

FRANCHISE DISCLOSURE DOCUMENT



OXI FRESH FRANCHISING CO., INC.

143 Union Boulevard, Suite 825 Lakewood, Colorado 80228 Telephone: 1-877-OXIFRESH Fax: (303) 716-2955 www.oxifresh.com

Oxi Fresh Franchising, Co., Inc., a Colorado corporation, is offering a franchise program known as Oxi Fresh Carpet Cleaning specializing in the cleaning of commercial and residential carpet, rugs, and upholstery. Oxi Fresh Businesses also offer tile and grout cleaning services and other ancillary services.

The total investment necessary to begin operation of an Oxi Fresh Business franchise ranges from \$38,345 to \$60,115. This includes \$34,935 to \$38,685 (for a single franchise with a territory of up to 110,000 households) that must be paid to the franchisor or an affiliate. Additional franchises with territories of 110,000 households each can be acquired for an initial franchise fee of 75 percent of the then current Initial Franchise Fee for the first additional franchise and 65 percent of the then current Initial Franchise Fee for each additional franchise.

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 Jonathan Barnett at 143 Union Boulevard, Suite 825, Lakewood, Colorado 80228 and 1-877-OXIFRESH.

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 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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For use in: AL, AK, AZ, AR, CA, CO, CT, DE, DC, GA, FL, HI, ID, IL, IN, IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA, RI, SC, SD, TN, TX, UT, VT, VA, WA, WI, WV, WY, and U.S. TERRITORIES



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 <u>Attachment M</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 ARBITRATION OR LITIGATION ONLY IN COLORADO. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR 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. YOUR **OPERATIONS MANAGERS,** OFFICERS, DIRECTORS, PARTNERS, BENEFICIAL OWNERS, SHAREHOLDERS, EMPLOYEES, INDEPENDENT AGENTS, AND ANY MEMBER OF YOUR OR THEIR IMMEDIATE FAMILIES, MAY BE REQUIRED TO OUR **CONFIDENTIALITY/APPLICATION AGREEMENT** SIGN AND OUR NONDISCLOSURE AND NONCOMPETITION AGREEMENT, AND AGREE TO BE PERSONALLY BOUND BY THE CONFIDENTIALITY PROVISIONS, COVENANTS NOT TO COMPETE, AND OTHER RESTRICTIVE COVENANTS.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

(SEE THE STATE SPECIFIC ADDENDA ATTACHED AS ATTACHMENT N.)

Note: The agreement provisions referred to in the risk factors may be void under some state franchise laws. See the State Specific Addenda, which is attached to this Disclosure Document as Attachment N.

The states listed in <u>Attachment M</u> may require registration or filing of this franchise offering. Registration of this franchise by a state does not mean that the state recommends it or has verified the information in this Disclosure Document. If you learn that anything in this Disclosure Document is untrue, contact the Federal Trade Commission and the state authority listed in Attachment M.

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 Date: See the next page for state effective dates.



The Effective Dates of this Disclosure Document for the following states are:

California:
Hawaii:
Illinois:
Indiana:
Maryland:
Minnesota:
New York:
North Dakota:
Rhode Island:
South Dakota:
Virginia:
Washington:
Wisconsin:

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