

FRANCHISE DISCLOSURE DOCUMENT
THE SPICE & TEA EXCHANGE FRANCHISING, LLC

A Florida Limited Liability Company

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THE SPICE & TEA EXCHANGE[®] Stores are retail stores that sell spices, herbs, teas, spice blends, rubs, and related products and accessories we may designate or approve. The franchises offered are for the development and operation of a Unit Franchise or an Area Development Business. Unit Franchises operate individual THE SPICE & TEA EXCHANGE[®] Stores. Area Development franchises develop and operate multiple THE SPICE & TEA EXCHANGE[®] Stores.

The total initial investment necessary to begin operation of a Unit Franchise under the TSTE Managed Build-Out Option ranges from \$175,900 to \$282,400. This includes \$159,900 to \$196,900 that must be paid to the franchisor or affiliates. The total initial investment necessary to begin operation of a Unit Franchise under the Build Your Own Option ranges from \$149,400 to \$295,400. This includes \$105,900 to \$129,900 that must be paid to the franchisor or affiliates.

The total investment necessary to operate multiple THE SPICE & TEA EXCHANGE[®] Stores under our form of area development agreement depends on the number of franchises we grant you the right to open and the build-out option you choose. The total investment necessary to open and operate three (3) THE SPICE & TEA EXCHANGE[®] Stores under the TSTE Managed Build-Out Option is \$215,900 to \$322,400 which includes \$199,900 to \$236,900 that is paid to us or our affiliates. The total investment necessary to open and operate three (3) THE SPICE & TEA EXCHANGE[®] Stores under the Build Your Own Option is \$189,400 to \$335,400 which includes a \$145,900 to \$169,900 that is paid to us or our affiliates.

This disclosure document summarizes certain provisions of your Franchise Agreement and Area Development 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 payments to the franchisor or an affiliate in connection with the proposed franchise sale or area development rights sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your disclosure documents in another format that is more convenient for you. To discuss the availability of disclosures in different format, contact the Franchise Administration

Department, Attn: Kathe Moore, 2708 Alt 19 North Suite 601 Palm Harbor, Florida 34638; 904-599-3145
franchising@spiceandtea.com.

The terms of your contract of your Franchise Agreement or Area Development Agreement 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 in this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. 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, N.W., Washington, D.C. 20580. You can also visit the FTC 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 be other laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 29, 2014

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. AT OUR OPTION, THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY NON-BINDING MEDIATION ONLY IN HILLSBOROUGH COUNTY OR PINELLAS COUNTY, FLORIDA. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN FLORIDA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT FLORIDA LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW.
3. IF THE FRANCHISEE IS A BUSINESS ENTITY, EACH SHAREHOLDER/PARTNER/MEMBER/MANAGER OF FRANCHISEE AND THEIR RESPECTIVE SPOUSES MUST EXECUTE A PERSONAL GUARANTY. THIS PLACES THE PERSONAL ASSETS OF EACH INDIVIDUAL AND THEIR SPOUSE AT RISK.
4. THERE MAY BE OTHER RISKS CONCERNING THE FRANCHISE.

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.

Effective Date: See the next page for state effective dates.

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