

FRANCHISE DISCLOSURE DOCUMENT

EI FRANCHISE COMPANY, LLC

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Received LA Mailroom

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Department of **Business Oversight**



El Franchise Company, LLC is offering franchises for the operation of (i) Extra Innings Sports Center locations comprised of multi-use space, batting cages, instruction, and includes an Extra Innings Locker Room retail pro shop; and (ii) EXTRA INNINGS Locker Room single unit retail pro shop locations offering baseball, softball, and other sporting goods, equipment, merchandise, apparel and team sports uniforms with an emphasis on baseball and softball. EXTRA INNINGS Locker Room franchises have the option to also offer approved sports instruction.

The total estimated initial investment necessary to begin operation of an Extra Innings Sports Center franchise, excluding the purchase of land and building or the lease of a facility, ranges from \$158,000 to \$557,500. This includes between approximately \$31,000 to \$95,000 plus \$1,000 for each 1,000 square foot increase in the size of the facility above 12,000 square feet that must be paid to the franchisor or affiliates. See Items 5 and 7.

The total estimated initial investment necessary to begin operation of an Extra Innings retail Locker Room, excluding the purchase of land and building, ranges from \$85,100 to \$223,334. This includes between approximately \$26,000 to \$95,000 that must be paid to the franchisor or affiliates.

We also grant to qualified persons rights to a specific geographic area in which to develop a predetermined number of Sports Centers or retail Locker Rooms under a Development Agreement. If you execute a Development Agreement, in addition to payment of the initial franchise fee for the first Sports Center or Locker Room, you pay a Development Fee of \$10,000 for each additional Sports Center or Locker Room to be developed, which is later applied to the initial franchise fee due for the additional Sports Center or Locker Room.

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 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 us at 264 South Main Street, Middleton, Massachusetts 01949, (978) 762-0448.



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 "Buying a Franchise: A Consumer Guide" 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.

ISSUANCE DATE:

April 30, 2016



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, 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 LOCKER ROOM FRANCHISE AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR, AS APPLICABLE, LITIGATION ONLY IN MASSACHUSETTS. OUT OF STATE ARBITRATION, OR AS APPLICABLE, LITIGATION, MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US OR, AS APPLICABLE, SUE US IN MASSACHUSETTS THAN IN YOUR OWN STATE.
- 2. THE FRANCHISE AGREEMENT AND LOCKER ROOM FRANCHISE AGREEMENT STATES THAT MASSACHUSETTS LAW 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. THE TERRITORY IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR OWNED OUTLETS OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS FRANCHISOR CONTROLS.
- 4. THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT THE FRANCHISEE GRANT TO THE FRANCHISOR A SECURITY INTEREST IN THE FRANCHISED BUSINESS.
- 5. THE FRANCHISE AGREEMENT PROVIDES THAT A FRANCHISEE AGREE TO FRANCHISOR SEEKING INJUNCTIVE RELIEF WITHOUT POSTING A BOND IN EXCESS OF \$1,000 AND AGREE TO HAVING THE DISSOLUTION OF THE INJUNCTION AS THE ONY REMEDY AND WAIVING ALL CLAIMS FOR DAMAGES CAUSED BY WRONGFUL ISSUANCE OF SUCH INJUNCTION.

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