



FRANCHISE DISCLOSURE DOCUMENT
CHEBA HUT FRANCHISING, INC.
an Arizona Corporation
1305 Duff Drive, #7
Fort Collins, CO 80524
(970) 420-7082
www.chebahut.com

Cheba Hut Franchising, Inc. (“Cheba Hut”) franchises quick-service sandwich restaurants under the name “Cheba Hut®.” A Cheba Hut® Restaurant features toasted submarine sandwiches, original sauces, salads, soups, chips, brownies, and other high-quality food and beverage items in a fun, casual, and distinctive atmosphere.

The total investment necessary to begin operation of a franchised Cheba Hut® Restaurant is \$204,500 - \$408,500. This includes \$15,000-\$30,000 that must be paid to the franchisor or affiliate.

Cheba Hut Franchising, Inc. also offers development rights for Cheba Hut® Restaurants. If you sign an Area Development Agreement, you must pay a Development Fee in addition to the Initial Fee. The Development Fee consists of \$5,000 for each Cheba Hut® Restaurant that you are required to open under the Area Development Agreement.

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 sign a binding agreement with, or make any payment to, Cheba Hut Franchising, Inc. or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this Disclosure 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 Scott Jennings at Cheba Hut Franchising, Inc., 1305 Duff Drive, #7, Fort Collins, CO 80524, telephone number (970) 420-7082.

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 (“FTC”). 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 of this FTC Disclosure Document: May 27, 2015

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 franchises 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 the State Agency Exhibit for information about Cheba Hut Franchising, Inc. 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 CHEBA HUT FRANCHISING, INC. BY ARBITRATION OR LITIGATION ONLY IN LARIMER COUNTY, COLORADO. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH CHEBA HUT FRANCHISING, INC. IN COLORADO THAN IN YOUR OWN STATE.
2. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.

**CHEBA HUT FRANCHISING, INC.
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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:

California:	<u> , 2015</u>	New York:	<u>Not Registered</u>
Florida:	<u>April 18, 2015</u>	North Dakota:	<u>Not Registered</u>
Hawaii:	<u>Not Registered</u>	Rhode Island:	<u>Not Registered</u>
Illinois:	<u> , 2015</u>	South Dakota:	<u>Not Registered</u>
Indiana:	<u>Not Registered</u>	Utah:	<u>Not Registered</u>
Maryland:	<u>Not Registered</u>	Virginia:	<u>Not Registered</u>
Michigan:	<u> , 2015</u>	Washington:	<u> , 2015</u>
Minnesota:	<u> , 2015</u>	Wisconsin:	<u>Not Registered</u>

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of May 27, 2015.

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