

FRANCHISE DISCLOSURE DOCUMENT

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Department of Business Oversight



The franchise offered is for the operation of a business to provide dance, gymnastics and fitness educational programs for children ages 2-12. We offer 3 different franchise programs. Bronze, Silver and Gold. A Bronze level franchise is limited to 10 locations in a non-exclusive area. A Silver level franchise is limited to 20 locations in a non-exclusive area. A Gold level franchise is awarded an exclusive operating area with unlimited locations within the exclusive area. All levels are awarded a marketing area consisting of approximately 400,000 population with approximately 250-400 marketing locations. The Gold Plus program allows you to become an Area Representative with an expanded area. The total investment necessary to begin operation of a Kinderdance franchise is as follows.

| Program | Initial:Franchise Fee | Estimated Initial Investment Range | ~~ |
|--------------------------|-----------------------|------------------------------------|----|
| Bronze | \$12 000 | \$14 950 \$17 700 | - |
| Silver | \$20,000 | \$23 100 \$25 850 | |
| Gold | \$30 000 | \$33,350 \$36,100 | |
| Gold Plus Area Developer | \$40,000 | \$43 350 \$46 100 | |

This includes the Initial Franchise Fee of \$12,000 for the Bronze franchise, which limits the Franchisee to ten locations in a non-exclusive area and does not allow you to hire and train teachers, \$20,000 for a Silver franchise which limits the franchisee to 20 locations in a non exclusive area, \$30,000 for a Gold franchise with unlimited locations, or \$40,000 to become a Gold Plus Area Representative with the ability to earn additional revenue, that must be paid to the franchisor or 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, 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 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 for additional information on franchising

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

This document is in PDF format. You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Richard Maltese at 800-554-2334 or richardmaltese@kinderdance.com



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 administrators listed in Exhibit F 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

- THE FRANCHISE AGREEMENT REQUIRES THAT ALL DISAGREEMENTS BE SETTLED BY ARBITRATION IN FLORIDA OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN FLORIDA THAN IN YOUR HOME STATE
- THE FRANCHISE AGREEMENT STATES THAT FLORIDA 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 IN ILLINOIS, ILLINOIS LAW APPLIES
- 3 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 is <u>our</u> agent and 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 July 15, 2015



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