

FRANCHISE DISCLOSURE DOCUMENT PECETYED DEPT OF CORPORATION

ACCELERATION PRODUCTS, INC SAN FRANCISCO

a North Dakota corporation 1441 West Ute Blvd , Suite 360 Park City, Utah 84098 435-647-9000

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cgraves@athleticrepublic com www athleticrepublic com



You will operate a training center that provides performance sports training programs to athletes of all ages to maximize their full competitive potential and develop their athletic skills under the Athletic Republic® trademark and other related trademarks

The total investment necessary to begin operation of an Athletic Republic® franchise offering only the Running Program, for training athletes participating in all sports except hockey and figure skating, is \$151,149 to \$513,758. This includes \$103,649 to \$308,908 that must be paid to the franchisor. The total investment necessary to begin operation of an Athletic Republic® franchise offering only the Skating Program, for training athletes participating primarily in hockey and figure skating, is \$204,439 to \$525,639. This includes \$142,889 to \$309,789 that must be paid to the franchisor. The total investment necessary to begin operation of an Athletic Republic® franchise offering the Combination Program, for training athletes participating in all sports, is \$288,878 to \$648,093. This includes \$221,828 to \$382,343 that must be paid to the franchisor.

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 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 our Franchise Sales Department 1441 West Ute Blvd, Suite 360, Park City, Utah 84098, at phone number 435-647-9000

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 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 April 3, 2012, provided that in the states identified in <u>Exhibit A</u> with "Effective Dates" this disclosure document shall become effective in each such state on the date set forth in <u>Exhibit A</u> for such state



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 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 SUE OR ARBITRATE WITH US ONLY IN UTAH OUT OF STATE LITIGATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST MORE TO SUE OR ARBITRATE WITH US IN UTAH THAN IN YOUR HOME STATE
- 2 YOU MUST PAY US MINIMUM ROYALTIES OF \$600, \$750, \$850 OR \$1,000 PER MONTH, DEPENDING ON THE SIZE OF YOUR TERRITORY AND THE PROGRAM YOU OFFER, EVEN IF YOU HAVE NO REVENUE
- 3 IF WE ARE UNABLE TO AGREE UPON A SITE WITHIN 50 DAYS FROM THE EXECUTION OF THE FRANCHISE AGREEMENT, WE MAY TERMINATE YOUR FRANCHISE AGREEMENT, IN WHICH CASE WE WILL NOT REFUND ANY PART OF THE INITIAL FRANCHISE FEE ALREADY PAID BY YOU
- 4 OUR DECEMBER 31, 2011 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A NET LOSS OF \$672, 249
- 5 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

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NOTICE MANDATED BY CALIFORNIA'S FRANCHISE INVESTMENT ACT

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT

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