

JAN 03 2014

FRANCHISOR'S COSTS AND SOURCE OF FUNDS

- 1 Disclose the Franchisor's total costs for performing its pre-opening obligations to provide goods or services in connection with establishing each franchised business, including real estate, improvements, equipment, inventory, training, and other items stated in the offering

<u>Category</u>	<u>Costs</u>
Real Estate	\$0
Improvements	\$0
Equipment	\$500 - \$3,000
Inventory	\$100 - \$2,500
Training	\$1,000 - \$5,000
Other (describe)	
<u>Site Opening Assistance</u>	\$0
<u>Signage</u>	\$100 - \$2,500
<u>PR Launch</u>	\$500 - \$500
Totals	\$2,200 - \$13,500

- 2 States separately the sources of all required funds

Existing funds and on-going operations

FRANCHISE DISCLOSURE DOCUMENT



RECEIVED LOS ANGELES OFFICE

[JAN 03 2014]

Fay Ranches Franchise, LLC
a Colorado limited liability company
395 Gallatin Park Dr., Bozeman, MT 59715
Phone: 406-586-4001
Web: www.fayranches.com
Contact: Gregory W. Fay: gfay@fayranches.com

Fay Ranches Franchise, LLC offers franchises for the operation of a real estate sales business offering real estate sales services focusing on farms, ranches, plantations, sporting properties and with emphases on conservation and preserving big land, within a specified geographic area and using its unique system to complement the existing businesses of new franchisees

The total investment necessary to begin operation of a Fay Ranches Business franchise is \$13,200 to \$132,500 This includes \$10,000 to 25,000 that must be paid to the franchisor or an Affiliate

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English Read this disclosure document and all agreements carefully You must receive this disclosure document at least 14 days before you sign a binding agreement or make any payment in connection with the 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 Fay Ranches Franchise, LLC at 395 Gallatin Park Dr , Bozeman, MT 59715 and 406-586-4001

The terms of your contract will govern your franchise relationship. Do not 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 Information comparing franchisors is available Call your state agency or your public library for sources of information More information on franchising, such as "A Consumer's Guide to Buying a Franchise", is available from the FTC You can contact the FTC at 1-877-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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 E** 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 COLORADO 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 COLORADO THAN IN YOUR OWN STATE**
2. **THE FRANCHISE AGREEMENT STATES THAT COLORADO LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS**
3. **THE FRANCHISOR HAS BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME (AUGUST 2013) THEREFORE THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT**
4. **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 BE SURE TO DO YOUR OWN INVESTIGATION OF THE FRANCHISE.**
5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE**

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