

FRANCHISE DISCLOSURE DOCUMENT



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

We offer franchises for “Skyhawks Businesses” and “SuperTots Businesses.” Skyhawks Businesses provide camps (for children ages 5-16), and after school programs, classes/clinics and leagues (for children ages 6-16) in baseball, basketball, cheerleading, flag football, golf, lacrosse, soccer, track & field, and volleyball using a proprietary system. SuperTots Businesses provide classes/enrichment programs and birthday parties for children who are ages eighteen months to five years, in baseball, basketball, soccer, flag football, cheerleading and hockey using a proprietary system.

The total investment necessary to begin operation of a Skyhawks Business is between \$26,550 and \$65,750. This includes between \$14,250 and \$37,500 that must be paid to us or our affiliates. The total investment necessary to begin operation of a SuperTots Business is between \$25,750 and \$58,350. This includes between \$13,450 and \$30,100 that must be paid to us or our affiliates. You may purchase additional territories. The total investment necessary to begin operation of a Skyhawks Business with one additional territory is between \$30,225 and \$74,000. This includes between \$17,925 and \$45,750 that must be paid to us or our affiliates. The total investment necessary to begin operation of a SuperTots Business with one additional territory is between \$29,425 and \$66,600. This includes between \$17,125 and \$38,350 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. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

ISSUANCE DATE: April 19, 2017, as amended October 20, 2017



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. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE BUSINESS. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
3. YOU MUST MAKE MINIMUM ROYALTY AND OTHER PAYMENTS, REGARDLESS OF YOUR SALES LEVELS. YOUR INABILITY TO MAKE THE PAYMENTS MAY RESULT IN TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
4. 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.
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 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 | PENDING |
| ILLINOIS | PENDING |
| INDIANA | August 5, 2017 |
| MARYLAND | PENDING |
| MICHIGAN | September 22, 2017 |
| MINNESOTA | NOT REGISTERED |
| NEW YORK | PENDING |
| NORTH DAKOTA | PENDING |
| RHODE ISLAND | PENDING |
| SOUTH DAKOTA | May 1, 2017 |
| VIRGINIA | PENDING |
| WASHINGTON | PENDING |
| WISCONSIN | PENDING |

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