

FRANCHISE DISCLOSURE DOCUMENT

ROCKY MOUNTAIN CHOCOLATE FACTORY, INC.

(a Colorado corporation)

265 Turner Drive

Durango, Colorado 81303

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Rocky Mountain Chocolate Factory is offering franchises for the retail sale of gourmet chocolate and other premium confectionery products. The total estimated investment necessary to begin operation of a full-sized ROCKY MOUNTAIN CHOCOLATE FACTORY Store ranges from \$115,600 to \$468,665. These amounts include between \$37,500 and \$53,500 that must be paid to the franchisor.

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 the Franchise Administrator at Rocky Mountain Chocolate Factory, 265 Turner Drive, Durango, Colorado 81303 and (800) 438-7623.

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. More information on franchising, such as *"Buying a Franchise: A Consumer 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.

ISSUANCE DATE: June 27, 2013

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, 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 ONLY IN COLORADO, EXCEPT FOR FRANCHISEES IN THE STATES OF CALIFORNIA, IDAHO, ILLINOIS, IOWA, MINNESOTA, RHODE ISLAND AND SOUTH DAKOTA, WHERE THE FRANCHISE AGREEMENT REQUIRES THAT DISPUTES ARE SUBMITTED FIRST TO NON-BINDING ARBITRATION IN COLORADO AND, FAILING SETTLEMENT, THEN ARE LITIGATED. OUT-OF-STATE NON-BINDING ARBITRATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUBMIT DISPUTES FIRST TO NON-BINDING ARBITRATION OR TO LITIGATE WITH US IN COLORADO THAN IN YOUR HOME 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. ROCKY MOUNTAIN CHOCOLATE FACTORY, INC. IS NOT OBLIGATED BY THE FRANCHISE AGREEMENT OR OTHERWISE TO PROTECT ANY RIGHTS WHICH THE FRANCHISEE HAS TO USE THE TRADEMARKS OR TRADENAMES. THIS MEANS THAT THE FRANCHISEE MAY BE REQUIRED TO COMMENCE LEGAL PROCEEDINGS AT ITS OWN EXPENSE TO PROTECT ITS PROPERTY INTEREST IN THE ROCKY MOUNTAIN CHOCOLATE FACTORY TRADEMARK, OR TO DEFEND, AT ITS OWN EXPENSE, ANY ACTION WHICH MAY BE BROUGHT AGAINST IT FOR INFRINGEMENT. THESE FACTORS SHOULD BE TAKEN INTO ACCOUNT IN DETERMINING WHETHER OR NOT TO PURCHASE THIS FRANCHISE.**
- 4. THE FRANCHISOR RESERVES THE RIGHT TO ESTABLISH COMPANY OWNED OR FRANCHISED OPERATIONS WITHIN THE FRANCHISEE'S DESIGNATED AREA SELLING THE SAME OR SIMILAR PRODUCTS AS THOSE DESCRIBED IN THIS DISCLOSURE DOCUMENT, BUT UNDER**

DIFFERENT TRADENAMES OR TRADEMARKS THAN DESCRIBED IN THIS DISCLOSURE DOCUMENT.

5. 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 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.

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

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/rocky-mountain-chocolate-factory>