

## FRANCHISE DISCLOSURE DOCUMENT

### FITNESS EVOLUTION FRANCHISING, LLC

a Delaware Limited Liability Company

2144 Industrial Parkway

Silver Spring, MD 20904

(240) 315-8484

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Fitness Evolution Franchising, LLC offers franchises for businesses that will establish and operate fitness centers.

The total investment necessary to begin operation of a Fitness Evolution business is between \$166,100 and \$1,639,500, which includes \$31,250 that must be paid to the franchisor or an affiliate. If you currently own an existing fitness center that you will rebrand to a Fitness Evolution franchised business (a “Conversion Franchise”), the total investment necessary to begin operation of a Fitness Evolution business is between \$166,100 and \$623,250, which includes \$30,000 that must be paid to the franchisor or an affiliate. If you intend to establish a new fitness center where one has not operated before (a “Standard Franchise”), the total investment necessary to begin operation of a Fitness Evolution business is between \$330,250 and \$1,639,500, which includes \$31,250 that must be paid to the franchisor or an affiliate. If you sign an Area Development Agreement to develop at least 2 Fitness Evolution businesses in a specified area, you must pay to the franchisor an area development fee equal to \$30,000 for the first FITNESS EVOLUTION Franchised Business you agree to develop under the Area Development Agreement, plus \$20,000 for each additional FITNESS EVOLUTION Franchised Business you agree to develop under the Area Development Agreement. When you sign the Franchise Agreement, you will receive a credit of \$30,000 toward the Initial Franchise Fee for the first Fitness Evolution business you agree to develop under the Area Development Agreement and a \$20,000 credit for each additional Fitness Evolution business you agree to develop under the Area Development Agreement.

This Disclosure Document summarizes certain provisions of the 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 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 Chris Maddox, Co-Founder & CEO, Fitness Evolution Franchising, LLC, 2144 Industrial Parkway, Silver Spring, MD 20904, (240) 315-8484.

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 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, D.C. 20580. You can also visit the FTC’s home page at [www.ftc.gov](http://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.

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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 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY LITIGATION ONLY IN MARYLAND. OUT-OF-STATE LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO LITIGATE WITH US IN MARYLAND THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND AREA DEVELOPMENT AGREEMENT STATE THAT MARYLAND 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. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INVESTMENT RANGING FROM \$166,100 TO \$1,639,500. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBERS' EQUITY AS OF DECEMBER 31, 2015, WHICH IS \$81,572.
4. FOR CALIFORNIA FRANCHISEES, PAYMENT OF ALL INITIAL FEES IS POSTPONED UNTIL AFTER ALL OF OUR INITIAL OBLIGATIONS ARE COMPLETE AND YOU OPEN FOR BUSINESS.
5. 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 may 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 Date: See the next page for state effective dates

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