

FRANCHISE DISCLOSURE DOCUMENT

American Poolplayers Association, Inc. A Missouri Corporation 1000 Lake Saint Louis Boulevard, Suite 325 Lake Saint Louis, MO 63367 (636) 625-8611 info@poolplayers.com <u>www.poolplayers.com</u>



The franchise offered is for the operation of an amateur pool league.

The total investment necessary to begin operation of an American Poolplayers Franchise is estimated to be between \$16,695 to \$19,865. This includes the initial franchise fee, which is based upon the population within the franchise territory (\$10,000 plus \$500 for every 50,000 people in the territory over 400,000 people) which is paid to us. You should consult ITEMS 5, 6 and 7 in this disclosure document for further explanation regarding your total investment.

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 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 availability of disclosures in different formats, contact Doug Davis, 1000 Lake St. Louis Blvd., Suite 325, Lake St. Louis, MO 63367, 636-625-8611 extension 5118.

The terms of your contact will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 "<u>A Consumer's Guide to Buying a Franchise</u>," 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. 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 state franchise administrator listed in **Exhibit A** 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION, ONLY IN ST. CHARLES COUNTY, MISSOURI. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH US IN MISSOURI THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT STATES THAT MISSOURI LAW GOVERNS THE AGREEMENT, AND THE LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
- 3. THE FRANCHISE AGREEMENT PROVIDES THAT YOUR FRANCHISE MAY BE TERMINATED OR YOUR TERRITORY REDUCED IF YOU DO NOT ACTIVELY MARKET PLAYER PARTICIPATION THROUGHOUT YOUR TERRITORY AND MEET CERTAIN TEAM PARTICIPATION REQUIREMENTS IN YOUR LEAGUE.
- 4. THE FRANCHISE AGREEMENT PROVIDES THAT YOU AND YOUR SPOUSE (IF YOU ARE AN INDIVIDUAL) AND YOUR OWNERS AND THEIR SPOUSES (IF YOU ARE A PARTNERSHIP OR CORPORATION) MUST GUARANTY PERFORMANCE OF ALL OBLIGATIONS UNDER THE PARTNERSHIP, INCLUDING DEBTS OWED BY THE FRANCHISE TO US, WHETHER OR NOT THEY ARE INVOLVED IN THE OPERATION OF THE FRANCHISED LEAGUE AND THEY MUST SIGN A GUARANTY AND ASSUMPTION AGREEMENT. THESE OBLIGATIONS MAY PLACE YOU OR YOUR OWNERS' PERSONAL ASSETS AT RISK.
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We do not use the services of any franchise broker or referral sources to assist us in selling our franchise. You should be sure to do your own investigation of the franchise.

Effective Date: 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:

Wisconsin	Pending
California	Pending
Virginia	Pending
Washington	Pending
Minnesota	Pending
Rhode Island	Pending
South Dakota	Pending
Illinois	Pending
Michigan	Pending
Indiana	Pending
North Dakota	Pending
New York	Pending
Maryland	Pending
Hawaii	Pending

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