



## FRANCHISE DISCLOSURE DOCUMENT

Skyline Chili, Inc.  
An Ohio Corporation  
4180 Thunderbird Lane  
Fairfield, Ohio 45014  
(513) 874-1188  
[www.skylinechili.com](http://www.skylinechili.com)

SKYLINE CHILI, INC. ("Skyline"), franchises restaurants with a limited menu specializing in high quality chili-related food products served in a table-service or cafeteria style format. Skyline offers both individual franchise agreements, which would grant you the right to operate one Skyline Chili restaurant at one location, and area franchise agreements, which would grant you the exclusive right to establish a defined number of franchised restaurants within a specified geographic area and in accordance with a specified time schedule.

The total investment necessary to begin operation of a Skyline Chili franchise ranges from a low of \$360,000 to a high of approximately \$480,000, **excluding the cost of real estate and improvements, continuing royalty fees and continuing advertising fees.** This includes the total amount in Item 5 that must be paid to the franchisor or an affiliate. See Items 5 and 7 of this disclosure document for additional detailed information.

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 government 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 "*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, NW., Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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 MEDIATION AND ARBITRATION ONLY IN OHIO. OUT-OF-STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN OHIO THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT OHIO 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. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

SOME STATES DO NOT PERMIT CHOICE OF FORUM OR CHOICE OF LAW SELECTION CLAUSES, SO ITEMS 1 AND 2 MAY NOT APPLY TO YOU – CHECK ITEM 17 INSIDE AND THE STATE SPECIFIC ADDENDUM FOR YOUR STATE (IF ANY).

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