

FRANCHISE DISCLOSURE DOCUMENT

Grabbagreen Franchising, LLC an Arizona limited liability company 10789 North 90th Street, Suite 202 Scottsdale, Arizona 85260 (480) 747-0597 franchise@grabbagreen.com www.grabbagreen.com

We offer a franchise to own and operate quick service restaurants offering healthy food, juice, smoothies and related products under the "grabbagreen" name and marks. The total investment necessary to begin operation of a new grabbagreen franchise ranges from \$282,688 to \$412,518. This includes \$30,000 that must be paid to the franchisor or its affiliates.

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 payments 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 Grabbagreen Franchising, LLC, 10789 North 90th Street, Suite 202, Scottsdale, AZ 85260, (480) 747-0597.

The terms of your contract will govern your franchise relationship. Don't rely on this 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 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 <u>www.ftc.gov</u> 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: April 18, 2017, as amended October 25, 2017

Grabbagreen Franchising, LLC (Unit) October 2017 Amended Franchise Disclosure Document 1200.001,009/201242.3

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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 FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in <u>Exhibit A</u> 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 IN A JURISDICTION IN THE STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, SCOTTSDALE, ARIZONA). OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE FRANCHISE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. IF YOU ARE A BUSINESS ENTITY, YOUR OWNERS WILL HAVE TO GUARANTY YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF OUR FRANCHISE AGREEMENT. YOUR SPOUSE MUST ALSO SIGN A GUARANTY WHICH PLACES YOUR SPOUSE'S MARITAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.

4. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$282,688 TO \$412,518. THIS AMOUNT EXCEEDS OUR MEMBERS' NEGATIVE EQUITY OF \$1,219,042 AS OF DECEMBER 31, 2016.

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

6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

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GRABBAGREEN FRANCHISING, LLC

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

CaliforniaMay 19, 2017, as amended ______MinnesotaMay 15, 2017, as amended ______VirginiaPending

In all other states that do not require registration, the effective date of this disclosure document is the issuance date of April 18, 2017, as amended October 25, 2017.

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