



ATHLETIC REPUBLIC

2015

Franchise Disclosure Document

CALIFORNIA

FRANCHISE DISCLOSURE DOCUMENT

ACCELERATION PRODUCTS, INC.

a North Dakota corporation
1389 Center Drive, Suite 100
Park City, Utah 84098
435-647-9000

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www.athleticrepublic.com



You will operate a franchise 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 is \$52,375 to \$615,460. This includes \$46,375 to \$285,610 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, 1389 Center Drive, Suite 100, 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: August 28, 2015, provided that in the states identified in Exhibit A with "Effective Dates" this disclosure document shall become effective in each such state on the date set forth in Exhibit A 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 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 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. OUR DECEMBER 31, 2014 AUDITED FINANCIAL STATEMENTS SHOW THAT WE HAD A NET LOSS OF \$842,179 AND A NET EBITDA LOSS OF \$706,401.
3. BEGINNING ON THE EARLIER OF THE DAY ON WHICH WE DELIVER TO YOU THE REQUIRED EQUIPMENT TO OPERATE YOUR FRANCHISED BUSINESS OR THE 200th DAY AFTER THE EXECUTION OF THE FRANCHISE AGREEMENT, YOU MUST PAY US WEEKLY ROYALTIES AND MARKETING FEES THROUGH THE TERM OF THE FRANCHISE AGREEMENT, EVEN IF YOU HAVE NO REVENUE.
4. 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.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We 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.

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