

FRANCHISE DISCLOSURE DOCUMENT



Club Metro USA Franchising, LLC
1400 Hooper Avenue
Toms River, NJ 08753
732-908-5600
info@clubmetrousa.com
<http://www.clubmetrousa.com>

As a franchisee, you will operate a Club Metro USA Fitness Facility that provides exercise equipment, training and similar services to its members.

The total investment necessary to begin the operation of a Club Metro USA Fitness Facility ranges from \$727,000 to \$1,410,000. This includes \$50,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of one additional Club Metro USA Fitness Facility under the Multi-Unit Development Agreement ranges from \$712,000 to \$1,395,000. This includes \$35,000 that must be paid to the franchisor or its affiliates.

This Franchise Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Franchise Disclosure Document and all accompanying agreements carefully. You must receive this Franchise 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 Emilio Farina at Club Metro USA Franchising, LLC at 1400 Hooper Avenue, Toms River, NJ 08753, telephone (732) 908-5600.

The terms of your contract will govern your franchise relationship. Do not rely on this Franchise 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 Franchise Disclosure Document, is available from the Federal Trade Commission (FTC). 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.

ISSUANCE DATE: April 30, 2012

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 MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US ONLY BY ARBITRATION IN OCEAN COUNTY, NEW JERSEY. OUT-OF-STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN OCEAN COUNTY, NEW JERSEY THAN IT MAY COST IN YOUR OWN STATE OR AREA.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT STATE THAT NEW JERSEY 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. THE FRANCHISEE'S SPOUSE, AND THE SPOUSES OF THE FRANCHISE SHAREHOLDERS, PARTNERS AND MEMBERS, AS THE CASE MAY BE, ARE REQUIRED TO SIGN A PERSONAL GUARANTY OF THE FRANCHISE OBLIGATIONS. SUCH SPOUSE(S) IS JOINTLY AND SEVERALLY LIABLE FOR ALL DEBTS OF THE FRANCHISE, WHETHER OR NOT INVOLVED IN THE OPERATION OF THE FRANCHISED BUSINESS. THIS REQUIREMENT PLACES THE PERSONAL AND MARITAL ASSETS OF THE FRANCHISE OWNERS AND SPOUSES AT RISK.
4. YOU MUST PAY MINIMUM ROYALTY FEES OF \$495 PER MONTH, EVEN IF THE FRANCHISE HAS NO REVENUE.
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 or entity a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

Registration States Effective Dates: See following page.

FRANCHISE DISCLOSURE DOCUMENT EFFECTIVE DATES IN DESIGNATED STATES

The following states require that the 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, exempt from registration, or otherwise effective in the following states with franchise registration and disclosure (or business opportunity*) laws as of the dates listed:

California	Not registered	
Florida	Effective Date:	May 25, 2012
Hawaii	Not registered	
Illinois	Not registered	
Indiana	Not registered	
Kentucky*	Not registered	
Maryland	Not registered	July 11, 2012
Michigan	Not registered	
Minnesota	Not registered	
Nebraska*	Not registered	
New York	Effective Date:	May 18, 2012
North Dakota	Not registered	
Rhode Island	Not registered	
South Dakota	Not registered	
Texas*	Not registered	
Utah	Not registered	
Virginia	Effective Date:	November 2, 2011
Washington	Not registered	
Wisconsin	Not registered	

In all other states, the effective date of this Franchise Disclosure Document is **April 30, 2012**.

*Denotes one-time filing

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