



## FRANCHISE DISCLOSURE DOCUMENT

CLEAN JUICE FRANCHISING, LLC 10000 Twin Lakes Parkway, Suite B Charlotte, NC, 28269 Phone (704) 918-1217 \* Fax (704) 918-4451 <u>franchise@cleanjuice.com</u> <u>www.cleanjuice.com</u>

Clean Juice Franchising, LLC is in the business of marketing and selling fruit and vegetable juices, protein smoothies, coffees, acai bowls, and other related supplemental products and services, making every effort possible to use 100% USDA Certified Organic Produce and GMO-free ingredients under the trade name "Clean Juice" ("Franchised or Clean Juice Business(es)").

The total investment necessary to begin operation of a Clean Juice Business ranges from \$259,000 to \$502,500. This includes the \$42,500 that must be paid as an initial fee to the franchisor. If you enter into a multi-unit agreement with us, the total investment necessary to begin operation of three stores ranges from \$777,000 to \$1,507,500. This includes the \$69,500 that must be paid as an initial multi-unit fee 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 sign a binding agreement with, or make any payment to, the franchisor 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 Dave Cuff at <u>dave@cleanjuice.com</u>, 10000 Twin Lakes Parkway, Suite B, Charlotte, NC, 28269.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire contract carefully. Show your contract and this disclosure document to an advisor, such as 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 "<u>A Consumer Guide to Buying a Franchise</u>," 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 <u>www.ftc.gov</u> 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 specific 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 FRANCHISOR OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in <u>Exhibit E</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 AND THE MULTI-UNIT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION/ARBITRATION/MEDIATION (AS DESIGNATED RESPECTIVELY IN THE FRANCHISE AGREEMENT) ONLY IN THE JUDICIAL DISTRICT WHERE OUR HOME OFFICE IS LOCATED, WHICH IS CURRENTLY IN MECKLENBURG COUNTY, NORTH CAROLINA. OUT-OF-STATE LITIGATION/ ARBITRATION/ MEDIATION (AS DESIGNATED RESPECTIVELY IN THE FRANCHISE AGREEMENT) MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE/ ARBITRATE/ MEDIATE (AS DESIGNATED RESPECTIVELY IN THE FRANCHISE AGREEMENT) WITH US IN NORTH CAROLINA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND THE MULTI-UNIT AGREEMENT REQUIRES THAT NORTH CAROLINA LAW GOVERN THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. IF YOU ARE AN INDIVIDUAL, YOUR SPOUSE MUST ALSO SIGN A GUARANTY MAKING YOUR SPOUSE JOINTLY AND INDEPENDENTLY LIABLE FOR THE FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS GUARANTY PLACES YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK IF YOUR FRANCHISE FAILS.
- 4. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE COULD BE A HIGHER RISK INVESTMENT THAN A SYSTEM WITH A LONGER OPERATING HISTORY.
- 5. THE FRANCHISEE OR MULTI-UNIT OPERATOR WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$254,000 TO \$996,500. THESE AMOUNTS EXCEED THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2017, WHICH IS (\$1,237,487).
- 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 Dates: See the next page for state effective dates.

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## STATE EFFECTIVE DATES

The following states require 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	April 18, 2019
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	
Rhode Island	Pending
South Dakota	
Virginia	
Washington	Pending
Wisconsin	Pending

In all other states, the effective date of this disclosure document is the issuance date of April 19, 2019.

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