

FRANCHISE DISCLOSURE DOCUMENT



PELINDABA FRANCHISING, LLC
45 Hawthorne Lane
P.O. Box 2389
Friday Harbor, WA 98250
Telephone: (360) 378-4248
www.pelindabalavender.com

We are offering the right to operate a Pelindaba Location franchise (referred to hereafter as “a Pelindaba Location franchise” or “Location(s)”) under this Disclosure Document. Pelindaba Location franchises specialize in selling Pelindaba Lavender products to the general public.

The total investment necessary to begin operation of a Pelindaba Location franchise ranges from **\$96,240 to \$202,750**. The total investment includes an initial franchise fee of **\$35,000** that must be paid to the franchisor or an affiliate if you are introduced to us via a third party such as a franchise broker, or **\$15,000** if you approach us directly.

This disclosure document (“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. **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 Tammy M. Cotton, Managing Member, at Pelindaba Franchising, LLC, located at, 45 Hawthorne Lane, P.O. Box 2389, Friday Harbor, WA 98250.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read your entire 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 be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 20, 2018

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 A 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.

- 1. THE FRANCHISOR HAS LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND ITS PRE-OPENING OBLIGATIONS.**
- 2. THE FRANCHISOR HAS A LIMITED FRANCHISE OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING TO MAKE THIS INVESTMENT.**
- 3. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION. HOWEVER, SHOULD MEDIATION FAIL TO ADEQUATELY RESOLVE A DISPUTE, SUCH DISPUTES SHALL BE SUBJECT TO ARBITRATION. ARBITRATION PROCEEDINGS SHALL BE ADMINISTERED BY THE OFFICE OF THE AMERICAN ARBITRATION ASSOCIATION IN SAN JUAN COUNTY, WASHINGTON. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT ALSO MAY COST YOU MORE TO ARBITRATE IN WASHINGTON THAN IN YOUR HOME STATE.**
- 4. IF YOU ARE MARRIED, YOUR SPOUSE MUST SIGN A PERSONAL GUARANTEE MAKING HIM/HER JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISE, WHETHER OR NOT SUCH SPOUSE IS INVOLVED IN THE OPERATION OF THE FRANCHISE BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AND SPOUSE(S) AT RISK.**
- 5. THE FRANCHISE AGREEMENT STATES THAT WASHINGTON LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

Effective Date: April 20, 2018

The effective dates of registration of this Disclosure Document in these states are:

<u>State</u>	<u>Effective Date</u>
California	Pending
Hawaii	Not Registered
Illinois	May 9, 2017
Indiana	Not Registered
Maryland	Not Registered
Michigan	Not Registered
Minnesota	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Virginia	Not Registered
Washington	January 12, 2018
Wisconsin	Not Registered

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