

FRANCHISE DISCLOSURE DOCUMENT



Stretch Lab Franchise, LLC a Delaware limited liability company 17877 Von Karman Avenue, Suite 100 Irvine, CA 92614 (949) 326-9765 <u>sales@stretchlab.com</u> www.stretchlab.com

Stretch Lab Franchise, LLC ("we," "us," or "our") offers for sale a franchise to establish and operate a fitness studio that offers and provides stretching classes and related therapy services under our then-current proprietary marks (collectively, the "Marks"), including our current primary mark STRETCH LAB (each, a "Studio").

The estimated initial investment necessary to begin operations of a Studio franchise ranges from \$160,300 to \$299,260. This amount includes \$79,075 to \$80,775 that must be paid to the franchisor or its affiliate prior to opening.

We may also grant existing System franchisees the right to own and operate a non-traditional Studio from an agreed-upon dedicated space within a third-party "big box" gym/fitness facility (LA FITNESS®) that is located within an existing territory (the "Non-Traditional Site") that has already been awarded to that franchisee in connection with a traditional Studio (described above) it has developed (each, a "Non-Traditional Studio").

The total estimated investment necessary to begin operations of a Non-Traditional Studio ranges from \$98,700 to \$193,419. This amount includes \$19,075 to \$80,775 that must be paid to the franchisor or its affiliates prior to opening.

The estimated initial investment necessary to develop three (3) or more Studios under our form of area development agreement depends on the number of franchises we grant you the right to open. By way of example, the estimated initial investment associated with acquiring the right to develop three (3) Studios pursuant to an area development agreement and necessary to begin operations of the first of those Studios ranges from \$235,300 to \$374,260, which includes (a) a development fee amounting to \$135,000 payable to us upon signing, and (b) the initial investment to begin operations of the initial franchised Studio from a traditional site that you are required to develop within your awarded development area.

This 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 Verdine Baker at Stretch Lab Franchise, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, CA 92614, and at (949) 326-9765.

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. Information about comparisons of franchisors is available. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this Disclosure ©2022 Stretch Lab Franchise, LLC

2022 Franchise Disclosure Document



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.ftc.gov for additional information. There may also be laws on franchising in your state. Call your state agency listed on Exhibit B or visit your public library for other sources of information on franchising.

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS: APRIL 1, 2022.



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 Exhibit H.	
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	Item 21 or Exhibit C includes financial	
ability to provide support to my business?	statements. Review these statements	
	carefully.	
Is the franchise system stable, growing, or	Item 20 summarizes the recent history of the	
shrinking?	number of company-owned and franchised	
	outlets.	
Will my business be the only Stretch Lab	Item 12 and the "territory" provisions in the	
business in my area?	franchise agreement describe whether the	
	franchisor and other franchisees can compete	
	with you.	
Does the franchise have a troubled legal	Items 3 and 4 tell you whether the franchisor	
history?	or its management have been involved in	
	material litigation or bankruptcy proceedings.	
What's it like to be a Stretch Lab	Item 20 or Exhibit H lists current and former	
franchisee?	franchisees. You can contact them to ask	
What also should I limous?	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.	
	table of contents.	

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