

**FRANCHISE DISCLOSURE DOCUMENT**  
**THE SPICE & TEA EXCHANGE FRANCHISING, LLC**  
**A Florida Limited Liability Company**  
**210 Marshall Circle**  
**St. Augustine, FL 32086**  
**(904) 429-7548**  
**www.spiceandtea.com**  
**franchising@spiceandtea.com**



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

The total initial investment necessary to begin operation of a The Spice & Tea Exchange franchise is \$312,900 to \$557,514. This includes \$197,650 and \$217,650 that must be paid to the franchisor or affiliates.

The total investment necessary to begin operation of ~~three (3) The Spice & Tea Exchange franchises is your first THE SPICE & TEA EXCHANGE® store under an Area Development~~ \$364,150 to \$608,764. This includes ~~\$248,900~~\$287,650 to ~~\$268,900~~\$307,650 that must be paid to the franchisor or ~~affiliates~~affiliate. The minimum number of franchises you must develop under an Area Development Agreement is three (3).

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: 210 Marshall Circle, St. Augustine, FL 32086; (727) 240-3191 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.

## Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement and area development agreement require you to resolve disputes with the franchisor by mediation and/or litigation only in Florida. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Florida than in your own states.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's personal assets, perhaps including your house, at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty payments regardless of your sales levels. Your inability to make these payments may result in termination of your franchise agreement and loss of your investment.
4. ~~**Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.~~

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

8. Provide ongoing training, as we deem necessary in our sole discretion, as described later in this Item, which will assist you in training your employees. However, we do not assist you in your employment practices. (Franchise Agreement – Section 7).

#### **D. Advertising**

##### System Development Fund

You are required to pay to the System Development Fund a System Development Fee that is currently 1% of Gross Sales. The System Development Fee may be increased to up to 3% of Gross Sales. Franchisees' System Development Fees may not be uniform. We will direct all programs financed by the System Development Fund, with sole discretion over the creative concepts, materials and endorsements used and the geographic, market and media placement and allocation of the programs. The System Development Fund may be used to pay the costs of preparing audio and written advertising and marketing materials; developing and servicing corporate accounts; engaging in research and development; administering regional and multi-regional advertising programs; purchasing e-commerce rights, products or services, direct mail and other media advertising; maintaining or paying third parties to maintain on-line ordering and fulfillment systems, the Business Management System and the like; supporting public relations and market research; establishing, developing, maintaining, modifying, servicing or hosting Websites or other e-commerce programs, and other advertising, promotion and marketing activities. The System Development Fund may, at our option, use an in-house advertising department or any local, national or regional advertising agency we choose. The System Development Fund may periodically furnish you with samples of advertising, marketing and promotional formats and materials at its cost. (Franchise Agreement – Sections 12.1 to 12.4).

The System Development Fund will be accounted for separately from our other funds and will not be used to defray any of our general operating expenses, except for such reasonable salaries, administrative costs, travel expenses and overhead as we may incur in activities related to the administration of the System Development Fund and its programs, including, without limitation, conducting market research, preparing advertising, promotion and marketing materials and collecting and accounting for contributions to the System Development Fund. We may spend, on behalf of the System Development Fund, in any fiscal year an amount greater or less than the aggregate contribution of all Stores to the System Development Fund in that year, and the System Development Fund may borrow from us or others to cover deficits or invest any surplus for future use. All interest earned on monies contributed to the System Development Fund will be used to pay advertising costs before other assets of the System Development Fund are expended. We will prepare an annual statement of monies collected and costs incurred by the System Development Fund, but the statements are ~~not~~ available for review by franchisees upon written requests. We may prepare a periodic statement of monies collected and costs incurred by the System Development Fund and furnish the statement to you upon written request. The System Development Fund is not audited. We have the right to cause the System Development Fund to be incorporated or operated through a separate entity at such time as it deems appropriate, and the successor entity will have all the rights and duties described in the Franchise Agreement. (Franchise Agreement – Section 12.3).

The System Development Fund is intended to maximize recognition of the Marks and patronage of System Stores. Although we will endeavor to utilize the System Development Fund to develop advertising and marketing materials and programs and to place advertising that will benefit all Stores, we undertake no obligation to ensure that expenditures by the System Development Fund are proportionate or equivalent to the contributions to the System Development Fund by Stores operating in a certain

~~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.~~

2.1. The information provided pertaining to Reporting Stores is based on data provided to us by the franchise owners of these Stores.

3.2. 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: Amy Freeman, 904-429-7548, [support@spiceandtea.com](mailto:support@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 2023, 2024 and 2025**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
<b>Franchised</b>	2023	86	89	+3
	2024	89	93	+4
	2025	93	97	+4
<b>Company-Owned</b>	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
<b>Total Outlets</b>	<b>2023</b>	<b>87</b>	<b>90</b>	<b>+3</b>
	<b>2024</b>	<b>90</b>	<b>94</b>	<b>+4</b>
	<b>2025</b>	<b>94</b>	<b>98</b>	<b>+4</b>

**Table No. 2  
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For Years 2023, 2024 and 2025**

## ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

Illinois law governs the Franchise Agreement.

~~Payment of Initial and Development Fees will be deferred until the Franchisor has met its initial obligations to franchisee, and franchisee has commenced business operations. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to the Franchisor's financial condition.~~

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement 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 behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

23.3 **Receipt of Disclosure Document.** You acknowledge that this Agreement and our Franchise Disclosure Document, or “FDD”, have been in your possession for at least fourteen (14) days before you signed this Agreement and before your payment of any monies to us, refundable or otherwise, and that any material changes to this Agreement were memorialized in writing in this Agreement for at least seven (7) days before you signed this Agreement.

23.4 **No Personal Liability.** You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications which may be ruled to be binding in a court of law shall be our sole responsibility and none of our agents, representatives, nor any individuals associated with our franchise company shall be personally liable to you for any reason. You agree that nothing that you believe you have been told by us or our representatives shall be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

**FRANCHISOR**

**THE SPICE & TEA EXCHANGE  
FRANCHISING, LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FRANCHISEE**

**[FRANCHISE ENTITY NAME]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

-or-

**[INDIVIDUAL NAME]**

\_\_\_\_\_

[NAME], Individually

Date: \_\_\_\_\_

7. Any limitations of claims sections must comply with Minnesota Statutes, Section 80.17, Subdivision 5.

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**