



Always Fast, Always Fresh, Always Friendly

**AREA DEVELOPER DISCLOSURE DOCUMENT
FARM STORES FRANCHISING, LLC**

18001 Old Cutler Road, Suite 370
Palmetto Bay, Florida 33157
(800) 726-3276

We offer franchises to “Area Developers” of Farm Stores® retail stores utilizing the FARM STORES systems, which offer grocery products, coffee, compatible bakery products, sandwiches, and related food and beverage items and other services we approve, using our procedures and format. The estimated initial investment required for an Area Developer franchise ranges from \$160,500 to \$217,000. This includes the Area Developer Fee of \$125,000, as well as the Initial Unit Franchise Fee, for your store which are paid to us.

The estimated initial investment for each Farm Stores® retail store under a Unit Franchise Agreement ranges from \$245,800 to \$540,000. This includes the \$25,000 initial Franchise Fee which must be paid to us.

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 or grant. **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 Lisa Holland at the address and phone number listed above.

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 for additional information on franchising.

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

Issuance Date: January 14, 2015

Farm Stores 2015 Area FDD

STATE COVER PAGE

Your state may have a franchise law that requires a franchise 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 D for information about the franchisor, about other franchisors, 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:

THE UNIT FRANCHISE AGREEMENT, RIGHT OF FIRST REFUSAL AGREEMENT AND AREA DEVELOPER AGREEMENT REQUIRE THAT ALL DISPUTES BE SUBMITTED TO ARBITRATION OR LITIGATION IN FLORIDA. IT MAY COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN FLORIDA THAN IN YOUR HOME STATE.

THE UNIT FRANCHISE AGREEMENT, RIGHT OF FIRST REFUSAL AGREEMENT AND AREA DEVELOPER AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS OF LOCAL LAW. EVEN THOUGH THE AGREEMENTS PROVIDE THAT FLORIDA LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO EXHIBIT K TO THE DISCLOSURE DOCUMENT FOR DETAILS.

THE UNIT FRANCHISE AGREEMENT AND AREA DEVELOPER AGREEMENT REQUIRE A SUBSTANTIAL INVESTMENT AND A COMMITMENT OF TIME. ALL INVESTMENTS INVOLVE A DEGREE OF RISK.

AS NOTED IN ITEM 12, UNDER THE UNIT FRANCHISE AGREEMENT WE DO NOT GRANT YOU ANY PROTECTED TERRITORY AND WE AND OTHERS MAY OPERATE COMPETITIVE BUSINESSES NEAR YOUR LOCATION.

EACH FRANCHISEE MUST PAY US MINIMUM WEEKLY ROYALTY AND ADVERTISING FEES OF \$240 AND \$120, RESPECTIVELY, EVEN IF THE FRANCHISE BUSINESS HAS NO REVENUE.

WE REQUIRE YOU TO SIGN A SECURITY AGREEMENT, TO GUARANTEE THE CONTINUED PAYMENT OF ALL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, GIVING US A PRIORITY INTEREST IN ALL PRESENT AND FUTURE ACCOUNTS, INVENTORY, EQUIPMENT, INTANGIBLES, PROCEEDS AND INTEREST IN YOUR FRANCHISE. THIS SECURITY INTEREST MAY IMPAIR YOUR ABILITY TO OBTAIN FINANCING OF FRANCHISE OPERATIONS.

THERE MAY BE OTHER RISKS ASSOCIATED WITH THIS FRANCHISE.

We 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 a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of this franchise.

Effective Date: December 3, 2014

Non-Registration States: Registration States:

California: Illinois: Wisconsin:

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.**

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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:

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

(b) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor. The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(c) 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.

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