

**FRANCHISE DISCLOSURE DOCUMENT**

MAR - 1 2019



**FRANCHISOR** Department of Business Oversight  
Tierra Encantada Franchising, LLC Los Angeles Office  
A Minnesota limited liability company  
5750 Wentworth Avenue  
Minneapolis, MN 55419  
(612) 423-5326  
franchise@tierraencantada.com  
www.tierraencantada.com

As a franchisee of Tierra Encantada Franchising, LLC, you will operate an early childhood education franchise that provides a warm, Spanish-language immersion learning environment for children featuring fresh cooked, on-site organic meals and cloth diapers under the name "Tierra Encantada."

The total investment necessary to begin operation of a Tierra Encantada franchise is from \$591,520 to \$1,055,000. This includes \$52,184 to \$59,771 that must be paid to us as the franchisor or our affiliate, plus an additional \$70,000 to \$82,500 if you choose to purchase certain optional equipment and supplies from us.

We may offer to enter into an area development agreement to establish and operate a minimum of two Tierra Encantada franchises at specific locations under individual franchise agreements. The area development fee will be \$50,000 for your first Tierra Encantada franchise, plus \$30,000 for your second Tierra Encantada franchise, and plus \$20,000 for each additional Tierra Encantada franchise to be developed thereafter. The area development fee will then be credited toward the franchise fee owed for each Tierra Encantada developed. Your estimated initial investment will vary based on the number of Tierra Encantada franchises to be developed.

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 the 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 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 Kristen Denzer, Tierra Encantada Franchising, LLC, 5750 Wentworth Avenue, Minneapolis, MN 55419, (612) 423-5326, kristen@tierraencantada.com.

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, DC 20580. You can also visit the FTC's home page at [www.ftc.gov](http://www.ftc.gov) 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.

**Issuance Date: February 15, 2019**

### **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 A 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:

1. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE THE FRANCHISEE TO MEDIATE, ARBITRATE OR LITIGATE ONLY IN MINNESOTA. OUT OF STATE MEDIATION, ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT OR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE, ARBITRATE OR LITIGATE WITH THE FRANCHISOR IN MINNESOTA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT THE LAW OF MINNESOTA GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. ALL THE OWNERS OF THE FRANCHISE WILL BE REQUIRED TO SIGN PERSONAL GUARANTEES. THIS REQUIREMENT PLACES THE PERSONAL ASSETS OF THE FRANCHISE OWNER(S) AT RISK.
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 is our 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.

**STATE EFFECTIVE DATES**

The effective dates of this Disclosure Document in the states listed below are:

STATE	EFFECTIVE DATE
California	_____
Illinois	_____
Indiana	_____
Maryland	_____
Michigan	_____
Minnesota	_____
New York	_____
North Dakota	_____
Rhode Island	_____
South Dakota	_____
Virginia	_____
Washington	_____
Wisconsin	_____

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/tierra-encantada>