

## FRANCHISE DISCLOSURE DOCUMENT



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COLORTYME, INC.

5000 Legacy Drive, Suite 210 Plano, Texas 75024 MAY 30 P4:44 972-403-4900 www.colortyme.com

The franchises described in this Disclosure Document are for rental businesses which provide "rental purchase" and retail sales programs for a specialized inventory of vehicle wheels, tires and related services as well as the sale of related accessories (each a "RimTyme Rental Store")

The total investment necessary to begin operation of each RimTyme Rental Store ranges from \$321,208 to \$684,250 This includes \$28,480 to \$43,788 that must be paid to the franchisor or its affiliates

The franchisor also offers a development program for a specified area within which a Developer must open an agreed-upon number of RimTyme Rental Stores according to a development agreement, with a separate franchise agreement for each Store. The development fee is \$5,000 for each Rental Store to be opened, which fee will be credited towards the initial franchise fee for each Rental Store.

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 Disclosure 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 Michael Landry in our franchise administration department at 5000 Legacy Drive, Suite 210, Plano, Texas. 75024, (972) 403-4905

The terms of your contract will govern your franchise relationship Do not 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 <a href="https://www.ftc.gov">www.ftc.gov</a> 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

Date of Issuance April 30, 2013

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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 Exhibit G 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

- THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT REQUIRE THAT ALL DISAGREEMENTS BE ARBITRATED AND LITIGATED ONLY IN TEXAS OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE
- THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATE THAT TEXAS LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- YOUR SPOUSE AND THE SPOUSES OF THE FRANCHISE OFFICERS, DIRECTORS, PARTNERS AND SHAREHOLDERS, AS THE CASE MAY BE, MUST SIGN A PERSONAL GUARANTY OF THE FRANCHISE OBLIGATIONS SUCH SPOUSES ARE JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS OF THE FRANCHISE, WHETHER OR NOT INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNERS AND SPOUSES AT RISK
- 4 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Local law may supersede these Franchise Agreement and Development Agreement provisions Certain states require the superseding provisions to appear in an addendum in this Disclosure Document

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State registration effective dates are listed on the following State Registrations Page

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## COLORTYME, INC. (RIMTYME) STATE REGISTRATIONS

This Disclosure Document is registered, on file, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure laws

State	Effective Date
Calıfornıa	
Hawaii	
Indiana	
Virginia	

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