

Department of Business Oversight

## FRANCHISE DISCLOSURE DOCUMENT

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SandFree Systems, LLC A Pennsylvania Limited Liability Company 116 Cricket Ave Ardmore, Pennsylvania 19003 Telephone (888) 202-3794 Facsimile (610) 649-6453 <u>peter@SandFree com</u> www sandfree com

We offer and grant franchises to operate independently-owned SandFree com franchised businesses that offer and sell (i) residential and commercial sand-free floor care services with a focus on wood floors and other hard surface restoration including our proprietary COLORMAGIQ floor re-coloring services and other floor repair/refinishing services, and (ii) wood flooring, other flooring products and related installation services that we authorize, all utilizing our proprietary marks and operating system

The total investment necessary to begin operation of a SandFree com franchised business ranges from \$40,600 to \$64,650, which includes \$35,000 that must be paid to the franchisor prior to opening

Franchisor also offers qualified individuals who have already entered into a franchise agreement to operate a single SandFree com franchised business an option to develop additional franchises in contiguous territories by executing a Multi-Unit Option Agreement Franchisor's current multi-unit option fee is \$2,500 for each additional franchise the parties agree to open, which is payable upon execution of the Multi-Unit Option Agreement must be executed contemporaneously with the franchise agreement for your initial franchised business Qualified individuals must execute Franchisor's then-current form of franchise agreement for each additional franchise dusiness it agrees to open under a Multi-Option Agreement. Under a Multi-Unit Option Agreement, upon execution of each additional franchise agreement, franchise must pay Franchisor a reduced initial franchise fee amounting to \$0.015 multiplied times the population of the territory granted under that franchise agreement

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 Peter Shihadeh at 116 Cricket Ave, Ardmore, Pennsylvania 19003, (888) 202-3794

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 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, DC 20580 You can also visit the FTC's home page at www ftc gov for additional information Call your state agency or visit your local library for other sources of information on franchising

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## 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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT

Call the state franchise administrator listed in Exhibit A to this Disclosure Document 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 AND MULTI-UNIT OPTION AGREEMENT ("OPTION AGREEMENT") REQUIRE YOU TO MEDIATE OR LITIGATE WITH THE FRANCHISOR ONLY IN PENNSYLVANIA OUT OF STATE MEDIATE OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN PENNSYLVANIA THAN IN YOUR HOME STATE
- 2 THE FRANCHISE AGREEMENT AND OPTION AGREEMENT STATE THAT PENNSYLVANIA 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
- 3 IF THE FRANCHISEE IS A BUSINESS ENTITY, EACH INDIVIDUAL OWNING AN INTEREST IN THE FRANCHISEE ENTITY MUST EXECUTE THIS PERSONAL GUARANTY THIS PLACES THE PERSONAL ASSETS OF EACH FRANCHISE OWNER AT RISK
- 4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE OPPORTUNITY

We may 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 is <u>our</u> agent and 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 the franchise

## Effective Dates for this Franchise Disclosure Document in the Registration States are Listed on the Following Page ]



## STATE EFFECTIVE DATES

The following states require that the Franchise 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 Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws if an effective date is noted below for the state

State	Effective Date
Calıfornıa	Pending Registration
Florida (exemption)	Effective
Hawaii	Not Registered
Illinois	Pending Registration
Indiana	Pending Registration
Kentucky	Exempt
Maryland	Pending Registration
Michigan (notice only)	Effective
Minnesota	Pending Registration
Nebraska	Exempt
New York	Pending Registration
North Dakota	Not Registered
Rhode Island	Pending Registration
South Dakota	Not Registered
Texas (exemption)	Exempt
Utah (exemption)	Effective
Virginia	Pending Registration
Washington	Pending Registration
Wisconsin	Pending Registration

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