

FRANCHISE DISCLOSURE DOCUMENT

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DQ Grill & Chill® Franchise. American Dairy Queen Corporation (“ADQ”) offers single unit and multiple unit franchises for the operation of DQ Grill & Chill® restaurants at authorized locations. A DQ Grill & Chill® restaurant is a quick service food restaurant with seating from which you will sell the full line of approved soft-serve, treat, food and beverage menu items.

The total investment necessary to begin operation of a single DQ Grill & Chill® franchise is \$1,083,525 - \$1,850,425. This includes the \$12,500 - \$39,000 that must be paid to the franchisor or affiliate. In addition, if you enter into a multiple trade area reservation agreement, you will pay an initial franchise fee deposit determined by multiplying the number of restaurants you are granted the right to develop by \$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.**

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 “[Consumer 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 **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 FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN MINNEAPOLIS, MINNESOTA, OR AT SUCH OTHER PLACE AS MAY BE MUTUALLY AGREEABLE TO THE PARTIES. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN MINNEAPOLIS, MINNESOTA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT REQUIRES THAT THE LAWS OF THE STATE IN WHICH YOUR AUTHORIZED LOCATION IS LOCATED GOVERN THE AGREEMENT. TO THE EXTENT NOT SUBJECT TO ARBITRATION, ANY CAUSE OF ACTION, CLAIM, SUIT OR DEMAND MUST BE BROUGHT IN THE FEDERAL DISTRICT COURT FOR THE DISTRICT OF MINNESOTA OR IN HENNEPIN COUNTY DISTRICT COURT, FOURTH JUDICIAL DISTRICT, MINNEAPOLIS, MINNESOTA. IT MAY COST MORE TO LITIGATE WITH ADQ IN MINNEAPOLIS, MINNESOTA THAN IN YOUR HOME STATE. EVEN THOUGH THE FRANCHISE AGREEMENT PROVIDES THAT “HOME STATE” LAW APPLIES, LOCAL LAW MAY SUPERSEDE IT IN YOUR STATE. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THE DISCLOSURE DOCUMENT FOR DETAILS.
3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Dates: See the next page for state effective dates.

STATE EFFECTIVE DATES:

The following states require that 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:

California	March 24, 2017
Hawaii	
Illinois	March 24, 2017
Indiana	March 24, 2017
Maryland	
Michigan	March 25, 2017
Minnesota	
New York	March 24, 2017
North Dakota	
Rhode Island	March 25, 2017
South Dakota	March 25, 2017
Washington	March 25, 2017
Wisconsin	March 25, 2017

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