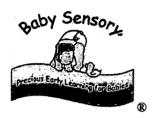


DEPT OF CORPORATIONS

BABY SENSORYTM FRANCHISE DISCLOSURE DOCUMENT

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Camea Herrera-Lambrecht, P.L.L.C. dba Baby Sensory
12072 N. 118th St.
Scottsdale, Arizona 85259
(480) 789-0045
Arizona@babysensory.com
www.babysensory.com



The franchise offered is a franchise authorizing you to establish and operate a baby development class business under the BABY SENSORYTM System and Trademarks within a Protected Territory ("Franchised Business").

The total investment necessary to begin operation of a BABY SENSORY™ Franchised Business is \$33,310 to \$43,400. This amount includes \$17,100 to \$18,000 that must be paid to us or an affiliate.

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, us or an affiliate in connection with the proposed franchise sale. Note, however, that no government 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 all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or accountant.

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 Camea Herrera-Lambrecht at 12072 N. 118th Street, Scottsdale, Arizona 85259 and (480) 789-0045.

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 on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance date: October 3, 2012



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 <u>Exhibit A</u> for information about the franchisor, about other franchisors, 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 THAT ALL DISAGREEMENTS BE SETTLED UTILIZING MEDIATION AND ARBITRATION IN SCOTTSDALE, ARIZONA. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OF YOUR DISPUTE. IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN SCOTTSDALE, ARIZONA THAN IN YOUR HOME STATE. ARIZONA LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 2. THE FRANCHISE AGREEMENT STATES THAT THE LAWS OF THE STATE OF ARIZONA GOVERN THE AGREEMENT. FURTHER, TO THE EXTENT NOT SUBJECT TO ARBITRATION OR MEDIATION, ANY CAUSE OF ACTION, CLAIM, SUIT OR DEMAND MUST BE BROUGHT IN A COURT OF COMPETENT JURISDICTION IN SCOTTSDALE, ARIZONA. PLEASE REFER TO ANY STATE-SPECIFIC ADDENDUM THAT MAY BE ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DETAILS. IT MAY COST MORE TO LITIGATE WITH US IN ARIZONA THAN IN YOUR HOME STATE.
- 3. WE HAVE ONLY OFFERED FRANCHISES SINCE JUNE 2011. THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT.
- 4. YOUR SPOUSE(S), AND/OR EACH SPOUSE OF YOUR OWNERS/PARTNERS/MEMBERS, ETC. IF YOU ARE A LEGAL ENTITY, MUST SIGN A PERSONAL GUARANTY AND PERSONALLY GUARANTEE ALL OBLIGATIONS OF THE FRANCHISED BUSINESS, WHETHER OR NOT YOUR SPOUSE(S) IS/ARE INVOLVED IN THE OPERATION OF THE BUSINESS. THIS REQUIREMENT PLACES AT RISK YOUR PERSONAL ASSETS, YOUR OWNERS/PARTNERS/MEMBERS IF YOU ARE A LEGAL ENTITY, AND/OR YOUR SPOUSE(S).
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS 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: September 1, 2011 Washington: November 16, 2011

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