

FRANCHISE DISCLOSURE DOCUMENT

Watermill EXPRESS®

Get A Better Water Habit!®

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(a Colorado limited liability company)
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Watermill Express franchisees operate drive-up, self-serve vending outlets that dispense pure drinking water and ice 24 hours per day, seven days per week (“**Watermill Express Station(s)**” or “**Station(s)**”).

The total initial investment necessary to begin operation of a Watermill Express franchise ranges from \$471,800 to \$596,400 for three (3) Watermill Express Stations. This includes \$392,000 to \$421,800 which must be paid to the franchisor or its affiliates. The total initial investment necessary to begin operation of a Watermill Express franchise ranges from \$142,400 to \$211,340 for each additional station after the first three (3) Watermill Express Stations. This includes \$116,500 to \$155,140 which must be paid to the franchisor or its affiliates.

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 a 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 Development Department at 1177 South Fourth Avenue, Brighton, Colorado 80601, (303) 659-1573.

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, DC 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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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 BY MEDIATION/LITIGATION ONLY IN COLORADO. OUT-OF-STATE MEDIATION /LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE/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. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$471,800 TO \$596,400. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBER EQUITY AS OF DECEMBER 31, 2018 WHICH IS (\$2,150).
4. 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 is our agent and 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: See next page for state effective dates.

STATE EFFECTIVE DATES

The following states require the 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 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:

Effective Dates for States Requiring Registration and Notice Filings:

STATE	EFFECTIVE DATE
CALIFORNIA	NOT REGISTERED
FLORIDA	Pending
HAWAII	NOT REGISTERED
ILLINOIS	Pending
INDIANA	NOT REGISTERED
KENTUCKY	April 2, 2015*
MARYLAND	NOT REGISTERED
MICHIGAN	Pending
MINNESOTA	Pending
NEBRASKA	October 26, 2011*
NEW YORK	Pending
NORTH DAKOTA	NOT REGISTERED
RHODE ISLAND	NOT REGISTERED
SOUTH DAKOTA	NOT REGISTERED
TEXAS	March 11, 2004*
VIRGINIA	NOT REGISTERED
WASHINGTON	Pending
WISCONSIN	Pending

*Denotes One-Time Filing, perpetual registration

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