

FRANCHISE DISCLOSURE DOCUMENT

PASSIONFLOWER

Passionflower Pollinators, LLC A Minnesota limited liability company 45 University Avenue SE, Unit 604 Minneapolis, Minnesota 55414 1-612-444-1624

www.passionflowermn.com info@passionflowermn.com

Passionflower Pollinators, LLC offers individual unit franchises for the operation of a Passionflower® café ("Café"), selling a variety of superfoods and beverages including smoothies, smoothie bowls, superfood shakes and bowls, tonics, elixirs, other related food and beverage products and branded merchandise for the individual consumer.

The total investment necessary to begin operation of a Café is from \$77,500-\$219,700. This includes \$2,500 to \$15,000 that 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, 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.**

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 Danny Litin, 45 University Avenue SE, Unit 604, Minneapolis, Minnesota 55414, 1-612-444-1624.

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 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: August 30, 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 DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in $\underline{\textbf{Exhibit C}}$ 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 NON-BINDING MEDIATION ONLY IN THE STATE WHERE OUR CORPORATE HEADQUARTERS ARE LOCATED, CURRENTLY MINNESOTA, THEN TO BINDING ARBITRATION ONLY IN THE STATE WHERE OUR CORPORATE HEADQUARTERS ARE LOCATED, CURRENTLY MINNESOTA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR ARBITRATE WITH US IN MINNESOTA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISOR <u>IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEFA LIMITED OPERATING HISTORY—TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE</u>. THIS <u>FRANCHISE IS LIKELY TO BE A RISKIER</u> INVESTMENT <u>THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.</u>
- 3. YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
- 4. EACH INDIVIDUAL WHO OWNS A 10% OR GREATER INTEREST IN THE FRANCHISEE ENTITY WILL BE REQUIRED TO EXECUTE A PERSONAL GUARANTY. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of one or more area developers, franchise brokers or referral sources to assist us in selling our franchise. An area developer, franchise broker or referral source represents us, not you. If we use such a source, we will 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: See the next page for state effective dates



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:

State	Effective Date
Minnesota	Pending

In the states listed below, the effective date (and issuance date) of this disclosure document is August 30, 2018.

Alabama	Kansas	New Mexico
Alaska	Kentucky	North Carolina
Arizona	Louisiana	Ohio
Arkansas	Maine	Oklahoma
Colorado	Massachusetts	Oregon
Connecticut	Mississippi	Pennsylvania
Delaware	Missouri	South Carolina
District of Columbia	Montana	Tennessee
Florida	Nebraska	Texas
Georgia	Nevada	Vermont
Idaho	New Hampshire	West Virginia
Iowa	New Jersey	Wyoming

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