## FRANCHISE DISCLOSURE DOCUMENT



Orange Cryo Franchising LLC A Pennsylvania Limited Liability Company 3012 Butler Pike Conshohocken, Pennsylvania 19428 267-269-7155 <u>www.orangecryo.com</u>

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**Business Oversig** 

We offer qualified individuals and entities a franchise for the right to independently own and operate a distinctive wellness center that operates under the ORANGE CRYO WELLNESS mark and features non-invasive treatments involving cryogenic temperatures intended to reduce pain and other ailments provided to clients in a spa-like setting (each, a "Wellness Center" or "Franchised Business"). Cryotherapy is a revolutionary health promoting technology that is used to assist with weight loss, recovery from muscle injury, inflammation reduction, pain relief and athletic performance improvement.

The total investment necessary to begin operation of a single Wellness Center ranges from \$116,450 to \$184,450. This includes \$25,000 that must be paid to us or our affiliates.

We also offer qualified parties the right to open and operate either three (3) or five (5) Wellness Centers in accordance with a development schedule set forth in our development agreement. The total investment necessary under a development agreement for three (3) Wellness Centers ranges from \$151,450 to \$219,450, and \$178,950 to \$246,950 for five (5) Wellness Centers. This included \$60,000 to \$87,500 that must be paid to the us or our affiliates. This estimate includes the appropriate development fee you must pay to us upon execution of the development agreement, as well as the total estimated initial investment to open and commence operations of your first Wellness Center.

This disclosure document summarizes certain provisions of your franchise agreement, development 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 us at 3012 Butler Pike, Conshohocken, Pennsylvania 19428 or 267-269-7155.

The terms of your contract will govern your franchise relationship. Do not 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, 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-FTCHELP 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.

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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 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 DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY MEDIATION (AT OUR OPTION) OR LITIGATION ONLY IN PENNSYLVANIA. OUT OF STATE MEDIATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND/OR LITIGATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE THAT PENNSYLVANIA 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. IF FRANCHISEE IS AN INDIVIDUAL, THEN FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING YOUR SPOUSE JOINTLY AND INDEPENDENTLY LIABLE FOR THE FINANCIAL OBLIGATIONS UNDER THE AGREEMENT. BOTH YOU AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, INCLUDING YOUR HOUSE, COULD BE LOST IF YOUR FRANCHISE FAILS.
- 4. IF THE FRANCHISEE IS A BUSINESS ENTITY, THEN EACH OF THE ENTITY'S OWNERS AND, AT OUR OPTION, THEIR RESPECTIVE SPOUSES MUST SIGN A PERSONAL GUARANTY. ALL PERSONS THAT SIGN A PERSONAL GUARANTY MUST PERSONALLY GUARANTEE, AND BE PERSONALLY BOUND BY, EACH OF THE FRANCHISEE'S OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THOSE SIGNING THE PERSONAL GUARANTY WILL ALSO PUT THEIR PERSONAL ASSETS AT RISK.
- 5. SOME STATE MEDICAL BOARDS MAY DETERMINE THAT CRYOTHERAPY IS A MEDICAL TREATMENT WHICH REQUIRES PHYSICIAN OVERSIGHT. IF YOU ARE FOUND TO BE PRACTICING MEDICINE WITHOUT A LICENSE, YOU MAY BE SUBJECT TO CRIMINAL PENALTIES.

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