

FRANCHISE DISCLOSURE DOCUMENT



Caribou Coffee Development Company, Inc.
a Minnesota, U.S.A. corporation
3900 Lakebreeze Avenue
Minneapolis, Minnesota 55429 U.S.A.
(763) 592-2200
www.cariboucoffee.com

Caribou Coffee Development Company, Inc. offers franchises for the operation of CARIBOU COFFEE® coffeehouses (“Coffeehouses”) that sell coffees, teas, baked goods, sandwiches, and other beverage and food products from kiosk style locations within a host facility, such as shopping malls, strip shopping centers, public transportation facilities, convention centers, grocery stores, university food courts, movie theaters, health clubs, hospitals and similar venues.

The total investment necessary to begin operation of a typical kiosk style Coffeehouse is \$223,840 to \$593,000. This includes \$18,900 to \$30,800 that must be paid to us or our affiliates. We also offer franchises for the operation of Coffeehouses located at a stand-alone location that are not dependent on a host facility for customer traffic. The total investment necessary to begin operation of a stand-alone Coffeehouse is \$533,915 to \$939,995. This includes \$36,400 to \$45,300 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your license (franchise) 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 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 Nick Schaefer at 3900 Lakebreeze Avenue, Minneapolis, Minnesota 55429, (303) 568-8000, nschaefer@cariboucoffee.com.

The terms of your contract will govern your license relationship. Don’t 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, D.C. 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.

Issuance Date: May 21, 2018

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 D 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 FIRST BY NON-BINDING MEDIATION ONLY IN THE CITY AND STATE WHERE OUR HEADQUARTERS IS LOCATED (CURRENTLY MINNEAPOLIS, MINNESOTA). THE FRANCHISE AGREEMENT PERMITS YOU TO LITIGATE ONLY IN HENNEPIN COUNTY, MINNESOTA AND PERMITS US TO LITIGATE IN THE FEDERAL OR STATE COURT WHERE THE COFFEEHOUSE IS LOCATED, OR WHERE OUR CORPORATE HEADQUARTERS IS LOCATED. IT MAY COST MORE TO MEDIATE OR LITIGATE WITH US IN MINNESOTA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT DOES NOT GRANT YOU AN EXCLUSIVE TERRITORY. WE AND OUR AFFILIATES MAY ESTABLISH COMPANY OWNED AND FRANCHISED OR LICENSED OUTLETS ANYWHERE, AND MAY ESTABLISH OTHER CHANNELS OF DISTRIBUTION AND SELL OR DISTRIBUTE ANY PRODUCT OR SERVICE TO THE GENERAL PUBLIC, UNDER THE SAME AND/OR DIFFERENT TRADEMARKS, IN COMPETITION WITH YOU.
3. YOU MUST OPERATE THE FRANCHISE ONLY AT THE LOCATION WE INITIALLY APPROVE FOR THE COFFEEHOUSE, AND WE MUST APPROVE ANY RELOCATION. IF YOU SUBSEQUENTLY LOSE THE RIGHT TO OPERATE AT THE LOCATION, AND WE DO NOT APPROVE A RELOCATION, WE MAY, AT OUR OPTION, TERMINATE YOUR FRANCHISE.
4. 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 this franchise.

Effective Date: See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

This Disclosure Document is registered, on file, or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

| State | Effective Date | State | Effective Date |
|------------|----------------|--------------|----------------|
| California | Pending | North Dakota | Pending |
| Illinois | Pending | Rhode Island | Pending |
| Indiana | Pending | South Dakota | Pending |
| Maryland | Pending | Virginia | Pending |
| Michigan | Pending | Washington | Pending |
| Minnesota | Pending | Wisconsin | Pending |
| New York | Pending | | |

In the states listed below, the effective date (and issuance date) of this Disclosure Document is May 21, 2018.

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|----------------------|---------------|----------------|
| Alabama | Kentucky | North Carolina |
| Alaska | Louisiana | Ohio |
| Arizona | Maine | Oklahoma |
| Arkansas | Massachusetts | Oregon |
| Colorado | Mississippi | Pennsylvania |
| Connecticut | Missouri | South Carolina |
| Delaware | Montana | Tennessee |
| District of Columbia | Nebraska | Texas |
| Florida | Nevada | Utah |
| Georgia | New Hampshire | Vermont |
| Idaho | New Jersey | West Virginia |
| Iowa | New Mexico | Wyoming |
| Kansas | | |

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