

RAPID RECOVERY FRANCHISE DISCLOSURE DOCUMENT

RapRec Franchising, Inc. 8971 Bloomfield Road Peoria, AZ 85381 (877) 372-7732 adykstra@raprec.com www.raprec.com



The franchise offered is for the operation of a RAPID RECOVERY® business within a particular geographic area which will offer and provide refrigerant recovery services. The total investment necessary to begin operation of a RAPID RECOVERY business is from \$184,020 to \$358,909. This includes \$153,000 to \$244,000 that must be paid to us or our affiliates.

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 or grant. **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 Adam Dykstra at 8971 Bloomfield Road, Peoria, Arizona 85381 and (877) 372-7732.

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 "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.

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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.

THE FRANCHISE AGREEMENT PERMITS YOU TO ARBITRATE ONLY IN GLENDALE, ARIZONA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR ARBITRATE WITH US IN ARIZONA THAN IN YOUR HOME STATE.

THE FRANCHISE AGREEMENT STATES THAT THE LAWS OF THE STATE OF ARIZONA GOVERN THE AGREEMENT. TO THE EXTENT NOT SUBJECT TO MEDIATION OR ARBITRATION, ANY CAUSE OF ACTION, CLAIM, SUIT OR DEMAND MUST BE BROUGHT IN THE FEDERAL DISTRICT COURT FOR THE DISTRICT OF ARIZONA OR IN MARICOPA COUNTY DISTRICT COURT, ALTHOUGH YOUR STATE LAW MAY PROVIDE THAT ANY PROVISIONS DESIGNATING JURISDICTION OUTSIDE THE STATE ARE VOID. PLEASE REFER TO ANY STATE SPECIFIC ADDENDA ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DETAILS.

YOUR FAILURE TO MEET MINIMUM PERFORMANCE STANDARDS FOR YOUR BUSINESS MAY LEAD TO THE TERMINATION OR NONRENEWAL OF THE FRANCHISE AGREEMENT.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THIS PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE CONTAINED IN THIS PROSPECTUS.

THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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: New York:
Illinois: North Dakota:
Indiana: Rhode Island:
Maryland: South Dakota:
Michigan: Virginia:
Minnesota: Washington:
Wisconsin:

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