



FRANCHISE DISCLOSURE DOCUMENT

General Nutrition Corporation
a Pennsylvania corporation
300 Sixth Avenue
Pittsburgh, PA 15222
(412) 288-4600
www.gncfranchising.com

The franchise described in this Disclosure Document is for the establishment and operation of a GNC retail store specializing in the sale of vitamins, minerals and other food supplements, natural cosmetics and other health management items. We also offer an Area Development Agreement, which grants you the right to develop and open a certain number of GNC retail stores within a specified area within a specified timeframe.

The total investment necessary to begin operation of a single new GNC franchise store ranges from approximately \$149,722 to \$388,630; to convert a single company-owned store to a franchise store ranges from approximately \$108,222 to \$472,630; and to add a GNC Smoothie Bar to a GNC franchise store ranges from \$30,930 to \$52,000. This includes the following amounts that must be paid to us: \$133,362 to \$341,200 for a new franchise store; \$91,862 to \$425,200 to convert a company-owned store to a franchise store; and \$30,930 to \$52,000 to add a GNC Smoothie Bar to a franchise store.. If you enter into an Area Development Agreement with us, you must also pay us a development fee equal to the sum of the following: (i) a development rights fee, which will be determined by us and will vary depending on the location of the development area, (ii) a fee equal to the initial franchise fee for the first GNC store you agree to develop, and (iii) a fee equal to 50% of the total initial franchise fees for the remaining GNC stores that you agree to develop. The fees in (ii) and (iii) will be credited toward the initial franchise fees due for the stores as long as you develop and open the stores in accordance with the terms of the Area Development Agreement. You must open a minimum of two GNC stores under the Area Development Agreement.

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 fourteen (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.**

The terms of your contract will govern your franchise relationship. Don't rely on this 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, 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN PENNSYLVANIA. WE MAY ELECT TO RESOLVE DISPUTES WITH YOU BY ARBITRATION OR LITIGATION IN PENNSYLVANIA COURTS. OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE IN PENNSYLVANIA THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT PENNSYLVANIA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
4. YOU MUST PURCHASE ALL OR NEARLY ALL OF THE INVENTORY OR SUPPLIES THAT ARE NECESSARY TO OPERATE YOUR BUSINESS FROM US, FROM OUR AFFILIATES, OR FROM SUPPLIERS THAT WE DESIGNATE AT PRICES WE OR THEY SET. THESE PRICES MAY BE HIGHER THAN PRICES YOU COULD OBTAIN ELSEWHERE FOR THE SAME OR SIMILAR GOODS. THIS MAY REDUCE THE ANTICIPATED PROFIT OF YOUR FRANCHISE BUSINESS.
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 make sure to do your own investigation of the franchise.

Information comparing franchisors is available. Call the state administrators listed in Exhibit A to this Disclosure Document or your public library for sources of information.

Effective Date: See the next page for state effective dates.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/gnc>