

FRANCHISE DISCLOSURE DOCUMENT Acai Express Franchising Inc.

a Puerto Rico corporation 1353 Luis Vigoreaux Avenue, PMB 124 Guaynabo, Puerto Rico 00966 Tel. (787) 364-2602 www.acaiexpress.com franchising@acaiexpress.com



The franchise offered is for a quick service restaurant, food truck, or food trailer that serves fruit bowls, oatmeal bowls, smoothies and juice drinks. Acai, pitaya and other fruits and ingredients are juiced and prepared onsite from fresh and frozen ingredients. The restaurants, food trucks, and food trailers operate under the name "Acai Express" and offer breakfast, lunch, dinner, and snack menus.

The total investment necessary to begin operation of an Acai Express Restaurant franchise is \$94,400 to \$212,000. This includes \$20,000 that must be paid to the franchisor.

The total investment necessary to begin operation of an Acai Express Food Truck franchise is \$122,550 to \$171,500. The Acai Express Food Truck is an add on to the restaurant. You will not incur additional franchise fees. This includes \$20,000 that must be paid to the franchisor.

The total investment necessary to begin operation of an Acai Express Food Trailer franchise is \$111,600 to \$172,500. The Acai Express Trailer is an add on to the restaurant. You will not incur additional franchise fees. This includes \$20,000 that must be paid to the franchisor.

If you enter into an Multi-Unit Development Agreement to develop multiple Acai Express franchises, when you sign the Multi-Unit Development Agreement you will pay a reservation fee equal to 100% of the initial franchise fee for the first restaurant, to be developed, plus a deposit of 50% of the reduced initial franchise fee for each additional restaurant to be developed under the Multi-Unit Development Agreement. You are required to develop a minimum of three restaurants to enter into a Multi-Unit Development Agreement. The total estimated investment under a Multi-Unit Development Agreement to develop three Acai Express franchises is \$128,400 to \$246,500. This includes \$36,000 that must be paid to the franchisor. The total investment under a Multi-Unit Development Agreement will vary depending on the number of restaurants, to be developed.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive the 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 government 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 Hector Westerband at 1354 Luis Vigoreaux Avenue, PMB 124, Guaynabo, Puerto Rico, 00966 and (787)364-2602.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read all of your contract 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, DC 20580. You can also visit the FTC's 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 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 I 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 AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION AND ARBITRATION ONLY IN THE COMMONWEALTH OF PUERTO RICO. OUT-OF-STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN THE COMMONWEALTH OF PUERTO RICO THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT STATE THAT THE COMMONWEALTHOF PUERTO RICO LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS 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.+