

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 15, 2024, as amended April 29, 2024

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Exhibit A	Financial Statements
Exhibit B	Forms of Deposit Agreement (Unit Franchise and Area Developer)
Exhibit C	Form of Franchise Agreement
Exhibit D	Form of Development Agreement
Exhibit E	Table of Contents of Manual
Exhibit F	List of State Agencies and Agents for Service of Process
Exhibit G	State Specific Addenda
Exhibit H	Form of General Release (Successor Franchise, Assignment/Transfer)
Exhibit I	State Effective Dates
Exhibit J	Receipts

Provision	Section in Development Agreement	Summary
		appropriate, the USDC for the Middle District of Florida (subject to state law).
(w) Choice of law	Section 11	The Development Agreement is governed by the laws of the state of Florida, without reference to this state’s conflict of laws principles (subject to state law).

The provisions summarized in this Item are subject to any applicable state specific addenda (See Exhibit “H” of this Disclosure Document and Exhibit “E” to the Franchise Agreement).

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote our franchise.

**ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC’s Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under certain circumstances.

BACKGROUND

This Item sets forth certain historical data submitted by our franchisees. We have not audited this information, nor independently verified this information. Written substantiation for the financial performance representations will be made available to the prospective franchisee upon reasonable request.

Section I – All Comparable Units

The information below sets forth historical data collected from our franchisees and the single company-owned unit that ~~were~~are open as of ~~January 1, 2021,~~the issuance date of this disclosure document and ~~remained~~were continuously open and operating ~~through December 31, 2023,~~under the same ownership during the applicable calendar year set forth below. A total of ~~73~~79 units met this criteria, ~~meaning that we excluded 17 for 2023, while 75 units met this criteria for 2022 and 72 units met this criteria for 2021. This resulted in 11 of a total of 90 units open as of December 31, excluded from 2023.~~We also data represented below, 12 of a total 87 units being excluded 13 from 2022 data, 10 of the 86 units open as of December 31, 2022, and 9 of the a total 82 units open as of December 31, excluded from 2021 data.

Gross Sales are defined as total retail sales per unit less returns or discounts. Gross Margin is defined as Gross Sales less ~~cost~~Cost of ~~goods~~Goods. Cost of Goods is defined as the cost of items acquired for resale

including inbound shipping costs.

Chart I-A – Comparable Gross Sales for Full Calendar Years

	2023		2022	2021
		\$		
		4		
		8		
		2		
		7		
		8		
		1		
Average Gross Sales – All Franchised Units	\$ 533,350 <u>509</u>	2	\$ 469,802 <u>455</u> ,	\$446,141
	<u>.224</u>	-	<u>734</u>	
All Franchised Units Change vs Prior Yr	10.5%		2. <u>81</u> %	N/A
Gross Sales – Company Owned Unit	\$2,501,593		\$2,486,603	\$1,845,495
		3		
		4		
		-		
		7		
Company Unit Change vs Prior Yr	0.6%	%	25.8%	N/A

Chart I-A – Notes

- In 2023, the following statistics ~~summarize hold true for~~ the data ~~presented~~included in Chart I-A. Maximum of \$2,501,593, Minimum of \$73,788, Median of \$~~422,022, 424~~70,662, 31 of the ~~7379~~ units (~~58%~~) ~~fell above~~39% ~~exceeded~~ the average ~~and 31 of the 73 units (42%) fell below the average.~~
- In 2022, the following statistics ~~summarize hold true for~~ the data ~~presented~~included in Chart I-A. Maximum of \$2,486,~~603~~602, Minimum of \$62,~~250~~249, Median of \$~~355,501, 402~~956, 27 of the ~~75~~ units (~~36 of the 73 units (49%) fell above the average and 37 of the 73 units (51%) fell below~~) ~~exceeded~~ the average.
- In 2021, the following statistics ~~summarize hold true for~~ the data ~~presented~~included in Chart I-A. Maximum of \$1,845,495, Minimum of \$67,~~770~~769, Median of \$~~316,376, 323~~97,072, 26 of the ~~7372~~ units (~~44%~~) ~~fell above the average and 41 of the 73 units (56%) fell below~~38% ~~exceeded~~ the average.

Chart I-B – Comparable Gross Margins for Full Calendar Years (All Stores)

2023 2022 2021

Average Gross Margin (dollars)	\$ 377,373 <u>368,76</u>	\$331,13	\$ 328,917 <u>323,93</u>	\$324,58
Average Gross Margin (% of Gross Sales)	7	8	4	1
	69.6%		70 <u>67</u> .8%	68 <u>69</u> .6%
-Change vs Prior Yr (<u>Gross Margin</u>)	1 <u>12</u> .2%		- <u>1</u> .4%	N/A

Chart I-B – Notes

1. In 2023, the following statistics ~~summarize~~hold true for the data ~~presented~~included in Chart I-B. Maximum of \$~~1,052,103~~449,490, Minimum of \$~~7,377~~47,907, Median of \$~~289,242,423~~19,933,32 of the ~~7379~~ units (~~58%~~41%) ~~fell above~~exceeded the average and ~~31 of the 73 units (42%) fell below the average.~~
2. In 2022, the following statistics ~~summarize~~hold true for the data ~~presented~~included in Chart I-B. Maximum of \$~~1,220,053~~312,126, Minimum of \$~~47,618~~39,149, Median of \$~~235,108,432~~62,780,27 of the ~~7375~~ units (~~59%~~41%) ~~fell above the average and 30 of the 73 units (41%) fell below~~36% exceeded the average.
3. In 2021, the following statistics ~~summarize~~hold true for the data ~~presented~~included in Chart I-B. Maximum of \$~~659,146~~1,220,052, Minimum of \$~~37,582~~47,617, Median of \$~~218,874,432~~81,959,26 of the ~~7372~~ units (~~59%~~41%) ~~fell above the average and 30 of the 73 units (41%) fell below~~36% exceeded the average.

Section II – Multi-Unit Owned Stores

The information below sets forth historical data collected from units operated by our multi-unit franchisees that ~~were open as of January 1, 2021, and remained continuously open and operating through December 31, 2023; and that operated a minimum of 3 units as of December 31, 2023. currently operate a minimum of 3 units and operated a minimum of 3 units during the applicable calendar year set forth below. A total of 10 units (and 3 operators) met this criteria for 2023, while 9 units (and 3 operators) met this criteria in 2022 and 10 units (and 3 operators) met this criteria for 2021. This resulted in 80 of a total 90 units excluded from 2023 data, 78 of a total 87 units being excluded from 2022 data, and 72 of a total 82 units excluded from 2021 data.~~

~~A total of 7 units met this criteria, meaning that we excluded 83 of a total of 90 units open as of December 31, 2023. We also excluded 79 of the 86 units open as of December 31, 2022, and 75 of the 82 units open as of December 31, 2021.~~

Gross Sales are defined as total retail sales per unit less returns or discounts. Gross Margin is defined as Gross Sales less ~~cost~~Cost of ~~goods~~Goods. Cost of Goods is defined as the cost of items acquired for resale including inbound shipping costs.

Chart II-A – Comparable Gross Sales for Full Calendar Years (Qualifying Multi-Unit Stores)

	2023	2022	2021
Average Gross Sales	\$ 806,518 <u>742,537</u>	\$862,022	\$ 723,399 <u>731,625</u>
			\$680,073

-Change vs Prior Yr 1.5.8% 5.3% 7.1% N/A

Chart II-A – Notes

1. In 2023, the following statistics summarize hold true for the data presented included in Chart II-A. Maximum of \$1,042,143, Minimum of \$~~477,266~~373,688, Median of \$~~778,562,374~~4,666,5 of the 710 units (~~43%~~50%) exceeded the average and ~~4 of the 7 units (57%) fell below the average.~~
2. In 2022, the following statistics summarize hold true for the data presented included in Chart II-A. Maximum of \$1,045,022, Minimum of \$431,472 Median of \$27,~~360~~010, 3 of the ~~79~~ units (~~43%~~50%) exceeded the average and ~~4 of the 7 units (57%) fell below~~
3. In 2021, the following statistics summarize hold true for the data presented included in Chart II-A. Maximum of \$917,~~876~~875, Minimum of \$~~444,706~~375,775, Median of \$~~729,404,369~~8,588,6 of the 710 units (~~43%~~60%) exceeded the average and ~~4 of the 7 units (57%) fell below~~

Chart II-B – Comparable Gross Margins for Full Calendar Years (Qualifying Multi-Unit Stores)

	2023		2022		2021
	<u>\$563,872</u> <u>521,0</u>	<u>\$522,32</u>	<u>\$516,407</u> <u>505,6</u>		
Average Gross Margin (dollars)	<u>69</u>	<u>7</u>	<u>00</u>		\$494,662
Average Gross Margin (% of Gross Sales)	70.1%		69. <u>92</u> %	<u>68.5</u>	<u>71.4</u> <u>72.9</u>
-Change vs Prior Yr <u>(Gross Margin)</u>	<u>1.43</u> %		<u>-2.92</u> %	%	%
					N/A

Chart II-B – Notes

1. In 2023, the following statistics summarize hold true for the data presented included in Chart II-B. Maximum of \$728,~~930~~929, Minimum of \$~~328,308~~258,735, Median of \$~~532,472,352~~5,013,6 of the 710 units (~~43%~~60%) exceeded the average and ~~4 of the 7 units (57%) fell below the average.~~
2. In 2022, the following statistics summarize hold true for the data presented included in Chart II-B. Maximum of \$~~706,198~~707,201, Minimum of \$~~294,117~~295,074, Median of \$~~509,924,3~~ of the 7 units (~~43%~~50%) exceeded the average and ~~4 of the 7 units (57%) fell below~~504,702, 4 of the 9 units (44%) exceeded
3. In 2021, the following statistics summarize hold true for the data presented included in Chart II-B.

Maximum of \$625,443,665,307, Minimum of \$260,152,283,963, Median of \$560,470,350,811, 6 of the 710 units (43%) fell above the average and 4 of the 7 units (57%) fell below 60% exceeded the average.

General Notes to Item 19

Some outlets have sold/earned this amount. Your individual results may differ. There is no assurance that you'll sell/earn as much.

1. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Franchised Business.
2. The information provided pertaining to reporting locations is based on data provided to us by the franchise-owners of these locations. We have not verified the accuracy of the data provided, nor have they been audited by independent certified public accountants.
3. Other than the preceding financial performance representation, The Spice & Tea Exchange Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting the Franchise Administration Department, Attn: Michael Lassen, 727-240-3191, franchising@spiceandtea.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
System-wide Outlet Summary
For Years 2021, 2022 and 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	73	81	+8
	2022	81	86	+5
	2023	86	89	+3
Company-Owned	2021	1	1	0
	2022	1	1	0
	2023	1	1	0

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EXHIBITS:

- A Establishment Fee and Package Data Sheet
- B Confirmation of Receiving Establishment Package
- C Franchisee Entity Information Sheet
- D Principal Owner Guaranty
- E State Specific Addenda
- F Collateral Assignment of Lease
- G Conditional Assignment of Franchisee’s Telephone Numbers and Domain Names
- H Confidentiality and Restrictive Covenant Agreement
- I Electronic Funds Withdrawal Authorization
- J Franchise Questionnaire

**VIRGINIA ADDENDUM TO THE
DISCLOSURE DOCUMENT**

1. The following statements are added to Item 17.h.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement do not constitute “reasonable cause” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RECEIPT

This disclosure document summarizes provisions of the Franchise Agreement and/or Development Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If THE SPICE & TEA EXCHANGE FRANCHISING, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If THE SPICE & TEA EXCHANGE FRANCHISING, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and in the state agency listed on Exhibit "G." The Franchisor is THE SPICE & TEA EXCHANGE FRANCHISING, LLC, located at 210 Marshall Circle, St. Augustine, FL 32086. Its telephone number is (727) 786-6644.

Issuance Date: April 15, 2024. ~~THE SPICE & TEA EXCHANGE FRANCHISING, LLC authorizes the respective state agencies identified on Exhibit "G" to receive service of process for it in the particular state, as amended April 29, 2024.~~

I received a disclosure document dated April 15, 2024, as amended April 29, 2024, that included the following Exhibits:

- | | |
|--|--|
| A - Financial Statements | F - List of State Agencies and Agents for Service of Process |
| B - Forms of Deposit Agreement (Unit Franchise and Area Developer) | G - State Specific Addenda |
| C - Form of Franchise Agreement | H - Form of General Release |
| D - Form of Development Agreement | J - State Effective Dates |
| E - Table of Contents of Manual | I - Receipts |

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:

Individual, Corporation or Limited Liability Company Information:

By: _____	Name of Entity: _____
Print Name: _____	Address: _____
Title: _____	Telephone Number: _____
	Date: _____

KEEP THIS COPY FOR YOUR RECORDS.

RECEIPT

This disclosure document summarizes provisions of the Franchise Agreement and/or Development Agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If THE SPICE & TEA EXCHANGE FRANCHISING, LLC offers you a franchise, it must provide this disclosure document to you 14 days before you sign a binding agreement or make a payment with the franchisor or an affiliate in connection with the proposed franchise sale. New York and Rhode Island require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreements or payment of any consideration that relates the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement, or the payment of any consideration, whichever occurs first.

If THE SPICE & TEA EXCHANGE FRANCHISING, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and in the state agency listed on Exhibit "G." The Franchisor is THE SPICE & TEA EXCHANGE FRANCHISING, LLC, located at 210 Marshall Circle, St. Augustine, FL 32086. Its telephone number is (727) 786-6644.

Issuance Date: April 15, 2024. ~~THE SPICE & TEA EXCHANGE FRANCHISING, LLC authorizes the respective state agencies identified on Exhibit "G" to receive service of process for it in the particular state, as amended April 29, 2024.~~

I received a disclosure document dated April 15, 2024, as amended April 29, 2024, that included the following Exhibits:

- | | |
|--|--|
| A - Financial Statements | F - List of State Agencies and Agents for Service of Process |
| B - Forms of Deposit Agreement (Unit Franchise and Area Developer) | G - State Specific Addenda |
| C - Form of Franchise Agreement | H - Form of General Release |
| D - Form of Development Agreement | I - State Effective Dates |
| E - Table of Contents of Manual | J - Receipts |

A list of the names, principal business addresses, and telephone numbers of each franchise seller offering this franchise is as follows:

Individual, Corporation or Limited Liability Company Information:

By: _____ Name of Entity: _____

Print Name: _____ Address: _____

Title: _____ Telephone Number: _____

Date: _____