

APR 13 2012

FRANCHISE DISCLOSURE DOCUMENT



Cultivé Franchise, LLC
314 Hidalgo Place
Davis, CA 95616
Phone: 415/378-4692
Fax: 720-265-2927
www.cultiveyogurt.com

Franchised Business: We offer franchises awarding the right to operate a Cultivé® Frozen Yogurt Store offering customers a large variety of authentic frozen yogurt flavors, sorbets and fresh, flavorful toppings in a self-serve format.

Total Initial Investment: If this is your first franchise, the total investment necessary to begin operating a Cultivé® Frozen Yogurt Store is \$171,000 to \$570,000 which includes the Initial Franchise Fee of \$35,000. If you buy a second or subsequent franchise, we reduce the Initial Franchise Fee to \$25,000 if you pay for the additional franchise(s) at the same time that you pay for the first franchise.

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 Andrew Chun, 314 Hidalgo Place, Davis, California 95616 (telephone: 415/378-469; Fax: 720-265-2927); andrew@cultiveyogurt.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, N.W., 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 OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.**

Call the state franchise administrator listed in **Exhibit A** for information about the franchisor, about other franchisors, 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 LITIGATION ONLY IN THE FEDERAL OR STATE COURTS LOCATED CLOSEST TO OUR PRINCIPAL OFFICE WHICH AT THIS TIME IS IN DAVIS, CALIFORNIA. OUT OF STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN THE COURTS NEAR OUR PRINCIPAL OFFICE THAN IN YOUR OWN STATE.**
2. **IN MOST CASES, BEFORE YOU OR WE MAY FILE A LAWSUIT AGAINST THE OTHER, THE FRANCHISE AGREEMENT REQUIRES THAT THE ISSUES IN DISPUTE BE SUBMITTED TO NON-BINDING MEDIATION. IF MEDIATION DOES NOT RESULT IN RESOLUTION, THEN EITHER ONE OF US MAY SUBMIT THE DISPUTE TO LITIGATION. MEDIATION MUST OCCUR AT OUR PRINCIPAL OFFICE, WHICH AT THIS TIME IS IN DAVIS, CALIFORNIA. WE MAY RELOCATE OUR PRINCIPAL OFFICE AT ANY TIME WITHOUT PRIOR NOTICE. MEDIATION OUTSIDE OF YOUR HOME STATE MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE IN CALIFORNIA THAN IN YOUR HOME STATE.**
3. **THE FRANCHISE AGREEMENT REQUIRES THAT CALIFORNIA LAW GOVERNS THE AGREEMENT. THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW IF YOU RESIDE OUTSIDE OF CALIFORNIA. YOU MAY WANT TO COMPARE THESE LAWS.**
4. **IF YOU ARE A BUSINESS ENTITY, EACH PERSON WHO OWNS OR LATER ACQUIRES 15% OR MORE OF THE OUTSTANDING EQUITY OR VOTING INTERESTS OF THE ENTITY MUST SIGN OUR PERSONAL GUARANTY (EXHIBIT F) AGREEING TO JOINTLY AND SEVERALLY PERSONALLY GUARANTY THE ENTITY'S OBLIGATIONS TO US UNDER ALL CONTRACTS THAT THE ENTITY SIGNS WITH US.**

5. WE RESERVE THE RIGHT TO USE MASTER FRANCHISEES TO CARRY OUT SOME OF OUR OBLIGATIONS TO YOU.
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 make sure to do your own investigation of the franchise.

EFFECTIVE DATE: March 15, 2012

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