

FRANCHISE DISCLOSURE DOCUMENT



Building Kidz Worldwide, LLC
a California limited liability company
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<http://buildingkidzschool.com/>

This Franchise Disclosure Document is for the right to open and operate a Building Kidz School. Building Kidz Schools are full service campuses which allow children to continually develop character, confidence, and commitment.

The total investment necessary to begin operation of a Building Kidz School is from \$199,000 to \$463,500, including \$75,000 that must be paid to the franchisor or its affiliate.

If you sign an Area Developer Agreement, you will pay us an area development fee (“**Area Development Fee**”) at the execution of the Area Developer Agreement, which will be calculated using the calculation (“**Area Developer Fee Calculation**”) detailed in Item 5 and starts at \$225,000. You will be required to open a minimum of five Building Kidz Schools under an Area Development Agreement. You will not be required to pay any additional Initial Franchise Fees to open any of the Building Kidz Schools contemplated by the Area Developer Agreement. However, you will be required to pay Franchisor a pre-opening activity fee (“**Pre-Opening Activity Fee**”), which shall be discounted as detailed in the Area Developer Calculation, prior to the opening of each Building Kidz School to be developed under the Area Developer Agreement. The total investment necessary for an Area Development Agreement varies based on the number of Building Kidz Schools you commit to develop.

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.**

The terms of your contract will govern your franchise relationship. Don’t rely on the disclosure document alone to understand your contract. Read the 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 “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 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: **March 20, 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 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 ARBITRATION ONLY IN THE SAN FRANCISCO AREA, CALIFORNIA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN CALIFORNIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT REQUIRES THAT CALIFORNIA 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. YOU MUST MAKE MINIMUM ROYALTY PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THESE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
4. IF APPLICABLE, THE FRANCHISOR REQUIRES THAT SPOUSES OR DOMESTIC PARTNERS OF THE FRANCHISEE, WHO MAY NOT BE INVOLVED IN THE FRANCHISE BUSINESS, BE BOUND TO THE CONFIDENTIALITY AGREEMENT AND THE PERSONAL GUARANTY, PLACING THE SPOUSES MARITAL AND PERSONAL ASSETS, OR THE DOMESTIC PARTNERS PERSONAL ASSETS, AT RISK.
5. 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 make sure to do your own investigation of the franchise.

Effective Date: See the next page for state effective dates.

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:

California	Effective date:	Pending
Florida	Effective date:	March 9, 2018
Hawaii	Effective date:	Not registered
Illinois	Effective date:	Not registered
Indiana	Effective date:	Not registered
Kentucky*	Effective date:	April 18, 2016
Maryland	Effective date:	
Michigan	Effective date:	Not registered
Minnesota	Effective date:	Not registered
Nebraska*	Effective date:	Not registered
New York	Effective date:	Pending
North Dakota	Effective date:	Not registered
Rhode Island	Effective date:	Not registered
South Dakota	Effective date:	Not registered
Texas*	Effective date:	June 7, 2016
Utah	Effective date:	Not registered
Virginia	Effective date:	Pending
Washington	Effective date:	Pending
Wisconsin	Effective date:	Not registered

In all other states, the effective date of this Franchise Disclosure Document is the issuance date of **March 20, 2018**.

*Denotes one-time filing

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