



الشركة المتحدة للأطعمة
United Food Company
Member of A. Abunayyan Group - احدى شركات مجموعة عبدالله ابونيان



United Food Company
(Member of Abunayyan Group)
P O Box 55447
Riyadh 11534
Kingdom of Saudi Arabia



Date:

Prospective Franchisee:

RE: Freshberry Franchise System, Letter of Intent

Dear _____,

Thank you for your interest in a Freshberry area development opportunity. Below, please find the business points to your agreement that we would like to present to UFC Management and the team at Freshberry for their approval. Please read this document and acknowledge below that you are in agreement to these business terms and conditions.

Area Developer: _____

Proposed Development Territory: _____

Number of Units: _____

Fees Due Upon Signing: _____

Development Schedule: _____

Contract Ratification Date: Date: _____ **Initial Here**

This is a non-binding document that is created exclusively to demonstrate your intent to develop Freshberry Dessert Café's. Upon signing this document, we are setting forth the framework of your deal and removing the outlined territory from the market. However, after the agreed upon expiration date, all offers regarding this matter shall be rescinded and the territory shall be released.

Thank you very much.

Agreed and Accepted:

Date

Date

Date

Date

Freshberry Franchise Information

The Freshberry Brand offers an all natural frozen yogurt selection. The menu features FreshBerry tart, Decadent Dark Chocolate, and others as well as fruit smoothies, with an ample choice of fresh fruit toppings including strawberry, blueberry, raspberry, blackberry, kiwi, pineapple, and mango. Other toppings include Fruity Pebbles cereal, granola, toasted almonds, coconut, and chocolate chips. Additional highlights of the menu include additives and flavor bursts for the Smoothie Bar, yogurt by the pint or quart, and FreshPops frozen yogurt pops made from FreshBerry frozen yogurt.

FAQS:

Q. How much will I need to invest?

A. The estimated cost of a FreshBerry will be between US \$165,750 and US \$386,200.

YOUR ESTIMATED INITIAL INVESTMENT (US \$)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Made
Initial Franchise Fee (1)	\$25,000	Lump Sum	On signing Franchise Agreement	Us
Royalty	5% of Total Gross Sales	Monthly	After Opening	Us
Leasehold Improvements, Construction Cost (2) (3)	\$40,000 - \$110,000	As Incurred	As Agreed	Supplier
General Contractor Fee, Fixtures, Equipment, Signs, POS System (4)	\$50,000 – \$125,000	As Arranged	As Incurred	Suppliers
Architect (5)	\$10,000 - \$15,000	As Arranged	As Agreed	Supplier
Electrical, Plumbing, Drywall, Tiles, Installation	\$25,000 - \$75,000	As Incurred	As Incurred	Suppliers
Security/Utility Deposits, Licenses and Prepaid Fees (6)	\$1,500 - \$3,000	As Incurred	As Incurred	Suppliers
Opening Inventory and Supplies (7)	\$2,000 – \$4,000	As Incurred	As Incurred	Suppliers
Initial Supply of marketing materials	\$5,000 - \$6,000	As Arranged	As Agreed	Us
Miscellaneous Opening Costs (8)	\$2,500 – \$5,000	As Incurred	As Incurred	Suppliers
Training (8)	\$2,000 - \$5,000	As Incurred	As Incurred	Third Parties
Initial Operating Capital (9)	\$3,000 - \$10,000	As Incurred	As Incurred	Third Parties
Additional Funds (3 months) (10)	\$2,000 - \$5,000	As Incurred	As Incurred	Third Parties
TOTAL (11)	\$168,000 – \$388,000			

Notes:

1. The initial franchise fee is not refundable, except as discussed in Item 5 of the Franchise Disclosure Document.
2. It is our standard practice to select a site within your geographic area, utilizing the services of our network of real estate brokers. Our brokers are familiar with commercial real estate contracts and terms and will identify a suitable location and, at our discretion, assist in negotiating lease terms with the landlord. The terms of the lease and the amount of the monthly lease payment and security deposit will depend on the geographic location and size and condition of the premises and the demand for the premises by other prospective tenants. These recurring overhead costs cannot be estimated. You will lease space from the owner of the mall or retail center on terms negotiated by you and the owner, with the assistance of our network of real estate brokers.
3. Leasehold improvement and construction costs vary significantly depending on the condition, location, size and configuration of the Unit premises, the layout of the mall or retail center, and other factors relating to the geographic location of the business, suppliers, government regulations, labor costs and other considerations. You will contract directly with the architect, construction contractor and possibly other construction suppliers on terms negotiated by you. We will consult with you regarding the construction of the Unit.
4. This estimate includes the cost of all equipment, including the cash register and accounting reporting system, and the estimated charges for you to hire a general contractor for the construction in the mall or retail center. The cost for computer polling is approximately \$150 for the first 3 months.
5. You will contract with a local architect and pay the architect directly. This fee is an estimate of the architect's cost.
6. This category includes an estimate of security deposits, utility deposits, food service licenses and other prepaid fees that you will be required to pay.
7. The cost of initial inventory and supplies, including food supplies, vary with the local market. The above figures are based upon estimates of reasonable quantities of inventory and supplies for the start-up of the business.
8. This category includes miscellaneous opening costs and expenses such as installation of telephones and a high speed internet connection, initial insurance premiums, cost of uniforms and employee recruitment, out-of-pocket expenses for travel to training, training costs, and other miscellaneous costs.
9. This category is an estimate of initial operating capital required to initiate the operation of the business. This is only an estimate of the amount of operating capital needed.
10. Additional funds may be required by you before the Unit is opened and to maintain the business during the first few months of operation. This category is intended to cover unforeseen costs that may arise during the initial six month phase of the business. It is anticipated that the Unit will not open for at least four months from the date of execution of the Franchise Agreement and cash flow may be minimal during the first few months the business is open.
11. We cannot guarantee the actual total cost to open the franchise or the amount of operating capital required to operate the business. Your actual costs may vary greatly and will

depend on many factors such as the size and condition of the space and cost to convert to a FreshBerry Unit, your management skill, experience and business acumen, local economic conditions, the local market for the products, the prevailing wage rate, advertising expenditures, rental charges, level of competition, and the sales level achieved during the initial period.

Q. What does the franchise system include?

A. Owning and operating an assigned FreshBerry, use of the brand name, trademarks, recipes, operational systems and methods, and decor. Additionally, you will receive support in these specific areas:

- Specifications for fixtures, equipment, and leasehold improvements
- Kitchen/ Back of the House Workflow design
- Ongoing support from members of the Training and Operations Team
- New product updates
- Favorable rates thru UFC for supply of goods and services
- Operating manuals, policies, procedures, and business management systems
- List of raw materials

Q. Who designs and builds my store?

A. FreshBerry Franchise System will provide the franchisee with drawings and specifications of a standard prototype unit.

Q. How much is the franchise fee for a FreshBerry?

A. US \$ 25,000 per store location (Café or Kiosk).

Q. Does FreshBerry offer Area Development?

A. Yes. FreshBerry is actively seeking qualified candidates to develop multiple units in their territory.

Q. How much are the on-going royalties?

A. 5% of total gross sales.

Q. What type of marketing assistance is available?

A. FreshBerry will have available for the franchisees all creative media in the form of CD's/DVD's

Q. How is the site selected for my store?

A. FreshBerry will provide Real Estate assistance in the site procurement process including negotiation with the mall or retail space owners.

Q. Is there any experience necessary to own a FreshBerry?

A. Yes, but not necessarily in foodservice. FreshBerry actively searches for candidates with a strong background in business management.

Q. Do I need to be involved in the day-to-day operation of my franchise?

A. At least one owner or a designated manager must be involved on a full-time basis and must be responsible for the day-to-day operations and management.

Q. How long is the term of a FreshBerry franchise agreement?

A. The franchise term is ten (10) years + five (5) years automatic renewal.

Q. Will I get credit on supplies?

A. No Credit – everything cash basis or L/C for any material procured from UFC. Also any Warehousing/Clearance charges are payable.

Q. How will I price my menu products?

A. Menu pricing can be as per market situation with UFC guidelines

Q. What about Training/Support?

- A.**
1. For first Opening only
 2. There after your staff can be sent to UFC HQ in Riyadh or we will send our team on your expenses (boarding & lodging)

Q. What are territory license fees?

A. These are exclusivity fees determined by certain factors like potential of the market, competitor development, & business plan outlining number of outlets to be developed.

Q. Where should I send my letter of intent, evaluation form & other documents?

A. Kind Attn: The General Manager

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