

FRANCHISE DISCLOSURE DOCUMENT UNDER CANVAS FRANCHISES, LLC

A Montana Limited Liability Company 1172 Happy Lane Belgrade, Montana 59714 (406) 600-3287

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www.undercanvas.com



As an Under Canvas® franchisee, you will operate a business that develops and operates a glamping resort that provides services and amenities similar to a luxury hotel.

The total investment necessary to begin operation of an Under Canvas® franchise ranges from \$235,500 to \$2,662,500. (See Item 7). This includes \$85,000 - \$895,000 in initial fees that must be paid to the franchisor or affiliate. (See Item 5).

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 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 Sarah Dusek at 4070 1172 Happy Lane, Belgrade, Montana 59715, (406) 600-3287.

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 (FTC). 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 issuance date of this Disclosure Document is June 7, 2016.



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 THIS 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 D 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 STATES THAT UTAH LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 2. AS A CONDITION OF OPERATING THE FRANCHISE, EACH OWNER OF THE FRANCHISE IS BOUND TO THE NON-COMPETITION PROVISIONS OF THE FRANCHISE AGREEMENT DURING AND AFTER THE TERM OF THE FRANCHISE AGREEMENT. EACH OWNER OF THE FRANCHISE MUST SIGN A PERSONAL GUARANTY, WHICH MAY PLACE THE OWNER'S OR THE OWNER'S SPOUSE'S PERSONAL ASSETS AT RISK.
- 3. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.



STATE EFFECTIVE DATES

The following states require that this 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, as well as Florida, Kentucky, Nebraska, Texas, and Utah (the "Registration States"). This Franchise Disclosure Document is not registered, on file or exempt in any of the Registration States other than listed below:

Utah June 1, 2016

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