development Area (if applicable) without providing you with any compensation. If you qualify to service a Multi-Project Customer and we offer you the option to perform such work, you will be required to comply with our designated standards, specifications and procedures, and you may be required to enter into our then-current form of Multi-Project Customer Participation Agreement. We retain the right to set and modify the parameters for any Multi-Project Customer program, including the right to terminate your participation in the program, at any time.

### 3. TRADEMARK STANDARDS AND REQUIREMENTS

You hereby acknowledge and agree that the Trademarks are our property and that your right to use the Trademarks is specifically conditioned upon the following terms and conditions:

A. Trademark Ownership. The Trademarks are our valuable property, and we are the exclusive owner of all right, title and interest in and to the Trademarks and all past, present or future goodwill of your Business conducted within the Territory that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm or contest our rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media.

B. Trademark Use. You may only use the Trademarks in accordance with the terms of this Agreement and as set forth in the Manual. You may not use, or permit the use of, any other trademarks, trade names or service marks in connection with your Business. You must use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademark, trade name and service mark notice marking requirements. You must use the Trademarks only in association with products and services approved by us and that meet our standards or requirements with respect to quality and production, service standards and methods of operation. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity in the matters described in this Subparagraph.

C. Business Identification. You must use the name KITCHEN SOLVERS as the trade name of your Business and no other mark or words may be used to identify your Business without our prior written consent. You may not use the words KITCHEN SOLVERS or any of the other Trademarks as part of the name of your corporation, partnership, limited liability company or other similar entity. You must hold yourself out to the public, your customers and your employees as an independent contractor operating the Business pursuant to a license from us.

You must clearly indicate on your business checks, stationery, purchase orders, receipts, and other written materials that you are the owner of your Business and that you are a KITCHEN SOLVERS franchisee. You may use the Trademarks on various materials, such as business cards, stationery, purchase orders and checks, provided you: (i) accurately depict the Trademarks on the materials; (ii) include a statement on the materials, in immediate proximity to the Trademark, indicating that you independently own and operate your Business; and (iii) do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve it in writing prior to the use.

D. Litigation. In the event any person or entity improperly uses or infringes the Trademarks, we will control all litigation and we have the right to decide as to whether suit will be instituted, prosecuted or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware. You must promptly inform us of any claim arising out of your use of any Trademark and must, without compensation, cooperate with us in any action we undertake. We or our affiliate will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must reimburse us for our fees and expenses.

E. Changes. You may not make any changes or substitutions to Trademarks unless directed by us in writing. We reserve the right to change the Trademarks at any time. Upon receipt of our notice to change the Trademarks, you must cease using the former Trademarks and commence using the changed Trademarks, at your expense. In the limited circumstance that we require you to change the Trademarks in response to a third party claim that its rights to use the Trademarks are superior to our rights, you must make the changes at your expense, except that we will reimburse you for any new signage that we determine is necessary, provided you have cooperated with any action we undertake with regard to the third party claim.

F. Innovations. You must promptly disclose to us all ideas, concepts, procedures, techniques or processes concerning the KITCHEN SOLVERS Business, whether or not protectable intellectual property and whether created by or for you or your owners or employees (“Innovations”). Innovations are our sole and exclusive property, part of the system, and works made-for-hire for us. If any Innovation does not qualify as a work made-for-hire for us, you hereby assign ownership of that Innovation, and all related rights to that Innovation, to us and you must sign (and cause your owners, employees and contractors to sign) whatever assignment or other documents we request to evidence our ownership or to help us obtain intellectual property rights in the Innovation. We and our affiliates have no obligation to make any payments to you or any other person for any Innovations. You may not use any Innovation in operating the Business or otherwise without our prior approval.

#### 4. TERM OF FRANCHISE; FRANCHISEE’S RIGHT TO RENEW

The term of the license granted in this Agreement is for a period of ten (10) years from the date of this Agreement. You must operate the Business in accordance with the terms of this Agreement for the duration of the term. You have two (2) options to renew your license for an additional term of ten (10) years each, provided that as to each renewal you have met the following conditions:

- (i) you must give written notice to us not less than six (6) months prior to the end of the expiring term of your intent to renew the license;
- (ii) you must execute the then-current form of franchise agreement and all other agreements, legal instruments and documents then customarily used by us in the renewal of franchises. These agreements, legal instruments and documents may vary materially from those agreements, legal instruments and documents currently in use by us. There will not be, however, another initial franchise fee charged for renewal of the license. Your failure or refusal to execute such agreements, instruments and documents within thirty (30) days after their delivery to you will be deemed an election by you not to renew the license;
- (iii) you are in compliance with all of the terms and conditions of this Agreement and are in compliance with our operating and quality standards and requirements;
- (iv) you have satisfied, prior to renewal, all monetary obligations owed by you to us, our affiliates or your suppliers or creditors, whether pursuant to this Agreement or otherwise;
- (v) you have agreed, in writing, to make such reasonable expenditures necessary to replace and modernize your sample doors and other sample materials, showcase display and all items displaying the Trademarks so that your Business will conform to our then-current standards;
- (vi) you attend any training program, at your expense, that we deem necessary for you to operate your Business in accordance with our then-current standards;
- (vii) you have continuously and actively operated the Business; and
- (viii) you and your Personal Guarantors sign a general release of claims in a form we prescribe.

## 5. PREMISES STANDARDS AND MAINTENANCE

The following provisions control with respect to your premises:

A. Location, Lease. You must, at your expense, provide the premises where the Business will be located and operated. You may operate your Business out of your residence or office space, although we must consent to the office location. Your office (if you operate your Business out of an office) must be located in the Territory. The office (including any showroom that you establish, although a showroom is not required) must be constructed, maintained and operated in accordance with our specifications and standards that we establish periodically pertaining to signage, fixtures, accessory features and design and layout. If your location is outside of your home, we must consent to the site in writing. We make no guarantees concerning the success of your Business located at any site consented to by us. You are solely responsible for obtaining all necessary permits and/or licenses, and in all other respects complying with applicable legal requirements relating to your Business.

You must not use the office and showroom premises for any purpose other than the operation of your Business without our prior written approval.

If your location is outside of your home, you must provide the lease to us and receive our prior written approval of the lease before you execute it. You and the landlord must enter into our designated form of Collateral Assignment of Lease Agreement (see Appendix E to this Agreement) for the showroom premises and for your office, if located outside of your home. We have no responsibility for the lease; it is your sole responsibility to evaluate, negotiate and enter into the lease. You must provide us a signed copy of the lease and Collateral Assignment of Lease Agreement within five (5) days of its execution.

You also are required to use a motor vehicle or enclosed trailer in connection with your Business. The motor vehicle or enclosed trailer must meet the standards and specifications set forth in our Manuals, as defined below in Subparagraph 6.C. If you use our Trademarks on your motor vehicle or trailer, you must follow the business identification requirements in Subparagraph 3.C.

B. Construction; Future Alteration. If you choose to construct and equip any location outside of your home for an office or showroom, you must do so in accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, accessory features and design and layout of the building. You may not commence construction of the location until you have received our written consent to your building plans.

Without limiting the generality of the prior paragraph, you must promptly after obtaining possession of the site: (i) have prepared and submitted for our approval a site survey and basic architectural plans and specifications consistent with our general atmosphere, image and color scheme requirements as set forth from time to time in the Manuals (including requirements for dimensions, materials, interior design and layout, equipment, fixtures, furniture, signs and decorating); and (ii) complete the equipment, fixtures, furniture and sign installation and construction of the location in full compliance with plans and specifications we approve and all applicable ordinances, building codes, permit and other legal requirements without any unauthorized alterations. It is your responsibility to comply with the foregoing conditions.

Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment or signage of the location to be made after our consent is granted for initial plans, whether at the request of you or of us, must be made in accordance with specifications that have received our prior written consent. You may not commence such replacement, reconstruction, addition or modification until you have received our written consent to your revised plans.

C. Maintenance. If your location is outside of your home, the building, equipment, fixtures, furnishings, signage and trade dress (including the interior and exterior appearance) employed in the operation of your office and showroom must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon our periodic evaluations of the premises. Within a period of 30-60 days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must affect the items of maintenance we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment and signage. If, however, any condition presents a threat to customers or public health or safety, you must affect the items of maintenance immediately.

D. Relocation. If your location is outside of your home, you may not relocate your location without our prior written consent, which we will not unreasonably withhold.

E. Modernization or Replacement. If you establish a showroom or your office is outside of your home, from time to time as we require, you must effect items of modernization and/or replacement of the building, premises, trade dress, equipment and grounds as may be necessary for your showroom and office to conform to the standards for similarly situated new KITCHEN SOLVERS showroom and office. The maximum cumulative amount (the “Maximum Modernization Amount”) that you will be required to spend during the initial term of this Agreement is \$30,000.

The Maximum Modernization Amount does not include any required expenditures for equipment or leasehold improvements necessary to prepare new product offerings. Furthermore, you must perform general, continued maintenance and refreshing of the location premises whenever necessary as set forth in subparagraph 5.C and at a cost not included in the Maximum Modernization Amount. Each and every transfer of any interest in this Agreement or your business governed by Paragraph 11 or renewal covered by Paragraph 4 is expressly conditioned upon your compliance with these requirements at the time of transfer or renewal without regard to the Maximum Modernization Amount.

You acknowledge and agree that the requirements of this subparagraph 5.E are both reasonable and necessary. If you fail to make any improvement or perform the maintenance listed above, we may, in addition to our other rights in this Agreement, effect such improvement or maintenance and you must reimburse us for the costs we incur.

F. Signage. If you have a showroom or your office is outside of your home, the outdoor signage at your location must comply with our specifications, which we may modify and change from time to time due to modifications to the System, including changes to the Trademarks. You

must make such changes to the outdoor signage as we require. Your costs for the signage will be included in the Maximum Modernization Amount under subparagraph 5.E.

G. Business Telephone Line; Answering Service. You must have a business telephone number assigned to your Business.

## 6. OPERATIONS STANDARDS AND REQUIREMENTS

You acknowledge and agree that we have established and may revise, from time to time, quality standards regarding the operations of KITCHEN SOLVERS businesses so as to protect the distinction, goodwill and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards and requirements for the System and agree to the following terms and conditions:

A. Products and Services. You may sell only those products and services in connection with the Trademarks and Business that we have approved in writing. The approved products and services may be identified by us in the Manuals or otherwise in writing. These products and services meet standards and/or specifications prescribed by us, which we may modify from time to time. You must conform to all quality and customer service standards we prescribe in writing. You agree to promote and market, actively and aggressively, the KITCHEN SOLVERS Business, products and services within the Territory.

B. Vendors and Suppliers. You must purchase from approved vendors and suppliers all new cabinet units, doors, drawer fronts, panels, trim and molding required for installing new cabinets or cabinet refacing, flooring, the components of the closet organizer systems, and other supplies, products, and equipment, as we designate, (sometimes referred to in this Agreement as “Primary Products and Services”). The Primary Products and Services are those items that we determine meet our standards and specifications of quality required to protect the valuable goodwill and uniformity symbolized by and associated with the Trademarks and Business. You acknowledge that we may designate a single source of supply for Primary Products and Services and that we, a third party, or an affiliate of ours, may be that source. Upon request, we will provide and update you with a written list of the Primary Products and Services and other approved vendors, products and services, which list will include approved vendors and suppliers for many of the items. The approved vendors and suppliers may be “Preferred Vendors,” as further noted in Subparagraph 16.N of this Agreement. **ALTHOUGH APPROVED BY US, WE MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO PRODUCTS, SERVICES, EQUIPMENT, SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED PRODUCTS.** We reserve the right to limit the number of vendors and suppliers and we and our affiliates reserve the right to become an approved or designated supplier (including, as stated above, an exclusive supplier) of any product, item and/or service at any time in the future without restriction. You must pay the then-current price in effect for all purchases you make from us, our affiliate, or any third party vendor we designate.

C. Kitchen Solvers Business Manual. To help protect our reputation and goodwill and to maintain uniform operating standards under the Trademarks and Business, you must conduct your Business in accordance with the required standards and procedures contained in our operations

manual and in accordance with any other manuals created by or designated for use by us (collectively the “Manuals” or “Kitchen Solvers Business System Online Manual”). Any required standards exist to protect our interest in the System and the Trademarks and not for the purpose of establishing any control, or the duty to take control, over those matters that clearly are reserved to you.

You acknowledge having received access to our Kitchen Solvers Business System Online Manual for the term of this Agreement. You must at all times treat and maintain the Kitchen Solvers Business System Online Manual and the information contained therein and any other proprietary information created for or approved for use in the operation of your Business as secret and confidential. The Kitchen Solvers Business System Online Manual will at all times remain our sole property. We may from time to time revise the contents of the Manuals and you expressly agree to comply with each new or changed requirement. You must at all times ensure that your copy of the Manuals is kept current and up to date. In the event of any dispute as to the contents of the Manuals, the terms of the master copy of the Manuals we maintain will be controlling. You acknowledge and agree that in the future the Manuals and other system communications may only be available on the internet, our intranet system or other online or computer data transfer communications, as described in Subparagraph 6.K.

D. Operating Procedures. The Kitchen Solvers Business System Online Manuals contain both requirements and recommendations for the operation of a KITCHEN SOLVERS Business. You must adopt and use the required standards, procedures, techniques and systems described in the Kitchen Solvers Business System Online Manual. We will revise the Kitchen Solvers Business System Online Manual and their standards, procedures, techniques and systems periodically to meet changing conditions of operation in the best interest of all businesses operating under the Trademarks.

E. Confidential Information. You and your Personal Guarantors (as described in Subparagraph 16.F) must not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person or entity any Confidential Information, except to such employees as must have access to it to operate your Business. For purposes of this Agreement, “Confidential Information” means proprietary information, knowledge and know-how, including processes, materials, methods, procedures, suggested pricing, specifications, techniques and other data concerning the methods of operation of a KITCHEN SOLVERS Business. Any and all Confidential Information must not be used for any purpose other than conducting your Business in the Territory. We may require that you obtain nondisclosure and confidentiality agreements in a form satisfactory to us from any persons owning a minority interest in your Business and from other key employees. You must provide copies of the executed agreements to us upon request.

F. Customer Information. You must provide us with up-to-date customer information and copies of customer invoices in the form we prescribe. You must submit this information through our designated software system, or other online communications as we prescribe. We have the right to contact the customers to ascertain your quality of work and the level of customer satisfaction. You may not use the customer lists or information for any purpose whatsoever other than in the normal conduct of your Business.

G. Evaluations. We or our authorized representative have the right to enter your Business premises at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain whether you are observing the provisions of this Agreement, to inspect and evaluate your premises used for your Business, to observe completed projects and accompany you on sales calls, and to test, sample, inspect and evaluate your supplies, products and services.

H. Adaptations. Complete and detailed uniformity under many varying conditions may not always be possible or practical, and we reserve the right to vary the standards for any franchisee based upon the customs or circumstances of a particular territory, density of population, number of households, existing business practices, or any condition that we deem to be of importance to the operation of the franchisee's Business. You will not be entitled to require us to grant to you a like or other variation hereunder on account of any variation from standards, specifications and practices granted to any other franchisee. You acknowledge and agree that we have the right to make periodic modifications or rescind any requirement, standard or specification under this Agreement as may be necessary in to adapt our System to changing conditions and competitive circumstances.

I. Continuous Operation of Business. You acknowledge and agree that if your Business is closed or otherwise not operated for a period of thirty (30) consecutive days or more without our prior written consent, the closure or failure to operate will constitute your voluntary abandonment of the franchise, and we have the right, in addition to other remedies provided for herein, to terminate this Agreement and the franchise operated hereunder. Acts of God, war, strikes or riots preventing you temporarily from complying with the foregoing will suspend compliance therewith for the duration of the interference.

J. Compliance with Law. You must at all times conduct your Business in compliance with all applicable laws, regulations, codes and ordinances. You acknowledge that you are solely responsible for all employment decisions and functions of your Business including, without limitation, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, benefits, recordkeeping, scheduling, supervision, and discipline of employees, regardless of whether you receive any advice from us on these subjects. You acknowledge and agree that all personnel decisions will be made by you, without any influence or advice from us, and that such decisions and actions will not be, or be deemed to be, a decision or action of ours. You acknowledge that we have no power, responsibility or liability in respect to employee relations issues including hiring, firing, discipline, and related matters. You must promptly notify us of any claim or litigation in which you are involved that arises from the operation of your Business.

K. Technology Compliance. We require you, at your expense, to participate in our KITCHEN SOLVERS® web site on the internet as well as in any intranet system we designate. We have the right to determine the content and use of our web site and our intranet system and will establish the rules under which franchisees will participate. You may not separately register any domain name or operate any web site containing any of the Trademarks without our written approval. At no time during the term of this Agreement, will you have a separate or a conflicting website or engage in another electronic media (including social media) representing us, KSLILLC, Kitchen Solvers franchise system or your Kitchen Solvers franchise. The only website approved is the website or landing page provided by us. We will retain all rights relating to our web site and our



intranet system and may alter or terminate our web site or our intranet system without prior notice to you. Your general conduct on our web site, our intranet system or on other online communications and specifically your use of the Trademarks or any advertising on any web site or other online communications is subject to the provisions of this Agreement. You acknowledge that certain information obtained through your participation in our web site and our intranet system may be considered Confidential Information, including access codes and identification codes. Your right to participate in our web site and our intranet system or otherwise use the Trademarks or System on the internet or other online communications will terminate when this Agreement expires or terminates.

L. Participation in Special Programs. You must, at your expense, fully participate in and honor all designated, sponsored, and approved loyalty benefit programs we establish or modify as set forth in the Manuals or otherwise in writing (collectively, the “Special Programs”), and in accordance with our System standards and specifications. We may establish, modify, or terminate any of the Special Programs at any time upon notice to you.

## 7. PERSONNEL AND TRAINING STANDARDS

The following provisions and conditions control with respect to personnel, training and supervision.

A. Supervision of the Business. Your Business must at all times be under your direct supervision or a designated principal owner in the event you are a corporation, partnership, or other business entity. Your principal owners must be those persons who are actively involved in the Business and the principal owners must be Personal Guarantors and sign an undertaking and guarantee in accordance with Subparagraph 16.F of this Agreement.

B. Training. You must, at your expense for room, board and travel, attend and successfully complete our KITCHEN SOLVERS Pre-Opening Training Program at a place we designate. You may not begin operating your Business until you successfully complete the KITCHEN SOLVERS Pre-Opening Training Program. In the event that you are given notice of default as set forth in Subparagraph 11.A and the default relates, in whole or in part, to your failure to meet any operational standards, we may require as a condition of curing the default that you again attend and successfully complete any additional training we deem appropriate, at a place we designate, and at your expense. If you desire to operate your Business with a manager other than you, then in addition to you, such manager must attend and successfully complete our Pre-Opening Training Program, at your expense, prior to undertaking such operations.

If you request and if we agree, we will provide you in-field training at our then current rate for this training.

We will provide any additional ongoing support training as we determine necessary.

C. Staffing. You must hire and supervise efficient, competent, and courteous persons as your employees for the operation of your Business and set and pay their wages, commissions and incentives with no liability on us. No employee of yours will be deemed to be an employee of us for any purpose whatsoever.

D. Annual Convention and Other Meetings. You are required to attend, at your expense, the annual Kitchen Solvers convention, and we may require you to pay our then-current registration fee. If you fail to attend the annual Kitchen Solvers convention, then you must pay us a fee equal to \$850. We also strongly recommend that you, at your expense, attend all other conferences, seminars or meetings that we sponsor for KITCHEN SOLVERS franchisees to set forth new methods and programs for operation, training, management, sales or marketing. If you are unable to attend any such meeting, you must notify us prior to the meeting and attempt to have a substitute person from your Business, acceptable to us, attend and represent you at such meeting. You acknowledge and agree that we are not obligated to hold annual conventions.

## 8. FEES, REPORTING AND AUDIT RIGHTS

You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay to us a non-refundable Initial Franchise Fee in the amount set forth in Appendix B to this Agreement. The Initial Franchise Fee, payable in full on the date you sign this Agreement, is earned upon receipt, and is in consideration for our expenses incurred and services included in granting you franchise rights.

B. Supplies Package. You must purchase a “Supplies Package” from us consisting of those items identified on Appendix C to this Agreement.

C. Royalty Fee. In addition to the Initial Franchise Fee, during the full term of this Agreement commencing as of the Operational Start Date, and in consideration of the rights licensed hereunder, you must pay us as a Royalty Fee equal to the greater of: (i) the Monthly Minimum Fee (as provided in Table 1 below), or (ii) a specified percentage of your monthly Gross Sales (as provided in Table 2 below).

<b>Table 1</b>	
<b>Number of Months Business Open</b>	<b>Monthly Minimum Fee</b>
0-6 months	\$0
7-12 months	\$300
13-24 months	\$600
After 24 months	\$900

<b>Table 2</b>	
<b>Monthly Gross Sales</b>	<b>Royalty Fee Percentage</b>
\$0 to \$50,000	6%
\$50,001 to \$75,000	5.5%
\$75,001 to \$100,000	5%
\$100,001 to \$125,000	4.5%
\$125,001 to \$175,000	4%
\$175,001 to \$225,000	3.5%
\$225,001 to \$275,000	3%
\$275,001+	2.5%

D. Computations and Remittances; Application of Payments. All amounts due and owing hereunder, except the Initial Franchise Fee, must be computed at the end of each month's operation and you must pay the same to us on or before the 10th day of the following month, accompanied by the reports required by Subparagraph 8.G of this Agreement. You must certify the computation of said amounts in the manner and form we specify, and you must supply to us the supporting or supplementary materials as we may reasonably require to verify the accuracy of such remittances. You may not withhold payment of any amounts owed to us and hereby waive any and all existing and future claims and offsets against any amounts due us, which amounts must be paid when due. Notwithstanding any designation by you, we will be entitled to apply your payments against any amounts due us. We also may set off any amounts that may be held by us or our affiliates on your behalf or owed to you by us or our affiliates against amounts you owe to us or our affiliates.

E. Technology Suite. You must use a computer system that we designate for your Business, including all future updates, supplements and modifications (the "Technology Suite"). The computer software package developed for use in your Business may include proprietary software. You must pay us a monthly technology fee (the "Technology Fee") , currently \$264 per month, for access to our designated software system. We may increase this fee upon thirty (30) days' prior written notice to you. We reserve the right to require you to purchase the Technology Suite, and/or any component thereof, from our designated suppliers at any time during the term. As of the Effective Date of this Agreement, four email accounts are included in the monthly fee, however this is subject to change at any time in the future and you will be required to bear all costs associated with any modifications. You may purchase additional accounts for our then-current monthly fee per account. As of the Effective Date of this Agreement, the additional fee is \$17.50 per account per month, and is subject to change at any time during the term. We may offer you the opportunity to purchase subscriptions to certain software at the prices we designate, which specifications may be set forth in the Manual or other written communications. We may add the cost of any such subscriptions to your Technology Fee.

You may be required to license other forms of proprietary software from us, an affiliate or a third party and you also may be required to pay a software licensing fee in connection with your use of the proprietary or designated software. All right, title and interest in the software will remain with the licensor of the software. The computer hardware component of the Technology Suite must conform to specifications we develop and must be configured in a package unit as we designate. If we are requested to configure your computer hardware component to conform to the designated computer software component of the Technology Suite, we may provide such assistance for additional agreed upon compensation. You acknowledge and agree that we will have full and complete access to information and data produced by or stored in the Technology Suite. We may use the information accessed for any purpose we deem appropriate in our sole discretion, including in connection with the preparation and presentation of financial performance representations to be included in one or more forms of our franchise disclosure document. You will be required to use and pay for all future updates, supplements and modifications to the Technology Suite.

F. Reports and Audit. You must submit to us reports with respect to your Business in such form and content as we may prescribe periodically. The reports must include, but not be limited to, the following information: (i) within ten (10) days after the end of each month, the amount of Gross Sales of your Business for sales made during the previous calendar month, the amount of

sales tax thereon, and the computation of the Royalty Fee and Brand Fund Fee along with copies of your Customer Contracts; (ii) on a quarterly basis, but no later than thirty (30) days after the end of each calendar quarter, a balance sheet and statement of profit and loss for the previous quarter; (iii) on an annual basis but no later than May 15 of each year, copies of your most recent annual tax returns, a balance sheet and statement of profit and loss for the previous year, and monthly sales summaries for the previous year; and (iv) if requested by us to verify your Gross Sales, all books and records as we may require under our audit policies published from time to time.

We or our authorized representative have the right at all times during the business day to enter the premises where your books and records relative to your Business are kept and to evaluate, copy and audit such books and records. In the event that any such evaluation or audit reveals an understatement of your Gross Sales, Royalty Fee or other material financial information related to your Business of 5% or more from data reported to us, in addition to any other rights we may have (including collection of amounts owed with respect to any understatement), you must reimburse us for all audit costs including, without limitation, the related professional fees, travel, and room and board expenses. Furthermore, we may conduct further periodic audits and/or evaluations of your books and records, at your sole expense, as we reasonably deems necessary for up to two years thereafter. You acknowledge and agree that if a subsequent audit or evaluation conducted within the two year period reveals any such understatement or variance of 5% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we will have the right to terminate this Agreement in accordance with Subparagraph 11.B of this Agreement.

G. Late Fees. You must pay to us a service charge of \$25 for each delinquent report or payment owed to us under this Agreement, which we receive one day after its due date. An additional \$10 shall be added to the \$25 service charge for each additional day the report or payment remains delinquent. The service charge is not interest or a penalty. It is only to compensate us for increased administrative and management costs due to late payment. Your failure to pay all amounts when due is a default and grounds for termination under this Agreement. In addition, we or our affiliates expressly reserve the right to withhold or delay the shipment of products and services to you if you are in arrears with respect to any amount owed to us or our affiliates. Vendors and suppliers of products and services also may withhold or delay the shipment of goods and services to you if you are in arrears with respect to any amount owed to the vendor or supplier.

## 9. MARKETING FEES AND CONTROLS

You agree to actively promote your Business, to abide by all of our marketing requirements and to comply with the following provisions:

A. Brand Fund Fee. Commencing as of the Operational Start Date (as defined in Appendix B), you will be required to pay the 1% Brand Fund Fee, which is based on the Gross Sales generated each month.

We may increase the maximum annual contribution required upon thirty (30) days' prior written notice to you. All Brand Fund Fees will be placed in a Brand Fund managed by us, our affiliate, or our designee. We have the right to determine the methods of marketing, advertising, media employed and contents, terms and conditions of marketing campaigns and promotional programs,

and we have no fiduciary obligation to franchisees with respect to the Brand Fund. Reasonable disbursements from the Brand Fund will be made for the payment of expenses incurred in connection with the cost of formulating, developing and implementing marketing, advertising and promotional campaigns; and the reasonable cost of administering the Brand Fund, including accounting expenses and the actual cost of salaries and fringe benefits paid to our employees or designees engaged in administration of the Brand Fund. You acknowledge and agree that media, materials and programs prepared using the Brand Fund may describe our franchise program, reference the availability of franchises and related information, and process franchise leads. If requested in writing by March 31<sup>st</sup>, we will provide you with an annual unaudited statement showing the receipts and disbursements of the Brand Fund for the immediately preceding calendar year within thirty (30) days after the issuance of the unaudited statement.

B. Local Marketing. You must use your best efforts to promote and advertise your Business in the Territory and participate in any local marketing and promotional programs we establish from time to time. In addition to the Brand Fund Fee, and except if you receive our prior written approval stating otherwise, commencing on the first full calendar year after you sign this Agreement, and continuing for each successive calendar year that you operate your Business, you must spend a minimum of \$24,000 each year on approved local marketing. Unless we designate otherwise in writing, you must spend at least \$2,000 per month starting with the month that you open your Business and continuing thereafter for the remainder of the term. We reserve the right to require you to expend the annual minimum on a more concentrated period (including higher expenditures following the initial opening of the Business) effective on notice to you. Your local marketing requirements for the first partial calendar year after you sign this Agreement are identified on Appendix B. You must use only such marketing materials as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. You must submit your marketing materials (print, electronic or other form of media, including the internet and social media) to us for approval. We will not unreasonably withhold approval of your marketing materials if they are factually accurate and current, dignified and in good condition and accurately depict the KITCHEN SOLVERS Trademarks. Any local advertising materials you submit to us will be deemed approved if we do not disapprove or comment within 10 business days of receipt. We may revoke approval of any previously approved marketing materials at any time, effective on notice to you. Other items like the use of our approved kiosk/mall display will count towards your local marketing requirements. Upon our request, you must provide to us copies of all invoices and receipts evidencing your local marketing activities. We and other franchisees are restricted from marketing their KITCHEN SOLVERS Businesses in your Territory, except when such marketing is part of a Brand Fund program under Subparagraph 9.A or contained in a publication with general distribution in the Territory and also in the area in which the company-owned outlet or another franchisee's territory is located.

## 10. FRANCHISEE'S OTHER OBLIGATIONS

You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due: (i) all payments, obligations, assessments and taxes due and payable to us, vendors, suppliers, lessors, federal, state or local governments, or creditors in connection with your Business or products or services used in connection with your Business, (ii) all liens and encumbrances of every kind and character created

or placed upon or against any of said property; and (iii) all accounts and other indebtedness of every kind incurred by you in the conduct of your Business. In the event you should default in making any payment, we will be authorized, but not required, to pay the same on your behalf and you covenant promptly to reimburse us on demand for any such payment.

B. Indemnification; Insurance. You hereby waive all claims against us (and any affiliates, officers, directors, agents and employees) for damages to property, death, or injuries to persons arising directly or indirectly out of the management or operation of your Business. You must, at all times, defend, indemnify, reimburse and hold harmless to the fullest extent permitted by law, us, or subsidiaries, affiliates, successors and assigns and the representative directors, officers, shareholders, employees, agents and representatives (collectively, the “Indemnitees”) from all losses and expenses (including attorneys’ fees), incurred in connection with any action, suit, proceedings, claims, demands, investigations, inquiries or liabilities, or any settlement thereof (whether or not a formal proceeding or action is instituted) of any nature whatsoever arising in any manner, directly or indirectly, from or in connection with: (a) the operation, use, or occupancy of your Business, showroom and/ or premises, (b) the operation or use of any vehicle, (c) any breach by you or your failure to comply with the terms and conditions of this Agreement, and/or (d) in connection with your or your employees’ actions or inactions, regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates.

Throughout the entire term of this Agreement, and any renewal or extensions thereof, you must maintain such types of insurance, in such amounts, as we may require. Currently, you must purchase and maintain in full force and effect, solely at your expense, liability insurance in an aggregate amount designated periodically by us, but currently not less than \$1,000,000 combined single limit per occurrence. In addition, you agree to purchase and maintain in full force and effect, at your expense, insurance in amounts designated periodically by us covering operation or maintenance of any building, equipment or motor vehicle owned or leased by you in connection with your Business and any other insurance we specify in writing from time to time or required by local, state or federal law. Such policies must name us and our respective officers, directors, partners, members, affiliates, subsidiaries and employees as additional insured parties on all of the policies. Additional insured status shall include, without limitation, coverage for ongoing and completed operations. The additional insured endorsement form shall be ISO CG 20-26 or any other form that we approve in writing that provides comparable coverage. You agree to deliver to us periodically, or at our request, the additional insured endorsement form and such other documentation as we request evidencing the existence of such insurance coverage and your compliance with the provisions of this Subparagraph. All insurance coverage must provide that we will be given 30 days’ prior written notice of material change in or termination or cancellation of the policy. This insurance coverage must commence as of the date you commence operating the Business. Your obligation to obtain and maintain the foregoing insurance policies shall not be limited in any way by reason of any insurance that may be maintained by us. We do not represent or warrant that any insurance that you are required to purchase, or which we procure on your behalf, will provide you with adequate coverage. You should consult with your own insurance agents, brokers, attorneys or other insurance advisors to determine the level of insurance protection you need in addition to the coverage and limited we require.

C. Taxes. You must also pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on us as a result of our receipt or

accrual of the Initial Fee, the Royalty Fee, or other fees referenced in this Agreement, whether assessed against you through withholding or other means or whether paid by us directly. In either case, you shall pay us (and to the appropriate governmental authority) such additional amounts as are necessary to provide us, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amount that we would have received or accrued had such withholding or other payment, whether by you or by us, not been required.

D. Non-compete Covenants. You agree that you will receive valuable training, confidential information and goodwill that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

1. Unless otherwise specified, the term “you” as used in this subparagraph 10.D includes, collectively and individually, all owners, guarantors, officers, directors, members, managers, partners, as the case may be, and holders of any ownership interest in you. We may require you to obtain from the individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of this subparagraph 10.D.

2. You covenant that during the term of this Agreement you will not, except as we otherwise agree to in writing, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any construction or remodeling business or any other business selling products and services similar to your KITCHEN SOLVERS Business other than the one authorized by this Agreement or any other agreement between us and you.

3. You covenant that you will not, for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, or within two (2) years of the sale of the KITCHEN SOLVERS Business or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competing Business:

- a. Inside the Territory;
- b. Within twenty –five (25) miles of the outer boundary of the Territory; or
- c. Within any other franchisee’s territory; or
- d. Within twenty-five (25) miles of the outer boundary of another franchisee’s territory.

For purposes of this Section 10.D, a Competing Business includes any: (a) kitchen and/or bathroom remodeling business, cabinet refacing business and/or any other business that sells products and services similar to the products and services sold at your KITCHEN SOLVERS Business; and/or (b) business that franchises or licenses the right to open and operate a business of the type identified in (a) of this provision.

4. You agree that the length of time in subpart (3) will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

## 11. DEFAULT AND TERMINATION

The following provisions apply with respect to default and termination:

A. Defaults. You will be in default hereunder if we determine that you or any Personal Guarantor has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing, includes (i) voluntary abandonment of your Business, (ii) making any false report to us, (iii) failure to submit any required report, (iv) failure to pay when due any amounts required to be paid to us or any of our affiliates whether pursuant to this Agreement or otherwise or to any third party (including vendors and suppliers) as required by this Agreement, (v) conviction of you or any Personal Guarantor (or pleading no contest to) any felony or an offense that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair the goodwill of any of the Trademarks, (vi) failure to abide by our standards and requirements in connection with the operation of your Business, (vii) filing of any tax liens or voluntary or involuntary bankruptcy by or against you or any Personal Guarantor, (viii) your insolvency or any Personal Guarantor's insolvency, (ix) making an assignment or entering into any similar arrangement for the disposition of assets for the benefit of creditors, (x) any unauthorized assignment or transfer of your Business, this Agreement or the stock of franchisee, (xi) any breach of the noncompete covenants or (xii) failure to meet any requirements or specifications we establish with respect to product and service quality, sales or installation procedures, conditions of materials used, or use of approved products and services.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

Termination After Opportunity to Cure. Except as otherwise provided in this Subparagraph 11.B: (i) you will have thirty (30) days from the date of a written notice of default to cure any default under this Agreement; (ii) your failure to cure a default within the thirty (30)-day period will provide us with good cause to terminate this Agreement; (iii) the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and (iv) the termination will be effective thirty (30) days after the date of the written notice of termination.

Immediate Termination With No Opportunity to Cure. In the event any of the following defaults occurs, you will have no right or opportunity to cure the default and this Agreement will terminate effective immediately on our issuance of written notice of termination: voluntary abandonment of your Business, the loss of your lease, the failure to timely cure a default under the lease, the loss of your right to possession or failure to reopen or relocate under subparagraph 5.D, any unauthorized use of the Confidential Information, you willfully and materially falsify any report, statement or other written data furnished to us; conviction of you or any Personal Guarantor of (or pleading no contest to) any felony or offense that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair the goodwill of any of the Trademarks; your insolvency



or any Personal Guarantor's insolvency; making an assignment or entering into any similar arrangement for the disposition of assets for the benefit of creditors; any unauthorized assignment or transfer of your Business, this Agreement or the stock of franchisee; any instance where you willfully deceive customers relative to the source, nature or quality of goods sold; any default that results from a subsequent audit of your Business conducted within two years of a previous audit and both audits reveal an understatement of 5% or more in financial information provided to us; or any default by you that is the third similar default within any 12 month consecutive period. Furthermore, we may declare this Agreement null and void if you make any material misrepresentation on the franchise application or otherwise relating to the acquisition of the franchise.

Immediate Termination After 24 Hours to Cure. In the event that a default under this Agreement occurs that materially impairs the goodwill associated with any of the Trademarks (i) you will have twenty –four (24) hours after we provide written notice of the default to cure the default; and (ii) the termination will be effective immediately upon our issuance of written notice of termination.

Effect of Other Laws. We may terminate this Agreement upon any other ground or by any shorter period of notice (but not less than thirty (30) days except as provided above) as may be permitted from time to time by applicable law or regulation. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise will supersede any provision of this Agreement that is less favorable to you than such law or regulation.

## 12. POST-TERM OBLIGATIONS

Upon the expiration or termination of this Agreement:

A. Reversion of Rights; Discontinuation of Trademark Use. All of your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct your Business under the Trademarks in your Territory will revert to us without further act or deed of any party. All of your right, title and interest in, to and under this Agreement will become our property. You must immediately pay all sums due to us, our affiliates or designees. You must immediately cease all use and display of the Trademarks and of any material copyrighted by us (including without limitation the Manuals and other Confidential Information). You must immediately return to us all copies of the Manuals, any training videos and licensed software.

You must promptly, and in any event within thirty (30) days, at your expense, remove or obliterate all signage, displays or other materials in your possession that bear any of the Trademarks or names or material confusingly similar to the Trademarks and so alter the appearance of your Business premises (including motor vehicles or enclosed trailers, if any) as to differentiate your Business unmistakably from duly licensed KITCHEN SOLVERS businesses identified by the Trademarks. Upon your receipt of the written notice of termination, you may only complete previously ordered remodeling jobs or other types of projects and may not accept any new orders. Alternatively, at our option, we may require you to assign all existing customer contracts to us and pay to us any amounts (or a pro rata portion of any amounts) paid by your customers for services you have not yet performed, as we determine. For example, if a customer pre-paid for services and we determine that you had performed only 50% of the contracted services, we may require you to pay us 50%

of the amount the customer paid to you. You must cease your participation in any KITCHEN SOLVERS web site and our intranet system and must discontinue your use of the Trademarks or System on the internet or other online communications. Furthermore, you must not use any of the KITCHEN SOLVERS Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media. You also must take such action as may be required to cancel all assumed name or equivalent registrations relating to the use of any trade name or Trademarks and notify the telephone company and listing agencies of the termination or expiration of your right to use all telephone numbers of your Business and all classified and other directory listings of your Business and authorize the transfer of such numbers and directory listings to us or as we direct, all in accordance with the Assignment of Telephone Numbers attached as Appendix D. This agreement by you regarding the telephone numbers and listings is for the benefit of such telephone company serving you. You agree to hold any such telephone company harmless from any and all claims against it arising out of any orders given by us to terminate, transfer or put on referral such telephone service. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement, you will remain liable for your indemnification obligations specified in Subparagraph 10.B or under common law and other obligations pursuant to any applicable lease for your Business premises or otherwise, which by their very nature are intended to survive the expiration or termination of this Agreement. Finally, you must comply with all noncompete covenants outlined in Subparagraph 10.D.

### 13. DISPUTE RESOLUTION; INJUNCTIVE RELIEF

We and you agree as follows:

#### A. Dispute Resolution.

1. Mediation. The parties have reached this Agreement in good faith and in belief that it is advantageous to each of them. In recognition of the enormous strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action by us under Section 13.A.3 or 13.B of this Agreement, before beginning any legal action or arbitration, the parties agree to mediate any dispute, controversy or claim between you and/or any of your owners, affiliates, officers, directors, shareholders, guarantors, employees, owners or members (each a “Franchisee Related Party”), on the one hand, and us, and/or any of our affiliates, officers, directors, shareholders, members, guarantors, employees, representatives, independent contractors or owners (each a “Franchisor Related Party”), on the other hand, including, without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) any lease or sublease for your Franchised Business; (c) any loan or other finance arrangement between us and our affiliates and you; (d) the parties’ relationship; (e) events occurring prior to the entry into this Agreement; (f) the Business; or (g) any System standard, in accordance with the procedures set forth in this Section 13.A.1, inclusive of all subparts. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement. The Mediation shall be conducted in accordance with the following provisions:

a. **Initiation Procedure.** The party seeking mediation (the “Initiating Party”) must commence mediation by sending the other party/parties a written notice of its request for mediation (the “Dispute Notice”). The Dispute Notice will specify, to the fullest extent possible, the nature of the dispute, the Initiating Party’s version of the facts surrounding the dispute, the amount of damages, and the nature of any injunctive or other relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party.

b. **Direct Negotiations.** Upon receipt of a Dispute Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice. If the parties have been unable to resolve any such dispute(s) outlined in a Dispute Notice within twenty (20) days after the issuance of the Dispute Notice, either party may initiate a mediation procedure in accordance with the American Arbitration Association (“AAA”), pursuant to its Commercial Mediation Procedures, and unless otherwise agreed by the parties will take place in the city and state in which our then-current headquarters are located, currently, La Crosse, Wisconsin.

c. **Selection of the Mediator.** If the parties cannot mutually agree upon a mediator, the parties shall submit to one another written lists of acceptable mediators who are not associated with either of the parties. Each party must rank all the mediators in numerical order of preference and exchange the rankings. If one or more names are on both lists, the highest ranking one of these will be designated the mediator.

d. **Time and Place for Mediation.** In consultation with the parties, the mediator shall promptly designate a mutually acceptable time and place (located in the city and state in which our then-current headquarters are located, currently La Crosse, Wisconsin) for the mediation. Unless the circumstances make it impossible, the time may not be later than thirty (30) days after the selection of the mediator.

e. **Exchange of Information.** If either party to this Agreement believes he, she, or it needs information in the possession of another party to this Agreement to prepare for the mediation, all parties must attempt in good faith to agree on procedures for an exchange of information, with the help of the mediator if required.

f. **Summary of Views.** At least seven (7) days before the first scheduled mediation session, each party must deliver to the mediator and to the other party a concise written summary of its views on the matter in dispute and on any other matters that the mediator asks them to include. The mediator may also request that each party submit a confidential paper on relevant legal issues, which may be limited in length by the mediator, to him or her.

g. **Representatives.** In the mediation, each party must be represented by a person with requisite authority to settle the dispute (each an “Authorized Person”) and may be represented by counsel. In addition, each party may, with permission of the mediator, bring with him, her, or it any additional persons who are needed to respond to questions, contribute information, and participate in the negotiations.

h. Conduct of Mediation. The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the Authorized Persons an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the Authorized Persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party. The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible.

i. Termination of Procedure. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section. The mediation may be concluded (1) by the signing of a settlement agreement by the parties, (2) by the mediator's declaration that the mediation is terminated, or (3) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

j. Fees of Mediator; Disqualification. The fees and expenses of the mediator must be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved.

k. Confidentiality. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible will not be excluded from discovery or made inadmissible simply because of its use in the mediation.

2. Except as qualified below in Subparagraph 13.A.3 or 13.B, any dispute involving us, you, or any Personal Guarantor (including the directors, officers, heirs, beneficiaries or other similar parties claiming an interest through any of these entities), arising under, out of, or in any way connected with or related to this Agreement, the relationship between the parties, statutory claims arising out of this Agreement or the franchise relationship, or your Business, must be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be

arbitrated in accordance with the rules and procedures and under the auspices of the American Arbitration Association. The arbitration will take place in where our then-current headquarters are located, which is currently La Crosse, Wisconsin, or at such other place as may be mutually agreeable to the parties. Any arbitration must be resolved on an individual basis and not joined as part of a class action or the claims of other parties. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitration will be conducted by one (1) arbitrator who must have at least 5 years' experience in franchising or in franchise law.

The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (i) stay the effectiveness of any pending termination of this Agreement; (ii) assess punitive or exemplary damages; or (iii) make any award that extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance set by us. Judgment upon the award may be entered in any court having jurisdiction thereof.

3. **Exceptions to Mediation/Arbitration.** Notwithstanding anything contained in Sections 13.A.1 or 13.A.2 to the contrary, the parties agree that the following claims will not be subject to mediation or arbitration: Any controversy, dispute, or claim that concerns an allegation that you and/or any Personal Guarantor has violated (or threatens to violate, or poses an imminent risk of violating): (i) any provision relating to use of the Trademarks, the System or any Confidential Information; (ii) any federally or state protected intellectual property rights in the Trademarks, the System, or in any Confidential Information; (iii) any of the restrictive covenants contained in this Agreement, including the confidentiality and non-competition covenants; or (iv) any claims to collect past due amounts owed to us and/or our affiliates.

B. **Injunctive Relief; Civil Action.** Notwithstanding Subparagraph 13.A.1 and 13.A.2 above, you recognize that your Business is one of a number of businesses identified by the Trademarks and similarly situated and selling to the public similar products and services, and hence the failure on the part of a single franchisee to comply with the terms of its agreement could cause irreparable damage to us and/or to some or all of our other franchisees. Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement, the other party will be entitled to an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrator. The foregoing equitable remedies are in addition to, and not in lieu of, all other remedies or rights that the parties might otherwise have by virtue of any breach of this Agreement by the other party.

C. **Enforcement.** During the term of this Agreement, if you do not give us written notice of the alleged breach of this Agreement within one (1) year from the date that you have knowledge of circumstances reasonably causing you to believe you may have a claim for a breach of this Agreement by us, then the alleged breach will be deemed to be waived by you in all respects and you will be barred from bringing any legal or other action against us for the alleged breach. Furthermore, upon expiration or termination of this Agreement, you may not assert any claim or cause of action against us arising under, out of, or in any way connected with or related to this Agreement, the relationship between the parties, or your Business unless the claim or cause of action is commenced within one year after the effective date of the expiration or termination of

this Agreement. Notwithstanding the preceding two sentences, if the one year time limitation is prohibited by or invalid under any applicable law, then no suit or action may be commenced or maintained unless it is commenced within the shortest applicable statute of limitations.

#### 14. ASSIGNMENT BY FRANCHISEE

You agree that the following provisions will govern any transfer or proposed transfer by you:

A. Transfers. This Agreement is entered into by us with specific reliance upon your financial qualifications and your personal experience, skills and managerial and financial qualifications as being essential to the satisfactory operation of your Business licensed hereunder. Consequently, neither your interest in this Agreement nor in your Business may be transferred or assigned to or assumed by any other person or entity (the “assignee”), in whole or in part, unless you have first tendered to us the right of first refusal to acquire such interest in accordance with Subparagraph 14.E, and if we fail to exercise such right, unless our prior written consent is obtained and the transfer conditions described in Subparagraph 14.C are satisfied. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, gift or otherwise or any arrangement pursuant to which you turn over all or part of the daily operation of your Business to a person or entity who shares in the losses and/or profits of your Business in a manner other than as an employee will be considered a transfer for purposes of this Agreement.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or your Business, such person first must so notify us, must tender the right of first refusal provided for in Subparagraph 14.E, and if we fail to exercise such right, must apply for and obtain our consent to the transfer and satisfy the transfer conditions described in Subparagraph 14.C. In addition, you or the assignee must pay our attorneys’ fees and costs incurred in any bankruptcy or insolvency proceeding pertaining to you.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided that the proposed assignee is, in our reasonable judgment, qualified to provide active supervision over the operation of your Business, the proposed assignee possess sufficient net worth and sources of capital to meet our standards for your Business, and the conditions defined in Subparagraph 14.C are satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Subparagraph 14.E must be made by submission of our form of application for consent to transfer, which must be accompanied by the documents (including a copy of the proposed purchase or other transfer agreement) or other information required therein. The application must indicate whether you propose to retain a security interest in the property to be transferred. No such security interest will be created without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer will be subject to our prior written approval, which approval will not be withheld unreasonably. You immediately must notify us of any proposed transfer hereunder and must submit promptly to us the application for consent to transfer. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void and will give us the right to either terminate this Agreement or to collect from you a transfer fee equal to two times the transfer fee provided for in this Agreement.

C. Conditions of Transfer. Whether the transfer be to an individual, a corporation, a partnership or to any other entity, the following provisions apply:

1. We may condition our consent to any proposed transfer upon the following:
  - a. the assignee (and, if corporation or partnership, its owners), at our option, has signed and agreed to be bound by:
    - i. an assignment and assumption agreement satisfactory to us, whereby the assignee assumes your obligations under this Agreement; or
    - ii. the form of franchise agreement and such ancillary agreements as we then customarily use in the grant of franchises, which form agreement may contain materially different terms than the terms of this Agreement including increased fees;
  - b. all of your ascertained or liquidated debts in connection with your Business, including all amounts owed to us or any of our affiliates or your suppliers have been paid in full;
  - c. you are not in default under any provision of this Agreement;
  - d. the assignee has completed the training program required of new franchisees;
  - e. you or the assignee has paid \$5,000 as a transfer fee. If the transferee is a person or entity that was referred to us as a potential franchisee by a broker organization under terms that require us to pay a referral fee to the broker organization if the transferee signs a Franchise Agreement with us, you agree that you will pay us the total broker referral fee we are required to pay before the franchise is transferred;
  - f. you and all Personal Guarantors execute a general release in our favor;
  - g. you and all Personal Guarantors agree to comply with the covenant not to compete set forth in Subparagraph 10.D of this Agreement; and
  - h. in the case of an installment sale, if you or any principal owner proposes to retain a security interest or other financial interest in the Franchise Agreement or your Business operated thereunder (with our consent), you or such principal owner agrees to guarantee the performance of the Franchise Agreement until the final close of the installment sale or the termination of such interest, as the case may be.
2. Notwithstanding the conditions stated in subparagraph 14.C.1 above, if you are an individual franchisee, you may assign the franchise to a corporation or other similar entity in which you own all of the issued and outstanding capital stock provided that:
  - a. the principal owner or a manager approved by us actively manages the Business and continues to devote the individual's best efforts and full and exclusive time to the day to day operation and development of the Business;

- b. the corporation or other similar entity is newly organized and its activities are confined exclusively to acting as the franchisee under this Agreement;
  - c. the corporation or other similar entity executes a document in a form approved by us in which it agrees to become a party to and be bound by all the provisions of this Agreement;
  - d. the principal owner remains personally liable in all respects under this Agreement and executes on a form approved by us a personal guarantee and agreement not to sell, assign, pledge, mortgage or otherwise transfer or encumber the stock; and
  - e. all stock certificates representing shares in the corporation bear a legend that they are subject to the terms of this Agreement.
3. We may require you to prepare and furnish to assignee and/or to us such financial reports and other data relating to your Business and its operations as we, in our sole and exclusive judgment, may deem necessary or appropriate for assignee and/or us to evaluate your Business and the proposed transfer. You agree that we have the right to confer with proposed assignees and furnish them with information concerning your Business and proposed transfer without being held liable to you, except for intentional misstatements made to the assignee. Any such information we furnish to proposed assignees is for the sole purpose of permitting the assignees to evaluate your Business and proposed transfer and must not be construed in any manner or form whatsoever as an earnings claim or claims of success or failure.

D. Death, Disability or Incapacity. If any individual franchisee dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as a franchisee hereunder, the person or entity must apply for our consent, successfully complete our training program and pay the applicable transfer fee, all in accordance with this Paragraph 14 as in any other case of a proposed transfer. If the assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us.

E. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in your Business, in whole or in part, to any third party, you first must offer to sell to us your interest as provided herein. In the event of a bona fide offer from such third party, you must obtain from the third-party offeror and deliver to us a statement in writing, signed by the offeror and by you, of the terms of the offer. In the event of (i) a transfer or assignment of stock or similar ownership interests in you or (ii) your or a Personal Guarantor's insolvency or the filing of any petition by or against you or a Personal Guarantor under any provisions of any bankruptcy or insolvency law, our offer will be to purchase your interest in this Agreement and your Business. An amount and terms of purchase must be established by a qualified appraiser selected by you and us. If the parties cannot agree upon the selection of an appraiser, one will be appointed by the American Arbitration Association upon petition of either you or us to appoint an appraiser to establish such price in accordance with the rules and procedures of the Association. You or your legal representative must deliver to us a statement in writing incorporating the appraiser's report.



We will have thirty (30) days from our receipt of the statement setting forth the third-party offer or the appraiser's report to accept the offer by delivering written notice of acceptance to you. The acceptance will be on the same price and terms set forth in the statement delivered to us; provided, however, we will have the right to substitute equivalent cash for any noncash consideration included in the offer. If we fail to accept the offer within the thirty (30) day period, you will be free for six (6) months from the date the offer was submitted to us to effect the disposition described in the statement delivered to us; provided the transfer is not at a lower price or with more favorable terms than have been offered to us and is otherwise in accordance with this Paragraph 14. If the disposition is not closed within the six-month period with the proposed assignee, then you must reoffer to sell to us prior to the sale to a third party. You may effect no other sale or assignment of you, this Agreement or your Business without first offering the same to us in accordance with this Subparagraph 14.E.

#### 15. ASSIGNMENT BY FRANCHISOR

We reserve the right to sell or assign, in whole or in part, our interest in this Agreement. Any such sale or assignment will inure to the benefit of any assignee or other legal successor.

#### 16. GENERAL PROVISIONS

The parties hereby agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement will be deemed to be valid and in full force and effect and the terms of this Agreement will be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding hereunder will, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. Except as set forth in Subparagraph 13.C, no waiver by either party of any breach by the other party, nor any delay or failure by either party to enforce any provision of this Agreement, will be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce the non-breaching party's rights with respect to that or any other or subsequent breach. Our subsequent acceptance of any payments due to us hereunder shall not be deemed to be a waiver by us of any preceding or succeeding breach by you of any terms, provisions, covenants, or conditions of this Agreement. Subject to our rights to modify the Exhibits to this Agreement, the Manual and/or System standards and requirements and as otherwise provided herein, this Agreement may not be waived, altered or rescinded, in whole or in part, except by a writing signed by you and us. This Agreement together with any exhibits, addenda and appendices hereto constitute the entire agreement between the parties and supersede any and all prior negotiations, understandings, representations and agreements. Nothing in this or any other related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document we furnished to you.

You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be signed by the party serving the same and either delivered personally or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and if such notice is a notice of default or of termination, by registered or certified mail, and forwarded to the address specified on page 1 of this Agreement or to such other address as may have been designated by notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this Subparagraph.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our President. You must neither create nor purport to create any obligation on behalf of us, nor agree to any other term, condition, or covenant that is inconsistent with any provision of this Agreement.

E. References. If a franchisee consists of two or more individuals, such individuals will be jointly and severally liable, and references to the franchisee in this Agreement include all such individuals. Headings and captions contained herein are for convenience of reference and must not be taken into account in construing or interpreting this Agreement.

F. Guarantee. All principal owners of a franchisee that is a corporation, partnership or other entity must execute the form of undertaking and guarantee at the end of this Agreement. Each such person is considered a Personal Guarantor of the franchisee's obligations as noted in the undertaking and guarantee. Any person or entity that at any time after the date of this Agreement becomes a principal owner of the franchisee must, as a condition of becoming a principal owner, execute the form of undertaking and guarantee in the form attached to this Agreement as Appendix A.

G. Relationship of Parties. You and we understand and agree that this Agreement does not create a fiduciary relationship between us; that you are an independent contractor and that nothing in this Agreement is intended to make either party a general or special agent, legal representative, subsidiary, joint venture, partner, employee or servant of the other for any purpose. We are not your employer or the employer of any of your employees. Your Business is separate and apart from any that we may operate. Neither party to this Agreement may make any representations tending to create apparent agency, employment, or partnership. At all times during the term of this Agreement and any extension hereof, you must hold yourself out to the public as an independent contractor operating your Business pursuant to a franchise agreement with us.

H. Successors/Assigns. Subject to the terms of Paragraphs 14 and 15, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

I. Interpretation of Rights and Obligations. The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

1. Applicable Law. Except to the extent governed by the Federal Arbitration Act and the United States Trademark Act of 1946, as amended (Lanham Act, 15 U.S.C. Section 1051 et seq.), this Agreement is governed by and interpreted in accordance with the laws of the state of Wisconsin. You expressly waive any rights or protections you have or may have under any statute or law of any other state to the fullest extent permitted by law. This Agreement may be deemed to be amended from time to time as may be necessary to bring any of its provisions into conformity with valid applicable laws or regulations. Subject to Subparagraph 13.A, any cause of action, claim, suit or demand allegedly arising from or related to the terms of this Agreement or the relationship of the parties must be brought in the Federal District Court for the District of Wisconsin or in La Crosse County District Court, La Crosse, Wisconsin. Both parties hereto irrevocably admit themselves to, and consent to, the exclusive jurisdiction of said courts. **ANY SUCH ACTION WILL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION, AND YOU AND YOUR OWNERS WAIVE ANY AND ALL RIGHTS TO PROCEED ON A CONSOLIDATED, COMMON, OR CLASS BASIS.**

The provisions of this Subparagraph will survive the termination of this Agreement. You are aware of the business purposes and needs underlying the language of this Subparagraph, and with a complete understanding thereof, agree to be bound in the manner set forth.

2. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement.

3. Our Reasonable Business Judgment. Whenever we reserve or are deemed to have reserved discretion in a particular area or where we agree or are deemed to be required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise Reasonable Business Judgment in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of Reasonable Business Judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in whole or significant part, to promote or benefit the System generally even if the decision or action also promotes a financial or other individual interest of us. Examples of items that will promote or benefit the System include enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the System.

J. Attorneys' Fees. The prevailing party in any legal proceeding before a court, arbitrator or other tribunal will be entitled to recover its reasonable attorneys' fees, costs and interest. This

Subparagraph 16.J will survive termination or expiration of this Agreement under any circumstances.

K. **JURY WAIVER.** THE PARTIES (AND THEIR RESPECTIVE OWNERS AND PERSONAL GUARANTORS, IF APPLICABLE) HEREBY WAIVE ANY AND ALL RIGHTS TO A TRIAL BY JURY IN CONNECTION WITH THE ENFORCEMENT OR INTERPRETATION BY JUDICIAL PROCESS OF ANY PROVISION OF THIS AGREEMENT, AND IN CONNECTION WITH ALLEGATIONS OF STATE OR FEDERAL STATUTORY VIOLATIONS, FRAUD, MISREPRESENTATION OR SIMILAR CAUSES OF ACTION OR ANY LEGAL ACTION INITIATED FOR THE RECOVERY OF DAMAGES FOR BREACH OF THIS AGREEMENT.

L. **WAIVER OF PUNITIVE DAMAGES.** THE PARTIES (AND THEIR RESPECTIVE OWNERS AND PERSONAL GUARANTORS, IF APPLICABLE) HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM, EACH WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT.

M. Acts Beyond Control of Parties. In the event of any failure of performance of this Agreement according to its terms by any party the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of the party. Such causes include strikes, wars, riots, and acts of government except as may be specifically provided for elsewhere in this Agreement.

N. Notice of Potential Franchisor Profit. We hereby advise you that we and/or our affiliates may from time to time make available to you goods, products and/or services for use in your Business on the sale of which we and/or our affiliates may make a profit. We further advise you that we and/or our affiliates may from time to time receive consideration from suppliers and/or vendors (“Preferred Vendors”) in respect to sales of Primary Products and Services and other goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration. You will pay the then-current price in effect for products you purchase from us or Preferred Vendors which may be higher than the cost of other similar products on the markets.

O. Effective Date. This Agreement is deemed made when accepted by us at our offices in La Crosse, Wisconsin, and signed by our Managing Member.

IN WITNESS WHEREOF, the parties have entered into this Franchise Agreement Effective as of Effective Date.

**FRANCHISOR:**

**FRANCHISEE**

**KS LACROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Appendix A to the Franchise Agreement  
PERSONAL GUARANTEE AND AGREEMENT TO BE  
BOUND PERSONALLY BY THE TERMS AND CONDITIONS  
OF THE FRANCHISE AGREEMENT

In consideration of the execution of this Franchise Agreement by us, and for other good and valuable consideration, the undersigned, for themselves, their heirs, successors, and assigns, do jointly, individually and severally hereby become surety and guarantor for the payment of all amounts and the performance of the covenants, terms and conditions in this Franchise Agreement, to be paid, kept and performed by the franchisee, including without limitation the arbitration and other dispute resolution provisions of the Agreement.

Further, the undersigned, individually and jointly, hereby agree to be personally bound by each and every condition and term contained in this Franchise Agreement and agree that this Personal Guarantee should be construed as though the undersigned and each of them executed a Franchise Agreement containing the identical terms and conditions of this Franchise Agreement.

The undersigned waives: (1) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (2) protest and notice of default to any party respecting the indebtedness or nonperformance of any obligations hereby guaranteed; and (3) any right he/she may have to require that an action be brought against the franchisee or any other person as a condition of liability.

In addition, the undersigned consents and agrees that: (1) the undersigned's liability will not be contingent or conditioned upon our pursuit of any remedies against the franchisee or any other person; and (2) such liability will not be diminished, relieved or otherwise affected by the franchisee's insolvency, bankruptcy or reorganization, the invalidity, illegality or unenforceability of all or any part of the Agreement, or the amendment or extension of the Agreement with or without notice to the undersigned.

It is further understood and agreed by the undersigned that the provisions, covenants and conditions of this Guarantee will inure to the benefit of the successors and assigns of us.

**PERSONAL GUARANTORS**

Individually	Individually
Address	Address
City	City
State	State
Zip Code	Zip Code
Telephone	Telephone

Appendix B to the Franchise Agreement

**Data Sheet**

1. Territory. As stated in Subparagraph 2.A of the Franchise Agreement, subject to the terms and conditions of the Franchise Agreement, the Territory in which you will conduct the Business shall be defined as follows: \_\_\_\_\_

\_\_\_\_\_

The Territory shall be considered fixed as of the date of the Franchise Agreement.

2. Initial Franchise Fee. You shall pay us an initial franchise fee of \$ \_\_\_\_\_, due and payable at the time of execution of the Franchise Agreement.

3. Operational Start Date. The parties agree that the "Operational Start Date" for the Business shall be the earlier of: (a) the date that Franchisee begins operation of its Business; or (b) \_\_\_\_\_, 20\_\_\_\_. Franchisee's obligations to make the Monthly Royalty Fee and the Brand Fund Fee shall commence on the Operational Start Date, even if Franchisee has not yet begun operating its Business.

4. Local Advertising. Your local advertising requirements for the time period of \_\_\_\_\_, 20\_\_\_\_ through December 31, 20\_\_\_\_ will be as follows:

\_\_\_\_\_.

**YOU:** \_\_\_\_\_

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: Managing Member

## Appendix C to the Franchise Agreement

### **Sales/Marketing Aids**

- (500) Business Cards
- (100) Thank You Notes
- (100) Thank You Envelopes
- (100) Cabinet Refacing sell sheets
- (100) New Cabinetry Sell Sheets
- (50) Storage Solutions quad-fold
- (100) Services sell sheets
- (100) Pocket folders
- (100) Financing cards
- (5) Yard signs
- (1) \$250 apparel credit
- (1) 3-month SEO Package
- (50) Kitchen Solvers Classic Collection catalog
- (50) Tri-fold brochure
- (100) Redooring sell sheet
- #kitchensolved campaign cards

### **Vendor Sales Samples Package**

#### **Vendor 1**

- (14) Sample Doors
- (12) Sample Door Blocks
- (1) Stain Block Set
- (1) Molding Chain
- (1) Mini Base Cabinet Display

#### **Vendor 2**

- (12) Sample Door/Drawer Samples
- (1) Table Top Refacing Display
- (1) Complete Set of Wood Color Blocks
- (1) Master Specification Catalog
- (10) "Signature Series" Brochures
- (1) Set RFT/3D Laminate Swatches
- (10) Set 4" X 4" Maple Refacing Samples
- (1) Set of Molding Samples
- (2) Door Sample Bags

#### **Vendor 3**

- (12) Sample Doors
- (1) RTF Molding Chain
- (4) RTF Color Sample Fan Decks
- (2) Door Sample Bags
- (1) Design Guide
- ( 2) Product Guides



**Vendor 4**

- (15) Sample Doors
- (1) Mini Base Cabinet Display
- (1) Product Catalog

**Vendor 5**

- (1) North Point Cabinetry Door Sample Kit
- (1) Mini Base Cabinet Display
- (1) Drawer Box Sample
- (1) Decorative Hardware Display Board
- (1) Showroom Catalog, Manufacturing Catalog, Task Lighting Catalog, and North Point Style Guide
- (5) Organizer Selection Brochures
- (10) Mini Decorative Hardware Catalog

**Bookkeeping Set up and Onboarding**

- (1) QBO Initial Account Activation
- (1) Chart of Accounts and Products & Services Uploads
- (1) Account Connections

**Cabinet Levelers**

- (50) Cabinet Levelers
- (1) Lazy Susan Leveler
- (1) Drill Bit

**Tile**

- (10) Product Series Sales Boards

**Install Training**

- (1) – Covers 1 person. Extra \$250 per attendee during Training

**Total Supplies Package** **\$7,525**

Appendix D to the Franchise Agreement

**Assignment of Telephone Numbers**

Date: \_\_\_\_\_

This assignment is effective as of the date of termination of the Franchise Agreement entered into between KS La Crosse Investments, LLC (“us”) and (“you”). You hereby irrevocably assign to us or our designee the telephone number or numbers and listings issued to you with respect to each and all of your Kitchen Solvers businesses (“telephone numbers”). This assignment is for collateral purposes only and we have no liability or obligation of any kind whatsoever arising from this assignment, unless we desire to take possession and control over the telephone numbers.

We hereby are authorized and empowered upon termination of the Franchise Agreement and without any further notice to you to notify the telephone company, as well as any other company that publishes telephone directories (“telephone companies”), to transfer the telephone numbers to us or such other person or entity as we designate. You hereby grant to us an irrevocable power of attorney and appoint us as your attorney-in-fact to take any necessary actions to assign the telephone numbers, including but not limited to, executing any forms that the telephone companies may require to effectuate the assignment. This assignment is also for the benefit of the telephone companies, and the telephone companies may accept this assignment and our instructions as conclusive evidence of our rights in the telephone numbers and our authority to direct the amendment, termination or transfer of the telephone numbers, as if they had originally been issued to us. In addition, Franchisee agrees to hold the telephone companies harmless from any and all claims against them arising out of any actions or instructions by KS La Crosse Investments, LLC regarding the telephone numbers.

**FRANCHISEE:** \_\_\_\_\_

**KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Appendix E to the Franchise Agreement

**Collateral Assignment of Lease**

**COLLATERAL ASSIGNMENT OF LEASE**

**THIS COLLATERAL ASSIGNMENT OF LEASE** is made as of the last date below written by and among \_\_\_\_\_ ("Tenant"), KS LA CROSSE INVESTMENTS, LLC ("Franchisor"), and \_\_\_\_\_ ("Landlord").

**WHEREAS**, Tenant is the tenant under a certain lease (or sublease), dated \_\_\_\_\_ (the "Lease"), wherein Landlord leased to Tenant certain premises at \_\_\_\_\_ (the "Premises"); and

**WHEREAS**, Tenant and Franchisor have, or will, enter into a Franchise Agreement (the "Franchise Agreement"), whereby Franchisor will grant to Tenant the right to open and operate a KITCHEN SOLVERS® franchised business under Franchisor's system at the Premises; and

**WHEREAS**, as a condition to Franchisor entering into the Franchise Agreement, Franchisor has required that Tenant assign its right, title and interest in the Lease, with the right to reassign (as provided therein), as security for Tenant's obligations and Franchisor's rights under the Franchise Agreement; and

**WHEREAS**, in order to induce Franchisor to enter into the Franchise Agreement, Tenant has agreed to assign its right, title and interest in the Lease, with the right to reassign (as provided therein), as security for Tenant's obligations and Franchisor's rights under the Franchise Agreement.

**NOW THEREFORE**, in consideration for the foregoing premises and the mutual promises contained herein and in the Franchise Agreement, and in order to secure Tenant's obligations and Franchisor's rights under the Franchise Agreement, Tenant does hereby collaterally assign, transfer and set over unto Franchisor, with the right to reassign (as provided herein), all of its right, title and interest in and to the Lease and in and to the Premises; it being nevertheless expressly understood and agreed that this assignment is made and is consented to by the Landlord contingent upon the following terms, covenants, limitations and conditions:

1. Tenant's Right to Possession. Tenant shall retain right to possession of the Premises in accordance with the terms and conditions of the Lease until the occurrence of an Assignment Event (as defined in paragraph 2 of this Agreement).

2. Assignment Events.

2.1 Franchisor shall have the right to exercise either of the options set forth in paragraphs 2.1(i) or 2.1(ii) below upon: (a) Franchisor's declaration of a default by Tenant under the Franchise Agreement which remains uncured beyond all applicable notice and cure periods; (b) the expiration or earlier termination of the Franchise Agreement; or (c) an expression by Tenant

of its desire to terminate the Lease (each an “Assignment Event”). Upon the occurrence of an Assignment Event, Franchisor shall have the option to either:

(i) assume and occupy the Premises upon written notice to Landlord and Tenant, in which event Franchisor shall be deemed to be substituted as the tenant under the Lease in the place and stead of Tenant and shall be deemed to have assumed expressly all of the terms, covenants and obligations of the Lease theretofore applicable to Tenant and shall likewise be entitled to enjoy all of the rights and privileges granted to Tenant under the terms and conditions of the Lease; or

(ii) assign the Lease to an affiliate or an approved System franchisee, without obtaining Landlord’s prior written consent, provided that, in the event of an assignment to a franchisee, such franchisee: (a) has a net worth equal to or greater than the net worth of Tenant at the time of Lease execution; (b) assumes all of Tenant’s obligations under the Lease; and (c) completes Franchisor’s initial training program to Franchisor’s satisfaction.

2.2 If Franchisor exercises either of the rights set forth in paragraphs 2.1(i) or 2.1(ii) above, Tenant shall remain obligated under the Lease and Tenant shall be liable to Franchisor for all payments by Franchisor for rent and other Lease obligations. The parties acknowledge that such payments are reasonable expenses of foreclosure.

2.3 If Franchisor exercises either of the rights set forth in paragraphs 2.1(i) or 2.1(ii) above, Landlord shall not terminate or accelerate the rent owed under the Lease in connection with any such assignment, so long as Franchisor, or its franchisee, assumes, in writing, the obligations of Tenant under the Lease. Nothing in this Paragraph 2.3 shall serve to extend the term of the Lease or provide Franchisor with occupancy rights, options to renew or other rights not expressly set forth to Tenant in the Lease.

### 3. Agreement of Landlord.

3.1 Landlord agrees to furnish Franchisor with copies of any and all letters and notices to Tenant pertaining to the Lease and the Premises at the same time that such letters and notices are sent to Tenant.

3.2 Landlord further agrees that, if it intends to terminate the Lease, Landlord will give Franchisor the same advance written notice of such intent as provided to Tenant, specifying in such notice all defaults that are the cause of any proposed termination. Franchisor shall have the right to cure, at its sole option, any such default within the time periods granted to Tenant under the Lease.

3.3 If neither Tenant or Franchisor cures all such defaults within the prescribed time periods (or such longer period as may be specifically permitted by the Lease), then the Landlord may terminate the Lease, re-enter the Premises and/or exercise all other rights as set forth in the Lease. Landlord will promptly notify Franchisor of any expression by Tenant of its desire to terminate the Lease.

4. Right to Enter and Make Modifications to Premises. Before the expiration or termination of the Lease, Franchisor shall have the right to enter the Premises to make any reasonable modifications or reasonable alterations necessary to protect Franchisor's interest in the franchise system, Franchisor's proprietary marks and system, or to cure any default under the Franchise Agreement entered into by Franchisor and Tenant, or any affiliate of Tenant. Landlord and Tenant agree that Franchisor shall not be liable for trespass or any other crimes or tort.

5. Notices. All notices and demands required to be given hereunder shall be in writing and shall be sent by personal delivery, expedited delivery service, certified or registered mail, return receipt requested, first-class postage prepaid, facsimile, telegram or telex (provide that the sender confirm the facsimile, telegram or telex by sending an original confirmation copy by certified transmission), to the respective parties at the following addresses unless and until a different address has been designated by written notice to the other parties.

If to Franchisor:

KS LA CROSSE INVESTMENTS, LLC  
301 4<sup>TH</sup> Street South  
La Crosse, Wisconsin 54601

With a copy to: Fisher Zucker LLC

Attn: JoyAnn Kenny  
21 South 21<sup>ST</sup> Street  
Philadelphia, PA 19103

If to Tenant:

If to Landlord:

Any notices sent by personal delivery shall be deemed given upon receipt. Any notices given by telex or facsimile shall be deemed given on the business day of transmission, provided confirmation is made as provided above. Any notice sent by expedited delivery service or registered or certified mail shall be deemed given three (3) business days after the time of mailing. Any change in the foregoing addresses shall be effected by giving fifteen (15) days written notice of such change to the other parties.

6. No Material Modification of Lease. Landlord and Tenant will not amend, renew, extend or otherwise modify the Lease in any manner which would materially affect any of the foregoing provisions without Franchisor's prior written consent.

7. Acknowledgment. The parties hereby acknowledge and agree that, so long as Franchisor shall not have exercised its option to take possession of the Premises under this Agreement, Franchisor shall not be liable for rent or any other obligations under the Lease.

**IN WITNESS WHEREOF**, the parties hereto have executed this Collateral Assignment of Lease this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**ASSIGNOR:**

\_\_\_\_\_  
WITNESS

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**FRANCHISOR:  
KS LA CROSSE INVESTMENTS, LLC**

\_\_\_\_\_  
WITNESS

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**LANDLORD:**

\_\_\_\_\_  
WITNESS

By: \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Appendix F to the Franchise Agreement

**EFT AUTHORIZATION FORM**

Bank Name: \_\_\_\_\_  
ABA# : \_\_\_\_\_  
Acct. No.: \_\_\_\_\_  
Acct. Name: \_\_\_\_\_

Effective as of the date of the signature below, **[Franchisee Name]** (the “Franchisee”) hereby authorizes KS LA CROSSE INVESTMENTS, LLC (the “Company”) or its designee to withdraw funds from the above-referenced bank account, electronically or otherwise, to cover the following payments that are due and owing Company or its affiliates under the franchise agreement dated \_\_\_\_\_(the “Franchise Agreement”) for the franchised business located at: \_\_\_\_\_ (the “Franchised Business”): (i) all Royalty Fees; (ii) Brand Fund Fees, as well as other advertising/marketing amounts that Franchisee is required to expend in connection with the Franchised Business; (iii) any amounts due and owing the Company or its affiliates in connection with technology, marketing materials or other supplies or inventory that is provided by Company or its affiliates; and (iv) all other fees and amounts due and owing to Company or its affiliates under the Franchise Agreement. Franchisee acknowledges each of the fees described above may be collected by the Company (or its designee) as set forth in the Franchise Agreement.

The parties further agree that all capitalized terms not specifically defined herein will be afforded the definition they are given in the Franchise Agreement.

Such withdrawals shall occur on a monthly basis, or on such other schedule as Company shall specify in writing. This authorization shall remain in full force and effect until terminated in writing by Company. **[Franchisee Name]** shall provide Company, in conjunction with this authorization, a voided check from the above-referenced account.

**AGREED:**

**FRANCHISEE**

**[INSERT FRANCHISEE NAME]**

By: \_\_\_\_\_

Name (Print): \_\_\_\_\_

Its: \_\_\_\_\_

**FRANCHISOR APPROVAL**

**KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_

Thomas Miskowski, President

**Please attach a voided blank check, for purposes of setting up Bank and Transit Numbers.**

## FRANCHISEE ACKNOWLEDGMENT/COMPLIANCE CERTIFICATION

**DO NOT SIGN THIS STATEMENT IF YOU ARE A RESIDENT OF, OR INTEND TO OPERATE THE FRANCHISED BUSINESS IN, ANY OF THE FOLLOWING STATES : CA, HI, IL, IN, MD, MI, MN, NY, ND, RI, SD, VA, WA, WI (EACH A REGULATED STATE).**

FOR PROSPECTIVE FRANCHISEES THAT RESIDE IN OR ARE SEEKING TO OPERATE THE FRANCHISED BUSINESS IN ANY REGULATED STATE, SUCH PROSPECTIVE FRANCHISEE IS NOT REQUIRED TO COMPLETE THIS QUESTIONNAIRE OR TO RESPOND TO ANY OF THE QUESTIONS CONTAINED IN THIS QUESTIONNAIRE.

As you know, you and we are entering into a Franchise Agreement for the operation of a KITCHEN SOLVERS® franchise. The purpose of this Compliance Certification is to determine whether any statements or promises were made to you that we have not authorized or that may be untrue, inaccurate or misleading, and to be certain that you understand the limitations on claims that may be made by you by reason of the offer and sale of the franchise and operation of your business. Please review each of the following questions carefully and provide honest responses to each question.

### **Acknowledgments and Representations\*:**

1. Did you receive a copy of our Disclosure Document at least 14 calendar days before signing the Franchise Agreement? Check one:  Yes.  No.
2. Have you studied and reviewed carefully our Disclosure Document, Franchise Agreement and, if you are entering into an Area Development Agreement (“ADA”), the ADA? Check one:  Yes.  No.
3. Is the name, address and phone number of any broker and each of our employees or representatives who was involved in offering you this franchise listed on the Disclosure Document receipt you signed (or on any updated receipt we provided to you)?  
Check one:  Yes.  No.
4. Do you understand that the Franchise Agreement contains the entire agreement between you and us concerning the franchise, meaning that any prior oral or written statements not included in the Franchise Agreement or our Disclosure Document will not be binding?  
Check one:  Yes.  No.
5. Do you understand that the success or failure of your business will depend in large part on your skills and experience, your business acumen, your location, the local market for products, interest rates, the economy, inflation, the number of employees you hire and their compensation, competition and other economic and business factors? Check one:  Yes.  No.
6. Do you understand that that the franchise granted is for the right to operate the Business in the Territory, as stated in Subparagraph 2.A, and that we and our affiliates have the right to, among other rights, issue franchises or operate competing businesses for or at locations, as we determine, outside of your Territory using any trademarks and inside your Territory using any trademarks other than the KITCHEN SOLVERS® Trademark, as described in Subparagraph 2.B?



Check one:  Yes.  No.

7. Do you understand that you are bound by the non-compete covenants (both in-term and post-term) listed in Subparagraphs 10.C and 12.B and that an injunction is an appropriate remedy to protect the interests of the KITCHEN SOLVERS® system if you violate the covenant(s)? Further, do you understand that the term “you” for purposes of the non-compete covenants is defined broadly in subparagraph 10.D, such that any actions in violation of the covenants by those holding any interest in the franchisee entity may result in an injunction, default and termination of the Franchise Agreement? Check one:  Yes.  No.

If you answered “No” to Questions 1-7, please explain (attached additional sheets if necessary): \_\_\_\_\_

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8. Was any oral, written or visual claim or representation made to you which contradicted the disclosures in the Disclosure Document? Check one:  Yes.  No.

9. Except as stated in Item 19 of our Disclosure Document, was any oral, written or visual claim or representation made to you which stated, suggested, predicated or projected your sales, income or profit levels? Check one:  Yes.  No.

10. Except as stated in Item 19 of our Disclosure Document, was any oral, written or visual claim or representation made to you which stated, suggested, predicated or projected the sales, income or profit levels for any KITCHEN SOLVERS® business? Check one:  Yes.  No.

11. Except as stated in Item 19 of our Disclosure Document, did any employee or other person speaking on our behalf make any statement or promise regarding the costs involved in operating a franchise that is not contained in the Disclosure Document or that is contrary to or different from the information in the Disclosure Document? Check one:  Yes.  No.

If you answered “Yes” to questions 8-11, please explain in details the claim, representation or statement (attached additional sheets if necessary): \_\_\_\_\_

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12. Do you understand that this franchise business may be impacted by other risks, including those outside your or our control such as economic, political or social disruption, including COVID-19. In addition, I understand that the COVID-19 outbreak and any preventative or

protective actions that federal, state, and local governments may take in response to this pandemic may result in a period of business disruption, reduced customer demand, and reduced operations for KITCHEN SOLVERS® businesses. The extent to which the coronavirus impacts the KITCHEN SOLVERS® system will depend on future developments which are highly uncertain and which we cannot predict. Check one:  Yes.  No.

If you answered “No” to question 12, please explain (attached additional sheets if necessary):

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YOUR ANSWERS ARE IMPORTANT TO US AND WE WILL RELY ON THEM. BY SIGNING THIS CERTIFICATION, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.

**NOTE: IF THE FRANCHISEE IS A CORPORATION, PARTNERSHIP, LIMITED LIABILITY COMPANY OR OTHER ENTITY, AN OFFICER AND EACH OF ITS PRINCIPAL OWNERS MUST EXECUTE THIS ACKNOWLEDGMENT.**

Signed \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Signed \_\_\_\_\_  
Print Name: \_\_\_\_\_  
Date: \_\_\_\_\_

Accepted on behalf of Franchisor

By: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\* Such representations are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act or under the Maryland Franchise Registration and Disclosure Law.

**EXHIBIT C**

**AREA DEVELOPMENT AGREEMENT**

**KS LA CROSSE INVESTMENTS, LLC**  
**AREA DEVELOPMENT AGREEMENT**

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**DEVELOPER**

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**DATE**

## AREA DEVELOPMENT AGREEMENT

### KS LA CROSSE INVESTMENTS, LLC

**This Area Development Agreement** (the “Agreement”) is made and entered into on \_\_\_\_\_, 20\_\_\_\_ (the “Effective Date”) by and between KS La Crosse Investments, LLC, a Wisconsin limited liability company with an address at 301 4<sup>th</sup> Street South, La Cross, Wisconsin 54601 (“we”, “us”, “our”, or “Franchisor”) and \_\_\_\_\_, a \_\_\_\_\_ with an address at \_\_\_\_\_ (“you”, “your” or “Developer”) on the date this Agreement is executed by us below (the “Effective Date”). Franchisor and Developer are sometimes hereinafter collectively referred to as the “parties”.

### BACKGROUND

A. Franchisor, as the result of the expenditure of time, skill, effort and money, owns and continues to develop a franchise system (the “System”) involving the establishment and operation of franchised businesses (each, a “Business” or “Franchised Business”), which offer kitchen and bathroom update, beautification and remodeling services for residential and commercial buildings under the mark KITCHEN SOLVERS® and/or such other marks as designated by Franchisor (the “Marks”).

B. The characteristics of the System may include, without limitation, sales and operating methods; equipment; class structure and instruction; customer service and development techniques; uniform standards and procedures; training and assistance; pricing specifications; all of which may, at times, be changed, improved and further developed from time to time by Franchisor.

C. Franchisor identifies the System by means of certain trade names, service marks, trademarks, logos, emblems and indicia of origin, including, but not limited to, the mark KITCHEN SOLVERS® and the KITCHEN SOLVERS® logo, and/or such other different and/or additional trade names, trademarks, and service marks as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the “Proprietary Marks” or “Marks”).

D. Franchisor has the right to establish System “Standards and Specifications” for various aspects of the System, including, without limitation, standards and specifications related to operating procedures, products and services offered, supplier qualifications, training, marketing and other aspects that affect and/or relate to the experience of System customers. You are required to comply with the Standards and Specifications, which Franchisor has the right to (and expects to) change and modify over time.

E. You have had a full and adequate opportunity to be thoroughly advised of the terms and conditions of this Agreement and have had sufficient time and opportunity to evaluate and investigate the business concept and the procedure and financial requirement associated with the business as well as the competitive market in which it operates.

F. You have expressed an interest in obtaining the right to open multiple Businesses within a specific geographic area, and we are willing to grant such right upon the terms and conditions set forth in this Agreement.

## **AGREEMENT**

In consideration of the above recitals, the covenants, agreements and conditions set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

### **1. APPOINTMENT, DEVELOPMENT TERRITORY AND MINIMUM DEVELOPMENT OBLIGATION**

#### **1.1 Development Area**

Subject to your strict compliance with the terms and conditions of this Agreement, we grant to you, and you accept, the right during the term of this Agreement to open and operate the number of Businesses designated in Exhibit A within the “Development Area” described in Exhibit A. All of your Businesses must be located within the Development Area. Except as otherwise set forth in this Agreement, including, without limitation, as set forth in Section 1.4 below, for so long as you are in compliance with your obligations under this Agreement, we will not open or operate, and will not license any other person or entity the right to open or operate, one or more Businesses within the Development Area.

This grant is upon the terms and subject to the conditions of this Agreement. You acknowledge and agree that our initial service under this Agreement is solely to identify the Development Area, and that we have no ongoing obligations such as training or operational assistance to you under this Agreement. All ongoing and further obligations to you in opening the Businesses shall be provided pursuant to the applicable Franchise Agreement between you and us for each Business you are required to open under this Agreement.

#### **1.2 Minimum Development Obligations**

1.2.1 You shall comply with the terms and conditions of this Agreement and you shall comply with the following “Minimum Development Obligations”: (i) develop and open each Business you are required to develop under this Agreement on or before the opening deadline set forth in Exhibit A attached hereto (the “Opening Deadlines”), and (ii) have open and in operation within the Development Area, not less than the cumulative number of Businesses identified in Exhibit A to this Agreement; (collectively, “the Minimum Development Obligation”). **YOU ACKNOWLEDGE AND AGREE THAT TIME IS OF THE ESSENCE UNDER THIS AGREEMENT AND THAT YOUR RIGHTS UNDER THIS AGREEMENT ARE SUBJECT TO TERMINATION IF YOU DO NOT STRICTLY COMPLY WITH THE MINIMUM DEVELOPMENT OBLIGATIONS.**

1.2.2 For each Business you are required to develop under this Agreement, you shall enter into our then-current form of Franchise Agreement within the time periods set forth in this Agreement. You may form newly established, separate affiliate entities in which the “Control

Group” owns a minimum of a 75% interest in each such entity, to enter into the franchise agreements for each Business you are required to open under this Agreement (each a “Developer Affiliate”). If Developer is a legal entity, the term “Control Group” means all owners of the Developer entity. If Developer is one or more individuals, the term Control Group means all such individuals. You and each of your owners shall enter into a personal guaranty agreement in the form attached to this agreement as Exhibit B. Additionally, each direct and indirect owner of each Developer Affiliate must sign the form of personal guarantee agreement attached to each Franchise Agreement executed pursuant to this Agreement. You also acknowledge and agree that the estimated initial investment figures presented in the FDD you received prior to entering into this Agreement are estimates only and are subject to modification, including increases related to modifications to specifications and requirements to develop Businesses. You shall designate one (1) individual who shall be designated in Exhibit A attached hereto, who has the authority to, and does in fact, actively direct your business affairs related to your obligations under this Agreement and has the authority to sign on your behalf all contracts and commercial documents (your “Responsible Owner”). Your Responsible Owner shall exert his or her best efforts to the development of the Businesses pursuant to this Agreement and, absent our prior approval, may not engage in any other business or activity that requires substantial management responsibility or time commitments.

1.2.3 In order to proceed with the development and commencement of operation of the second and each subsequent Business you are obligated to open under this Agreement, you must: (a) be in compliance with the terms of any and all franchise agreements entered into by and between you and/or any of your affiliates, and us; (b) sign our then current form of franchise agreement (as set forth in Section 1.2.1 above); and (c) demonstrate that you have met the applicable Minimum Productivity Levels, as such term is defined in each franchise agreement entered into by and between you and/or any of your affiliates, and us. You understand and acknowledge that if you fail to meet the criteria set forth in this subparagraph, you may not be permitted to develop or open the Businesses you are required to open by the deadlines set forth in this Agreement and that such failure may result in a default under the terms of this Agreement which, if not cured, may result in termination of this Agreement.

You have no right to sublicense or subfranchise your rights under this Agreement.

### **1.3 Force Majeure**

If you are unable to meet the Minimum Development Obligation requirement solely as the result of force majeure, including, but not limited to, war, riot, strikes, material shortages, floods, earthquakes, and other acts of God, or by governmental action or force of law, which results in the inability of you to construct or operate Businesses in the Development Area, and which you could not, by the exercise of due diligence, have avoided, the Development Periods will be extended by the amount of time the force majeure exists, provided that if any force majeure continues for a period in excess of six months, we may terminate this Agreement upon written notice to you.

### **1.4 Reservation of Rights**

You acknowledge and agree that we have the right to open and operate, and to grant others the right to open and operate Businesses anywhere outside of the Development Area as we deem

appropriate in our sole and absolute discretion. This Agreement is not a franchise agreement and you do not have any right to use the Marks in any manner by virtue of this Agreement. You have no right under this Agreement to subfranchise or sublicense others to operate a Business or use the System or the Marks. Without limiting the foregoing, we reserve all rights to do anything within the Development Area, including, without limitation, the following: (i) offer and sell, and authorize others to offer and sell, any goods and services in, at or from any location outside of the Development Area; (ii) manufacture, distribute, offer and sell, and authorize others to manufacture, distribute, offer and sell, any goods and/or services in, at or from any location, including any location within the Development Area: (a) through alternative channels of distribution, including sales on the Internet, through kiosk locations, through print and online catalogs, and in retail locations under any trademark, including the Marks; and/or (b) under any names or trademarks other than the Marks. For the purposes of this provision, alternative channels of distribution include any channels not explicitly authorized for use by Developer under any franchise agreement executed pursuant to this Agreement; (iii) merge with, acquire, or be acquired by, including through purchase or sale of substantially all assets, any other person or entity, including any competitor of Franchisor or Developer (each an “M&A Transaction”), and continue to conduct in any location any business engaged in by the merging, acquiring, or acquired person or entity, including any business directly competitive with Businesses developed by Developer under this Agreement regardless of where the business is located and to permit the business to operate under the Marks or any other name; (iv) use the Marks and System in connection with services and products, promotional and marketing efforts or related items, or in alternative channels of distribution, including the sale of products through retail stores and via the internet, without regard to location; (v) develop, or become associated with, other concepts (either directly or through affiliate entities) and grant franchises under such concepts for locations anywhere, including in the Development Area; and (vi) use and license to engage in any other activities not expressly prohibited in this Agreement. In the event of an M&A Transaction, Franchisor has the right to require you to convert the Businesses developed pursuant to this Agreement to a different name and Developer hereby agrees to: (a) participate, at Developer’s expense in any such conversion; and (b) waive any and all claims, demands or damages arising from or related to the loss of the Mark, the System or any association or affiliation with the Marks or the System.

### **1.5 Non-Public Access Venues; Multi-Project Customers.**

1.5.1 We have the right to develop, open and operate, and to license others the right to develop, open and operate, Businesses located in Non-Public Access Areas, including within the Development Area. For purposes of this Agreement, the term Non-Public Access Area shall mean military bases, government institutions, and other areas that are not accessible to the general public.

1.5.2 We and/or our affiliates reserve the right to negotiate and enter into agreements with “Multi-Project Customers” and to, directly or indirectly (including through franchisees and licensees) provide KITCHEN SOLVERS® services under the Marks, even if those customers are located in the Development Area. The term “Multi-Project Customer” means a customer that wishes to contract for the completion of fifty or more projects for KITCHEN SOLVERS® services, including, without limitation owners or managers of apartment and/or condominium buildings, residential home builders and/or developers, and hotel chains. We may provide such services to Multi-Project Customers ourselves or through an affiliate, or we may contract with a



third-party including another KITCHEN SOLVERS® franchisee, to perform such services in the Development Area without providing you with any compensation. If you qualify to service a Multi-Project Customer and we offer you the option to perform such work, you will be required to comply with our designated standards, specifications and procedures, and you may be required to enter into our then-current form of Multi-Project Customer Participation Agreement. We retain the right to set and modify the parameters for any Multi-Project Customer program, including the right to terminate your participation in the program, at any time.

## **2. DEVELOPMENT FEE.**

**2.1 Development Fee.** You shall pay to us a “Development Fee” in the amount designated in Exhibit A immediately upon execution of this Agreement. The Development Fee is paid to us in consideration of the rights we grant you pursuant to this Agreement. Accordingly, the Development Fee is deemed fully earned by us upon execution of this Agreement and is non-refundable, even if you fail to develop one or more of the Businesses.

## **3. FRANCHISE AGREEMENT EXECUTION PROCEDURES.**

### **3.1 Franchise Agreement Execution Requirements.**

For each Business you are required to develop under this Agreement, you (or a Developer Affiliate approved by us) shall sign our then-current form of franchise agreement, which agreement may contain materially different terms and conditions as compared to the form of franchise agreement attached to the FDD provided to you prior to your execution of this Agreement, on or before the Franchise Agreement execution deadline set forth on Exhibit A. Upon the execution of each Franchise Agreement, the terms and conditions of such Franchise Agreement shall control the establishment and operation of the Business that is the subject of such Franchise Agreement.

## **4. RELATIONSHIP OF PARTIES**

### **4.1 Relationship of Parties**

4.1.1 You will function as an independent party and not as our agent or representative, but rather as a franchisee under our Franchise Agreements. You and we are not and will never be considered joint ventures, partners, employees, employer or agents one for the other. Neither will have the power to bind or obligate the other except as otherwise outlined in this Agreement and/or the Franchise Agreements. No representation will be made by either party to anyone that would create any apparent agency, employment or partnership except as otherwise outlined in this Agreement.

4.1.2 In all public and private records, documents, relationships, and dealings, you will indicate that you are an independent contractor operating pursuant to this Agreement.

4.1.3 You will maintain your records and accounts to clearly indicate that you and your employees are not our employees. You will be solely responsible to hire your own employees, including determinations about a prospective person’s background, experience,

character, and immigration status. You shall provide written notification to each person you intent to hire as an employee advising such person that the Franchisor is not their employer.

4.1.4 You will pay all of your development, travel, tax, operating, sales, and other costs and expenses directly or indirectly incurred in fulfilling your obligations under this Agreement. You will hold us harmless for all such costs and expenses.

## **5. TERM AND TERMINATION**

### **5.1 Term**

Unless sooner terminated, the term of this Agreement (“the Term”) will begin on the Effective Date and will end on the earlier to occur of: (a) the date the final Business you are required to develop under this Agreement has opened; or (b) the Opening Deadline for the last Business you are required to open under this Agreement. You do not have any right to renew this Agreement.

### **5.2 Termination**

We have the right to terminate this Agreement, effective immediately upon delivery of written notice to you, if you commit a Material Default under this Agreement.

Each of the following events shall be deemed a “Material Default” under this Agreement:

- (a) Your failure to meet any of your Minimum Development Obligations.
- (b) Any conduct on your part that impairs the goodwill associated with the marks or otherwise causes harm to us or the reputation of the brand or System.
- (c) The termination of any Franchise Agreement entered into by and between Franchisor, its successors or assigns, and you and/or any Developer Affiliate.
- (d) If you or any Developer Affiliate commits a default under any Franchise Agreement or other agreement between us and you or any Developer Affiliate, which default remains uncured beyond all applicable notice and cure periods.
- (e) If you violate any of your confidentiality or non-competition obligations under this Agreement.
- (f) If you default under any other obligation under this Agreement and such default is not cured before the expiration of fifteen (15) calendar days following your receipt of a written notice of default from us.

A termination of this Agreement is not deemed to be a termination of any Franchise Agreement entered into by and between you and us, or any Developer Affiliate and us. You shall not be entitled to any refund of any of the Development Fee if we terminate this Agreement in accordance with the terms hereof.

### **5.3 Effects of Termination**

Upon the expiration of the term, or upon termination of this Agreement, regardless of the cause for termination, you will have no further right to open or operate additional Businesses which are not, at the time of such termination or expiration, the subject of a then existing Franchise Agreement between you and us which is in full force and effect. You acknowledge that during and after the expiration or earlier termination of this Agreement, we may open and operate, and license others the right to open and operate one or more Businesses anywhere in the Development Area, subject to any territorial rights granted to you or any Developer Affiliate, as applicable, under any Franchise Agreement then in effect.

## **6. TRANSFER AND SUCCESSION**

### **6.1 Assignment by Us**

We may assign this Agreement, or any of our rights and privileges to any other person, firm or corporation without your prior consent; provided that, in respect to any assignment resulting in the subsequent performance by the assignee of our functions, the assignee will expressly assume and agree to perform our obligations.

### **6.2 Assignment by You**

Your rights and obligations under this Agreement are personal to you and are not assignable at all. Without our prior written permission, you will not voluntarily or involuntarily sell, transfer, assign, encumber, give or otherwise alienate the whole or any part of this Agreement, your assets, or the ownership of any of your rights under this Agreement. We have entered this Agreement in reliance upon and in consideration of the singular personal skill, qualifications and trust and confidence we repose in you or your principal officers or partners who will actively and substantially participate in the development and operation of the Businesses you are required to develop under this Agreement.

## **7. COVENANTS: NON COMPETITION/CONFIDENTIALITY/COMPLIANCE WITH LAWS**

### **7.1 Non-Compete**

7.1.1 You and each of your owners, officers and agents will not, during the Term of this Agreement, directly, indirectly or through, on behalf of, or in conjunction with any person or legal entity:

(a) participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any Competitive Business (as defined below); or

(b) divert, or attempt to divert any present or prospective business or customer of any Business to any competitor, by direct or indirect inducement or otherwise, or do

or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks and the System.

For purposes of this Agreement, the term “Competitive Business” shall mean any: (a) kitchen and/or bathroom remodeling business, cabinet refacing business and/or any other business that sells products and services similar to the products and services sold at your KITCHEN SOLVERS Business; and/or (b) business that franchises or licenses the right to open and operate a business of the type identified in (a) of this provision.

7.1.2 During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents **will not** directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any Competitive Business that is located: (a) anywhere in the Development Area; (b) within a twenty-five (25) mile radius of the Development Area; (c) within any other KITCHEN SOLVERS® franchisee’s territory or within any area developer’s development area; or (d) within twenty-five (25) mile radius of another franchisee’s territory or another area developer’s development area. During the two (2) year period after expiration or termination of this Agreement, you and your owners, officers and agents **will not** directly or indirectly participate as an owner, director, partner, officer, franchisee, employee, consultant, advisor, salesperson, distributor, or agent or serve in any other capacity in any franchise system that is offering or selling the right to develop, open or operate Competitive Businesses anywhere in the United States. The covenants not to compete are in addition to and not in lieu of your express agreements set forth above to not use any trade secrets, confidential information or personal contacts except as authorized by us.

7.1.3 You acknowledge and agree that the restricted periods set forth in Section 7.1 (inclusive of all subparts) shall be tolled during any time in which you are in violation of your obligations. We may require you to obtain written agreements from your owners, officers, directors, employees and agents to not compete against us and to not disclose our trade secrets and confidential information. These agreements will be in a form we approve.

7.1.4 If for any reason, any provision of any of the covenants not to compete set forth in Section 7.1 (inclusive of all subparts) is determined to exceed any lawful scope and limit as to duration, geographic coverage, or otherwise, it is agreed that provision will nevertheless be binding to the full scope or limit allowed by applicable laws or by a court of law. The duration, geographic coverage and scope allowable by law or court of law shall apply to this Agreement.

7.1.5 You agree that damages alone cannot adequately compensate us if there is a violation of any of your non-competition covenants and that injunctive relief is essential for our protection. You therefore agree that in any case of any alleged breach or violation of this section, we may seek injunctive relief without posting any bond or security, in addition to all other remedies that may be available to us at equity or law.

## **7.2 Communication of Information**

During the Term of this Agreement and thereafter, you will not communicate or divulge to any person or entity the contents of the System Manuals, or any other non-public information

related to the System or the operation of the Businesses. Under no circumstances will you or your agents communicate or divulge to any person or entity any trade secrets, confidential information or personal contacts relating to the System or Businesses operating under the System during the Term of this Agreement or thereafter.

### **7.3 You to Cease Using Names and Marks**

Except to the extent permitted under then current Franchise Agreements, upon expiration or termination of this Agreement, whatever the cause for termination, you will immediately cease using the Marks and our names, logos, service marks, trademarks and other marks, symbols or materials suggesting that you were related to us or the System in any way. You acknowledge that all of these are our exclusive property and that you are allowed to use them only in connection with your work as our sales and service agent or franchisee. You may use them only pursuant to the provisions of any relevant franchise agreements between the parties.

### **7.4 Compliance with Applicable Laws.**

You shall, at your sole cost and expense, comply with all federal, state, city, municipality and local laws, ordinances, rules and regulations applicable to your obligations under this Agreement. You must, at your expense, be absolutely and exclusively responsible for determining all licenses and permits required by law for your Businesses, for qualifying for and obtaining all such licenses and permits, and maintaining all such licenses and permits in full force and effect.

## **8. DISPUTE RESOLUTION**

### **8.1 Mediation.**

8.1.1 The parties have reached this Agreement in good faith and with the belief that it is advantageous to each of them. In recognition of the strain on time, unnecessary expense and wasted resources potentially associated with litigation and/or arbitration, and in the spirit of cooperation, the parties pledge to try to resolve any dispute amicably, without litigation or arbitration. Other than an action brought by us under Section 8.3 of this Agreement, and with the exception of injunctive relief or specific performance actions, before the filing of any arbitration, you and we agree to mediate any dispute, controversy or claim between us and/or any of our affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a “Franchisor Related Party”), on the one hand, and you and/or any of your affiliates, officers, directors, managers, shareholders, members, owners, guarantors, employees or agents (each a “Developer Related Party”), including without limitation, in connection with any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement; (b) the parties’ relationship; or (c) the events occurring prior to the entry into this Agreement. Good faith participation in these procedures to the greatest extent reasonably possible, despite lack of cooperation by one or more of the other parties, is a precondition to maintaining any arbitration or legal action, including any action to interpret or enforce this Agreement.

8.1.2 Mediation will be conducted La Cross County, Wisconsin (or, if Franchisor's corporate headquarters is no longer in La Crosse County, Wisconsin, the county where Franchisor's corporate headquarters is then located). Persons authorized to settle the dispute must attend each mediation session in person. The party seeking mediation (the "Initiating Party") must commence mediation by sending the other party/parties a written notice of its request for mediation (the "Mediation Notice"). The Mediation Notice must specify, to the fullest extent possible, the nature of the dispute, the Initiating Party's version of the facts surrounding the dispute, the amount of damages and the nature of any injunctive or other such relief such party claims, and must identify one or more persons with authority to settle the dispute for the Initiating Party. Upon receipt of the Mediation Notice, the parties will endeavor, in good faith, to resolve the dispute outlined in the Dispute Notice. If the parties have been unable to resolve any such dispute within twenty (20) days after the date the Mediation Notice is provided by the Initiating Party to the other party, either party may initiate a mediation procedure in accordance with this provision. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within sixty (60) days of the notice from the party seeking to initiate the mediation procedures. The parties agree to participate in the mediation procedure to its conclusion, as set forth in this section.

The mediator shall advise the parties in writing of the format for the meeting or meetings. If the mediator believes it will be useful after reviewing the position papers, the mediator shall give both himself or herself and the authorized person designated by each party an opportunity to hear an oral presentation of each party's views on the matter in dispute. The mediator shall assist the authorized persons to negotiate a resolution of the matter in dispute, with or without the assistance of counsel or others. To this end, the mediator is authorized both to conduct joint meetings and to attend separate private caucuses with the parties. All mediation sessions will be strictly private. The mediator must keep confidential all information learned unless specifically authorized by the party from which the information was obtained to disclose the information to the other party.

The parties commit to participate in the proceedings in good faith with the intention of resolving the dispute if at all possible. The mediation may be concluded: (a) by the signing of a settlement agreement by the parties; (b) by the mediator's declaration that the mediation is terminated; or (c) by a written declaration of either party, no earlier than at the conclusion of a full day's mediation, that the mediation is terminated. Even if the mediation is terminated without resolving the dispute, the parties agree not to terminate negotiations and not to begin any arbitration or legal action or seek another remedy before the expiration of five (5) days following the mediation. A party may begin arbitration within this period only if the arbitration might otherwise be barred by an applicable statute of limitations or in order to request an injunction from a Court of competent jurisdiction to prevent irreparable harm.

8.1.3 The fees and expenses of the mediator shall be shared equally by the parties. The mediator may not later serve as a witness, consultant, expert or counsel for any party with respect to the dispute or any related or similar matter in which either of the parties is involved. The mediation procedure is a compromise negotiation or settlement discussion for purposes of federal and state rules of evidence. The parties agree that no stenographic, visual or audio record of the proceedings may be made. Any conduct, statement, promise, offer, view or opinion, whether oral



or written, made in the course of the mediation by the parties, their agents or employees, or the mediator is confidential and shall be treated as privileged. No conduct, statement, promise, offer, view or opinion made in the mediation procedure is discoverable or admissible in evidence for any purpose, not even impeachment, in any proceeding involving either of the parties. However, evidence that would otherwise be discoverable or admissible shall not be excluded from discovery or made inadmissible simply because of its use in the mediation.

## **8.2 Arbitration**

8.2.1 Except as qualified below and in Section 8.3, and if not resolved by the negotiation and mediation procedures set forth in Section 8.1, any dispute, controversy or claim between Developer and/or a Developer Related Party, on the one hand, and Franchisor and/or any Franchisor Related Party, on the other hand, including, without limitation, any dispute, controversy or claim arising under, out of, in connection with or in relation to: (a) this Agreement, (b) the parties' relationship, (c) the events leading up to the entry into this Agreement, (d) the Development Area, (e) the scope or validity of the arbitration obligation under this Agreement, (f) any System standard; (g) any claim based in tort or any theory of negligence; and/or (h) any lease or sublease for any Business, shall be submitted to binding arbitration under the authority of the Federal Arbitration Act and must be determined by arbitration administered by the American Arbitration Association pursuant to its then-current commercial arbitration rules and procedures.

8.2.2 Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action, associational claim, or otherwise to join or consolidate any claim with any other claim or any other proceeding involving third parties. In the event a court determines that this limitation on joinder of or class action certification of claims is unenforceable, then this entire commitment to arbitrate shall become null and void and the parties shall submit all claims to the jurisdiction of the courts. The arbitration must take place in La Crosse County, Wisconsin (or, if our corporate headquarters is no longer in La Crosse County, Wisconsin, the county where our corporate headquarters is then-located). The arbitration will be heard before one arbitrator. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least five (5) years of significant experience in franchise law. Any issue as to whether a matter is subject to arbitration will be determined by the arbitrator. A judgment may be entered upon the arbitration award by any state or federal court in La Crosse County, Wisconsin.

8.2.3 In connection with any arbitration proceeding, each party will submit or file any claim which would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim which is not submitted or filed in such proceeding will be forever barred. The decision of the arbitrator will be final and binding on all parties to the dispute; however, the arbitrator may not under any circumstances: (1) stay the effectiveness of any pending termination of this Agreement; (2) assess punitive or exemplary damages; (3) certify a class or a consolidated action; or (4) make any award which extends, modifies or suspends any lawful term of this Agreement or any reasonable standard of business performance that we set. The arbitrator shall have the right to make a determination as to any procedural matters that court of competent jurisdiction would be permitted to make in the state in which our main office is located. Further, the arbitrator shall decide all factual, procedural, or legal questions relating in any way to the

dispute between the parties, including, without limitation, questions relating to whether Section 8.2 is applicable and enforceable as against the parties; the subject matter, timeliness, and scope of the dispute; any available remedies; and the existence of unconscionability and/or fraud in the inducement.

8.2.4 The arbitrator can issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction.

8.2.5 The arbitrator shall have subpoena powers limited only by the laws of the State of Wisconsin. The parties ask that the arbitrator limit discovery to the greatest extent possible consistent with basic fairness in order to minimize the time and expense of arbitration. The parties to the dispute shall otherwise have the same discovery rights as are available in civil actions under the laws of the State of Wisconsin. All other procedural matters shall be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in the State of Wisconsin.

8.2.6 Other than as may be required by law, the entire arbitration proceedings (including, without limitation, any rulings, decisions or orders of the arbitrator), shall remain confidential and shall not be disclosed to anyone other than the parties to this Agreement.

8.2.7 The judgment of the arbitrator on any preliminary or final arbitration award shall be final and binding and may be entered in any court having jurisdiction.

8.2.8 We reserve the right, but have no obligation, to advance your share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so shall not be deemed to have waived or relinquished our right to seek recovery of those costs against you.

### **8.3 Exceptions to Mediation and Arbitration**

Notwithstanding Section 8.1 or Section 8.2, the parties agree that the following claims will not be subject to mediation or arbitration:

(a) any action for declaratory or equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including, without limitation, prior to or during the pendency of any arbitration proceedings initiated hereunder;

(b) any action in ejectment or for possession of any interest in real or personal property; or

(c) any claim by us: (a) relating to your failure to pay any fee due to us under this Agreement; (b) relating to your failure to comply with the confidentiality and non-



competition covenants set forth in this Agreement; and/or (c) and/or our affiliates relating to your use of the Marks and/or the System, including, without limitation, claims for violations of the Lanham Act.

## **9. MISCELLANEOUS PROVISIONS**

### **9.1 Choice of Law and Venue; Limitation of Claims; Jury Trial Waiver; Class Action Waiver; Waiver of Damages**

9.1.1 You acknowledge that we have appointed and intend to appoint many franchisees on terms and conditions similar to those set forth in this Agreement and the Franchise Agreement. It mutually benefits those franchisees, you and us if the terms and conditions of these license agreements are uniformly interpreted. This Agreement shall take effect upon its acceptance and execution by Franchisor. All matters relating to mediation or arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1, et. seq.). Except to the extent governed by the Federal Arbitration Act or other federal law, this Agreement, the franchise and all claims arising from or in any way related to the relationship between Franchisor, and/or any of its affiliates, on the one hand, and Developer, and any of Developer's owners, guarantors and/or affiliates, on the other hand, shall be interpreted and construed under the laws of the State of Wisconsin, which laws shall prevail in the event of any conflict of law, except that any law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless jurisdictional requirements are met independently without reference to this paragraph.

9.1.2 In the event the arbitration clause set forth in Section 8.2 is inapplicable or unenforceable, and subject to Franchisor's right to obtain injunctive relief in any court of competent jurisdiction, the following provision shall govern: The parties hereby expressly agree that the United States District Court for Western District of Wisconsin (or, if our corporate headquarters is no longer in La Crosse County, Wisconsin, the applicable District Court where our corporate headquarters is then-located), or if such court lacks subject matter jurisdiction, the State Superior Court in La Crosse County, Wisconsin (or, if our corporate headquarters is no longer in La Crosse County, Wisconsin, the county where our corporate headquarters is then-located), shall be the exclusive venue and exclusive proper forum in which to adjudicate any case or controversy arising out of or related to, either directly or indirectly, this Agreement, ancillary agreements, or the business relationship between the parties. The parties further agree that, in the event of such litigation, they will not contest or challenge the jurisdiction or venue of these courts. Developer acknowledges and agrees that this Agreement has been entered into in the State of Wisconsin and that Developer is to receive valuable and continuing services emanating from Franchisor's headquarters. Without limiting the generality of the foregoing, the parties waive all questions of jurisdiction or venue for the purposes of carrying out this provision. Developer acknowledges and agrees that this location for venue is reasonable and the most beneficial to the needs of and best meets the interest of all of the members of the System.

9.1.3 Except for claims arising from your non-payment or underpayment of amounts you owe to us, or claims related to your unauthorized use of the Marks, any and all claims arising out of or related to this Agreement or the relationship of the parties will be barred unless a judicial or arbitration proceeding, as required under this Agreement, is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts

giving rise to such claims, and that any action not so brought shall be barred, whether as a claim, counterclaim, defense or setoff. You hereby acknowledge and agree that you may not maintain any action against us or any of our principals, officers, directors, agents, employees, parents, subsidiaries, affiliates, successors or assigns (each a “Franchisor Related Party”) unless (a) you deliver written notice of any claim to the other party within one hundred eighty (180) days after the event complained of becomes known to you, (b) you strictly adhere to the negotiation and mediation procedures set forth in this Agreement, and (c) you file an arbitration within one (1) year after the notice is delivered.

**9.1.4 Waiver of Rights. THE PARTIES HERETO AND EACH OF THEM KNOWINGLY, VOLUNTARILY AND INTENTIONALLY AGREE AS FOLLOWS:**

**9.1.5 Jury Trial. The parties hereto and each of them EXPRESSLY WAIVE(S) THE RIGHT ANY MAY HAVE TO A TRIAL BY JURY IN ANY ARBITRATION, ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, INCLUDING, WITHOUT LIMITATION, FOR ANY CLAIMS RELATING DIRECTLY OR INDIRECTLY TO THIS AGREEMENT, THE NEGOTIATION OF THIS AGREEMENT, THE EVENTS LEADING UP TO THE SIGNING OF THIS AGREEMENT, OR THE BUSINESS RELATIONSHIP RELATING TO THIS AGREEMENT OR THE FRANCHISE, WHETHER BROUGHT IN STATE OR FEDERAL COURT, WHETHER BASED IN CONTRACT THEORY, NEGLIGENCE OR TORT, AND REGARDLESS OF WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING. This waiver is effective even if a court of competent jurisdiction decides that the arbitration provision in this Agreement is unenforceable. Each party acknowledges that it has had full opportunity to consult with counsel concerning this waiver, and that this waiver is informed, voluntary, intentional, and not the result of unequal bargaining power.**

**9.1.6 Damage Waiver. The parties hereto and each of them EXPRESSLY WAIVE(S) ANY CLAIM FOR PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES; *except that* this waiver and limitation shall not apply with respect to (a) your obligation to indemnify us pursuant to any provision of this Agreement, or (b) any claims we bring against you and/or your guarantors and/or your owners for unauthorized use of the Marks, unauthorized use or disclosure of any Confidential Information, unfair competition, breach of your confidentiality or non-competition covenants under this Agreement, and/or any cause of action under the Lanham Act, and we shall be entitled to receive an award of multiple damages, attorneys’ fees and all damages as provided by law.**

**9.1.7 The parties hereto and each of them EXPRESSLY AGREE(S) THAT IN THE EVENT OF ANY FINAL DETERMINATION, ADJUDICATION OR APPLICABLE ENACTMENT OF LAW THAT PUNITIVE, MULTIPLE AND/OR EXEMPLARY DAMAGES MAY NOT BE WAIVED, ANY RECOVERY BY ANY PARTY IN ANY ARBITRATION OR OTHER FORUM SHALL NEVER EXCEED TWO (2) TIMES ACTUAL DAMAGES, except that we may recover more than two (2) times its actual damages if you commit acts of willful trademark infringement or otherwise violate the Lanham Act, as provided by law.**

9.1.8 No Class or Collective Actions. You agree that any arbitration, or, if applicable, litigation, between you (or any of your owners or guarantors), on the one hand, and us or any Franchisor Related Party, on the other hand, will be on such party's individual claim and that the claim or claims subject to arbitration and/or litigation shall not be arbitrated or litigated on a class-wide, associational or collective basis.

## **9.2 Enforcement**

9.2.1 Either party may seek to obtain in any court of competent jurisdiction specific performance and injunctive relief to restrain a violation by the other party of any term or covenant of this Agreement. No right or remedy conferred upon us is exclusive of any other right or remedy in this Agreement or provided by law or equity. Each will be cumulative of every other right or remedy.

9.2.2 We shall be entitled to recover from you all of our costs and expenses, including attorneys' fees, accounting fees, expert witness fees, and any other reasonably incurred fees, if we are the prevailing party in any action, including arbitration, litigation, any motion to compel arbitration, and/or any action on appeal, with you and/or any of your owners or Guarantors, including, without limitation, any action: (a) to enforce the terms of this Agreement; (b) for violation of this Agreement; or (c) for violation of the Lanham Act or other state or federal statutes. Without limiting the generality of the foregoing, if we incur costs and expenses due to your failure to pay when due amounts owed to us our affiliates, to submit when due any reports, information, or supporting records, or otherwise comply with this Agreement, you agree, whether or not we initiate a formal arbitration or legal proceeding, to reimburse us for all of the costs and expenses that we incur including, without limitation, reasonable accounting, attorneys' and related fees and costs.

## **9.3 Relationship of You to Us**

The parties intend by this Agreement to establish the relationship of franchisor and developer and/or independent contractors. You have no authority to create or assume in our name or on our behalf, any obligation, express or implied, or to act or purport to act as agent or representative on behalf of us for any purpose whatsoever. Neither party is the employer, employee, agent, partner or co-venturer of or with the other, each being independent. You agree that you will not hold yourself out as our agent, employee, partner or co-venturer. All employees hired by or working for you will be your employees and will not, for any purpose, be deemed our employees or subject to our control. You must provide written notification to each of your employees that each such employee is employed by you, and not us. You shall file your own tax, regulatory and payroll reports with respect to your employees and operations.

## **9.4 Your Indemnification**

9.4.1 You agree to protect, defend and indemnify us, and all of our past, present and future shareholders, direct and indirect parent companies, subsidiaries, affiliates, officers, directors, employees, attorneys and designees (the "Indemnified Parties") and hold each of the Indemnified Parties harmless from and against any and all damages, costs and expenses, including attorneys' fees, court costs, losses, liabilities, damages, claims and demands of every kind or nature

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 related to your rights or obligations under this Agreement.

9.4.2 You represent and warrant that you have full and legal capacity to enter into this Agreement and into the Franchise Agreements and that they will not violate any provision or restriction in any contractual relationship you or your owners have with any third party.

## **9.5 Waiver and Delay**

9.5.1 The following will not constitute a waiver of the provisions of this Agreement with respect to any subsequent breach or a waiver by us of our right at any time to require exact and strict compliance with the provisions of this Agreement or of the franchise agreements:

(a) Waiver by us of any breach or series of breaches or defaults in your performance,

(b) Our failure, refusal or neglect to exercise any right, power or option given to us under this Agreement or under any franchise agreement between us and you, or

(c) Our failure, refusal or neglect to insist upon strict compliance with or performance of your obligations under this Agreement or any other franchise agreement between you and us.

This applies to this Agreement and to any franchise agreement between the parties whether entered into before, after or contemporaneously with the execution of this Agreement and whether or not related to the Businesses.

## **9.6 Survival of Covenants**

The covenants contained in this Agreement which, by their terms, require performance by the parties after the expiration or termination of this Agreement, will be enforceable notwithstanding said expiration or other termination of this Agreement for any reason whatsoever.

## **9.7 Successors and Assigns**

This Agreement will be binding upon and inure to the benefit of our successors and assigns and will be binding upon and inure to your benefit and your heirs, executors, administrators, successors and assigns, subject to the prohibitions against assignment contained above.

## **9.8 Joint and Several Liability**

If you consist of more than one person or entity, or a combination thereof, the obligations and liabilities of each such person or entity to us are joint and several.

**9.9 Agreements with Other Developers.** You acknowledge that other KITCHEN SOLVERS® franchisees and/or developers have or may be granted franchises or development rights at different times and in different situations, and further acknowledge that the provisions of such agreements may vary substantially from those contained in this Agreement.

#### **9.10 Entire Agreement**

Except for the Franchise Agreements that may be executed between the parties, this Agreement expresses the sole and complete understanding between the parties concerning the subject matter hereof. This Agreement, including the Exhibits attached hereto, is the entire agreement between the parties with respect to the subject matter hereof. No other prior agreements concerning the subject matter hereof, written or oral, will be deemed to exist or to bind the parties, and all prior agreements, understandings and representations, are merged into this Agreement and superseded by it. Nothing in this Agreement is intended to disclaim the representations we made in the FDD provided to you prior to your execution of this Agreement. You represent that there are no contemporaneous agreements or understandings between the parties relating to the subject matter of this Agreement that are not contained in this Agreement. No officer, employee, or agent of ours has any authority to make any representation or promise not contained in this Agreement or in the FDD. You agree that you have executed this Agreement without reliance upon any such representation or promise. This Agreement cannot be modified or changed except by written instrument signed by all of the parties. **Time is of the essence for this Agreement.**

#### **9.11 Titles for Convenience**

Section and paragraph titles used in this Agreement are for convenience only and will not affect the meaning or construction of any of the terms, provisions, covenants, or conditions of this Agreement.

#### **9.12 Gender**

All terms used in any number or gender will extend to mean and include any other number and gender as the facts, context, or sense of this Agreement or any section or paragraph may require.

#### **9.13 Severability**

Nothing contained in this Agreement will require the commission of any act contrary to law. Whenever there is any conflict between any provisions of this Agreement and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter will prevail. In such event the provisions of this Agreement thus affected will be curtailed and limited only to the extent necessary to bring it within the requirements of the law. If any part, section, paragraph, sentence or clause of this Agreement is held to be indefinite, invalid or otherwise unenforceable, the indefinite, invalid or unenforceable provision will be deemed deleted, and the remaining part of this Agreement will continue in full force and effect.

#### **9.14 Counterparts**

This Agreement may be executed in any number of counterparts; each of which will be deemed an original and all of which together will be deemed the same instrument.

**9.15 Notices**

Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein must be in writing and signed by the party serving the same and either delivered personally, by email, or by a reputable overnight service or deposited in the United States mail, service or postage prepaid, and addressed as follows:

Notices to Franchisor: KS La Crosse Investments, LLC  
301 4<sup>th</sup> Street South  
La Crosse, Wisconsin 54601

With a copy to: Fisher Zucker, LLC  
21 South 21<sup>st</sup> Street  
Philadelphia, PA 19103  
Attention: JoyAnn Kenny  
Facsimile: \_\_\_\_\_

Notices to Developer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

Any notice shall be deemed to have been given at the time of personal delivery or, in the case of email, upon transmission, or, in the case of expedited delivery service or registered or certified mail, three (3) business days after the date and time of mailing.

**9.16 Submission of Agreement**

The submission of this Agreement does not constitute an offer and this Agreement will become effective only upon the execution by you and us. **THIS AGREEMENT WILL NOT BE BINDING ON FRANCHISOR UNLESS AND UNTIL IT WILL HAVE BEEN ACCEPTED AND SIGNED BY FRANCHISOR.**

**9.17 Acknowledgments & Representations**

9.17.1 You, and your shareholders, members and partners, as applicable, jointly and severally acknowledge that they have carefully read this Agreement and all other related documents to be executed concurrently or in conjunction with the execution of this Agreement. You and they have obtained the advice of counsel concerning entering this Agreement. You and they understand the nature of this Agreement and intend to comply with and to be bound by it.



You acknowledge that you have conducted an independent investigation of the System, the Franchisor and the Businesses, and recognize that, like any other business, the business venture contemplated by this Agreement involves business risks. Your success in this business is not guaranteed, is speculative and depends, to an important extent, upon your ability as an independent businessperson. We do not represent or warrant that any Business will achieve any certain level of sales or be profitable. We expressly disclaim the making of, and you acknowledge that you have not received, any warranty or guarantee, express or implied, as to the potential volume, profits, or success of the business venture contemplated by this Agreement. By signing this Agreement, you acknowledge that you have entered into it after making an independent investigation of the System.

9.17.2 You represent to us, as an inducement to our entry into this Agreement, that all statements you have made and all materials you have submitted to us in connection with your purchase of this franchise are accurate and complete and that you have made no misrepresentations or material omissions in obtaining the franchise. We have approved of your entering into this Agreement and granting you the rights under this Agreement in reliance upon all of your representations.

9.17.3 You understand that neither we, nor any of our representatives or agents with whom you have met have made, and are not making, any guarantees, express or implied, as to whether or not the Businesses you develop under this Agreement will break even, be successful or profitable. You accept all risks, including the risk of loss of your entire investment. You acknowledge that neither we nor any of our representatives and/or agents with whom you have met or corresponded with, have, in any way, represented or promised any specific amounts of earnings or profits in association with any of any Business, including the Businesses you are obligated to develop under this Agreement.

9.17.4 You will exert your best efforts and full time to carrying out the terms, covenants and conditions of this Agreement in good faith.

9.17.5 You acknowledge that you received our FDD at least 14 calendar days prior to the date on which this Agreement was executed and that you have read the FDD. You acknowledge that the FDD is a disclosure document, not a contract, and that this Agreement embodies the entire contractual agreement between the parties.

*[Signatures on Following Page]*

**IN WITNESS WHEREOF**, this Agreement has been executed on the day and date first set forth above.

**DEVELOPER:**

*If an entity:]*

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

*[If an individual or individuals:]*

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISOR:**

KS LA CROSSE INVESTMENTS, LLC

By: \_\_\_\_\_

Name:

Title:



## EXHIBIT A TO AREA DEVELOPMENT AGREEMENT

### 1. DEVELOPMENT AREA

The Development Area is defined as the entire territory encompassed by

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\_\_\_ in the State of \_\_\_\_\_. If the Development Area is identified by city or other political subdivisions, political boundaries will be considered fixed as of the Agreement Date, notwithstanding any political reorganization or change to the boundaries. The Development Area is depicted on the map attached to this Exhibit A. However, if there is an inconsistency between the language in this Exhibit A and the attached map, the language in this Exhibit A shall control. All street boundaries will be deemed to end at the street center-line unless otherwise specified.

### 2. MINIMUM DEVELOPMENT OBLIGATIONS

Developer agrees to open \_\_\_\_\_ (\_\_) Businesses within the Development Area according to the following Schedule:

<b>Column A</b>	<b>Column B</b>	<b>Column C</b>	<b>Column D</b>
<b>Business #</b>	<b>Franchise Agreement Execution Deadline</b>	<b>Opening Deadline</b>	<b>Cumulative Number of Businesses To Be Opened and Operating By Opening Deadline Designated in Column C</b>

3. **DEVELOPMENT FEE.** The Development Fee is \$\_\_\_\_\_.

4. **RESPONSIBLE OWNER:**

Responsible Owner Name: \_\_\_\_\_

Responsible Owner Address: \_\_\_\_\_

Telephone Number & Email Address: \_\_\_\_\_

Percentage Ownership Interest: \_\_\_\_\_

5. **DEVELOPER INFORMATION:**

\_\_\_\_ **Individual**                      \_\_\_\_\_ **Legal Entity**

**Name of Individual(s) or Legal Entity (as applicable):** \_\_\_\_\_

**If Legal Entity:**

**State of formation/incorporation:** \_\_\_\_\_

**Date of formation:** \_\_\_\_\_

**Ownership Information:**

<b>Owner Name</b>	<b>Owner Address</b>	<b>Percentage Interest</b>	<b>Ownership</b>

<p><b>DEVELOPER:</b> <i>[If an entity:]</i> _____</p> <p>By: _____ Name: _____ Title: _____ Date: _____</p> <p><i>[If an individual or individuals:]</i></p> <p>Signature: _____ Name: _____</p>	<p><b>FRANCHISOR:</b> KS La Crosse Investments, LLC</p> <p>By: _____ Name: _____ Title: _____</p>
--	---

Date: _____	
Signature: _____	
Name: _____	
Date: _____	

**EXHIBIT B TO AREA DEVELOPMENT AGREEMENT**  
**PERSONAL GUARANTEE TO AREA DEVELOPMENT AGREEMENT**

This Guaranty and Assumption of Obligations is given this \_\_\_ day of \_\_\_\_\_, 20\_\_\_, by \_\_\_\_\_ (whether one or multiple persons or entities, the “Guarantor”).

1. In consideration of, and as an inducement to, the execution of the Area Development Agreement (the “ADA” or the “Area Development Agreement”) by KS La Crosse Investments, LLC (“Franchisor”), and \_\_\_\_\_ (“Developer”), Guarantor hereby personally and unconditionally: (i) guarantees to Franchisor, and its successor and assigns, for the term of the ADA and as provided in the ADA, that Developer will punctually pay and perform each and every undertaking, agreement and covenant set forth in the ADA; and (ii) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the ADA, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities. Guarantor waives the right to assert as a defense to Franchisor’s claims under this Guaranty that Franchisor had the right to procure any insurance on Developer’s account.

2. Guarantor waives: (i) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (ii) notice of demand for payment of any indebtedness or nonperformance of any obligations guaranteed; (iii) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations guaranteed; (iv) any right Guarantor may have to require that an action be brought against Developer or any other person as a condition of liability.

3. Guarantor consents and agrees that: (i) Guarantor’s direct and immediate liability under this Guaranty is joint and several; (ii) Guarantor will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (iii) liability is not contingent or conditioned upon pursuit by Franchisor of any remedies against Developer or any other person; and (iv) liability is not diminished, relieved or otherwise affected by any extension of time, credit or other indulgence that Franchisor may grant to Developer or to any other person, including the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which is continuing and irrevocable during the term of the ADA.

4. Guarantor represents and warrants that, by signing the Guaranty: (i) any financial statements and other financial information that Guarantor has submitted to Franchisor are limited to the separate property of Guarantor and any marital property (community property) against which Franchisor is entitled to enforce its rights under this Guaranty and do not include any separate property of Guarantor’s spouse against which Franchisor may not enforce this Guaranty; and (ii) if no signature appears below for Guarantor’s spouse, Guarantor is either not married or, if married, is a resident of a state that does not require the consent of both spouses to encumber the assets of a marital estate (i.e., community property).

5. Guarantor hereby consents and agrees that:

(a) Guarantor's liability under this undertaking is direct, immediate, and independent of the liability of, and is joint and several with, Developer and the other parties who may be held liable for Developer's performance of the ADA;

(b) Guarantor will render any payment or performance required under the ADA upon demand if Developer fails or refuses punctually to do so;

(c) Franchisor is entitled to proceed against Guarantor and Developer jointly and severally, or Franchisor may, at its option, proceed against Guarantor, without having commenced any action or having obtained any judgment against Developer; and

(d) Guarantor agrees to pay all reasonable attorneys' fees and all costs and other expenses incurred in any collection or attempt to collect amounts due pursuant to this undertaking (including any amounts expended in pursuing payment from Developer) or any negotiations relative to the obligations hereby guaranteed or in enforcing this undertaking against Guarantor.

**IN WITNESS WHEREOF**, each of the undersigned has affixed his signature on the same day and year as the Agreement was executed.

**GUARANTOR(S)**

**Percentage Ownership in Developer**

By: \_\_\_\_\_

\_\_\_\_\_ %

Print Name: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_ %

Print Name: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_ %

Print Name: \_\_\_\_\_

**EXHIBIT D**

**KS La Crosse Investments, LLC Current and Former Franchisees**

**Current Franchisees as of December 31, 2022**

<b>Last Name</b>	<b>First Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip</b>	<b>Phone Number</b>
Cummins	Jon	96360 Soap Creek Drive	Fernandina Beach	FL	32034	904-618-2279
Cifuentes	Richar	1150 Collins Ave Apt 404	Miami Beach	FL	33139	305-428-7455
Vacca	Fabian	1221 Stirling Road 102	Dania Beach	FL	33004	954-376-4373
Blanton	Kim	25987 S. Tamiami Trail, Unit 97	Bonita Springs	FL	34134	704-201-0658
Demombynes	Ghislaine	1925 Brickell Avenue apt 1106	Miami	FL	33129	305-904-5457
McAdams	Jay	1271 N Eglin Parkway	Shalimar	FL	32579	850-613-2067
Goncalves	Jorge	1231 Railside Way	Oakland	FL	34787	863-398-7022
Svarczkopf	Shane	1269 South Highland Ave	Clearwater	FL	33756	727-644-3784
Weis	Bob	3433 Lithia Pinecrest Rd., #317	Valrico	FL	33596	605-333-0060
Martinez	Denisse	470 Shore Drive	Suwanee	GA	30024	470-758-4605
Barbour	Tom	3255 Erie Avenue	Spirit Lake	IA	51360	712-336-0362
Murray	Jim	11386 S. Prairie Grove Rd	West Burlington	IA	52655	319-753-2131

Kongkaeow	Charlie	1512 West Remington Lane	Round Lake	IL	60073	224-298-7001
Salaices	Matt	10460 Affirmed CT.	Indianapolis	IN	46234	463-230-7510
Uebelhor	Josh	3371 Cleveland Road, Suite 208	South Bend	IN	46628	574-544-5880
McDonald	Brent	7 Brunlea Key	Winnipeg	MB	R2G 2C5 (Canada)	204-885-6158
Szollosy	Dean	15105 Grey Pebble Drive	Darnestown	MD	20874	240-728-7044
Sharpell	Dechert	6609 Royal St Suite 111	Pleasant Valley	MO	64068	816-510-5118
Varon	Juan	8601 Zinfandel Pl	Raleigh	NC	27615	919-371-2646
Langley	Mark	6757 Duncan Farm Drive	Liberty	NC	27298	984-459-8874
Tidyman	Jeff	402 Norris Ave. Ste 203	McCook	NE	69001	308-337-4411
Knox	Jay	579 Wedgewood Drive	Avon Lake	OH	44012	216-727-2785
Hulls	Brad	4116 Anson Drive	Hilliard	OH	43026	614-715-4411
Westhoven	Brad	155 Wayne Park Drive	Napoleon	OH	43545	419-966-2486
Parsons	James	341 NE 139th St. Suite 20	Edmond	OK	73013	405-594-8228
Elkassis	Toni	5292 Creekview Drive	Orefield	PA	18069	484-929-2099

Snider	Clay	207 Kent Ct.	Summerville	SC	29485	843-297-4507
Grode	Jeff	837 Columbia Dr.	Sioux Falls	SD	57103	605-333-0060
Meyer	Scott	2150 S Central Expressway, Suite 200	McKinney	TX	75070	469-310-1380
Ellerd	David	2209 Riata Drive	Corpus Christi	TX	78418	361-600-1180
Rognlien	Eric	3460 Patriot Drive	Frisco	TX	75034	469-400-0906
Boynton	John	7418 Jervis Street	Springfield	VA	22151	703-256-2793
Mueller	Eric	6516 Monona Drive #264	Monona	WI	53716	608-729-8860
Baumann	Sarah	4014 Talmadge Rd	Eau Claire	WI	54701	715-831-6314
Crowley	Suzie	301 4th Street S.	La Crosse	WI	54601	608-784-2855

Some franchisees have multiple territories as part of their franchise.

**FRANCHISEES WHO SIGNED A FRANCHISE AGREEMENT BUT NOT YET OPEN**

White	Andy	1995 Overland Drive	Chapel Hill	TN	37034	931-222-4180
Hobbs	Barbara	16714 Rock West Drive	Houston	TX	77073	832-602-2755

**LIST OF FORMER FRANCHISEES**

(As of December 31, 2022)

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system.



Below is a list of names, city and state and business (or, if unknown, home) telephone numbers of every franchisee who ceased to do business under the franchise agreement or had an outlet terminated, canceled, not renewed within the last fiscal year, or who has not communicated with the franchisor within 10 weeks of the issuance date.

Ymesghen	Dawit	Luli Property, LLC	1161 Oaks Place	Stone Mountain	GA	30083	378-367-0464
Balderas Gonzalez	Julio	Renovare Point, Inc.	1506C West 23 <sup>rd</sup> Street	Houston	TX	77008	346-340-1088
Puffpaff	David	DMRKDCP, Inc.	503 Township Court	Fountain Inn	SC	29644	864-900-0093
Schmidt	Warren	Warren Schmidt	2776 Glendower Terrace	Elgin	IL	60124	847-331-3231
Schaffert	Larry	Schaffert Construction, Inc.	3435 Brethren Church Road	Myersville	MD	21773	301-846-4602

**FRANCHISEES WHO SIGNED A FRANCHISE AGREEMENT AFTER DECEMBER 31, 2022, BUT PRIOR TO ISSUANCE DATE**

Midkiff	Darin	Darin Midkiff	21921 N 33 <sup>rd</sup> Street	Phoenix	AZ	85050	480-245-0725
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**EXHIBIT F**  
**FINANCIAL STATEMENTS**

# **KS LA CROSSE INVESTMENT, LLC**

La Crosse, Wisconsin

## **Financial Statements and Supplementary Information**

Years Ended December 31, 2022, 2021, and 2020

# KS LA CROSSE INVESTMENT, LLC

## Financial Statements and Supplementary Information Years Ended December 31, 2022, 2021, and 2020

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# HANCOCK & ROBINSON

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## CERTIFIED PUBLIC ACCOUNTANTS

### **INDEPENDENT AUDITOR'S REPORT**

Members  
KS La Crosse Investment, LLC  
La Crosse, Wisconsin

#### **Opinion**

We have audited the accompanying financial statements of KS La Crosse Investment, LLC, ("the Company") (an S Corporation), which comprise the balance sheets as of December 31, 2022, and the related statements of income, retained earnings, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of KS La Crosse Investment, LLC as of December 31, 2022, and the results of its operations and its 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 Auditor's 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 the 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.

#### **Auditor's 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 auditor's 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.



# HANCOCK & ROBINSON

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## CERTIFIED PUBLIC ACCOUNTANTS

- 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.

### **Report on Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules cost of sales and administrative and general expenses are presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Hancock & Robinson CPAs*

**Hancock & Robinson CPAs**  
La Crosse, Wisconsin

March 23, 2023

# KS LA CROSSE INVESTMENT, LLC

## Balance Sheets

December 31, 2022, 2021, and 2020

<b>Assets</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Current assets:			
Cash	\$ 60,708	\$ 58,445	\$ 105,548
Accounts receivable	140,560	92,582	58,920
Contract assets - Current	98,129	68,929	22,829
Advances receivable	74,472	149,472	149,472
Other receivable	3,260	-	-
Total current assets	373,869	369,428	336,769
Property and equipment:			
Equipment and fixtures	34,201	34,201	34,201
Technology equipment and software	109,640	109,640	109,640
Totals	143,841	143,841	143,841
Less - Accumulated depreciation	(139,333)	(137,747)	(136,111)
Net property and equipment	4,508	6,094	7,730
Other assets:			
Territory held for sale	12,798	12,798	12,798
Contract assets	659,193	493,722	147,750
Right of use asset - Operating leases	63,586	-	-
Goodwill	366,651	366,651	366,651
Total other assets	1,102,228	873,171	527,199
<b>TOTAL ASSETS</b>	<b>\$ 1,483,865</b>	<b>\$ 1,248,693</b>	<b>\$ 871,698</b>
<b><i>Liabilities and Members' Equity</i></b>			
Current liabilities:			
Accounts payable	\$ 60,760	\$ 5,370	\$ 56,258
Accrued and other liabilities	7,452	7,452	7,452
Note payable - Shareholder	18,049	-	-
Contract liabilities - Current	193,047	152,301	112,130
Operating lease liability - Current	30,861	-	-
Total current liabilities	279,308	165,123	175,840
Long-term liabilities:			
Contract liabilities	1,082,638	847,643	427,615
Operating lease liability	32,725	-	-
Total long-term liabilities	1,115,363	847,643	427,615
Total liabilities	1,425,532	1,012,766	603,455
Members' equity	58,335	235,927	268,243
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 1,483,867</b>	<b>\$ 1,248,693</b>	<b>\$ 871,698</b>

See Independent Auditor's Report.  
See Notes to Financial Statements.

# KS LA CROSSE INVESTMENT, LLC

## Statements of Income and Members' Equity

Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Franchise sales	\$ 270,770	\$ 226,202	\$ 97,551
Other franchise fees and rebills	1,319,541	1,194,266	794,065
Total revenue	1,590,311	1,420,468	891,616
General and administrative expenses	1,362,454	997,353	785,013
Income from operations	227,857	423,115	106,603
Other income (expense):			
Interest expense	-	-	(1,437)
Other income	4,400	4,818	55,642
Total other income (expense)	4,400	4,818	54,205
<b>Net income</b>	<b>232,257</b>	<b>427,933</b>	<b>160,808</b>
<b>Members' equity, beginning of year</b>	<b>235,927</b>	<b>268,243</b>	<b>262,831</b>
<b>Members' distributions</b>	<b>(409,849)</b>	<b>(460,249)</b>	<b>(155,396)</b>
<b>Members' equity, end of year</b>	<b>\$ 58,335</b>	<b>\$ 235,927</b>	<b>\$ 268,243</b>

See Independent Auditor's Report.  
See Notes to Financial Statements.

# KS LA CROSSE INVESTMENT, LLC

## Statements of Cash Flows

Years Ended December 31, 2022, 2021, and 2020

	2022	2021	2020
Increase (decrease) in cash:			
Cash flows from operating activities			
Net income	\$ 232,257	\$ 427,933	\$ 160,808
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	1,585	1,636	1,735
Changes in operating assets and liabilities:			
Accounts receivable	(47,977)	(33,662)	8,170
Contract assets	(194,671)	(392,072)	(97,171)
Other receivable	(3,260)	-	-
Franchises held for sale	-	-	(12,798)
Accounts payable	55,390	(50,888)	52,687
Line of credit	-	-	(51,563)
Contract liabilities	275,741	460,199	187,853
Net change in cash from operating activities	394,065	413,146	249,721
Cash flows from financing activities			
Note payable - Officer	18,049	-	-
Member distributions	(409,849)	(460,249)	(155,396)
Net change in cash from financing activities	(391,800)	(460,249)	(155,396)
<b>Net change in cash</b>	<b>2,265</b>	<b>(47,103)</b>	<b>94,325</b>
<b>Cash, beginning of year</b>	<b>58,445</b>	<b>105,548</b>	<b>11,223</b>
<b>Cash, end of year</b>	<b>\$ 60,710</b>	<b>\$ 58,445</b>	<b>\$ 105,548</b>
Supplemental cash flow information:			
Cash paid during the year for:			
Interest	\$ -	\$ -	\$ 1,437
Noncash reconciling items:			
PPP loan forgiveness	\$ -	\$ -	\$ 49,500

See Independent Auditor's Report.  
See Notes to Financial Statements.

# KS LA CROSSE INVESTMENT, LLC

## Notes to Financial Statements

See Independent Auditor's Report

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### Note 1 Summary of Significant Accounting Policies

#### Principal Business Activity

KS La Crosse Investment, LLC (the "Company") is a franchisor of retail outlets in cabinetry. The majority of the Company's revenue results from initial sales and continuing franchise fees and rebills.

#### Basis of Accounting

The financial statements of the Company have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

#### Cash and Cash Equivalents

For purposes of the statement of cash flows, the Company considers all deposits in financial institutions with a maturity of three months or less to be cash equivalents.

#### Accounts Receivable

The Company considers accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is recorded. If amounts become uncollectible, they are charged to operations when that determination is made.

#### Revenue and Revenue Recognition

The company recognizes revenue from franchisees for continuing services as they are provided. The performance obligation consists of providing continuous access to the CRM advertising, email, and reporting system, as well as providing continuous access to all licenses and products of the Company, and is recognized monthly. The fees consist of a monthly technology fee of \$264, and monthly business development and continuing license fees, which are variable and based on sales of the franchisees. A nonrefundable initial franchise fee is required of each new franchisee and is recognized over the life of the franchisee agreement, which is generally 10 years.

#### Property, Equipment, and Depreciation

Property, plant and equipment is stated at cost. Expenditures for repairs and maintenance are charged to income as incurred. Additions and betterments with a unit acquisition cost of \$5,000 or more will be capitalized. The cost and related accumulated depreciation on property, plant and equipment sold or otherwise disposed of are removed from the accounts and any gain or loss is reported as current year's revenue or expense. Depreciation is computed on the straight-line method for financial reporting purposes, based on the following estimated useful lives:

Buildings and improvements	5 to 40 years
Machinery and equipment	3 to 10 years
Office furniture and equipment	3 to 10 years
Autos and trucks	3 to 6 years

Depreciation expense for 2022, 2021, and 2020 was \$1,585, \$1,636, and \$1,735, respectively.

# KS LA CROSSE INVESTMENT, LLC

## Notes to Financial Statements

See Independent Auditor's Report

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Long-Lived Assets

GAAP requires that long-lived assets be reviewed for impairment when events or circumstances indicate the carrying value of an asset may not be recoverable. Long-lived assets to be held and used are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are recognized based on fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value, less estimated cost to sell. As of December 31, 2022, there have been no such losses incurred by the Company.

#### Income Taxes

The Company, with the consent of its shareholders, has elected under the Internal Revenue Code to be an S corporation. In lieu of corporation income taxes, the shareholders of an S corporation are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The federal and state income tax returns remain open to examination by taxing authorities through their statutory periods.

#### Recently Adopted Accounting Pronouncement

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842). ASU 2016-02 is intended to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases on the balance sheet. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Company adopted this guidance for the year ended December 31, 2022 with modified retrospective application to January 1, 2022 through a cumulative-effect adjustment. The Company has elected the package of practical expedients permitted in Topic 842. Accordingly, the Company accounted for its existing operating leases as operating leases and capital leases as finance leases under the new guidance, without reassessing (a) whether the contracts contain a lease under Topic 842, (b) whether the classification of the leases would be different in accordance with Topic 842, or (c) whether any unamortized initial direct costs before transition adjustments (as of December 31, 2021) would have met the definition of initial direct costs in Topic 842 at lease commencement. Similarly, the Company did not reassess service contracts evaluated for lease treatment under ASC 840 for embedded leases under ASC 842.

As a result of the adoption of the new lease accounting guidance, the Company recognized right-of-use (ROU) assets of \$92,688, and lease liabilities of \$92,688 as of January 1, 2022.

This standard did not have a material impact on the Company's equity or cash flows from operations and had an immaterial impact on the Company's operating results. The most significant impact was the recognition of the ROU assets and lease obligations for operating leases.

For the periods prior to the adoption of ASC 842, leases were accounted for in accordance with ASC 840. As such, no lease assets or liabilities were recognized on the balance sheet, and disclosures for the prior year follow the requirements of ASC 840.

# KS LA CROSSE INVESTMENT, LLC

## Notes to Financial Statements

See Independent Auditor's Report

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### Note 1 Summary of Significant Accounting Policies (Continued)

#### Leases

The determination of whether an arrangement is a lease is made at the lease's inception. Under ASC 842, a contract is (or contains) a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is defined under the standard as having both the right to obtain substantially all of the economic benefits from use of the asset and the right to direct the use of the asset. Management only reassesses its determination if the terms and conditions of the contract are changed.

Operating leases are included in operating lease right-of-use ("ROU") assets, other current liabilities, and operating lease liabilities in our balance sheets. Finance leases are included in property and equipment, other current liabilities, and other long-term liabilities in our balance sheets.

ROU assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments. Operating lease ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company uses the implicit rate when it is readily determinable. Operating lease ROU assets also includes any lease payments made and excludes any lease incentives. Lease expense for lease payments is recognized on a straight-line basis over the lease term. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise the option.

The Company has elected the short-term lease recognition exemption for all applicable classes of underlying assets. Leases with an initial term of 12 months or less, that do not include an option to purchase the underlying asset that we are reasonably certain to exercise, are not recorded on the balance sheet.

#### Advertising Costs

The Company uses advertising to promote its activities as a franchiser of retail outlets in cabinetry. In addition, advertising is used in retail lead generation programs for franchisees participating in the Company's national advertising programs. Accordingly, advertising costs are expensed as incurred. Advertising costs charged to expense for the years ended December 31, 2022, 2021, and 2020, were \$59,264, \$25,711, and \$30,265, respectively.

#### Estimates

The preparation of the accompanying financial statements in conformity with generally accepted accounting principles requires the use of certain estimates and assumptions that affect the results of reported assets and liabilities and disclosure of contingent assets, liabilities, revenue, and expenses. Actual results could differ from those estimates.

#### Subsequent Events

Subsequent events have been evaluated through March 23, 2023 which is the date the financial statements were available to be issued.

#### Compensated Absences

Compensated absences for sick pay and personal time have not been accrued since they cannot be reasonably estimated. The Company's policy is to recognize these costs when actually paid.

# KS LA CROSSE INVESTMENT, LLC

## Notes to Financial Statements

See Independent Auditor's Report

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### Note 2 Leases

The Company leases office space under noncancelable operating leases. Certain of the leases entered into include one or more options to renew. The renewal terms can extend the lease term for up to three years. The exercise of lease renewal options is at the Company's sole discretion. Renewal option periods are included in the measurement of the ROU asset and lease liability when the exercise is reasonably certain to occur. If events or circumstances cause the Company to reconsider the likelihood that it will exercise any renewal options, the lease liabilities and ROU assets will be remeasured to conform to the adjusted lease term and contractual fixed payments.

The renewal options have not been recognized in the measurement of right-of-use assets and liabilities.

The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Payments due under the lease agreements include fixed payments. Office space leases generally require the Company to make variable payments for the Company's proportionate share of non-lease components such as any common area maintenance as well as non component costs such as property taxes and insurance .

The Company leases its facilities under a three year lease. Terms of the lease call for monthly base rent payments through December 31, 2024.

Components of lease expense for the year ended December 31, 2022 were as follows:

Lease cost:		
Operating lease cost	\$	33,613
Total lease cost	\$	33,613

Supplemental cash flow information related to leases for the year ended December 31, 2022 were as follows:

Other information		
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$	33,613
ROU asset obtained in exchange for new operating lease liabilities		92,688

The weighted-average remaining lease term for the operating leases was 2.0 years as of December 31, 2022. The weighted-average discount rate of operating leases was 5.88% for the year ended December 31, 2022.

Maturities of lease liabilities as of December 31, 2022 are as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2023	\$ 33,613
2024	33,613
Total lease payments	67,226
Less interest	(3,638)
Total	\$ 63,588



# KS LA CROSSE INVESTMENT, LLC

## Notes to Financial Statements

See Independent Auditor's Report

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### Note 2 Leases (Continued)

#### Operating lease disclosures for 2021 under ASC 840:

The Company leases its facilities from an unrelated third party. The annual operating lease requires monthly rental payments of base rent and common area maintenance and expires on December 31, 2024.

Future minimum payments under the noncancelable operating lease were as follows:

<b>Year Ending December 31,</b>	<b>Amount</b>
2022	33,613
2023	33,613
2024	33,613
<b>Total</b>	<b>\$ 100,839</b>

Rent expense for the years ended December 31, 2021, and 2020 was \$35,630 and \$31,363, respectively.

### Note 3 Revenue from Contracts with Customers

The Company's contracts with customers consist of the franchise agreements that are signed with each new franchisee. The components of those contracts and the Company's performance obligations are summarized below:

**Initial Franchise Fee** – A nonrefundable initial franchise fee is required of each new franchisee. The Company has determined that there is no separately identifiable performance obligation related to this fee that is separate from the franchise license itself, and therefore recognizes the revenue over the life of the agreement, which is generally 10 years.

**Supplies Package** – Each new franchisee is required to purchase a supplies package from the Company. The performance obligation for the Company is to provide the items specified in the contract as the supplies package. There revenue from the fee for the supplies package is recognized when the supplies package has been provided to the franchisee.

**Technology Fee** – The Company provides continuous access to their CRM advertising, email, and reporting systems for each franchise. The fee for this access is \$264 per month. The performance obligation is satisfied continuously as these services as provided. The revenue is recognized monthly as the fees are paid.

**Brand Fund Fee and Continuing License Fee** – Each franchise is required to pay two monthly fees to the Company. The business development fee is 1% of a franchisee's gross monthly sales. The continuing license fee is a percentage of gross sales that ranges from 2.5% to 6.0% depending on the amount of gross sales. The Company's performance obligation is providing the franchisees with continuous access to the Company's licenses, products, and materials. Accordingly, the revenue for these fees is recognized monthly.

# KS LA CROSSE INVESTMENT, LLC

## Notes to Financial Statements

See Independent Auditor's Report

### Note 3 Revenue from Contracts with Customers (Continued)

The following tables provides information about revenue recognized from contracts with customers for the year ended December 31:

	2022	2021	2020
Initial franchise fee	\$ 193,048	\$ 169,802	\$ 77,147
Supplies package	75,559	52,522	20,404
Continuing license fee	807,670	738,000	452,206
Technology Fee	10,487	39,879	39,920
Brand fund fee	72,114	65,802	47,541
Total revenue recognized from contracts with customers	\$ 1,158,878	\$ 1,066,005	\$ 637,218

The initial franchise fee and the supplies package are reflected in the financial statements as franchise sales. The continuing license fee, technology fee, and brand fund fee are included with Other franchise sales and rebills in the financial statements.

The contract assets and liabilities are included on the accompanying balance sheets as follows:

	2022	2021	2020
Contract liabilities - Net of contract assets, beginning	\$ 437,293	\$ 369,166	\$ 278,484
Initial franchise fee revenue recognized	(193,048)	(169,802)	(77,147)
Contract costs recognized	105,366	68,929	22,829
New contract costs paid	(292,000)	(461,000)	(120,000)
Collections of initial franchise fees	460,752	630,000	265,000
Contract liabilities - Net of contract assets, ending	\$ 518,363	\$ 437,293	\$ 369,166

The following table provides information about significant changes in contract liabilities and assets for the years ended December 31:

	2022	2021	2020
Contract assets - Current	\$ (98,129)	\$ (68,929)	\$ (22,829)
Contract assets - Noncurrent	(659,193)	(493,722)	(147,750)
Contract liabilities - Current	193,047	152,301	112,130
Contract liabilities - Noncurrent	1,082,638	847,643	427,615
Contract liabilities - Net of contract assets	\$ 518,363	\$ 437,293	\$ 369,166

### Note 4 Line of Credit

The Company has a revolving loan agreement with a local financial institution in the amount of \$100,000. Outstanding advances on this line of credit totaled \$0 at December 31, 2022, 2021 and 2020.

# KS LA CROSSE INVESTMENT, LLC

## Notes to Financial Statements

See Independent Auditor's Report

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### **Note 5 Advance Receivable**

Kitchen Wise, LLC (KW) shared common ownership with the Company, but was sold to an independent third party on October 1, 2019. When KW was sold, a promissory note was signed for \$300,000, payable monthly until October 2022. The Company is to be reimbursed by the proceeds of the promissory note until the advance receivable was repaid in full. The Company received \$75,000 in payments during the year ended December 31 2022 and \$0 in payments during the years ended December 31, 2021 and 2020.

### **Note 6 Notes Payable**

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) to provide \$2 trillion in economic stimulus. As part of the stimulus package, a Paycheck Protection Program (PPP) was established to provide \$669 billion in small-business loans. The loans are forgivable if an entity spends all of the funds on payroll, mortgage interest, rent and utilities within the specified period after receiving the loan, with at least 60% of the funds spent specifically on payroll.

The Company received a PPP loan in the year ended December 31, 2021 in the amount of \$49,500 and used the loan proceeds for the specified purposes. Because of this, the funds were forgiven, and therefore, the funds have been classified as other income through extinguishment of debt.

## **Supplementary Information**

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# KS LA CROSSE INVESTMENT, LLC

## Schedules of General and Administrative Expenses

December 31, 2022, 2021, and 2020

	2022	2021	2020
Advertising	\$ 59,264	\$ 25,715	\$ 30,265
Bank charges	2,001	771	1,183
Business development	98,039	43,626	45,277
Computer service	2,635	18,599	18,286
Depreciation	1,585	1,636	1,735
Employee benefits	46,970	19,521	31,577
Franchise development	350,574	240,914	204,538
Memberships and licenses	157,488	104,710	67,305
Miscellaneous	120,772	56,196	32,065
Office supplies and postage	9,903	12,182	7,539
Professional fees	50,902	47,163	34,453
Rent	33,613	35,630	31,363
Repairs and maintenance	2,470	2,674	2,033
Salaries and wages	347,366	338,837	246,730
Taxes	16,788	3,632	802
Training and seminars	24,413	21,221	-
Travel and entertainment	16,285	6,287	10,274
Utilities	21,386	18,039	19,588
<b>Net general and administrative expenses</b>	<b>\$ 1,362,454</b>	<b>\$ 997,353</b>	<b>\$ 785,013</b>

**EXHIBIT G**  
**STATE ADDENDA**

ADDENDUM TO KITCHEN SOLVERS®  
DISCLOSURE DOCUMENT FOR THE  
STATE OF CALIFORNIA

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

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.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov)

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.

Item 3, Additional Disclosure:

Neither we nor any person described in Item 2 of the 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.

Item 5, Additional Disclosure:

Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

Item 6, Additional Disclosure:

The highest interest rate allowed by law in California is 10% annually.

Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The franchise agreement and development agreement require application of the laws of Wisconsin. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise

agreement and/or area development agreement contains a provision that is inconsistent with the law, the law will control.

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

The franchise agreement and the area development agreement require binding arbitration. The arbitration will occur in Wisconsin. Prospective franchisees are encouraged to consult with 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 and the area development agreement contain a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

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



ADDENDUM TO KITCHEN SOLVERS®  
DISCLOSURE DOCUMENT FOR THE  
STATE OF ILLINOIS

The following information applies to franchises and franchisees subject to the Illinois Franchise Disclosure Act of 1987. Item numbers correspond to those in the main body:

Item 17: The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

Franchisee Acknowledgment / Compliance Certification:

The representations under this Franchise Acknowledgment/Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

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 and 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.

## MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

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 and 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.

### Item 17, Additional Disclosures:

Our termination of the Franchise Agreement because of your bankruptcy may not be enforceable under applicable federal law (11 U.S.C.A. 101 et seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

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

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

ADDENDUM TO KITCHEN SOLVERS®  
DISCLOSURE DOCUMENT FOR THE  
STATE OF MINNESOTA

The following applies to franchises and franchisees subject to Minnesota statutes and regulations. Item numbers correspond to those in the main body.

Item 13

We will protect your right to use the KITCHEN SOLVERS Marks or indemnify you from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name to the extent required by Minn. Stat. Sec. 80C.12, Subd.1(g).

Item 6

NSF checks are governed by Minn. Stat. 604.113, which puts a cap on \$30 on service charges.

Item 17

With respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statute § 80C.14, subdivisions 3, 4, and 5 which requires, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minnesota Statutes, Section 80C.21 and Minnesota Rule 2860.4400J prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce any of franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

In the event you breach or threaten to breach any of the terms of this Agreement, we will be entitled to seek an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as the arbitrators make a final and binding determination.

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 and 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.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute 80C.01 – 80C.22.

ADDENDUM TO KITCHEN SOLVERS®  
DISCLOSURE DOCUMENT FOR THE  
STATE OF NEW YORK

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

Cover Page, Additional Disclosure.

**INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF 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 THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.**

Item 3, Additional Disclosure. The last sentence in Item 3 is deleted and replaced with the following:

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has any administrative, criminal, or a material civil or arbitration action pending against him alleging a violation of any franchise law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to any other felony charge or, during the ten-year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to any misdemeanor charge or been found liable in an arbitration proceeding or a civil action by final judgment, or been the subject of any other material complaint or legal or arbitration proceeding if such misdemeanor conviction or charge, civil action, complaint, or other such proceeding involved a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property, or comparable allegation.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to any currently effective injunctive or restrictive order or decree relating to franchises, or under any federal, state, or Canadian franchise,

securities, antitrust, trade regulation, or trade practice law as a result of a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4, Additional Disclosure. Item 4 is deleted and replaced with the following:

Neither we nor any of our predecessors, affiliates, or officers, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within one year after the officer or general partner of the franchisor held this position in the company or partnership.

Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Item 17, Additional Disclosures.

The following is added to the Summary sections of Item 17(c) and 17(m): 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 Section 687.4 and 687.5 be satisfied.

The Summary section of Item 17(d) is deleted and replaced with the following language: You may terminate the agreement on any grounds available by law.

The following is added to the Summary section of Item 17(j): No assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the Summary sections of Items 17(v) and 17(w): The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

ADDENDUM TO KITCHEN SOLVERS®  
DISCLOSURE DOCUMENT FOR THE  
STATE OF NORTH DAKOTA

The following applies to franchisees and franchisees subject to North Dakota statutes and regulations. Item numbers correspond to those in the main body:

Item 17 The following statements are added to Item 17:

Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of North Dakota.

Any general release the franchisee is required to assent to is not intended to nor shall it act as a release, estoppel or waiver of any liability Franchisor may have incurred under the North Dakota Franchise Investment Law.

Covenants not to compete upon termination or expiration of franchise agreements are generally not enforceable in the State of North Dakota, except in certain instances as provided by law.

The Franchise Agreement includes a waiver of exemplary and punitive damages. That requirement will not apply to North Dakota franchisees and is deemed deleted in each place it appears in the Disclosure Document and Franchise Agreement.

The Franchise Agreement stipulates that the franchisee shall pay all costs and expenses incurred by Franchisor in enforcing the agreement. For North Dakota franchisees, the prevailing party is entitled to recover all costs and expenses, including attorney's fees.

The Franchise Agreement requires the franchisee to consent to a waiver of trial by jury. This provision shall not in any way abrogate or reduce any rights of the franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.

ADDENDUM TO KITCHEN  
SOLVERS® DISCLOSURE  
DOCUMENT FOR THE  
STATE OF SOUTH DAKOTA

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 37-5B-53 applies, the terms of this Addendum apply.

ADDENDUM TO KITCHEN SOLVERS®  
DISCLOSURE DOCUMENT FOR THE  
STATE OF VIRGINIA

The following applies to franchisees and franchisees subject to Virginia statutes and regulations. Item numbers correspond to those in the main body:

**Item 17, Additional Disclosure.** In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Franchisor for use in the Commonwealth of Virginia shall be amended as follows:

“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. 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.”



ADDENDUM TO KITCHEN SOLVERS®  
DISCLOSURE DOCUMENT FOR THE  
STATE OF WISCONSIN

The following information applies to franchisees and franchisees subject to the Wisconsin Fair Dealership Law. Item numbers correspond to those in the main body:

Item 17.

For all franchisees residing in the State of Wisconsin, we will provide you at least 90 days' prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to cure any claimed deficiency. If this deficiency is cured within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will have 10 days to cure the deficiency.

For Wisconsin franchisees, Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of the Franchise Agreement or a related contract which is inconsistent with the Law.

ADDENDUM TO KITCHEN SOLVERS®  
FRANCHISE AGREEMENT FOR THE  
STATE OF CALIFORNIA

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Franchise Agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement requires application of the laws of Wisconsin. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Wisconsin. Prospective franchisees are encouraged to consult with 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 contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

The franchise agreement and area development agreement both contain provisions shortening the statute of limitations to bring claims and requiring you to waive your right to punitive or exemplary damages against the franchisor, limiting your recovery to actual damages for any claims related to your franchise. Under California Corporations Code section 31512, these provisions are not enforceable in California for any claims you may have under the California Franchise Investment Law.

The Franchisor will not require you to execute the Franchise Acknowledgement/Compliance Certification that is attached to the Franchise Agreement. If you do execute the Franchisee Acknowledgement/Compliance Questionnaire, we will disregard it and not rely on it.

Section 16(I) of the Franchise Agreement requires the franchisee to consent to a waiver of exemplary and punitive damages. This Section is hereby amended with the following language:

Provisions requiring the franchisee to consent to a waiver of exemplary and punitive damages are in violation of California Corporations Code section 31521.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the California Corporations Code section 31201 and 31521.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in California for claims arising under the California Corporations Code section 31201 and 31521.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. The following provision in Section 16.B of the Franchise Agreement is hereby deleted: “You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.”

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

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

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ADDENDUM TO KITCHEN SOLVERS®  
AREA DEVELOPMENT AGREEMENT FOR THE  
STATE OF CALIFORNIA

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Area Development Agreement, to the extent that the Area Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

The Area Development Agreement requires developer to execute a general release of claims upon renewal or transfer of the Area Development Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Area Development Agreement requires application of the laws of Wisconsin. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Area Development Agreement is inconsistent with the law, the law will control.

The Area Development Agreement requires binding arbitration. The arbitration will occur in Wisconsin. Prospective franchisees are encouraged to consult with 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 Area Development Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

3. Sections 9.17.1 and 19.7.3 of the Area Development Agreement are hereby deleted.

4. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Area Development Agreement. In the event of any conflict between this Addendum and the Area Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ADDENDUM TO KITCHEN SOLVERS®  
FRANCHISE AGREEMENT FOR THE  
STATE OF ILLINOIS

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. The following provision in Section 16.B of the Franchise Agreement is hereby deleted: “You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.”

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

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 and 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ADDENDUM TO KITCHEN SOLVERS®  
AREA DEVELOPMENT AGREEMENT FOR THE  
STATE OF ILLINOIS

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Area Development Agreement, to the extent that the Area Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Area Development Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that 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.

Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

3. Sections 9.17.1 and 19.7.3 of the Area Development Agreement are hereby deleted.

4. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Area Development Agreement. In the event of any conflict between this Addendum and the Area Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_



ADDENDUM TO KITCHEN SOLVERS®  
FRANCHISE AGREEMENT FOR THE  
STATE OF MARYLAND

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. The following provision in Section 16.B of the Franchise Agreement is hereby deleted: “You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.”

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

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 and 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

ADDENDUM TO KITCHEN SOLVERS®  
AREA DEVELOPMENT AGREEMENT FOR THE  
STATE OF MARYLAND

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14-201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Area Development Agreement, to the extent that the Area Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Area Development Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Nothing in the Area Development Agreement operates to reduce the 3-year statute of limitations afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of the provisions for termination upon bankruptcy of the franchisee.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

3. Sections 9.17.1 and 19.7.3 of the Area Development Agreement are hereby deleted.

4. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Area Development Agreement. In the event of any conflict between this Addendum and the Area Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

ADDENDUM TO KITCHEN SOLVERS®  
FRANCHISE AGREEMENT FOR THE  
STATE OF MINNESOTA

This Addendum pertains to franchises sold in the State of Minnesota and is for the purpose of complying with Minnesota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended as follows:

1. We will undertake the defense of any claim of infringement by third parties involving the KITCHEN SOLVERS mark, and you will cooperate with the defense in any reasonable manner prescribed by us with any direct cost of such cooperation to be borne by us.
2. Minnesota law provides franchisees with certain termination and nonrenewal rights. As of the date of this Franchise Agreement, Minn. Stat. Sec. 80C.14, Subd. 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 for nonrenewal of the franchise agreement.
3. Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or Franchise 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. Therefore, the fourth and fifth sentences of Subparagraph 16.I are hereby deleted in their entirety.
4. Subparagraph 16.K is hereby deleted in its entirety.
5. The second sentence of Subparagraph 13.B of the Agreement is deleted in its entirety and will have no further force and effect and the following is substituted in lieu thereof:

Therefore, it is mutually agreed that in the event of a breach or threatened breach of any of the terms of this Agreement the other party will forthwith be entitled to seek an injunction restraining such breach and/or to a decree of specific performance, without showing or proving any actual damage, together with recovery of reasonable attorneys' fees and other costs incurred in obtaining said equitable relief, until such time as a final and binding determination is made by the arbitrators.

6. No Section providing for a general release as a condition of renewal or transfer will act as a release or waiver of any liability incurred under the Minnesota Franchise Act; provided that this part shall not ban the voluntary settlement of disputes.
7. Franchisor shall be entitled to the entry of temporary and permanent injunctions and orders of specific performance enforcing the provisions of this Agreement relating to: (1) Franchisee's use of the Trademarks; (2) the construction and equipping of the Franchised Business; (3) the obligations of Franchisee upon termination or expiration of this Agreement; (4) a Transfer of this Agreement, any ownership interest therein or in the lease for the Franchised Business; and (5) as necessary to prohibit any act or omission by Franchisee or its employees that would constitute a violation of any applicable law, ordinance, or regulation, or which is dishonest or misleading to Franchisor and/or Franchisor's other licensees.

8. The following provision in Section 16.B of the Franchise Agreement is hereby deleted: “You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.”.

9. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

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 in connection with the franchise.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**ADDENDUM TO KITCHEN SOLVERS®  
FRANCHISE AGREEMENT FOR THE  
STATE OF NEW YORK**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. The following provision in Section 16.B of the Franchise Agreement is hereby deleted: “You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.”

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

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 and 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.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

**ADDENDUM TO KITCHEN SOLVERS®  
AREA DEVELOPMENT AGREEMENT FOR THE  
STATE OF NEW YORK**

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Area Development Agreement, to the extent that the Area Development Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Any provision in the Area Development Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.

Any provision in the Area Development Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.

The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Area Development Agreement.

3. Sections 9.17.1 and 19.7.3 of the Area Development Agreement are hereby deleted.

4. Except as expressly modified by this Addendum, the Area Development Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Area Development Agreement. In the event of any conflict between this Addendum and the Area Development Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ADDENDUM TO KITCHEN SOLVERS®  
FRANCHISE AGREEMENT FOR THE  
STATE OF NORTH DAKOTA

This Addendum pertains to franchises sold in the State of North Dakota and is for the purpose of complying with North Dakota statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. In any legal action or arbitration involving a franchise purchased in the state of North Dakota, the prevailing party is entitled to recover all costs and expenses, including attorneys' fees. This section shall not in any way abrogate or reduce any rights of the Franchisee as provided for in the North Dakota Franchise Investment Law, including the right to a trial by jury and the right to submit matters to the jurisdiction of the Courts of North Dakota.
2. Covenants not to compete such as those mentioned in Subparagraphs 12.B and 14.C.1(g) of the Franchise Agreement are generally considered unenforceable in the State of North Dakota.
3. Pursuant to the North Dakota Franchise Investment Law, any provision requiring franchisees to consent to the jurisdiction of courts outside of North Dakota or to consent to the application of laws of a state other than North Dakota is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of North Dakota.
4. Pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law, any provision in a franchise agreement requiring franchisee to consent to a limitation of claims within one year is void. Section 13.C of the Franchise Agreement is amended to provide that the statute of limitations under North Dakota law will apply.
5. Subparagraph 16.K is hereby deleted from the Franchise Agreement, as a waiver of all rights to a trial by jury is considered unenforceable in the State of North Dakota.
6. Subparagraph 16.L is hereby deleted from the Franchise Agreement, as a waiver of punitive damages is considered unenforceable in the State of North Dakota.
7. Pursuant to Section 51-19-09 of the North Dakota Franchise Investment Law, any release the franchisee is required to assent to shall not apply to any liability Franchisor may have under the North Dakota Franchise Investment Law.
8. The following provision in Section 16.B of the Franchise Agreement is hereby deleted: "You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law."
9. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the



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

10. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE  
AGREEMENT, ACKNOWLEDGMENT COMPLIANCE CERTIFICATION, AND RELATED  
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 franchise 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 franchise 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 franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

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 franchise 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 franchise agreement or elsewhere are void and unenforceable in Washington.

The franchisor use the services of the franchise brokers to assist it in selling franchises, A franchise broker represents the franchisor and it paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The following sentence in Section 5.A of the Franchise Agreement is hereby deleted:

We make no guarantees concerning the success of your Business located at any site consented to by us.

Exhibit G (Sample Release) of the Franchise Disclosure Document is hereby amended to state that the Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100.

The following provision in Section 16.B of the Franchise Agreement is hereby deleted: “You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.”

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

The undersigned does hereby acknowledge receipt of this addendum.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

WASHINGTON ADDENDUM TO THE AREA DEVELOPER AGREEMENT, ACKNOWLEDGMENT  
COMPLIANCE CERTIFICATION, AND RELATED 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 franchise 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 area development 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 area development agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Sections 9.17.1 and 19.7.3 of the Area Development Agreement are hereby deleted.

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 franchise 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 area development agreement or elsewhere are void and unenforceable in Washington.

The franchisor uses the services of the franchise brokers to assist it in selling franchises, A franchise broker represents the franchisor and it paid a fee for referring prospects to the franchisor and/or selling the franchise. Do not rely on the information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

The undersigned does hereby acknowledge receipt of this addendum.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

ADDENDUM TO KITCHEN SOLVERS®  
FRANCHISE AGREEMENT FOR THE  
STATE OF WISCONSIN

This Addendum pertains to franchisees in the State of Wisconsin and is for the purpose of complying with Wisconsin statutes and regulations. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, the Agreement is amended to include the following:

1. Notwithstanding anything which may be contained in the body of the Franchise Agreement to the contrary, Subparagraph 11.B of the Agreement pertaining to “Termination by Us” is extended as follows:

We will provide you at least 90 days’ prior written notice of termination, cancellation, or substantial change in competitive circumstances. The notice will state all the reasons for termination, cancellation, or substantial change in competitive circumstances and will provide that you have 60 days in which to rectify any claimed deficiency. If the deficiency is rectified within 60 days, the notice will be void. If the reason for termination, cancellation, or substantial change in competitive circumstances is nonpayment of sums due under the franchise, you will be entitled to written notice of such default, and will have not less than 10 days in which to remedy such default from the date of delivery or posting of such notice.

2. Ch. 135, Stats., the Wisconsin Fair Dealership Law, supersedes any provisions of this Agreement or a related document between you and us inconsistent with the Law.

3. Except as amended herein, the Franchise Agreement will be construed and enforced in accordance with its terms.

4. The following provision in Section 16.B of the Franchise Agreement is hereby deleted: “You acknowledge that you are entering into this Agreement as a result of your own independent investigation of the KITCHEN SOLVERS franchise program and not as a result of any representation about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that is contrary to the terms identified in this Agreement or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.”

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

*[Signatures on Following Page]*

Each of the undersigned hereby acknowledges having read and understood this Addendum and consents to be bound by all of its terms.

**YOU:**

**WE: KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

By: \_\_\_\_\_  
Its: \_\_\_\_\_

RIDER TO STATE ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT AND  
FRANCHISE AGREEMENT

**FOR THE FOLLOWING STATES ONLY: CALIFORNIA, HAWAII, ILLINOIS,  
INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA,  
RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, WASHINGTON, WISCONSIN  
(EACH A “REGULATED STATE” AND COLLECTIVELY, THE “REGULATED  
STATES”)**

This Rider to State Addendum to the Franchise Disclosure Document and Franchise Agreement (“Rider”) is entered into by and between (i) KS La Crosse Investments, LLC, a Wisconsin limited liability company with an address at 301 4th Street South, La Crosse, Wisconsin 54601 (“Franchisor”), and (ii) \_\_\_\_\_, a (individual/limited liability company/corporation) with an address at \_\_\_\_\_ (“Franchisee”).

- A. Concurrently with the execution of this Rider, Franchisor and Franchisee are entering into a franchise agreement (the “Franchise Agreement,”), pursuant to which Franchisee will acquire the right and undertake the obligation to own and operate a franchised business that may be located in, or subject to the regulations of, one of the Regulated States (the “Applicable Franchise Registration State”).
  
- B. Franchisor and Franchisee wish to amend the Franchise Agreement as provided in this Rider.

NOW, THEREFORE, for and in consideration of good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Franchise Agreement is hereby amended as follows:

1. NASAA SOP Acknowledgment. For prospective franchisees that reside in or are seeking to operate the Franchised Business in any Regulated State, the Franchise Agreement will be amended to include the following provision:

“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 and 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.”

2. Except as provided in this Rider, the Franchise Agreement remains in full force and effect in accordance with its terms. This Rider shall be effective only to the extent that the jurisdictional requirements of the franchise law of the Applicable Franchise Registration State are met independently without reference to this Rider.

Signed on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**FRANCHISOR**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**FRANCHISEE**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT H**  
**SAMPLE RELEASE**

**THIS IS A CURRENT FORM THAT IS SUBJECT TO CHANGE OVER TIME.**

For and in consideration of the Agreements and covenants described below, KS La Crosse Investments, LLC (“Kitchen Solvers”) and \_\_\_\_\_ (“Franchisee”) enter into this Release of Claims (“Agreement”).

**RECITALS**

- A. Franchisor and Franchisee entered into a KITCHEN SOLVERS Franchise Agreement dated \_\_\_\_\_, \_\_\_\_\_
- B. [NOTE: Describe the circumstances relating to the release.]
- C. Subject to and as addressed with greater specificity in the terms and conditions set forth below, Kitchen Solvers and Franchisee now desire to settle any and all disputes that may exist between them relating to the Franchise Agreement.

**AGREEMENTS**

1. Consideration. [NOTE: Describe the consideration paid.]
- 2-4. [NOTE: Detail other terms and conditions of the release.]
5. Release of Claims by Franchisee. In consideration of the other terms and conditions of this Agreement, the receipt and sufficiency of which is hereby acknowledged, Franchisee, for himself and for each of his heirs, executors, administrators, insurers, attorneys, agents, representatives, successors, and assigns, does hereby release and forever discharge Kitchen Solvers and each of its respective affiliated corporations, subsidiaries, divisions, insurers, indemnitors, attorneys, successors, and assigns, together with all of their past and present directors, officers, employees, attorneys, agents, assigns and representatives in their capacities as such, of and from any and all actions, suits, proceedings, claims (including, but not limited to, claims for attorney’s fees), complaints, charges, judgments, executions, whether liquidated or unliquidated, known or unknown, asserted or unasserted, absolute or contingent, accrued or not accrued, related to the Franchise Agreement.
6. Reservation of Claims Against Non-Settling Parties. Kitchen Solvers and Franchisee expressly reserve their right and claims against any non-settling persons, firms, corporations, or other entities for whatever portion or percentage their damages are found to be attributable to the wrongful conduct of said non-settling parties.
7. Entire Agreement. This Agreement constitutes the entire agreement between the parties relative to the subject matter contained herein, and all prior understandings, representations and

agreements made by and between the parties relative to the contents contained in this Agreement are merged into this Agreement.

8. Voluntary Nature of Agreement. The parties acknowledge and agree that they have entered into this Agreement voluntarily and without any coercion. The parties further represent that they have had the opportunity to consult with an attorney of their own choice, that they have read the terms of this Agreement, and that they fully understand and voluntarily accept the terms.

9. Governing Law and Jurisdiction. This Agreement will be construed and enforced in accordance with the law of the state of \_\_\_\_\_.

10. Attorneys' Fees. All rights and remedies under this Agreement shall be cumulative and none shall exclude any other right or remedy allowed by law. In the event of a breach of this Agreement that requires one of the parties to enforce the terms and conditions of this Agreement, the non-prevailing party shall pay the prevailing party's attorneys' fees and costs incurred by reason of the breach.

Dated: \_\_\_\_\_, 20\_\_\_\_

**KS LA CROSSE INVESTMENTS, LLC**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

Dated: \_\_\_\_\_, 20\_\_\_\_

**FRANCHISEE:**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**EXHIBIT I**

**STATE EFFECTIVE DATES AND RECEIPTS**

### **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:

<b>State</b>	<b>Effective Date</b>
California	Not Registered
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.

**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 we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law 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 A.

The name, principal business address and telephone number of each franchise seller offering the franchise is (check all that apply):

Name: Thomas Miskowski Name: \_\_\_\_\_  
Address: 301 4<sup>th</sup> Street South, La Crosse, WI 54601 Address: \_\_\_\_\_  
Telephone: 608-791-5512 Telephone: \_\_\_\_\_

Name: Emily Romero  
Address: 9820 Northcross Center Ct., Suite 200, Huntersville, NC 28071  
Telephone: 704-207-0643

Issuance Date: March 31, 2023 (See State Cover Page for registration state effective dates)

See Exhibit A for our registered agents authorized to receive service of process. I have received a Disclosure Document dated March 31, 2023, that included the following Exhibits:

- A. List of State Agencies and Agents for Service of Process
- B. Franchise Agreement with Appendices – A (Personal Guarantee), B (Data Sheet), C (Supplies Package), D (Assignment of Telephone Numbers) and E (Collateral Assignment of Lease)
- C. Area Development Agreement, and Franchisee Acknowledgement/Compliance Certification
- D. List of Current and Former Franchisees
- E. Financial Statements
- F. State Addenda
- G. Sample Release
- H. State Effective Dates and Receipts

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Date	Signature	Printed Name
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Date	Signature	Printed Name
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Prospective Franchisee's Copy

**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 we offer you a franchise, we must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale.

Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law 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 A.

The name, principal business address and telephone number of each franchise seller offering the franchise is (check all that apply):

Name: Thomas Miskowski  
Address: 301 4<sup>th</sup> Street South, La Crosse, WI 54601  
Telephone: 608-791-5512

Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
Telephone: \_\_\_\_\_

Name: Emily Romero  
Address: 9820 Northcross Center Ct., Suite 200, Huntersville, NC 28071  
Telephone: 704-207-0643

Issuance Date: March 31, 2023 (See State Cover Page for registration state effective dates)

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- F. State Addenda
- G. Sample Release
- H. State Effective Dates and Receipts

Date	Signature	Printed Name
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Date	Signature	Printed Name
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Franchisor’s Copy