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FRANCHISE DISCLOSURE DOCUMENT

CULVER FRANCHISING SYSTEM, LLC

a Wisconsin Limited Liability Company
1240 Water Street
Prairie du Sac, Wisconsin 53578
(608) 643-7980
www.culvers.com

If you sign a franchise agreement, you will operate a Culver's® Restaurant offering burgers, sandwiches, salads, dinners, frozen custard desserts, beverages and other menu items in a quick-service setting. Certain existing Culver's® franchisees meeting our criteria also may enter into a multiple unit development agreement with us to develop multiple Culver's® Restaurants.

The total investment necessary to begin operation of a Culver's® Restaurant is from $3,406,350 to $10,294,100. This includes a $45,000 to $65,000 initial franchise fee that must be paid to us. If you sign a multiple unit development agreement, you must pay us a development fee of $50,000 for each Restaurant you agree to develop under your Development Schedule.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no 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 Franchise Development Department at 1240 Water Street, Prairie du Sac, Wisconsin 53578, (608) 643-7980.

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

Buying a franchise is complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 30, 2026

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How to Use This Franchise Disclosure Document

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

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

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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 E.

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.

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Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in 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.

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.

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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.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

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

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(g) A provision, which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless 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 Michigan Department of Attorney General, Corporate Oversight Division, Franchise Section, 525 W. Ottawa Street, G. Mennen Williams Building, 5th Floor, Lansing, Michigan 48922, telephone (517) 335-7622.

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TABLE OF CONTENTS

Item **Page**

1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES 1
2. BUSINESS EXPERIENCE 2
3. LITIGATION 4
4. BANKRUPTCY 4
5. INITIAL FEES 4
6. OTHER FEES 6
7. ESTIMATED INITIAL INVESTMENT 8
8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES 11
9. FRANCHISE OWNER'S OBLIGATIONS 13
10. FINANCING 14
11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING 14
12. TERRITORY 21
13. TRADEMARKS 23
14. PATENTS AND COPYRIGHTS 24
15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS 24
16. RESTRICTIONS ON WHAT THE FRANCHISE MAY SELL 25
17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION 26
18. PUBLIC FIGURES 29
19. FINANCIAL PERFORMANCE REPRESENTATIONS 29
20. OUTLETS AND FRANCHISEE INFORMATION 42
21. FINANCIAL STATEMENTS 47
22. CONTRACTS 47
23. RECEIPTS 47

EXHIBITS

A. FINANCIAL STATEMENTS
B. CULVER'S® FRANCHISE AGREEMENT (AND EXHIBITS)
C. CULVER'S® MULTI-UNIT DEVELOPMENT AGREEMENT (AND EXHIBITS)
D. LISTS OF FRANCHISED AND FORMER FRANCHISED RESTAURANTS
E. LIST OF STATE AGENCIES; AGENTS FOR SERVICE OF PROCESS
F. PRELIMINARY AGREEMENT
G. TERRITORY RESERVATION AGREEMENT
H. ACKNOWLEDGEMENT OF FRANCHISEE
I. MENTORING PROGRAM ADDENDUM
J. CERTIFICATION OF BUSINESS ENTITY
K. STATE ADDENDA
L. GENERAL RELEASE FORM
M. STATE EFFECTIVE DATES & RECEIPTS

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

To simplify the language in this disclosure document, the words "we," "us," "our," or "CFS" refer to Culver Franchising System, LLC, the Franchisor. "You" means the person or legal entity (including its individual owners) that buys the franchise. To fully understand all your and our rights and obligations to each other, you must still carefully review the actual agreements that you will sign. These will control if there is any dispute between us.

Culver Franchising System, LLC

We were originally incorporated in the State of Wisconsin on July 24, 1987, under the name Culver Franchising System, Inc. In October 2017, we converted from a Wisconsin corporation to a Wisconsin limited liability company, and changed our name to Culver Franchising System, LLC. Our parent company is Culver Franchising System Deluxe, LLC, whose parent company is Culver Franchising System Holdco, LLC, whose parent company is Culver Franchising Holdings, LLC, whose parent company is Culver Holdings, Inc. Our principal place of business and our parent companies' principal places of business are 1240 Water Street, Prairie du Sac, Wisconsin 53578. The telephone number is (608) 643-7980 and our website is www.culvers.com. We do business under our corporate name and under the name "Culver's®."

Our Business Experience

The first Culver's® Restaurant opened on July 18, 1984, in Sauk City, Wisconsin. We have conducted a business of the type to be operated by you, directly or through our predecessor or affiliates, since 1984. As of December 31, 2025, our affiliates operate 7 Restaurants in Wisconsin and we will provide training to franchisees at these affiliate-owned Restaurants. These affiliates share our principal business address. We have offered franchises for businesses similar to the type offered in this disclosure document since 1990.

We have not offered franchises in any other line of business. Other than as described above, we have no affiliates, parents or predecessors required to be disclosed in this Item.

The Franchise

We grant you the right to operate a Culver's® restaurant (the "Restaurant") within a certain geographic area (the "Designated Territory"). Your Restaurant will offer burgers, sandwiches, salads, dinners, frozen custard desserts, beverages and other menu items for drive-thru, carryout and on-site consumption in a quick-service, casual dining setting. In addition, in certain limited instances and subject to certain restrictions, we may allow you to offer certain menu items at locations other than the Restaurant premises within your Designated Territory, or to participate in our third-party delivery program. You must prepare the menu items in accordance with our specified recipes and serve in accordance with our specified standards. Each Restaurant operates under the name Culver's® and other marks as we designate ("Marks"). You must operate your Restaurant under the Culver's® System (the "System"). The System is characterized by distinctive layout, service style, design, signs, decor, furnishings, recipes, procedures and techniques, all of which we may change.

We offer a "Mentoring Program," at our sole discretion, for existing franchisees to act as mentors who are in good standing, meet our criteria for expansion, and who wish to open an additional Culver's® Restaurant, buy an existing Culver's® Restaurant, or add a partner on an existing Culver's® Restaurant they own. The mentee must have been employed at the mentor's existing Restaurant as a General Manager or as an employee who is performing the duties of a General Manager for at least the previous 12 months. The program allows an existing franchisee, subject to certain requirements, to enter into an additional Franchise Agreement for a reduced fee, as further described in Item 5. An existing franchisee that is granted a franchise under the Mentoring Program must sign the Franchise Agreement attached to this disclosure document as Exhibit B, together with the Mentoring Program Addendum, attached to this disclosure document as Exhibit I.

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We also may offer you the opportunity to enter into a Franchise Agreement for an additional Restaurant and pay a reduced initial franchise fee, so long the previous franchise agreement provides for the opportunity and you meet certain criteria, as further explained in Item 5. We offer this opportunity to those franchisees that sign the Franchise Agreement attached as Exhibit B and pay the initial franchise fee as described in Item 5 of this disclosure document. Except for the initial franchise fee, which will be modified to reflect the amount detailed in Item 5, the additional franchise for existing Culver's® franchisees is the same as a Culver's® franchise operated by someone new to the System.

In addition, we may offer certain existing Culver's® franchisees that meet our criteria an opportunity to reserve a territory, as further described in Item 12 ("Territory Reservation Agreement") under which you can reserve the right for 24 months to develop a Culver's® Restaurant. We also offer multiple unit development agreements to existing Culver's® franchisees that meet our criteria, or under certain limited circumstances, to a new franchisee that meets our criteria, as further described in Item 5 ("Development Agreement"). If you sign a Development Agreement, you will receive the right to open a certain number of Restaurants over a defined period of time in a defined area, as we determine, on the basis of the market potential and the size of the designated area. The term of your Development Agreement generally will not be longer than 5 years.

The Market and Competition

Your Restaurant will compete with other similar quick-service, fast casual and casual dining restaurant chains, some of which are larger and have significantly greater financial resources than CFS and you. The market for your services will be the general public (all ages), unless your Restaurant is located at a Non-Traditional Location (defined in Item 12), in which case your market will be limited to people employed at or frequenting the facility where your Restaurant is located. Our Restaurants are located in both metropolitan and rural areas and are operated on a year round basis. Our peak months are generally April through August, however, this will vary by region.

Special Industry Regulation

Federal, state and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Restaurant, including those which (a) establish general standards, specifications and requirements for the construction, design and maintenance of the Restaurant premises; (b) regulate matters affecting the health, safety and welfare of your customers, such as general health and sanitation requirements for restaurants; menu-labeling requirements; employee practices concerning the storage, handling, cooking and preparation of food; restrictions on smoking; availability of and requirements for public accommodations, including restrooms; (c) set standards pertaining to employee ages, work hours, compensation, and health and safety; (d) set standards and requirements for fire safety and general emergency preparedness; (e) regulate the proper use, storage and disposal of waste, insecticides, and other hazardous materials. You should investigate whether there are regulations and requirements that may apply in the geographic area in which you are interested in locating your franchise and should consider both their effect and cost of compliance.

Agent for Service of Process

Our agents for service of process are disclosed in Exhibit E.

2. BUSINESS EXPERIENCES

Craig C. Culver – Chairman and Director

Mr. Culver has been Chairman of the Board of CFS since our inception in 1987. Mr. Culver was Chief Executive Officer from our inception in 1987 through June 2015, and Treasurer from our inception in 1987 through December 2016. He also served as President from our inception to August 2003.

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Leola R. Culver – Director
Ms. Culver has been a Director of CFS since our inception in 1987, and she held various other positions during that time. Ms. Culver was Secretary from January 1994 through December 2016. She also has been Vice President and a Director of CEI since 1984.

Julie P. Fussner – Chief Executive Officer
Ms. Fussner has been with CFS since February 2017, originally holding the position of Vice President of Marketing until being promoted to Chief Marketing Officer effective January 2023. Ms. Fussner was promoted to Chief Executive Officer effective April 2025.

Bradley O'Bryan – Chief Financial Officer and Treasurer
Mr. O'Bryan has been with CFS since March 2024, holding the position of Chief Financial Officer and Treasurer. Before that Mr. O'Bryan held the position of Chief Financial Officer from July 2021 through September 2023 at Great Wolf Resorts, in Chicago, Illinois, and Treasurer, Senior Vice President, Investor Relations and Corporate Finance from August 2017 through June 2021, Corporate Controller and Chief Accounting Officer from May 2011 through August 2017, and Vice President, SEC and Financial Reporting from December 2008 through May 2011 at Hyatt Hotels Corporation, in Chicago, Illinois.

Richard L. Modjeski – Chief Operating Officer
Mr. Modjeski has held several positions with CFS since December 2000, including that of Vice President of Franchise Services from January 2020 through April 2025, Director of Operations from March 2015 through December 2019, and Franchise Business Consultant from November 2002 through March 2015. Mr. Modjeski was promoted to Chief Operating Officer effective April 2025.

John M. Richardson – General Counsel and Secretary
Mr. Richardson has been with CFS since June 2025, holding the position of General Counsel and Secretary. Mr. Richardson previously held various positions with McDonald's Corporation in Chicago, Illinois, from June 2009 through June 2025, including Managing Counsel, U.S. Business Counsel and Franchising Team, from May 2017 through June 2025; Senior Counsel, U.S. Business Counsel and Franchising Team, from April 2015 through May 2017; Senior Counsel, U.S. Franchise Practice Group, from June 2011 through April 2015; and he also served as General Counsel for McDonald's Latin America Business Unit, from October 2016 through October 2018.

Christie Hughes – Senior Vice President of Design, Development and Construction
Ms. Hughes has been with CFS since February 2025, holding the position of Senior Vice President of Design, Development and Construction. Before that Ms. Hughes held positions of Senior Vice President, Development from October 2019 through February 2025 with KBP Foods in Leawood, Kansas.

Georgia C. Littlepage – Director
Ms. Littlepage has been a Director since January 1994.

Curt S. Culver – Director
Mr. Culver has been a Director since January 1994. He has been employed by Mortgage Guaranty Insurance Company (MGIC) since 1982 and served as the Chairman and CEO until March 1, 2015, when he retired. He continues to serve as the Chairman.

Thomas J. Zimbrick – Director
Mr. Zimbrick has been a Director since October 2010. He has been employed by Zimbrick, Inc. in Madison, Wisconsin since 1993 and currently serves as the Chief Executive Officer.

Lisa R. Bacus – Director
Ms. Bacus has been a Director since October 2010. She has been employed by CIGNA Corporation in Bloomfield, Connecticut since May 2013, serving as Executive Vice President and Global Chief Marketing Officer.

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David A. Wittwer – Director
Mr. Wittwer has been a Director since January 2020. He was the President and Chief Executive Officer of TDS Telecom in Madison, Wisconsin from 2007 to 2017.

3. LITIGATION

No litigation is required to be disclosed in this Item.

4. BANKRUPTCY

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

5. INITIAL FEES

Individual Franchise Agreement

If you are new to the System, you must pay an initial franchise fee of $65,000. You will first sign a "Preliminary Agreement" attached to this disclosure document as Exhibit F, and you must pay an "Application Fee" of $5,000 to defray some of the cost of initial evaluation, processing of the application and background investigation. If you are approved as a Culver's® franchisee, the Application Fee will be credited towards the initial franchise fee as described below. If you are not approved, this fee will be refunded. You must sign a separate Franchise Agreement for each Restaurant you open. You do not receive any right or interest to develop or operate additional Restaurants, except as described below.

If we approve you as a Culver's® franchisee, you must sign a Franchise Agreement within 24 months of the notice of operational approval and pay the balance of the initial franchise fee to us at that time. If you do not sign a Franchise Agreement within 24 months after we notify you in writing that you have received operational approval, we will refund your Application Fee and terminate the application process for a Culver's® franchise, or you may reapply to become a Culver's® franchise and your Application Fee becomes nonrefundable.

If your Franchise Agreement provides for this opportunity, we may offer you the opportunity to develop and operate an additional Culver's® franchise during the initial term of your first Culver's® Franchise Agreement for the fee of $55,000 provided the Operator (as defined in Item 15) for the additional Culver's® Restaurant is the same Operator as the first Culver's® Restaurant, you are in complete compliance with your Franchise Agreement, and meet our then-current qualifications (among other things, financial stability, operations ability and management skills). We reserve the right to determine whether you meet these and other qualifications. If we permit you to open an additional Restaurant, we will waive your obligation to sign the Preliminary Agreement and will waive the Application Fee. Otherwise, the process of selecting a site and entering into a franchise agreement is the same as that described above.

We also currently offer a "Mentoring Program," as described in Item 1, for certain individuals who have worked as a General Manager or who have performed the duties of a General Manager at a mentor's existing Culver's® Restaurant or a restaurant within the mentor's group's ownership structure for at least one year ("Key Manager"). In these instances we may grant existing franchisees, as mentors, an additional franchise for a reduced initial franchise fee provided that the existing franchisee and the Key Manager meet certain ownership requirements in the franchisee entity. In addition, the Key Manager must satisfy our then-current approval process for new franchisees and must successfully complete a leadership assessment, and any other training we may require. A Key Manager may only participate under the Mentoring Program once as a mentee candidate. We reserve the absolute right to determine whether anyone may participate as a mentor or a mentee in our Mentoring Program and may deny participation for any reason. Currently, if you qualify for the Mentoring Program, the initial franchise fee is $45,000.

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We also currently offer a "Veterans' Discount", whereby we will reduce the initial franchise fee by $10,000 for qualified franchisees. In order to qualify for the Veterans' Discount you must be an honorably discharged United States veteran with a form DD 214, you must be opening your first Restaurant, and you must be the present and engaged full-time on-site owner-operator and personally manage the Restaurant. We reserve the absolute right to determine whether you qualify to receive the Veterans' Discount and we may deny this discount or modify this discount at any time for any reason.

One of the distinguishing features of the Culver's® franchise is that you have the right to terminate the Franchise Agreement at any time before attending your fifth week of the Franchisee Development Program (described in Item 11), provided you comply with the post-term obligations and sign a release. Should you decide to terminate the franchise relationship with us before the start of your fifth week of the Franchisee Development Program, you must provide us with written notice, and we will refund 75% of your initial franchise fee. Except as described in this Paragraph and above, the initial franchise fee (including deposits) is not refundable.

Territory Reservation Agreement

As described in more detail in Item 12, we may offer certain existing Culver's® franchisees the opportunity to enter into a "Territory Reservation Agreement" with us in the form attached as Exhibit G to this disclosure document. If you sign a Territory Reservation Agreement, you can reserve the right for 24 months to develop a Culver's® Restaurant in a defined area. Under the Territory Reservation Agreement, you must pay us a non-refundable Reservation Fee of $40,000 when you sign the Territory Reservation Agreement. If you sign a Franchise Agreement for a Restaurant located in the reservation area within 12 months following the effective date of the Territory Reservation Agreement, then the full Reservation Fee will be applied toward your initial franchise fee for that Restaurant's Franchise Agreement (and if your initial franchise fee is less than $40,000, we will refund the difference within 60 days after signing the Franchise Agreement). If you sign a Franchise Agreement for a Restaurant located in the reservation area between 12 and 24 months following the effective date of the Territory Reservation Agreement, then $20,000 of that Reservation Fee will be applied toward your initial franchise fee for that Franchise Agreement. You may request in writing that we approve a 6-month extension of Territory Reservation Agreement term. If we grant you the 6- month extension, you must pay us a non-refundable extension fee of $10,000, and if you sign a Franchise Agreement during that 6-month extension, we will apply $25,000 of the amounts you paid us towards the initial franchise fee (the $10,000 extension fee and $15,000 of the Reservation Fee). You will not receive more than one extension.

Development Agreement

As described in more detail in Item 12, if you are an existing Culver's® franchisee, or under certain circumstances, a new franchisee, we may offer you the opportunity to enter into a "Development Agreement" with us in the form attached as Exhibit C to this disclosure document, to develop several Restaurants within the Designated Area (as defined in Item 12) if you are in compliance with your current Franchise Agreement (if applicable), and you meet our then-current qualifications (among other things, financial criteria, operations ability and management skills). If you sign a Development Agreement, the "Territory Fee" is $50,000 for each Restaurant you agree to establish under the "Development Schedule" described in the Development Agreement. The Territory Fee for each Restaurant is in addition to the initial franchise fee due under each Franchise Agreement, however, in the event you meet the scheduled dates in your Development Agreement for opening your restaurant, you will be refunded your entire Territory Fee for that Restaurant. Your Territory Fee is not refundable under any other circumstances. In addition, if you do not meet one or more of the scheduled dates in your Development Agreement for opening your restaurants, then we may terminate your Development Agreement without a refund of any fees paid.

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6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Service Fee	4% of Gross Sales (See Note 2)	Payable monthly on or before the 10th day of the next month via EFT.	
Advertising Fee	2.5% of Gross Sales	Payable monthly on or before the 10th day of the next month via EFT.	
Cooperative Advertising	Up to 4% of your Gross Sales, as approved by a majority vote of the members of the Co-op Advertising Region.	Established by Co-op	If we form a regional advertising co-op, you must contribute to the co-op. See Item 11.
Additional Training	$1,000 per person	2 weeks before beginning of additional training	Additional training necessary after the completion of the Franchisee Development Program for you or your management.
Additional Assistance	$500 per week	30 days after billing	This is for additional or special training or assistance you need or request. (See Item 11)
Custom Design Fee	Up to $5,000	Payable at time of the requested change	We will provide you with our standard prototypical building plans at no charge. In the event that you want to make changes to our standard prototypical building plans, and if we decide to consider those changes, we may charge you this custom design fee to compensate us for our time and expense.
Extraordinary Building Assistance Fee	Up to $50,000	At ground breaking	Our prototype plans are intended to convey our minimum standards to your licensed design professional. They are not intended to be bid documents or construction documents. This fee may be applied to compensate us for our time and expense if the project is bid and/or built without complete and proper building, HVAC, electrical, plumbing plans and food service plans prepared and sealed by a licensed design professional.
Building Conversion Fee	Up to $10,000	At time of final plan approval.	We will provide you with conceptual sketches for a conversion property. In the event that the project moves forward and your plans are approved, we may charge you this building conversion fee to compensate us for our time and expense. Sketches are intended to convey our minimum standards to your licensed design professional and are not intended to be bidding or construction documents.
Site Design Fee	$1,000 per site location after two site locations	Prior to site layout on the 3rd site location and each site location thereafter.	We will provide preliminary conceptual site designs for up to two site locations. We will also provide revisions as may be required by local ordinance or review or a revision required to arrive at the best solution. This fee may be charged if a design is requested for a third or subsequent site location.
Transfer Fee	$10,000 plus our attorneys' fees $5,000 plus our attorneys' fees if the buyer is an existing franchisee	Before completion of transfer	Payable when franchise agreement is transferred/assigned. In the past, under certain circumstances we have reduced or waived the transfer fees.

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Type of Fee	Amount	Due Date	Remarks
Renewal	$40,000	Upon signing successor franchise agreement	
Insurance	Will vary under certain circumstances	As incurred	Payable to us if you do not pay insurance and we pay it for you.
Audit	Cost of inspection or audit	30 days after billing	Payable if records indicate understatements in excess of 2%.
Interest	Lesser of 1.5% per month or highest contract rate of interest allowed by law	30 days after billing	Payable on all overdue amounts.
Management Fee	To be determined under circumstances	As agreed	Payable during period that our appointed manager manages the Restaurant upon your death or disability.
Gift Card Fees	Currently $.22 cents per redeemed transaction	Upon redemption of a Gift Card at your Restaurant	We reserve the right to increase the fee to $.35 cents per redeemed transaction.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon your failure to comply with the franchise agreement.
Indemnification	Will vary under circumstances	As incurred	You have to reimburse us if we are held liable for claims arising from your Restaurant's operations.
Supplier Payments	Will vary under circumstances	As incurred	If you fail to pay noncontested obligations and liabilities due to suppliers, lessors or creditors, we may, but are not required to, make any such payment on your behalf and you must immediately reimburse us.
Testing	Cost of testing	30 days after billing	This covers the costs of testing new products or new suppliers you propose.
Relocation Expenses	Costs of relocation	30 days after billing	This covers the cost we incur if you want to relocate the Restaurant.
Technology Fee	Estimated $600 - $1,000 per month	Payable monthly on or before the 10th day of the next month via EFT.	Although we do not charge a fee at this time, we reserve the right to charge you a monthly fee in connection with your use of our online support center and other systems. We estimate that this fee would be $600 to $1,000 per month. We may increase the fee in the future if our costs increase.
Development Agreement Schedule Extension Fee	$20,000 per Restaurant for an extension of up to 6 months for the dates to sign the Franchise Agreement and to open the Restaurant	Payable when you request an extension to the Development Schedule under the Development Agreement.	Limited to a single extension per Restaurant (if we allow extension).
Territory Agreement Reservation Extension Fee	$10,000 for an extension of up to 6 months for the date to sign the Franchise Agreement	Payable when you request an extension to the Territory Reservation Agreement	Limited to a single 6-month extension

Notes:

1. All fees are payable to CFS. All fees are non-refundable and, unless otherwise noted, are uniformly imposed.

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2. "Gross Sales" means the total amount of all revenues you receive from the sale of goods and services, whether by cash, check, credit card or any other form of payment, in connection with the Restaurant or Culver's® Marks, including proceeds from business interruption insurance policies, and the sale of any promotional or premium items. Gross Sales will not include: (i) sales tax collected from customers and paid to appropriate tax authorities; (ii) the amount of refunds or allowances given to customers in good faith by you; and (iii) any amounts from coupon or discount programs that we approve for which you are not reimbursed. Gross Sales do not include the sale of gift cards. The amounts on gift cards are recognized when the gift cards are redeemed.

7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (See Note 1)	Amount - Est. Low Range	Amount - Est. High Range	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (See Note 2)	$35,000	$65,000	Lump Sum	On signing franchise agreement	Us
Land (See Note 3)	$225,000	$2,400,000	Varies	Varies	Third party
Site Work (See Note 4)	$356,000	$2,193,000	Varies	Varies	General Contractor
Building (See Note 5)	$2,047,000	$4,391,000	Varies	Varies	General Contractor
Travel, Living and Expenses during Training (See Note 6)	$20,000	$80,000	As Incurred	During Training	Employees, third-party suppliers
Initial Inventory (See Note 7)	$50,000	$65,000	Lump Sum	Before opening	Approved third-party suppliers
Furniture, Fixtures Equipment and Supplies, (Excluding Sign Package and POS Cash Register System) (See Note 8)	$458,000	$584,000	Deposit upon signing agreement with supplier and lump sum payment on balance	Before opening	Approved third-party suppliers
Sign Package (See Note 9)	$88,000	$300,000	Deposit upon signing agreement with supplier and lump sum payment on balance	Before opening	Approved third-party suppliers
POS System (See Note 10)	$42,350	$56,100	Deposit upon signing agreement with supplier and lump sum payment on balance	Before opening	Approved third-party suppliers
Miscellaneous Expenses (See Note 11)	$20,000	$40,000	As incurred	Before opening	Various third-party suppliers
Additional Funds (working capital) - for 3 months (See Note 12)	$65,000	$120,000	As incurred and lump sum	First three months	Various third-party suppliers
Totals (See Note 13)	**$3,406,350**	**$10,294,100**			

Notes

(1) Except where otherwise noted, all fees that you pay to us are nonrefundable. Third party lessors, contractors and suppliers will decide if payments to them are refundable.

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(2) The initial franchise fee generally is $65,000. The initial franchise fee for certain existing franchisees who open an additional Restaurant is $55,000. The initial franchise fee under our Mentoring Program is $45,000. The initial franchise fee may be reduced by $10,000 if you qualify for our Veteran's Discount. See Item 5 for the conditions when the new or existing franchisee may qualify for these reduced amounts. In addition, see Item 5 for the conditions when the initial franchise fee is partially refundable.

(3) The minimum amount stated will be less if you lease the land upon which your Restaurant sits. The estimated low range for leasing land is $100,000 annually and the estimate high range for leasing is $500,000 annually. The cost of purchasing unimproved land or leasing land will vary significantly depending on location, availability of utilities and other factors. Depending on the market conditions and other factors in your geographic area, your land costs may vary from the estimates provided in this Item 7. We estimate that the size of your land will range from 45,000 to 70,000 square feet.

(4) We assume that you will acquire land for the Restaurant, and this estimate is for the cost of developing the site when constructing a new building. The minimum amount stated will be less if you lease the building for your Restaurant. The site costs for a building will vary significantly depending on many factors including the difficulty of site work, utilities, site grading, labor costs, local taxes and development fees and the availability of financing. You may also buy an existing building to convert into a Culver's® Restaurant at what could be a lower cost than new construction. As a result, you may experience site work costs that vary from the estimated amount provided in this Item 7.

(5) We assume that you will acquire land and build the building for the Restaurant, and this estimate is for the cost of constructing a new building. The minimum amount stated will be less if you lease the building for your Restaurant. The Restaurant premises are typically a free standing building. There is 1 building style that comes in 4 plan options: (1) the Metro M 2025 is 4,060 square feet; and (2) the Metro L 2025 is 4,310 square feet. Each of these plans may be mirrored. A mirrored plan will be 18 square feet larger than the base prototype plan from which it was developed. This estimate includes the expense of a new completely finished building, including carpentry, all interior finishes, mechanical, electrical, and plumbing. This estimate also includes fees for architectural and engineering services such as site planning, state approvals and other permits for building, heating and air conditioning, and plumbing, bid review, construction coordination, pay request review, and project closeout. The construction costs for a building will vary significantly depending on many factors including the size of the building, difficulty of site work, labor costs, local taxes and development fees and the availability of financing. You may also buy an existing building to convert into a Culver's® Restaurant at what could be a lower cost than new construction. As a result, you may experience construction costs that vary from the estimated amount provided in this Item 7. All franchisees are required to submit their construction costs and we use this information as the basis upon which to provide the cost estimates provided in this section.

(6) You are responsible for making arrangements and paying the expenses for any persons attending the training program and for on-site training at your Restaurant before opening, including transportation and lodging. The amount you spend will depend, in part, on the distance you must travel, the type of accommodation you choose and the number of employees trained. The low estimate reflects training cost for an existing franchisee who is purchasing his/her second Restaurant and includes the training of 3 managers for 7 weeks each, 3 key employees for 20 hours each, and 55 crew members for 12 hours each. The high estimate reflects training cost for a new franchisee who is purchasing his/her first Restaurant and includes the training of the franchisee for 16 weeks, 7 managers for 7 weeks each, 4 key employees for 40 hours each, and 75 crew members for 17 hours each.

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(7) Initial inventory consists of various food products, beverages, paper products, cleaning supplies, and other supplies utilized in operating the Restaurant, as well as other merchandise or products sold in the Restaurant. The initial inventory expenditure could vary due to factors such as anticipated sales volume, commodity costs, distribution fees and inflation.

(8) The estimate includes the cost to acquire all furniture, fixtures, equipment and supplies necessary to operate your Restaurant, excluding interior and exterior signs, and it includes Restaurant appliances (dishwasher, grill, fryers, freezer, walk-in cooler/freezer, ice machine and other similar foodservice equipment), small wares, office equipment (including computer hardware and software), custard machine(s), including the costs for installation, and uniforms, as well as freight charges, but it does not include sales tax. This estimate is based upon our Metro L prototype. Your investment in equipment and supplies necessary to operate the Restaurant is highly variable. Your exact investment depends on several factors, including the size and location of the proposed Restaurant, local labor costs, prices charged by suppliers, inflation, financing costs and similar factors beyond CFS's or your control. All furniture, fixtures, equipment, signs and supplies for your Restaurant must meet our standards and specifications and comply with any local government regulations. See Item 11 for further information regarding the computer hardware equipment and software necessary for your Restaurant.

(9) The estimate includes the cost to acquire and install all interior and exterior signs and digital menu boards for your Restaurant, but it does not include sales tax. Your investment in exterior signs necessary to operate the Restaurant is highly variable. Your exact investment depends on several factors, including the number and size of the proposed exterior signs, local labor costs, prices charged by suppliers, inflation, financing costs and similar factors beyond CFS's or your control. All exterior signs and supplies for your Restaurant must meet our standards and specifications, comply with any state or local government regulations, and must be manufactured by a supplier approved by us.

(10) The estimate includes the cost to acquire and install all point of sale hardware, but it does not include sales tax. All point of sale system for your Restaurant must meet our standards and specifications.

(11) This amount estimates attorneys' fees, accounting fees, business licenses, restaurant association and local chamber of commerce member fees, utility deposits, and costs associated with your Restaurant's "Open House."

(12) This amount of working capital is projected as sufficient to cover initial operating expenses for a period of 3 months, as further explained in this note. These figures are estimates, and we cannot guarantee you will not have additional expenses starting the business. Additional working capital may be required if sales are low or operating costs are high. Expenses not included are hourly labor and benefits costs, food and product costs and rent. Your costs will depend on factors such as: how closely you follow our recommended methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our product; the prevailing wage rate; competition; and the sales level reached during the initial period. You should not plan to draw income from Restaurant operations during the start-up and development stage of your business, the actual duration of which will vary materially from restaurant to restaurant and we cannot predict this period for your Restaurant.

(13) These are the totals of the lowest costs for each item and the highest cost for each item. No one project in 2025 had all of the lowest costs or all of the highest costs listed. Furthermore, this is the total estimate of your pre-opening initial investment and the expenses you will incur in the first 3 months of Restaurant operations. We require that you have 20% of your total projected initial investment in cash or liquid assets. We have used CFS's (including its predecessor and affiliates) more than 40 years of experience in the business to compile these estimates. You should review

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these figures 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 7 or estimates that we give during any phase of the development process.

You may lease the premises for your Restaurant and certain pieces of equipment. If you lease the premises for your Restaurant or equipment, your total initial investment may be lower.

We cannot estimate your initial investment under a Development Agreement, other than the Territory Fee, which is described in Item 5. The amount of this fee will depend on the number of Restaurants you agree to establish under the Development Schedule. We do not offer separate financing for multiple unit franchisees.

8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

In order to ensure a uniform image and uniform quality of products and services throughout the System, you must maintain and comply with our quality and brand standards. We specify certain fixtures, equipment, supplies, décor and other items that you must have before opening, and must maintain for as long as you own your franchise. You must obtain all fixtures, equipment, supplies, décor and other materials required to operate your Restaurant from us, or from suppliers that we designate or approve. In addition to meeting our supplier criteria, design standards and specifications, it is your responsibility to insure that your building plans comply with the Americans with Disabilities Act and all other federal, state and local laws and codes.

We will provide you with various bulletins, notices, memos, and order guides that will contain the specifications, standards and restrictions for your purchase of products and services. As we determine consumer preferences and trends in the marketplace, or develop new marketing techniques, technologies, products and services, we anticipate that we will formulate and modify our standards and specifications as we consider appropriate and useful, and notify you through articles, newsletters, or other bulletins (Franchise Agreement – Section 9(B) and 10(F)). Periodically, an affiliate or a third-party supplier may be the approved supplier for certain products. For example, at the time of this disclosure document, there is only one approved supplier for the gift cards and you must sign a participation agreement. A copy of the participation agreement is attached to the Franchise Agreement as Exhibit E.

If you wish to obtain any items from suppliers other than us or a supplier we designate, you must notify us in writing before any conversations occur between you and the supplier, in order to insure the product or service meets our specifications and brand standards. You must identify the proposed supplier, its name and address, and the items you desire to purchase from that supplier. You must obtain our approval before using or obtaining any alternative suppliers. Except for our proprietary items, we will furnish product specifications to you at your request. To obtain our approval, the supplier must agree in writing to: (i) not disclose any confidential information regarding us or our operations, to comply faithfully with our specifications for the items it sells, (ii) sell any materials bearing our Marks only to our franchisees, (iii) demonstrate to our reasonable satisfaction that the supplier is financially viable, including providing us audited financials from the prior year, and that it can supply products meeting our specifications on a continuing basis, (iv) produce the service or product for our approval, (v) remain in good standing in the business community respecting its financial soundness and the reliability of its product and service, and (vi) any other reasonable requirements we may impose. Unless we otherwise notify you in writing within 90 days after we receive written notification and all other information which we request to evaluate a proposed supplier, a supplier is deemed approved by us until we may later withdraw approval. We will

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disapprove or withdraw our approval of any supplier by written notice to you. You will reimburse us for all product-testing costs we pay to third parties in determining whether to approve a supplier that you select.

Currently, Gordon Food Service, Inc. ("GFS"), Shamrock Foods Company ("Shamrock"), Cash-Wa Distributing Co. of Kearney, Inc. ("Cash-Wa") and The Boelter Companies, Inc. are our approved distributors for various products from many suppliers. These approved distributors are subject to change. The products provided by those distributors currently include dairy, produce, frozen, refrigerated and dry food, paper products, chemical and cleaning/janitorial supplies and small wares. You will work directly with GFS, Shamrock and Cash-Wa customer service representatives to order products through the approved order guide or electronically. Items not listed in the approved order guide cannot be purchased without approval from us.

We currently participate in nationwide marketing programs sponsored by The Coca-Cola Company ("Coke") and by Dr Pepper/Seven Up, Inc. ("Dr Pepper"). You must participate in the programs and purchase only Coke® and Dr Pepper® soft drink syrup products for use at your Restaurant, unless we otherwise direct regarding a particular beverage. For instance, we require that you serve Culver's Root Beer and Culver's Diet Root Beer in your Restaurant. You may purchase Coke® and Dr Pepper® products from any Coke and Dr Pepper distributor, respectively, authorized by us. Coke and Dr Pepper currently pay us amounts based upon purchases by each franchisee, which we apply toward the benefit and initiatives of the Restaurants, and Coke and Dr Pepper also contribute to our Advertising Fund to develop and implement marketing and promotional activities designed to benefit the entire System, and to increase the sale of Coke® and Dr Pepper® products at all Restaurants. Coke and Dr Pepper also provide volume rebates to franchisees, and where permitted by law at no cost Coke provides franchisees with Restaurant equipment needed to commence operations. Coke and Dr Pepper provide volume rebates to franchisees to assist them in service and equipment costs related to beverage equipment.

Other items that you must purchase from our approved suppliers include furniture, fixtures and equipment, uniforms, signage, digital menu boards, gift cards, custard machines, point of sale and backoffice systems (the "POS System"), managed security service provider ("MSSP"), Speed of Service AI Cameras, and advertising point-of-purchase ("POP") kits.

We have established, and you must participate in, a centralized billing system for certain suppliers who have requested centralized billing and payment. In our centralized billing system, we pay certain supplier invoices on franchisees' behalf and then invoice our franchisees for reimbursement. The amounts that we collect from franchisees to pay vendors on franchisees' behalf are not recognized as our revenue. Currently, we collect amounts owed for vendor reimbursements on the 20th of each month.

We periodically negotiate programs with certain vendors so that our franchisees may receive preferred pricing, warranties, delivery, credit or other terms. To participate in these programs, we or our preferred vendors may require that you sign a preferred vendor agreement. You are not required to purchase goods or services from preferred vendors.

We estimate that approximately 90% to 95% of your expenditures for leases and purchases in establishing your Restaurant will be for goods and services which are subject to sourcing restrictions (that is, for which suppliers must be approved by us, or which must meet our specifications). We estimate that approximately 90% to 95% of your expenses for leases and purchases in operating your Restaurant will be for goods and services that are subject to sourcing restrictions.

We negotiate pricing with suppliers to give franchisees more competitive prices. We currently are not aware of any purchasing or distribution cooperatives in the System that offer products used in your Restaurant.

None of our officers own a material interest in any of our suppliers.

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Advertising

You can use only advertising material for local advertising that we have approved. See Item 11.

Point of Sale Equipment & Network Communications

You must purchase and maintain the POS System to record gross sales and transaction data (such as item ordered, price, and date of sale). See Item 11.

You must install and maintain voice communications and telephone in conformance with local ordinances, and you must install and maintain internet connectivity with adequate throughput in conjunction with one of our approved managed security service providers.

Insurance

You must purchase and maintain, at your expense, insurance in the type and amount we periodically require as communicated to you in writing. At this time, we require business liability insurance, including products and completed operations, with limits of at least $1,000,000 per occurrence and $2,000,000 annual aggregate. This insurance must list us and any other entity or person we designate as additional insureds. You must purchase certain types and limits of other insurance, including but not limited to: business interruption (which we suggest address adequate foodborne illness coverage), building property coverage, business personal property, workers' compensation, non-owned and hired auto, employment practices liability, signs, crime, employee benefits liability, and an umbrella insurance policy, with a required minimum limit of $1,000,000 and a suggested minimum of $5,000,000. We also suggest that you review your needs for other coverage such as commercial owned auto, tenant's liability and other types of insurance as noted in the Operations Manual. In addition, you must obtain any other insurance as may be required under law.

Payments from Franchisees' Purchase of Goods and Services

We reserve the right to receive rebates or other payments and consideration from suppliers, based (directly or indirectly) on sales to franchisees and company-owned Restaurants, and from other service providers. These payments have ranged or may range from less than 1% up to 20% or more of the amount of those purchases by franchisees. We do not provide material benefits to franchisees based on their purchase of particular products or services, or use of approved suppliers.

During our fiscal year ending December 31, 2025, we recognized rebate revenues of $35,558,759 from the sale of products and other items subject to our standards and specifications, or 10.5% of our total revenues ($337,705,581), as stated in our Consolidated Statements of Income and Member's Equity for the year ended December 31, 2025.

9. FRANCHISE OWNER'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.

Obligation		Section in Agreement	Disclosure Document Item
a.	Site selection and acquisition/lease	Sections 2(A) and 5 of Franchise Agreement; Section 6 of Development Agreement; Territory Reservation Agreement	Item 11
b.	Pre-opening purchases/lease	Sections 2(A) and 10(F), (Q) and (R) of Franchise Agreement	Items 5, 7, and 8
c.	Site development and other pre-opening requirements	Sections 2(A), 5 and 10(B) of Franchise Agreement; Section 6 of Development Agreement; and Section 4 of Site Selection Agreement	Items 5, 7, and 11
d.	Initial and ongoing training	Sections 9 (C), (D) and (F) and 10(M) of Franchise Agreement	Items 7 and 11
e.	Opening	Sections 10(C) and 17(A)(1) of Franchise Agreement	Item 11
f.	Fees	Sections 2(A), 3(B)(4), 6, 7, 8, 9(F), 10(C) and 16(D) of Franchise Agreement; and Sections 4, 7 and 17 of Development Agreement; Territory Reservation Agreement	Items 5, 6, 7 and 11

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