

FRANCHISE DISCLOSURE DOCUMENT
CHALLENGE ISLAND GLOBAL, LLC
A Georgia limited liability company

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DEPARTMENT OF
BUSINESS OVERSIGHT
SAN FRANCISCO



Challenge Island®
4590 LaSalle Ct
Marietta, Georgia 30062
(404) 692-3103

www.challenge-island.com

As a Challenge Island® franchisee, you will own and operate a business within a defined protected territory, providing unique challenge-based programs designed to foster critical and creative thinking skills, problem solving methodology, and core STEAM (Science, Technology, Engineering, Art, Mathematics) principles in children ages 4-14+

The total investment necessary to begin operation of a Challenge Island® franchise is from \$36,200 to \$49,250 This includes a franchise fee of \$30,000 which must be paid to the franchisor

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 this Disclosure Document at least 14 calendar days before you can 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 Sharon Duke Estroff at the Franchise Administration Department at 4590 LaSalle Ct, Marietta, Georgia 30062, (404) 692-3103

The terms of your contract 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 and this Disclosure Document to an advisor, like a lawyer or 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 "Buying a Franchise, A Consumer Guide," 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
ISSUANCE DATE April 1, 2016, amended July 27, 2016

STATE COVER PAGE

Your state may have franchise laws that require 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 E 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 OUR 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 BY ARBITRATION ONLY IN GEORGIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN GEORGIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT GEORGIA GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS

3 YOU MUST PAY THE FRANCHISOR MINIMUM ROYALTY FEES OF \$1,200 FOR EVERY TWELVE-WEEK PERIOD BEGINNING AFTER YOUR FIRST TWELVE WEEKS OF OPERATION. EVEN IF THE FRANCHISE BUSINESS HAS NO REVENUE, YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN THE TERMINATION OF YOUR FRANCHISE AND THE LOSS OF YOUR INVESTMENT

4 THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THE FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY

5 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

EFFECTIVE DATE See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the Franchise 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 Franchise 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
California	Pending
Florida (Exemption)	2/29/2016
Illinois	
Maryland	Pending
Michigan	
Texas (Exemption)	3/8/2016

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