MAY 27 2016

FRANCHISE DISCLOSURE DOCUMENT



ETF Franchising LLC
a Washington limited liability company
1567 Highlands DR NE, Suite 110, PMB 185,
Issaquah WA 98029
(425) 507-9061
info@etffitness com
www etffitness com

We offer a franchise to own and operate a fitness and workout studio under the "Eat the Frog Fitness" name and marks

The total investment necessary to begin operation of an Eat the Frog Fitness franchise ranges from \$237,450 to \$553,450 this includes \$24,950 that must be paid to the franchisor or its affiliates

If we grant you the right to acquire multiple franchise agreements to develop multiple Eat the Frog Fitness Studios, you must pay us a development fee that is calculated based on the total number of franchise agreements you commit to acquire. The development fee will equal \$15,000 multiplied by the number of franchise agreements (less one) that you are obligated to acquire, all of which is due upon signing a multi-unit agreement. A typical development agreement would require that you acquire 10 franchises and the development fee would be \$135,000, all of which is paid to the franchisor. You must sign the franchise agreement and pay the initial franchise fee for first franchise you agree to develop at the same time you sign the area development agreement.

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 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 Aaron Culver at ETF Franchising LLC, 1567 Highlands DR NE, Suite 110, PMB 185, Issaquah WA 98029 and (425) 507-9061

The terms of your contract will govern your franchise relationship Don't rely on this 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 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.ttc.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, 2016

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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 A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT

Call the state franchise administrator listed in <u>Exhibit A</u> 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

- THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION IN A JURISDICTION IN THE STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, SEATTLE, WASHINGTON) OUT OF STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN THE STATE IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS LOCATED (CURRENTLY, SEATTLE, WASHINGTON) THAN IN YOUR HOME STATE
- THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT WASHINGTON LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MAY WANT TO COMPARE THESE LAWS
- 3 IF YOU ARE A BUSINESS ENTITY, YOUR OWNERS WILL HAVE TO GUARANTY YOUR OBLIGATIONS AND BE BOUND BY THE PROVISIONS OF OUR FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT YOUR SPOUSE MUST ALSO SIGN A GUARANTY WHICH PLACES YOUR SPOUSE'S MARITAL ASSETS AT RISK IF YOUR FRANCHISE FAILS
- 4 WE HAVE BEEN OFFERING FRANCHISES FOR A SHORT PERIOD OF TIME THEREFORE, THERE IS ONLY A BRIEF OPERATING HISTORY TO ASSIST YOU IN JUDGING WHETHER OR NOT TO MAKE THIS INVESTMENT
- 5 WE HAVE LIMITED FINANCIAL RESOURCES WHICH MIGHT NOT BE ADEQUATE TO FUND OUR PRE-OPENING OBLIGATIONS TO EACH FRANCHISEE AND PAY OPERATING EXPENSES
 - 6 THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE

Effective Date See the next page for state effective dates

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ETF FRANCHISING LLC

STATE EFFECTIVE DATES

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 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

California

Washington

In all other states, the effective date of this disclosure document is the issuance date of April 28, 2016

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