
FRANCHISE DISCLOSURE DOCUMENT

(Single-Unit Franchise and Area Development Rights)



Always Fast, Always Fresh, Always Friendly

Farm Stores Franchising, LLC
2937 S.W. 27th Avenue, Suite 107
Coconut Grove, Florida 33133
(800) 726-3276

victor.a@farmstores.com www.farmstores.com

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a Delaware limited liability company
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The Franchise Business you will own and operate is a “double drive-thru” retail store utilizing the Farm Stores business systems, which offers grocery products, coffee, compatible bakery products, sandwiches, and related food and beverage items and other services we approve.

The total investment necessary to begin operation of a new Farm Stores Franchise ranges \$233,401 to \$547,300. This includes \$16,401 to \$26,500 that must be paid to us or an affiliate.

We also offer to certain qualified persons rights of first refusal to develop 3 Farm Stores Franchises (the “Franchise Businesses”) within a Development Area under a Farm Stores Area Development Agreement. You must pay us a Development Fee equal to \$10,000 (other than for the first Franchise Business that you must purchase at the same time you purchase Area Development Rights). We will credit \$5,000 of the Development Fee against the Initial Franchise Fee for each additional Franchise Business you develop.

This Franchise Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to us in connection with the proposed franchise sale or grant. **Note, however, that no governmental agency has verified the information contained in this Franchise Disclosure Document.** You may wish to receive this Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of this Franchise Disclosure Document in different formats, contact Victor Arechavaleta at 2937 S.W. 27th Avenue, Suite 107, Coconut Grove, Florida 33133 and (800) 726- 3276.

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

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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, N.W., 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. The date of issuance of this Franchise Disclosure Document is June 8, 2018.

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 FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit B 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 AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN WHERE WE HAVE OUR HEADQUARTERS AT THE TIME THE ACTION IS COMMENCED. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT FLORIDA 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. YOU MUST MAINTAIN MINIMUM PERFORMANCE LEVELS. IF YOU FAIL TO DO SO, YOU COULD LOSE YOUR EXCLUSIVE TERRITORY OR WE COULD TERMINATE YOUR AGREEMENT AND YOU COULD LOSE YOUR INVESTMENT.

4. YOU MUST MAKE MINIMUM ROYALTY AND ADVERTISING PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

5. THE FRANCHISOR'S FINANCIAL CONDITION, AS REFLECTED IN ITS FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION THE FRANCHISOR'S FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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