

FRANCHISE DISCLOSURE DOCUMENT

DST Franchising, LLC

A Washington Limited Liability Company

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Bellevue, WA 98005

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The franchise is for the development and operation of retail salons which offer tanning-related products, services and accessories (“Desert Sun Tanning Salons” or “Salons”).

The total investment necessary to begin operation of a Desert Sun Tanning Salon ranges from \$404,500 to \$640,500. This total includes approximately \$56,000 to \$326,000 that must be paid to us for a newly constructed Salon.

If you are converting an existing tanning salon to a Desert Sun Tanning Salon the total investment and amounts paid to us is determined on an individual bases and varies based on the physical condition of the property, fixtures, equipment, furnishings, furniture, signage, and other similar items on the property. The total investment amount will be agreed upon before the Franchise Agreement (the “Franchise Agreement”) is signed.

If you sign a Development Agreement (the “Development Agreement”), you will also pay a development fee equal to 100% of the initial franchise fee for the first Desert Sun Tanning Salon and \$5,000 for each additional Desert Sun Tanning Salon to be developed under a development agreement. The portion of the development fee allocable to each Salon (the development fee credit) will be credited against the initial franchise fee due for that Salon.

This disclosure document summarizes certain provisions of your Franchise Agreement and Development 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 governmental agency has verified the information contained in this document.**

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read all of your contracts 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 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.

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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 F 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 AND DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND LITIGATION ONLY IN WASHINGTON. OUT-OF-STATE MEDIATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND LITIGATE WITH US IN WASHINGTON THAN IN YOUR OWN STATE.**
2. **THE FRANCHISE AND DEVELOPMENT AGREEMENTS STATE THAT WASHINGTON LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
3. **WE HAVE A LIMITED FRANCHISE OPERATING HISTORY.**
4. **SINGLE-OUTLET FRANCHISEES WILL NOT RECEIVE AN EXCLUSIVE TERRITORY, AND THESE FRANCHISEES MAY FACE COMPETITION FROM OTHER DESERT SUN TANNING SALONS OUTLETS, AS WELL AS OUTLETS AFFILIATED WITH DESERT SUN TANNING SALONS, SUCH AS THOSE OPERATED BY SEATTLE SUN TAN.**
5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Certain state laws may supersede these provisions. See State Addenda in Exhibit G for a summary of some of these laws.

We may use the services of one or more **FRANCHISE BROKERS** or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

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