

UNIT FRANCHISE DISCLOSURE DOCUMENT

Salad Creations, LLC

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share some goodness

The franchise offered is for the operation of a SALAD CREATIONS® restaurant which will offer salads and related products using our procedures and format.

The total investment necessary to begin operation of a SALAD CREATIONS® Restaurant is from \$153,500 to \$445,500 which includes the following payments made to us: 1) the initial franchise fee of \$25,000, and 2) the \$10,000 deposit for grand opening advertising. The initial franchise fee is \$20,000 for the second Restaurant and \$15,000 for subsequent Restaurants.

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, 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 Katie Mead at Salad Creations, LLC, 4171 West Hillsboro Boulevard, Suite 4, Coconut Creek, Florida 33073, (954) 590-2467.

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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. 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: July 2, 2013

Salad Creations/FDD 2013



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 C 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 UNIT FRANCHISE AGREEMENT REQUIRES 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. OUT-OF-STATE ARBITRATION MAY ALSO FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES.
- 2. THE UNIT FRANCHISE AGREEMENT STATES THAT FLORIDA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME 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 H TO THE DISCLOSURE DOCUMENT FOR DETAILS.
- 3. 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.
- 4. 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.
- 5. FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$153,500 TO \$445,500. THIS AMOUNT EXCEEDS FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2012, WHICH IS \$118,817.



We use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We 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.

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