

RECEIPT

(OUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If Kiddie Academy Domestic Franchising, LLC offers you a franchise, it must provide this disclosure document to you 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.

New York and Rhode Island require that Kiddie Academy Domestic Franchising, LLC gives you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Connecticut and Michigan require that Kiddie Academy gives you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration.

If Kiddie Academy Domestic Franchising, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit A.

The Franchisor is Kiddie Academy Domestic Franchising, LLC and our FRANCHISE SELLER for this potential franchise sale is: Joshua Frick, or _____, a member of our Franchise Development Department. Our and the Franchise Seller’s principal business address and telephone number are: 3415 Box Hill Corporate Center Drive, Abingdon, Maryland 21009-1201, (410) 515-0788.

The issuance date of this Disclosure Document is: May 15, 2019.

Exhibit A	List of State Agencies/Agents for Service of Process	Exhibit I	Addendum to Franchise Agreement (Transfers)
Exhibit B	Franchise Agreement (with Exhibits)	Exhibit J	General Release
Exhibit B (1)	Amendment to Franchise Agreement (Focused Development)	Exhibit K	Acknowledgement and Representations Statement (Franchise Agreement)
Exhibit C	Addendum to Franchise Agreement (Multi-Unit)	Exhibit L	Table of Contents – Admin/Operations Manual
Exhibit D	Addendum to First Franchise Agreement (Royalty Reduction)	Exhibit M	List of Franchisees
Exhibit E	Addendum to Franchise Agreement (Vet*Fran Program)	Exhibit N	List of Franchisees Who Have Left The System
Exhibit F	Addendum to Franchise Agreement (Renewal)	Exhibit O	Financial Statements
Exhibit G	Addendum to Franchise Agreement (First In Market Program)	Exhibit P	State Addenda
Exhibit H	Collateral Assignment of Lease	Exhibit Q	Receipt

I/we received this Disclosure Document on the date indicated below, that included the preceding Exhibits:

Prospective Franchisee(s):

Date

Printed Name:

Date

Printed Name:

FRANCHISE DISCLOSURE DOCUMENT



Kiddie Academy Domestic Franchising, LLC

A Delaware Limited Liability Company

3415 Box Hill Corporate Center Drive

Abingdon, Maryland 21009-1201

1-800-5-KIDDIE

franchisedevelopment@kiddieacademy.com

www.kiddieacademy.com

The franchisee will operate a specially designed early childhood learning and child care facility offering programs for children between six weeks and 12 years of age under the name **Kiddie Academy**[®].

The total investment necessary to begin the operation of a **Kiddie Academy**[®] Franchise is \$425,000 - \$920,000 for a leased Kiddie Academy franchised location, and \$3,550,000 - \$4,163,000 for a purchased Kiddie Academy franchised location. This includes \$135,000 in Initial Fees that must be paid to the franchisor 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 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 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 Kiddie Academy Corporate Offices at the above address and telephone number.

The terms of your contract will govern your franchise relationship. Do not rely on the disclosure document alone to understand your contract. Read your 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 “Buying a Franchise: A Consumer’s 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-FTCHELP 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 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: December 16, 2019

STATE COVER PAGE

Your state may have a franchise law that requires us, the franchisor, to register or file with a state franchise administrator our Franchise Disclosure Document before offering or selling franchises 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 on Exhibit A for information about us, the franchisor, about other franchisors and 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 LITIGATION ONLY IN MARYLAND. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO SUE WITH US IN MARYLAND THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT STATES THAT MARYLAND 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'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.
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 OR COMPETITIVE BRANDS THAT WE CONTROL.
5. THE FRANCHISE AGREEMENT CONTAINS A PROVISION WHICH STATES THAT ALL IMPROVEMENTS AND ENHANCEMENTS THAT FRANCHISEES DEVELOP TO THE KIDDIE ACADEMY SYSTEM WILL BE THE FRANCHISOR'S EXCLUSIVE PROPERTY, WITHOUT COMPENSATION TO THE FRANCHISEE.

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