

FRANCHISE DISCLOSURE DOCUMENT

GREASE MONKEY FRANCHISING, LLC

(a Colorado limited liability company)

7450 E. Progress Place

Greenwood Village, CO 80111

Telephone: (303) 308-1660

Facsimile: (303) 308-5906

Website: www.greasemonkeyintl.com



Grease Monkey Franchising, LLC is offering franchises for the operation of businesses that provide automotive lubrication and other approved automotive maintenance and repair services.

The total estimated investment necessary to begin operation of one three-bay GREASE MONKEY Center franchise is \$154,195 to \$319,850. This includes between approximately \$33,000 to \$66,000 that must be paid to the franchisor or affiliates. The high range of these estimated investment amounts includes the \$30,000 standard initial franchise fee for one GREASE MONKEY Center.

A prospective franchisee converting an operating automotive lubrication, maintenance and repair center which it already owns to a GREASE MONKEY Center pays a conversion fee of \$20,000 in lieu of the initial franchise fee, but may receive credits based on its prior year sales and length of operation which are applied against the conversion fee.

In addition, we offer the right to develop three or more Centers in a designated geographic area under our Territory Development Agreement. When a Territory Development Agreement is signed, in addition to the \$30,000 initial franchise fee for the first Center, you pay an initial franchise fee of \$18,000 for second Center to be developed and a \$9,000 initial franchise fee for each additional Center to be developed.

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.**

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 7450 E. Progress Place, Greenwood Village, Colorado 80111, (303) 308-1660.

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 "*Buying a Franchise: A Consumer's Guide*," 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.

THE DATE OF ISSUANCE OF THIS DISCLOSURE DOCUMENT IN THE NON-REGISTRATION STATES IS:

May 8, 2014

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, about other franchisors, 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 TERRITORY DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN GREENWOOD VILLAGE, COLORADO AND, IF APPLICABLE, LITIGATE WITH THE FRANCHISOR ONLY IN ARAPAHOE COUNTY, COLORADO (STATE COURT) OR THE CITY AND COUNTY OF DENVER, COLORADO (FEDERAL COURT). OUT OF STATE ARBITRATION AND, IF APPLICABLE, LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN GREENWOOD VILLAGE, COLORADO AND, IF APPLICABLE, LITIGATE WITH US IN COLORADO THAN IN YOUR OWN STATE.**
- 2. THE FRANCHISE AGREEMENT AND TERRITORY DEVELOPMENT AGREEMENT STATE THAT COLORADO LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTION AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. SPOUSES OF FRANCHISE OWNERS MAY BE REQUESTED TO EXECUTE A PERSONAL GUARANTY PLACING THEIR PERSONAL ASSETS AT RISK.**
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We reserve the right to 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 is our agent and represents us, and 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.

The effective dates of this Disclosure Document in the states with registration laws are on the following page:

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