

## Franchise Disclosure Document [FDD]



Kline Franchising, Inc.
a North Carolina corporation
311 Gilead Road
Huntersville, North Carolina 28078
Direct Line: (704) 258-0403

<u>Devan@BurnBootCamp.com</u>

www.BurnBootCamp.com

The franchise offered is for the operation of a fitness boot camp facility for women. The business offers a variety of proprietary fitness programs complemented by nutritional and goal setting assistance for members who wish to lose weight, gain muscle and build confidence. This franchise is a fitness facility that provides group fitness sessions which incorporate resistance, interval and cardiovascular fitness programs for women to improve their overall health and wellness, under the name "Burn Boot Camp<sup>®</sup>." Each Burn Boot Camp<sup>®</sup> features our proprietary fitness programs and high intensity workout routines which are non-military style fitness drills that are effective, positive and motivational. The Initial Franchise Fee is \$20,000 with protected rights to operate in a specific area as defined by us. The total investment necessary to begin the operation of a Burn Boot Camp<sup>®</sup> franchise ranges from \$62,850 to \$106,500. This includes the Initial Franchise Fee of \$20,000 (as discussed in Item 5) that must be paid to the Franchisor or affiliate.

We also offer to qualified persons the right to develop multiple "Burn Boot Camp<sup>®</sup>" businesses within a specific geographic area under an area development agreement. If you execute an area development agreement you must pay us the Initial Franchisee Fee of \$20,000 for your first franchise and a non-refundable deposit of \$5,000 for each additional franchise to be developed in addition to a reduced franchise fee of \$10,000 for each franchise that must be paid to the Franchisor or affiliate when the Franchise Agreement is executed for each location.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read the 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:

Devan Kline, President Kline Franchising, Inc. 311 Gilead Road Huntersville, North Carolina 28078 (704) 258-0403



The terms of your contract 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 "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 <a href="https://www.ftc.gov">www.ftc.gov</a> for additional information. Call your state agency or visit your public library for other sources of information on franchising.

We currently do not engage the services of franchise brokers.

There may also be laws on franchising in your state. Ask your state agencies about them.

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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 C 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 MEDIATION AND ARBITRATION ONLY IN NORTH CAROLINA. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO ARBITRATE WITH KLINE FRANCHISING, INC. IN NORTH CAROLINA THAN IN YOUR HOME STATE.
- 2) THE FRANCHISE AGREEMENT STATES THAT NORTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAWS. YOU MAY WANT TO COMPARE THESE LAWS.
- 3) THE DISCLOSURE DOCUMENT IS PROVIDED FOR YOUR OWN PROTECTION AND CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT.
- 4) WE CURRENTLY DO NOT ENGAGE THE SERVICES OF FRANCHISE BROKERS.
- 5) YOUR TERRITORY IS NOT AN EXCLUSIVE TERRITORY BUT A PROTECTED AREA AS FURTHER DESCRIBED UNDER ITEM 12 TITLED TERRITORY.
- 6) THE FRANCHISEE'S SPOUSE MUST SIGN A PERSONAL GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT WHICH ALSO PLACES THE SPOUSE'S PERSONAL ASSETS AT RISK. YOU MAY WANT TO CONSIDER THIS WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

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