

FRANCHISE DISCLOSURE DOCUMENT

CREAMISTRY FRANCHISE, INC ,
a California corporation
22755 Savi Ranch Pkwy #G
Yorba Linda, CA 92887
949-777-6627
www.creamistry.com

Received
LA Mailroom

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Department of
Business Oversight



As a franchisee, you will own and operate a Creamistry store. Creamistry stores are quick casual stores featuring hand-crafted premium ice cream and complementary food and beverages. The total investment necessary to begin operation of a Creamistry franchised business is \$290,000 to \$581,000. This includes the initial franchise fee of \$40,000 for the first outlet that must be paid to us. If you open subsequent Creamistry store or stores, the initial franchise fee will be reduced to \$30,000 for your second store and to \$20,000 for your third and any additional Stores.

In the case of an area developer, the initial development fee to be paid to the Franchisor is equal to the initial franchise fee of \$40,000 for the first Creamistry store to be developed plus one-half (1/2) of applicable franchise fees for any additional Creamistry stores to be developed under the Area Development Agreement. Your estimated initial investment as an area developer will therefore vary based on the total number of restaurants to be developed.

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 Administrator at 22755 Savi Ranch Pkwy #G, Yorba Linda CA 92887 and 949-777-6627.

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 contracts carefully. Show your contracts and this Disclosure Document to an advisor, like a lawyer or an accountant.

Real Estate Security/Utility Deposits, Licenses and Prepaid Fees (2)(10)	\$5 000 \$25 000	As arranged	When Incurred	Landlord Government Agencies
Equipment & Furniture (3)	\$90 000 \$175 000	As arranged	When Incurred	Suppliers
Leasehold Improvements (4)	\$75 000 \$225 000	As arranged	When Incurred	Suppliers
Opening Inventory (5)	\$10 000 \$25 000	As arranged	When Incurred	Suppliers and Franchisor
Insurance (6)	\$3 000 \$6 000	As arranged	When Incurred	Insurance Provider
Signage, Menu Board (7)	\$12 000 \$20 000	As arranged	When Incurred	Suppliers
Grand Opening Promotion (8)	\$15 000 \$20 000	As arranged	When Incurred	Suppliers
Cash Registers/Other Office Equipment (9)	\$10 000 \$15 000	As arranged	When Incurred	Suppliers
Additional Funds - 3 months (11)	\$30 000	As arranged	When Incurred	Employees and Suppliers
TOTAL BASIC PACKAGE	\$290 000 \$581 000			

1 The Initial Franchise Fee is non refundable unless otherwise specified All other fees are also non-refundable The Initial Franchise Fee will be reduced to \$30,000 for your second, \$20,000 for your third and any additional Stores In the case of an area developer, the initial development fee to be paid to us will be equal to the initial franchise fee of \$40,000 for the first Creamistry store to be developed plus one-half (1/2) of applicable franchise fees for any additional Creamistry stores to be developed under the Area Development Agreement. Your estimated initial investment as an area developer will therefore vary based on the total number of restaurants to be developed

2 A Creamistry Store occupies approximately 800 to 2,000 square feet of space The terms of the lease and the amount of the monthly lease payment and security deposit will likely depend on the geographic location and size and condition of the premises and the demand for the premises by other prospective tenants These recurring overhead costs cannot be estimated You will lease space from the owner of the mall or retail center on terms negotiated and decided by you and the owner The lower figure contemplates a security deposit equal to one month's rent and the higher figure contemplates a security deposit equal to two months

3 This includes all kitchen equipment/fixtures as well as dining tables and chairs

4 Leasehold improvement and construction costs vary significantly depending on the condition, location size and configuration of the Store premises, the layout of the mall or retail center, and other factors relating to the geographic location of the business suppliers government regulations labor costs and other considerations You will contract directly with the architect, construction contractor and possibly other construction suppliers on terms negotiated by you

later than 365 days after the execution of the Franchise Agreement Franchisor shall have 30 days after receipt of such information and materials from Franchisee to approve or disapprove, at its sole discretion, the proposed location as the location for the franchised business The proposed location shall not be deemed approved unless written notice of approval is given to Franchisee by Franchisor

D Lease Provisions

The lease for the premises of the franchised business shall be submitted to Franchisor for its written approval prior to execution by Franchisee and the Lessor, and shall contain the following terms and conditions

1 That the premises shall be used only for the operation of the franchised business

2 That the landlord has examined Franchisor's standard design concepts and consents to Franchisee's use of such Proprietary Marks and signage as Franchisor may prescribe for the franchised business

3 That the landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Franchisee pertaining to the lease and premises, at the same time that such letters and notices are sent to Franchisee

4 That Franchisee may not sublease or assign all or any part of its occupancy rights, or extend the term or renew the lease, without Franchisor's prior written consent

5 That Franchisor shall have the right to enter the premises to make any modification necessary to protect Franchisor's Proprietary Marks or to cure any default under the lease or under this Agreement

6 That Franchisor shall have the option to assume Franchisee's occupancy rights, and the right to assign or sublease for all or any part of the remaining term, upon Franchisee's default or termination under such lease or under this Agreement

7 That Franchisor shall be furnished a copy of the executed lease, ten (10) days after its execution, and no change or amendment to such lease affecting the above terms and conditions shall be effective without Franchisor's prior written approval

E Relocation

Upon Franchisor's approval of a location for the franchised business, or upon execution of this Agreement, whichever occurs earlier, the street address of the approved location of the franchised business shall be recorded and shall be attached as Exhibit "A" to this Agreement Franchisee shall not relocate the franchised business without the express prior written consent of Franchisor

F Construction

Franchisee shall commence construction or leasehold improvements ("Construction") of the franchise business within 180 days after Franchisee executes this addendum, executes a lease, or obtains the right to possession of the premises, whichever occurs latest Franchisee shall provide

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