

FRANCHISE DISCLOSURE DOCUMENT

STARCYLE®

STARCYLE FRANCHISE, LLC
An Oregon limited liability company
459 Second Street
Lake Oswego, Oregon 97034
Phone: (503) 303-4498
Website: www.starcycleride.com

StarCycle Franchise, LLC offers franchises for the operation of fitness studios under the brand name “**StarCycle®**” providing indoor cycling exercise classes utilizing music and choreography, as well as the retail sale of exercise merchandise and assorted other related services and products specified by us (each a “**StarCycleStudio**”).

The total investment necessary to begin operation of a StarCycle Studio at a site that we approve that you purchase or lease, customize and equip is approximately \$213,225 to \$507,000. This includes \$20,000 to \$36,000 that must be paid to us or an affiliate.

This Franchise Disclosure Document (“**Disclosure Document**”) summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the franchisor 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 Stephen Cuthrell, 459 Second Street, Lake Oswego, Oregon 97034; (480) 285-9366; Steve.Cuthrell@starcycleride.com.

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 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 listed on **Exhibit E** 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 THIS FRANCHISE WITH A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

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 MEDIATION AND ARBITRATION ONLY IN OREGON, IN THE COUNTY IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED AT THE TIME THE ACTION IS INITIATED. OUT OF STATE MEDIATION AND ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE AND ARBITRATE WITH US IN OREGON THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE IN WHICH THE FRANCHISOR HAS ITS PRINCIPAL PLACE OF BUSINESS (WHICH IS CURRENTLY OREGON) 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. OUR FRANCHISOR ENTITY IS A DEVELOPMENT STAGE COMPANY WITH A LIMITED FRANCHISE OPERATING HISTORY TO ASSIST A PROSPECTIVE FRANCHISEE IN DECIDING TO MAKE THIS INVESTMENT.
4. OUR FRANCHISOR ENTITY IS A DEVELOPMENT STAGE COMPANY AND HAS LIMITED FINANCIAL RESOURCES.
5. THE TERRITORY OR AREA IS NOT EXCLUSIVE. YOU MAY FACE COMPETITION FROM OTHER FRANCHISEES, FROM FRANCHISOR-OWNED OUTLETS, OR FROM OTHER CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS CHANNELS OF DISTRIBUTION OR COMPETITIVE BRANDS WE CONTROL. HOWEVER, DURING THE TERM OF YOUR FRANCHISE AGREEMENT AND AS LONG AS YOU ARE IN GOOD STANDING, NEITHER WE NOR ANY AFFILIATE WILL ESTABLISH OR LICENSE TO ANOTHER PERSON OR ENTITY THE RIGHT TO ESTABLISH A STARCYLE STUDIO USING THE STARCYLE MARKS WITHIN YOUR TERRITORY OR AREA. THEREFORE, THE TERRITORY OR AREA IS PROTECTED BUT NOT EXCLUSIVE.
6. YOUR SPOUSE OR LEGAL DOMESTIC PARTNER (COLLECTIVELY "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.

7. IF YOU PLAN TO OBTAIN FINANCING FOR YOUR INVESTMENT, THE FINANCING YOU OBTAIN MUST BE ACCEPTABLE TO US OR WE MAY TERMINATE THE FRANCHISE AGREEMENT AND KEEP YOUR FRANCHISE FEE.
8. IF THE LAWS OF YOUR STATE ALLOW US TO DO SO, WE MAY SET THE PRICE FOR THE PRODUCTS AND SERVICES YOU SELL. IF WE SET THE PRICE FOR THE PRODUCTS AND SERVICES YOU SELL, YOU MUST COMPLY WITH THESE MINIMUM AND MAXIMUM PRICES FOR THESE PRODUCTS AND SERVICES. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.
9. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may 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 be sure to do your own investigation of the franchise.

Effective Dates: 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/starcycle>