

FRANCHISE DISCLOSURE DOCUMENT Chillbox USA Franchise, LLC a New Jersey limited liability company 416 East Central Boulevard Palisades Park, New Jersey 07650 (201) 917-2425 www.chillboxusa.com info@chillboxusa.com





As a "Chillbox" Area Representative, you will solicit potential purchasers for our store franchises and provide development and ongoing franchise support services to single unit and multi-unit franchises in your defined territory Each franchisee of a "Chillbox" franchise will license directly from us the right to operate a retail store offering Greek frozen yogurt and toppings, smoothies and beverages

The total investment necessary to begin operation of an area representative franchise is 45,150 to 851,000 This includes between \$35,000 to \$800,000 that must be paid to the franchisor and/or its affiliate

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 the 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 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 Charles Castelli at 416 East Central Boulevard, Palisades Park, New Jersey 07650, or (201) 917-2425

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, DC 20580 You can also visit the FTC's home page at *www fic 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 29, 2015

Chillbox Greek Frozen Yogurt/ufdd with AR-03

(Franchise Disclosure Document for Area Representative Agreement)



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 A 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 AREA REPRESENTATIVE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN NEW JERSEY OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO ARBITRATE WITH US IN NEW JERSEY THAN IN YOUR OWN STATE
- 2 THE AREA REPRESENTATIVE AGREEMENT STATES THAT NEW JERSEY 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 THE FRANCHISOR WAS FORMED IN JULY 2014 AND HAS NO OPERATING HISTORY OR RECORD OF PERFORMANCE A FRANCHISEE'S INITIAL INVESTMENT OF FROM \$144,700 TO \$305,500 EXCEEDS THE FRANCHISOR'S NET WORTH OF \$40,055 AS OF DECEMBER 31, 20.14 A PROSPECTIVE AREA REPRESENTATIVE SHOULD TAKE THIS FACTOR INTO CONSDERATION WHEN DECIDING WHETHER TO PURCHASE A 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 the franchise.

Effective Date See next page for state effective dates

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STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or be exempt from registration California, Connecticut, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesöta, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

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

California Connecticut Florida Hawan Illinois Indiana Kentucky Maine Maryland Michigan Minnesota Nebraska New York North Carolina North Dakota Rhode Island South Carolina South Dakota Texas Utah Virginia Washington Wisconsin

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