

FRANCHISE DISCLOSURE DOCUMENT
RECEIVED

Café and Bakery Group, LLC
 A Utah Limited Liability Company
 2235 South 1300 West
 Salt Lake City, Utah 84119
 (801) 433-3030
 www.applespice.com
franchising@applespice.com

2016 JUN 10 AM 10:48
 DEPARTMENT OF
 BUSINESS OVERSIGHT
 SAN FRANCISCO



As a franchisee, you will generally operate multiple franchise units within a territory that includes a centralized commissary/bakery unit (known as “Apple Spice Box Lunch Delivery & Catering Co TM”) and satellite retail units (known as “Apple Spice Cafe TM” or “Apple Spice Fresh TM”) The Apple Spice Box Lunch Delivery & Catering Co TM unit supplies retail units with baked goods and other products and also provides catering and box lunches to businesses within the territory The retail Apple Spice Cafe TM units provide a more traditional fast casual restaurant concept serving café items to the public The retail Apple Spice Fresh TM units are a kiosk concept for non-traditional locations In smaller markets, we may allow you to operate a single unit that includes both the retail café and the commissary/bakery (known as “Apple Spice Café and Bakery®”) All of these units operate under the common name of “Apple Spice TM”

The total investment necessary to begin operation of an Apple Spice Cafe TM franchise unit is between \$264,600 - \$663,600 per unit This includes the \$92,050 to \$102,050 that must be paid to the franchisor or affiliate

The total investment necessary to begin operation of an Apple Spice Box Lunch Delivery & Catering Co TM franchise unit is between \$222,000 - \$413,000 This includes the \$82,050 to \$87,050 that must be paid to the franchisor or affiliate

The total investment necessary to begin operation of an Apple Spice Café and Bakery® franchise unit is between \$310,600 - \$782,000 This includes the \$92,050 to \$102,050 that must be paid to the franchisor or affiliate

The number of units and types of units to be developed by you will vary depending on the size of your development territory and will be set forth on the area development agreement’s 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

regarding the proposed franchise sale **Note, however, that no governmental 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 Jacque Beames at 2235 South 1300 West, Salt Lake City, Utah 84119 and 801-433-3030

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

Buying a franchise is a complex investment The information in this disclosure document can help you make up your mind More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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 February 29, 2016

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state **REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT**

Call the state franchise administrator listed in Exhibit "E" for information about the franchisor, or about franchising in your state

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW

Please consider the following **RISK FACTORS** before you buy this franchise

- 1 **THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN UTAH OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN UTAH THAN IN YOUR OWN STATE**
- 2 **THE FRANCHISE AGREEMENT STATES THAT UTAH LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS**
- 3 **THE TERRITORY IS NOT EXCLUSIVE YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS WE CONTROL**
- 4 **YOUR SPOUSE MUST ALSO SIGN A PERSONAL GUARANTEE MAKING YOUR SPOUSE INDIVIDUALLY LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE AGREEMENT THE GUARANTEE WILL PLACE YOUR SPOUSE'S MARTIAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS**
- 5 **FAILURE TO PROVIDE FRANCHISOR 30 DAY WRITTEN NOTICE BEFORE OPENING THE FRANCHISE BUSINESS OR FAILURE TO OPEN THE FRANCHISE BUSINESS WITHIN THE DEADLINE MAY RESULT IN TERMINATION OF THE FRANCHISE AGREEMENT**
- 6 **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE**

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/apple-spice>