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## FRANCHISE DISCLOSURE DOCUMENT

U-SWIRL INTERNATIONAL, INC (a Nevada corporation) 265 Turner Drive Durango, Colorado 81303 USA 702-586-8700 info@u-swirl com www u-swirl com, www yogurtini com, www Cherryberryyogurtbar com







U-Swirl International, Inc ("USI") offers franchises for the operation of self-service frozen yogurt stores under the marks "U-Swirl Frozen Yogurt", "Yogurtini" and "CherryBerry," (collectively "USI Stores"), which stores may also offer beverages and other frozen dessert products

The total investment necessary to begin operation of a USI Store franchise without an Area Development Agreement is from \$360,000 to \$466,000 These amounts include \$25,000 that must be paid to the franchisor or its affiliate

USI also offers franchises for limited-product stores within non-traditional locations under the mark "U-Swirl-n-Go" ("U-Swirl-n-Go Stores") The total investment necessary to begin operation of a U-Swirl-n-Go Store franchise without an Area Development Agreement is from \$71,000 to \$115,000 These amounts include \$9,000, \$12,000 or \$\$15,000 that must be paid to the franchisor or its affiliate

USI may also offer to qualified candidates the right to develop USI Stores that are co-branded as a Rocky Mountain Chocolate Factory store In that situation, you will be given a supplement to this Disclosure Document with information about the co-branded store franchise

USI may offer to qualified candidates the right to develop multiple USI Stores, multiple U-Swirln-Go Stores, or both U-Swirl Frozen Yogurt stores and U-Swirl-n-Go stores, under the terms of an Area Development Agreement

The total investment necessary to begin operation of a USI franchise with an Area Development Agreement is estimated to be from \$360,000 to \$466,000, plus \$5,000 times one less than the minimum number of stores to be developed under the Area Development Agreement, if your first store is a USI Store These amounts are estimated amounts as specified in Item 7 of this disclosure document and include at least \$25,000 that must be paid to the franchisor or its affiliate As an example only, if the Minimum Number is five, to purchase the Area Development Agreement you will pay USI an initial fee of \$45,000 (\$45,000 plus 4 X \$5,000)



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The total investment necessary to begin operation of a U-Swirl-n-Go franchise with an Area Development Agreement is estimated to be from \$65,000 to \$237,000, plus \$5,000 times one less than the minimum number of stores to be developed under the Area Development Agreement, if your first store is a U-Swirl-n-Go Store These amounts are estimated amounts as specified in Item 7 of this disclosure document and include at least \$9,000, \$12,000 or \$15,000 that must be paid to the franchisor or its affiliate As an example only, if the Minimum Number is five, to purchase the Area Development Agreement you will pay USI an initial fee of \$35,000 (\$15,000 plus 4 X \$5,000), or \$29,000 (\$9,000 plus 4 X \$5,000)

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, 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 our Franchise Development Department at 265 Turner Drive, Durango, Colorado 81303 USA and 702-586-8700, e-mail info@u-swirlinc com

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 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

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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 <u>Exhibit A</u> 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 BY ARBITRATION OR LITIGATION ONLY IN COLORADO OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO ARBITRATE OR LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT COLORADO 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 COMPLY WITH MAXIMUM PRICES SET BY THE FRANCHISOR FOR ALL GOODS YOU SELL THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME

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 the franchise

Effective Date See the next page for state effective dates

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