

## FRANCHISE DISCLOSURE DOCUMENT



### ALAMO DRAFTHOUSE CINEMAS, LLC

a Texas limited liability company

612 A East 6th Street

Austin, Texas 78701

(512) 861-7000

[www.drafthouse.com](http://www.drafthouse.com)

[missy.reynolds@drafthouse.com](mailto:missy.reynolds@drafthouse.com)

The franchise offered is a theater/restaurant concept combining first-run movies with in-theater food and beverage service (“Venue”).

The total investment necessary to begin operation of a single Alamo Drafthouse Cinemas franchised venue is \$9,052,500 to \$21,482,500, exclusive of any land purchase. This includes \$175,000 to \$345,000 that must be paid to the franchisor or affiliate as an initial franchisee fee, reimbursement for opening assistance costs and real estate services fees.

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 Missy Reynolds, 612 A East 6th Street, Austin, Texas 78701, (512) 861-7095, [missy.reynolds@drafthouse.com](mailto:missy.reynolds@drafthouse.com).

The terms of your contract will govern your franchise relationship. Do not rely on this 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](http://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 E 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 AND DEVELOPMENT AGREEMENTS REQUIRES YOU TO RESOLVE DISPUTES WITH US BY LITIGATION/ARBITRATION/MEDIATION ONLY IN TRAVIS COUNTY, TEXAS. OUT OF STATE LITIGATION/ARBITRATION/MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT. IT MAY ALSO COST YOU MORE TO SUE/ARBITRATE/MEDIATE WITH US IN TEXAS THAN IN YOUR HOME STATE.**

2. **THE FRANCHISE AND DEVELOPMENT AGREEMENTS STATE THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW, WHICH MAY SUPERSEDE IT IN YOUR STATE. YOU MAY WANT TO COMPARE THESE LAWS.**

3. **YOU AND YOUR SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING EACH OF YOU JOINTLY AND SEVERALLY LIABLE FOR ALL OBLIGATIONS OF THE FRANCHISEE, WHETHER OR NOT YOUR SPOUSE IS INVOLVED IN THE OPERATION OF THE BUSINESS. THE GUARANTY PLACES THE PERSONAL ASSETS OF YOU AND YOUR SPOUSE AT RISK.**

4. **YOU WILL NOT RECEIVE AN EXCLUSIVE TERRITORY. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS THAT WE OWN, OR FROM OTHER CHANNELS OF DISTRIBUTION THAT WE CONTROL.**

5. **THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We use the services of one or more **FRANCHISE BROKERS** or referral services to assist us in granting our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for granting our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

**ALAMO DRAFTHOUSE CINEMAS, LLC**  
**STATE EFFECTIVE DATES**

This Disclosure Document is either not registered or registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates:

<b>State</b>	<b>Effective Date</b>
California	
Illinois	
Indiana	
Maryland	
Michigan	
Minnesota	
New York	
North Dakota	
Rhode Island	
South Dakota	
Virginia	
Washington	
Wisconsin	

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