

INFORMATION FOR PROSPECTIVE FRANCHISEES REQUIRED BY FEDERAL TRADE COMMISSION

To protect you, we've required your Franchisor to give you this information. We haven't checked it, and don't know if it's correct. It should help you make up your mind. Study it carefully. While it includes some information about your contract, don't rely on it alone to understand your contract. Read your entire contract carefully. Buying a franchise is a complicated investment. Take your time to decide. If possible, show your contract and this information to an advisor, like a lawyer or an accountant. If you find anything you think may be wrong or anything important that's been left out, you should let us know about it. It may be against the law.

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

The date of this Offering Circular is identified on Exhibit E.

FEDERAL TRADE COMMISSION Washington, D.C. 20580

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AREA DEVELOPER FRANCHISE OFFERING CIRCULAR

Lett-us Franchise, LLC

5100 West Copans Suite 410<u>300</u> Margate, FL 33063 (954) 590-2467 Website: saladcreations.net

We offer area developer franchises for the right to recruit SALAD CREATIONS® franchise prospects and provide initial and ongoing support and supervision to SALAD CREATIONS Restaurants in a specific geographic area in exchange for a share of the various franchise fees. As an area developer, you also must <u>own and</u> operate at least one <u>SALAD CREATIONS</u> Restaurant. A SALAD CREATIONS Restaurant features salads and related products, using our procedures and format and operated under the SALAD CREATIONSTM name and marks.

The Initial Fee for an Area Developer Agreement is \$100,000.

The Initial Franchise Fee is \$25,000 for the first Restaurant, \$20,000 for the second Restaurant and \$15,000 for subsequent Restaurants. You also pay a \$1,000 site assistance<u>real estate services</u> fee upon the signing of the Unit Franchise Agreement. You <u>must also purchase salad choppers and chef hats from us. The cost of each chopper is</u> \$13 and the cost of each hat is \$6,70. The estimated initial investment required for one restaurant<u>Restaurant</u> ranges from \$122,000124,000 to \$298,500,383,500, which includes the unit Initial Franchise Fee for the first Restaurant but not real estate costs. The estimated initial investment for an Area Developer ranges from \$122,500 to \$196,000, which includes the \$100,000 area developer fee<u>Initial Fee</u> but not any real estate costs. Additionally, Area Developers will incur the same initial investment expenses as a single unit franchisee for establishing the <u>restaurantRestaurant</u> they are required to open in the Territory. See Item 7 for more information on the initial investment estimate.

Risk Factors:

1. THE FRANCHISE AGREEMENT, MULTI-UNIT-OPTIONRIGHT 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.

2. THE FRANCHISE AGREEMENT, MULTI-UNIT-OPTIONRIGHT OF FIRST REFUSAL AGREEMENT AND AREA DEVELOPER AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME

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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 J TO THE OFFERING CIRCULAR FOR DETAILS.

3. <u>EACH DEVELOPER MUST MEET AND MAINTAIN DEVELOPMENT QUOTAS AND MUST HAVE AVERAGE WEEKLY GROSS SALES OF A MINIMUM OF \$8,000 FOR RESTAURANTS IN THE DEVELOPER'S TERRITORY.</u>

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

5. 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.

6. THE FRANCHISE AGREEMENT REQUIRES A SUBSTANTIAL INVESTMENT AND A COMMITMENT OF TIME. ALL INVESTMENTS INVOLVE A DEGREE OF RISK.

4. WE HAVE A LIMITED OPERATING HISTORY AS NOTED IN ITEM 21 AND IN OUR FINANCIAL STATEMENTS INCLUDED AS EXHIBIT F.

5.7. 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.

6-8. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Information about comparisons of franchisors is available. Call the state administrators listed in Exhibit E to this offering circular or your public library for sources of information.

Registration of this franchise with the state does not mean that the state recommends, approves or endorses it or has verified the information in this offering circular. If you learn anything in this offering circular is untrue, contact the Federal Trade Commission and the state authority listed in Exhibit E.

Even though the Agreements provide that Florida law applies, local law may supersede it in your state. Please refer to Exhibit J to the Offering Circular for details.

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