

FRANCHISE DISCLOSURE DOCUMENT



Gotcha Covered Franchising, LLC (a Colorado limited liability company) 303 S. Broadway Suite 200-153 Denver, CO 80209 (303) 202-1120 franchising@gotchacoveredfranchising.com www.gotchacoveredfranchising.com www.gotchacovered.com

Gotcha Covered businesses sell and install window treatments, including draperies, fabrics, drapery hardware, bedroom ensembles, blinds, shades and other related merchandise ("<u>GC Business</u>").

The total investment necessary to begin operation of a Gotcha Covered Business ranges from \$67,120 and \$72,500, including \$59,900 which must be paid to the franchisor or its affiliates.

This franchise disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this franchise disclosure document and all accompanying agreements carefully. You must receive this franchise disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment 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 Franchise Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Vic Yosha at 303 S. Broadway, Suite 200-153, Denver, CO 80209, (303) 202-1120, ext. 305, and vyosha@gotchacovered.com.

The terms of your contract will govern your franchise relationship. Don't rely on this Franchise Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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 FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in <u>Exhibit A</u> 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/ARBITRATION/LITIGATION ONLY IN COLORADO. OUT-OF-STATE ARBITRATION/LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE/ARBITRATE/LITIGATE 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 PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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.

Effective Dates: See next page for state effective dates



STATE EFFECTIVE DATES

The following states require 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:

STATE	EFFECTIVE DATE
CALIFORNIA	March 11, 2014
HAWAII	Not Registered
ILLINOIS	March 10, 2014
INDIANA	June 10, 2014
MARYLAND	March 14, 2014
MICHIGAN	March 10, 2014
MINNESOTA	March 11, 2014
NEW YORK	March 24, 2014
NORTH DAKOTA	Not Registered
RHODE ISLAND	Not Registered
SOUTH DAKOTA	Not Registered
VIRGINIA	May 8, 2014
WASHINGTON	May 21, 2014
WISCONSIN	March 10, 2014

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