

FRANCHISE DISCLOSURE DOCUMENT

Social Indoor Franchising, LLC A Minnesota Limited Liability Company 5929 Baker Rd Suite 480, Minnetonka, MN 55345 www.socialindoor.com



The franchise offered is for the operation of a SOCIAL INDOOR® business within a particular geographic territory (the "Designated Territory"). The business will include sales and maintenance of indoor print and digital advertising services.

The total initial investment necessary to begin operation of your first SOCIAL INDOOR business is from \$54,250 to \$183,500. This includes \$41,500 to \$131,500 that must be paid to us or our affiliates. The total initial investment range for an additional SOCIAL INDOOR business is from \$23,450 to \$183,500. This includes \$10,000 to \$112,500 that must be paid to us or our affiliates. The total initial investment necessary to convert an existing indoor print and/or indoor digital advertising business to a SOCIAL INDOOR business is from \$11,750 to \$56,000. This includes \$5,500 to \$13,000 that must be paid to us or our affiliates.

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 Bob Chelberg at 5929 Baker Rd Suite 480, Minnetonka, MN 55345. Bob.chelberg@socialindoor.com; 952-800-1909

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 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 1-977-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.

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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 <u>Exhibit A</u> 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 FRANCHISE AGREEMENT REQUIRES YOU TO ARBITRATE OR LITIGATE ONLY IN MINNEAPOLIS, MINNESOTA, OR AT SUCH OTHER PLACE AS MAY BE MUTUALLY AGREEABLE TO THE PARTIES. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT ALSO MAY COST MORE TO ARBITRATE OR LITIGATE WITH SOCIAL INDOOR FRANCHISING, LLC IN MINNEAPOLIS, MINNESOTA THAN IN YOUR HOME STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT THE LAWS OF THE STATE IN WHICH YOUR DESIGNATED TERRITORY IS LOCATED GOVERN THE AGREEMENT.
- 3, THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
- 4. YOUR FAILURE TO GENERATE A PRE-DETERMINED AMOUNT OF VENUES PER YEAR (AS STATED IN YOUR FRANCHISE AGREEMENT) MAY LEAD TO THE TERMINATION OR NONRENEWAL OF THE FRANCHISE AGREEMENT.

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