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FRANCHISE DISCLOSURE DOCUMENT

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Skyhawks Franchise Group, Inc
a Washington corporation
9425 N Nevada Street, #210
Spokane, WA 99218
Phone 800-376-9142
Fax 509-466-6906
E-mail franchise@skyhawks.com
www.skyhawks.com
<https://twitter.com/kidsportscamps>
www.facebook.com/pages/Skyhawks-Franchise

Skyhawks businesses offer sports-related and other child development programs in a class, camp and party format using a variety of skill-based games for children from ages three (3) to 16 years old ("Skyhawks Business(es)")

The total investment necessary to begin operation of a Skyhawks franchise is between \$23,300 and \$67,675. This includes between \$14,000 and \$42,425 that must be paid to us or our affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read 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 Jason Frazier, 9425 N Nevada Street, #210, Spokane, WA 99218, or call 800-376-9142.

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 to 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. 20590. 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 28, 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 D 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 ARBITRATION / LITIGATION ONLY IN WASHINGTON. OUT-OF-STATE ARBITRATION / LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE/LITIGATE WITH US IN WASHINGTON THAN IN YOUR OWN STATE.
- 2 THE FRANCHISOR'S SPOUSE MUST SIGN THE FRANCHISE AGREEMENT AND 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.
- 3 THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$23,300 TO \$67,675. THIS AMOUNT EXCEEDS THE FRANCHISOR'S NEGATIVE STOCKHOLDER EQUITY AS OF DECEMBER 31, 2014, WHICH IS \$(217,472). IN ADDITION, THE FRANCHISOR HAS INCURRED OPERATING LOSSES FOR AT LEAST THE LAST FIVE YEARS. FRANCHISOR'S AUDITED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014 INDICATE THAT IT HAS WORKING CAPITAL OF \$(251,517).
- 4 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 is our agent and 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.

Effective Dates See next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the franchise disclosure document be registered or filed with the state or be exempt from registration California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin

This franchise disclosure document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

Effective Dates for States Requiring Registration and Notice Filings

STATE	EFFECTIVE DATE
CALIFORNIA	PENDING
HAWAII	NOT REGISTERED
ILLINOIS	PENDING
INDIANA	AUGUST 5, 2014
MARYLAND	NOT REGISTERED
MICHIGAN	PENDING
MINNESOTA	NOT REGISTERED
NEW YORK	NOT REGISTERED
NORTH DAKOTA	NOT REGISTERED
RHODE ISLAND	NOT REGISTERED
SOUTH DAKOTA	NOT REGISTERED
VIRGINIA	PENDING
WASHINGTON	NOT REGISTERED
WISCONSIN	PENDING

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