

FRANCHISE DISCLOSURE DOCUMENT

Retrofitness, LLC a Delaware limited liability company 1601 Belvedere Road, Suite E-500 West Palm Beach, FL 33406 Telephone: 732-431-0062 Email: <u>info@retrofranchising.com</u> Home page: <u>http://www.retrofitness.com</u>



The franchisee will provide discount fitness programs in a specially designed format.

The total investment necessary to begin operation of a Retrofitness franchise is between \$1,274,466 and \$2,088,216. This includes between \$46,716 and \$76,716 that must be paid to the franchisor or affiliate.

Retrofitness area developers acquire the right to develop multiple Retrofitness outlets in a designated development area. The total investment necessary to begin operation of a Retrofitness area developer business will depend on the number of Retrofitness outlets to be opened. The development fee is \$10,000 for each outlet to be developed under the Area Development Agreement. A minimum of four outlets must be developed; there is no maximum number of outlets you can develop. Upon signing an Area Development Agreement to develop the minimum number of outlets (4), you will pay us a development fee equal to \$40,000 (\$10,000 for each outlet), plus initial fees for your first outlet ranging between \$46,716 and \$76,716. The total investment necessary to begin operation of your first Retrofitness® franchised outlet under an Area Development Agreement that requires the development and operation of four (4) outlets ranges from \$1,314,446 - \$2,128,216. This includes \$86,716 to \$116,716 that must be paid to the franchisor or affiliate. If you develop all four outlets, your total investment will be \$5,137,864 to \$8,392,864; this includes \$226,864 to \$346,864 you must pay to franchisor or affiliate. This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all agreements carefully. You must receive 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 or grant. 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 forms, contact Retrofitness at 1601 Belvedere Road, Suite E-500, West Palm Beach, FL 33406, or 732-431-0062

The terms of your contract will govern your franchise relationship. Do not 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.

Retrofitness FDD



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 "<u>Buying a Franchise: A Consumer Guide</u>," 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 <u>www.ftc.gov</u> 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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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits C and D.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit B includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Retrofitness business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Retrofitness franchisee?	Item 20 or Exhibits C and D list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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