



FRANCHISE DISCLOSURE DOCUMENT ROD WORKS INC

4275 Thanksgiving Way Suite 200 Lehi, Utah 84043 801-768-2315

The franchise offered by Rod Works Inc is for the operation of a business that offers unique home and office accessories. A separate franchise agreement must be entered into for each Rod Works Business operated by a franchisee ("ROD WORKS Business").

The total investment necessary to begin operations of a ROD WORKS Business is \$124,800 to \$219,000. This includes the \$35,000 that must be paid to the franchisor and/or an affiliate.

If you enter into a Multi-unit Development Agreement your investment for your Initial Franchise Agreement will be as described above. We will charge you a Development Fee equal to the sum of 80% of our Initial Franchise Fee multiplied by the number of ROD WORKS Businesses required to be developed under your Multi-unit Development Agreement. You must pay the entire Development Fee when you sign the Multi-unit Development Agreement

This Franchise 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 Aaron Brackett, 4275 Thanksgiving Way Suite 200, Lehi, Utah 84043 (801) 768-2315).

The terms of your contract will govern your franchise relationship. Don't rely on the Disclosure Document alone to understand your contract. Read your entire 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 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: November 1, 2018



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 THE FRANCHISE DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in <u>EXHIBIT C</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 AND/OR LITIGATION ONLY IN THE STATE AND COUNTY OR DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED. OUT OF STATE MIDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE OR LITIGATE WITH US IN THE STATE AND COUNTY OR DISTRICT IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT UTAH LAW GOVERNS THE AGREEMENT, AND UTAH LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR STATE LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. IF THE FRANCHISE OWNERS DO NOT SATISFY OUR QUALIFICATIONS FOR FRANCHISEES, WE MAY REQIRE THEIR SPOUSES TO SIGN PERSONAL GUARANTIES MAKING EACH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR ALL OGLIGATIONS OF THE FRANCHISE. THESE GUARANTIES PLACE EACH FRANCHISE OWNER'S AND EACH SPOUSE'S PERSONAL ASSETS AT RISK.
- 4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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

The effective dates of this Disclosure Document in the states with franchise registration laws in which we have sought registration or exemption appear on the following page.

California Effective Date

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