

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



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 (the “Franchised 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 to 14+.

The total investment necessary to begin operation of a Challenge Island franchise is from \$48,300 to \$62,950. This includes an initial franchise fee of \$39,900 which must be paid to the franchisor. If you acquire development rights for two or more Challenge Island franchises pursuant to an Area Development Rider, you must pay us a non-refundable development fee equal to 100% of the initial franchise fee for the first Challenge Island franchise plus 50% of the initial franchise fee for each additional Challenge Island franchise you agree to develop. The minimum development fee for an Area Development Rider is \$59,850.

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, CEO, 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. 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 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 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 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 IN BINDING ARBITRATION IN ATLANTA, GEORGIA OR LITIGATE WITH US IN FULTON COUNTY, GEORGIA. OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH US IN GEORGIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT GEORGIA LAW 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 TWENTY-FOUR 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. THIS FRANCHISE IS A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.
5. THERE MAY BE OTHER RISKS IN BUYING AND OWNING A CHALLENGE ISLAND 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.

State registration effective dates, if any, are listed below.

STATE EFFECTIVE DATES

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	
Hawaii	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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