



FRANCHISE DISCLOSURE DOCUMENT

Great Harvest Franchising, Inc. A Montana Corporation 28 South Montana Street Dillon, MT 59725 (406) 683-6842 or (800) 442-0424 heidim@greatharvest.com www.greatharvest.com www.facebook.com/GreatHarvestBreadCo

The franchise is whole-wheat neighborhood bread companies.

The total investment necessary to begin operation of a Great Harvest Bread Company franchise is \$113,470 to \$642,004. This includes \$38,000 for a first-time location, and \$8,000 or \$18,000 for an additional location, that must be paid to the franchisor or affiliate. (You must pay us an additional \$3,000 for area development rights.)

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 Heidi Melendez, Kathy Peterson, or Hope Kincheloe at our corporate office at 28 South Montana Street, Dillon, Montana 59725, heidim@greatharvest.com, kathyp@greatharvest.com, or hopek@greatharvest.com, (800) 442-0424.

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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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 <u>www.ftc.gov</u> 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.

Issuance date of this Franchise Disclosure Document: February 1, 2016

GREAT HARVEST 2016 MULTISTATE FDD



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 B 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 LITIGATION ONLY IN MONTANA (IF MEDIATION AND ARBITRATION IN YOUR CITY DO NOT RESOLVE THE DISPUTE). OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN MONTANA THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT MONTANA LAW GENERALLY 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. OUR FINANCIAL STATEMENTS SHOW THAT OUR LIABILITIES EXCEED OUR ASSETS. THIS MEANS THAT WE MAY NOT HAVE THE FINANCIAL RESOURCES TO PROVIDE SERVICES OR SUPPORT TO YOU.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: See the next page for state effective dates.



GREAT HARVEST FRANCHISING, INC.

STATE EFFECTIVE DATES

The following states require that 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:

California	Pending
Hawaii	Pending
Illinois	February 5, 2016
Indiana	February 5, 2016
Michigan	February 1, 2016
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	February 5, 2016
Virginia	Pending
Washington	Pending
Wisconsin	February 4, 2016

In all other states, this Franchise Disclosure Document's effective date is the issuance date of February 1, 2016.

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