

FRANCHISE DISCLOSURE DOCUMENT

The Spice Way

The Spice Way, LLC
a California Limited Liability Company
3950 Laurel Canyon Blvd #1551
Studio City, California 91614
Telephone (818) 274-4703
www.thespiceway.com
Eitan@thespiceway.com

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Department of
Business Oversight

The Franchise offered is for the operation of a store, that sells Spices, Herbs, Blends, Infusions and other products that contain spices to the general public. This is a healthy food oriented business geared towards educating customers and providing them with a selection of products that meet the franchised concept. The Initial Franchise Fee is \$30,000 with the right to operate in a specific area as defined by us and describe in this document. Additional franchises will be available for a reduced fee of \$15,000 per Franchise if you meet certain requirements described in the Franchise Agreement. The total investment necessary to begin operation of a The Spice Way™ Franchise ranges from \$166,135 to \$313,450 which will depend on a number of factors that are fully discussed in Item 7. This includes the Initial Franchise Fee of \$30,000 and a separate training fee of \$12,500 (as discussed in Item 5) that must be paid to the Franchisor or its affiliate, if any. We will defer payment of your Initial Franchise Fee and Training Fee until we have completed all of our obligations to you, for the opening of your Franchised Business.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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

Eitan Tzur, Member & President
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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 contracts 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 <http://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 B 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 ARBITRATION ONLY IN CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH THE SPICE WAY, LLC IN CALIFORNIA THAN IN YOUR HOME STATE
- 2) THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LAWS IN YOUR STATE. YOU MAY WANT TO COMPARE THESE LAWS
- 3) WE WERE FORMED ON APRIL 24, 2014, AND HAVE A BRIEF OPERATING HISTORY. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY
- 4) WE CURRENTLY DO NOT ENGAGE THE SERVICES OF FRANCHISE BROKERS
- 5) YOUR TERRITORY IS NOT EXCLUSIVE BUT A PROTECTED AREA AS FURTHER DESCRIBED UNDER SECTION 12 TITLED "TERRITORY"
- 6) THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSES PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY

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