

SHACK SHINE

FRANCHISE DISCLOSURE DOCUMENT

SHACK SHINE HOME SERVICES LLC

a Washington limited liability company

887 Great Northern Way, Suite 301,

Vancouver, B.C., Canada V5T 4T5

1-888-808-7751

info@shackshine.com

www.shackshine.com

We offer franchises for the operation of professional residential house detailing businesses under the name “SHACK SHINE.”

The total investment necessary to begin operation of a SHACK SHINE franchised business consisting of one to two subterritories is \$50,250 to \$97,050. This includes \$30,500 to \$41,000 that must be paid to us or our affiliate. If we grant you additional subterritories, these costs will increase by \$10,500 per subterritory.

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 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 disclosure in different formats, contact our Franchise Development Manager at 887 Great Northern Way, Suite 301, Vancouver, British Columbia, Canada, V5T 4T5; or by phone at 1-604-909-0651 or email at info@shackshine.com.

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 “[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 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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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 THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit D 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY MEDIATION ONLY IN VANCOUVER, BRITISH COLUMBIA AND LITIGATION IN SEATTLE, WASHINGTON. OUT-OF-STATE LITIGATION AND MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN BRITISH COLUMBIA AND TO LITIGATE WITH US IN WASHINGTON STATE THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT WASHINGTON LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. OUR FINANCIAL STATEMENT SHOWS THAT WE HAVE BORROWED A SUBSTANTIAL AMOUNT OF MONEY FROM AN AFFILIATE OR PARENT COMPANY. IF THE PARENT OR THE AFFILIATE CANNOT CONTINUE TO PROVIDE THIS FINANCIAL SUPPORT, WE MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU.
4. OUR FINANCIAL CONDITION, AS REFLECTED IN OUR FINANCIAL STATEMENTS (SEE ITEM 21), CALLS INTO QUESTION OUR FINANCIAL ABILITY TO PROVIDE SERVICES AND SUPPORT TO YOU.
5. YOU WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$50,250 to \$97,050. THIS AMOUNT EXCEEDS OUR MEMBER'S EQUITY AS OF DECEMBER 31, 2017, WHICH IS REPORTED TO BE \$7,053.
6. YOU MUST PAY SET MINIMUM ROYALTY PAYMENTS ANNUALLY FOR EACH SUBTERRITORY YOU PURCHASE, EVEN IF YOU HAVE NO EARNINGS. FAILURE TO PAY MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
7. WE HAVE A LIMITED OPERATING HISTORY, SINCE JULY 8, 2015, AND HAVE BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT, WHICH COULD BE A HIGHER RISK INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.

8. IF YOU ARE AN ENTITY ALL OF YOUR DIRECTORS, OFFICERS, SHAREHOLDERS, PARTNERS OR MEMBERS MUST PERSONALLY GUARANTEE ALL YOUR OBLIGATIONS TO US UNDER THE FRANCHISE AGREEMENT. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.
9. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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 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 Date: See the next page for state effective dates.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/shack-shine>