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FRANCHISE DISCLOSURE DOCUMENTJUL -7 AM 9 20

BFK FRANCHISE COMPANY, LLC A Nevada Limited Liability Company



DEPARTMENT OF BUSINESS OVERSICHT SAN FRANCISCO

Bricks 4 Kıdz[®] 701 Market St., Suite 113 St. Augustine, FL 32095 904-825-0873 <u>www bricks4kıdz com</u> bpappas@bricks4kidz com

As a Bricks 4 Kidz[®] franchisee you will own and operate a service business within a defined exclusive territory providing project based programs designed to teach principles and methods of engineering to children ages 3-13+ using LEGO[®] bricks

The total investment necessary to begin operation of a Bricks 4 Kidz[®] franchise is \$33 800 to \$51 050 This includes the initial franchise fee of \$25 900 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 document and all accompanying agreements carefully You must receive this Disclosure Document at least 14 calendar days before you can 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 government 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 Administration Department at 701 Market St, Suite 113 St Augustine FL 32095

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 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 DC 20580 You can also visit the FTC s home page at <u>www ftc gov</u> 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

ISSUING DATE July 1, 2014



STATE COVER PAGE

Your state may have franchise laws that require 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 "G" 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 OUR 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 ARBITRATE DISPUTES WITH US BY ARBITRATION ONLY IN FLORIDA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN FLORIDA THAN IN YOUR OWN STATE THE FRANCHISE AGREEMENT REQUIRES ANY CLAIMS CONTROVERSIES OR DISPUTES THAT ARE NOT SUBJECT TO ARBITRATION TO BE BROUGHT IN THE FEDERAL DISTRICT COURT IN DUVAL COUNRT FLORIDA OR IN ANY COURT OF GENERAL JURISDICTION IN ST JOHNS COUNTY FLORIDA
- 2 THE FRANCHISE AGREEMENT STATES THAT FLORIDA GOVERNS THE AGREEMENT AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONSAND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- 3 YOU MUST PAY THE FRANCHISOR MINIMUM ROYALTY FEES OF \$1000 FOR EVERY EIGHT WEEK PERIOD COMMENCING AFTER YOUR FIRST SIXTEEN WEEKS OF OPERATION EVEN IF THE FRANCHISE BUSINESS HAS NO REVENUE YOU WILL LOSE \$18 000 OF THE FRANCHISE FEE AND THE FRANCHISE RIGHTS TO THE PROTECTED TERRITORY IF YOU FAIL TO ESTABLISH A BRICKS 4 KIDZ[®] BUSINESS WITHIN THREE MONTHS FROM SIGNING THE FRANCHISE AGREEMENT
- 4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

We 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 DATE See the next page for state effective dates

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STATE EFFECTIVE DATES

The following states require that the 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

This Franchise 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

State	Effective Date
California	January 20, 201 <u>4</u> 3
Hawan	March 4, 2013 2014
Illinois	January 31, 201 <u>4</u> 3
Indiana	August 14 201 <u>4</u> 3
Maryland	October 31 2012 February 4,
	2014
Michigan	October <u>15, 2013</u> 18-2012
Minnesota	January 3 201 <u>4</u> 3
New York	February <u>15, 2014</u> 27, 2013
North Dakota	August 14, 2013
South Dakota	November 28 201 <u>3</u> 2
Virginia	May 23 201 <u>4</u> 3
Washington	September 2 <u>3, 2013</u> 8, 2012
Wisconsin	October 1 <u>5, 2013</u> 2, 2012

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