

FRANCHISE DISCLOSURE DOCUMENT



Sweetwaters Group LLC
(a Michigan limited liability company)
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Ann Arbor, Michigan 48104
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We offer qualified individuals and entities a franchise for the right to independently own and operate a gourmet coffee and tea retail store and café (each, a “Café” or “Sweetwaters Location”) utilizing our proprietary marks, including the mark SWEETWATERS, and the proprietary business system that we have developed. We also offer qualified parties the right to own and operate multiple Cafés within a development area that we designate.

The total investment necessary to begin operation of a single Café is \$264,076 to \$393,174. This includes \$59,500 to \$64,400 that must be paid to the franchisor or affiliate prior to opening.

The total investment necessary to operate multiple Cafés under our form of area development agreement depends on the number of franchises we grant you the right to open. By way of example, the estimated initial investment to develop (i) two (2) Cafés is \$284,076 to \$413,174; (ii) three (3) Cafés is \$314,076 to \$443,174; and (iv) five (5) Cafés is \$364,076 to \$493,174. These estimate ranges include the estimated initial investment to open your first Café within your permitted site selection area, as well as a development fee that you must pay to us amounting to (a) \$69,500 for two (2) Cafés, (b) \$99,500 for three (3) Cafés, or (c) \$149,500 for five (5) Cafés.

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 our Franchise Administration team c/o Franworth, 106 E. Liberty Street, #310, Ann Arbor, Michigan 48104 or (734) 619-0919.

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, 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.

Issuance date of this Franchise Disclosure Document: April 30, 2017.

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 F 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 LITIGATION OR ARBITRATION ONLY IN MICHIGAN. OUT-OF-STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE OR ARBITRATE WITH US IN MICHIGAN THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT MICHIGAN 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
4. ALL THE OWNERS OF THE FRANCHISE AND THEIR SPOUSES WILL BE REQUIRED TO EXECUTE PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.

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 the franchise

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
California	Pending
Florida (exemption)	Effective
Hawaii	Not Registered
Illinois	April 28, 2017
Indiana	Effective
Kentucky (one-time filing)	Not Registered
Maryland	Pending
Michigan	Effective
Minnesota	Pending
Nebraska (one-time filing)	Not Registered
New York	Pending
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Texas (one-time filing)	Effective
Utah (exemption)	Not Registered
Virginia	Pending
Washington	Pending
Wisconsin	Not Registered

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