

FRANCHISE DISCLOSURE DOCUMENT

READING RANCH FRANCHISE, LLC

a Texas limited liability company 1822 N. Louisiana Drive Celina, Texas 75009 214.436.5533 <u>ksouthwell@readingranch.com</u> <u>www.readingranch.com</u>



The franchise described in this disclosure document is for a business utilizing the "Reading Ranch" concept and our business operating system to provide targeted tutoring and reading/writing classes for early readers/writers, at-risk readers, and children with dyslexia (Pre-k through 4th grade) and related services and products.

The total investment necessary to begin operation of a Reading Ranch franchise ranges from \$110,500 to \$232,300. This includes \$35,000 that must be paid to us or our affiliates for your initial franchise fee, technology set-up fee. (See Item 5)

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.

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 Dr. Kimberly Southwell at 1822 N. Louisiana Drive, Celina, Texas 75009 or (214) 436-5533.

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



<u>www.ftc.gov</u> 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.

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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 franchise administrator listed in **Exhibit D** 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:

1. THE FRANCHISE AGREEMENT PERMITS YOU TO MEDIATE AND LITIGATE WITH US ONLY IN THE COUNTY CONTAINING OUR THEN-CURRENT PRINCIPAL PLACE OF BUSINESS (CURRENTLY COLLIN COUNTY, TEXAS). OUT OF STATE MEDIATION AND LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR LITIGATE WITH US IN TEXAS THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT STATES THAT TEXAS LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS YOUR LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOU MUST COMPLY WITH MINIMUM AND/OR MAXIMUM PRICES SET BY THE FRANCHISOR FOR THE GOODS AND SERVICES YOU SELL. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 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: See the next page for State effective dates.

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