

FRANCHISE DISCLOSURE DOCUMENT



J 'N C Real Estate Development, LLC
a Texas limited liability company
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We offer qualified individuals and entities a franchise for the right to independently own and operate a business that offers and provides high-end retail space to beauty and wellness practitioners from which to provide their respective services utilizing the mark SALONS BY JC and our proprietary business system (each a “Franchised Business” or “Facility”). We also offer qualified parties the right to own and operate multiple Franchised Businesses within a development area. The total investment necessary to begin operation under a development agreement depends on the number of Franchised Businesses we grant you the right to open.

The total investment necessary to begin operation of a single Salons by JC franchise ranges from \$683,575 to \$1,179,620. This includes \$50,000 that must be paid to the franchisor or affiliate(s).

The total investment necessary to operate multiple Facilities under our form of area development agreement depends on (a) the number of franchises we grant you the right to open, and (b) whether or not you are granted any territorial rights within the geographical area where you must develop each Facility. The total investment necessary to begin operation of two (2) Salons by JC Facilities is \$723,575 to \$1,219,620. This includes a \$90,000 development fee that must be paid to the franchisor or affiliate(s). If you undertake the obligation to develop two (2) Salons by JC Facilities, you will receive a non-exclusive designated marketing area (or “DMA”). The total investment necessary to begin operation of three (3) Salons by JC Facilities is \$758,575 to 1,254,620. This includes a \$125,000 development fee that must be paid to the franchisor or affiliate(s). If you undertake the obligation to develop three (3) Salons by JC Facilities, you will receive a development area where you will have certain territorial rights provided you comply with your development and other obligations (the “Development Area”). Each of the total investment ranges also includes the initial investment associated with opening and commencing operation of your Initial Facility within the DMA or Development Area, as applicable, at issue.

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 Drew Johnston at 2511 N. Loop 1604W, Suite 100, San Antonio, Texas 78258 and (210) 314-3126.

The terms of your contract will govern your franchise relationship. Do not 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 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-FTCHELP 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.

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit D includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Salons by JC business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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