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FRANCHISE DISCLOSURE DOCUMENT



POWER TRAIN PROPERTIES, LLC
a Pennsylvania Limited Liability Company
36 Kreider Lane | Manheim, PA 17545 | 844-442-8348
www.powertrainsports.com

We sell franchises for POWER TRAIN™ centers. POWER TRAIN centers are sports performance and small group fitness facilities requiring between 5,000 and 9,000 square feet of space, and offering physical conditioning programming in small group instruction formats.

The total investment necessary to begin operation of a POWER TRAIN franchise is between \$164,950 and \$505,800. This includes a \$25,000 initial franchise fee 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, us 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 your POWER TRAIN Franchise Sales Representative at 36 Kreider Lane, Manheim, PA 17545 or 844-442-8348.

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, 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 July 24, 2015

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, 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 AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY BINDING ARBITRATION IN PENNSYLVANIA. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US IN PENNSYLVANIA THAN IN YOUR OWN STATE.
- 2 THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT PENNSYLVANIA 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 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.
- 4 THE FRANCHISE AGREEMENT CONTAINS PROVISIONS THAT LIMIT FRANCHISEE'S RIGHTS AND MAY NOT BE ENFORCEABLE IN CALIFORNIA INCLUDING BUT NOT LIMITED TO A TIME TO RAISE CLAIMS AGAINST THE FRANCHISOR, LIMITATION OF DAMAGES AND WAIVER OF JURY TRIAL.
- 5 THE TERRITORY IS NOT EXCLUSIVE AND YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM OUTLETS WE OWN AND FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS THAT WE CONTROL.
- 6 IF THE DEVELOPER FAILS TO MAINTAIN THE DEVELOPMENT SCHEDULE THAT THE FRANCHISOR CAN TERMINATE THE AREA DEVELOPMENT AGREEMENT.
- 7 3 OF THE PRINCIPAL TRADEMARKS DO NOT HAVE FEDERAL REGISTRATION WITH THE USPTO AND THAT IF AN ALTERNATIVE TRADEMARK MUST BE ADOPTED AS A RESULT IT MAY INCREASE YOUR EXPENSES.

8 POWER TRAIN PROPERTIES, LLC, IS A DEVELOPMENT STAGE COMPANY THAT WAS FORMED ON FEBRUARY 6, 2014 DEPENDING UPON THE FRANCHISE CONCEPT YOU COOSE, YOUR INITIAL INVESTMENT COULD EXCEED THE AMOUNT OF FRANCHISOR'S EQUITY IN THE COMPANY

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.

Effective Date See the next page for state effective dates

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