



FRANCHISE DISCLOSURE DOCUMENT

Stretch Zone Franchising LLC
a Florida limited liability company
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www.stretchzone.com

The ~~Franchise Business~~Stretch Zone business that you will own and operate is a business that offers advanced certified practitioner-assisted stretching to individuals, which business operates under the trade name “Stretch Zone®.”

The total investment necessary to begin operation of a single Stretch Zone ~~Franchise business~~ ranges from \$133,830 to \$241,099. This includes \$80,425 to \$88,950 that must be paid to ~~us or our~~the franchisor or affiliate.

~~We also offer to certain qualified persons rights to develop 2 or more Stretch Zone Franchises (the “Franchise Businesses”) within a Development Area under a Stretch Zone and you may choose to sign an Area Development Agreement. In consideration of, under which you will develop multiple Stretch Zone businesses. We expect~~ the Area Development ~~Rights we grant to you, you will pay to us a Development Fee based on the number of Franchise Businesses that you commit to developing. To develop 2 Franchise Businesses, the Development Fee is \$119,000, representing the Initial Franchise Fees for both Franchise Businesses. To develop 3 Franchise Businesses, the Development Fee is \$148,750, representing the Initial Franchise Fees for the first 2 Franchise Businesses and 50% of the Initial Franchise Fee for the 3rd Franchise Business. When you sign the Franchise Agreement for your 3rd Franchise Business, you must sign the Franchise Agreement and pay the remaining 50% of the Initial Franchise Fee for the 3rd Franchise Business. To develop 4 Franchise Businesses, the Development Fee is \$178,500, representing the Initial Franchise Fees for the first 2 Franchise Businesses and 50% of the Initial Franchise Fees for the 3rd and 4th Franchise Businesses. When you sign the Franchise Agreement for each of your 3rd and 4th Franchise Businesses, you must pay the remaining 50% of the Initial Franchise Fee for the applicable Franchise Business. To develop 5 Franchise Businesses, the Development Fee is \$238,000, representing the Initial Franchise Fees for the first 3 Franchise Businesses and 50% of the Initial Franchise Fees for the 4th and 5th Franchise Businesses. When you sign the Franchise Agreement for each of your 4th and 5th Franchise Businesses, you must pay the remaining 50% of the Initial Franchise Fee for the applicable Franchise Business. To develop 6 Franchise Businesses, the Development Fee is \$267,750, representing the Initial Franchise Fees for the first 3 Franchise Businesses and 50% of the Initial Franchise Fees for the 4th, 5th and 6th Franchise Businesses. When you sign the Franchise Agreement for each of your 4th, 5th and 6th Franchise Businesses, you must pay the remaining 50% of the Initial Franchise Fee for the applicable Franchise Business~~Agreement to cover between two and six Stretch Zone businesses. The total investment necessary to begin operation under ~~a Stretch Zone an~~ Area Development Agreement is \$193,330 to \$449,349. This includes \$119,000 ~~(for two Stretch Zone businesses to be developed)~~ to \$267,750 ~~(for six Stretch Zone businesses to be developed)~~ that must be paid to the franchisor or affiliate.

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, us or an affiliate in connection with the proposed franchise sale or grant. **Note, however, that no**

Agreement. In consideration of the Area Development Rights we grant to you, at the time that you sign the Area Development Agreement, you will pay to us a nonrefundable Development Fee based on the number of Franchise Businesses you commit to developing.

OUR EXPERIENCE IN COMPILING THESE ESTIMATES

We relied on our almost eight years, and our predecessors' 19 years, of experience in the stretching business and the total investment in opening Company-Owned Outlets and Franchised Units in compiling these estimates. ~~You should review these figures carefully with a business advisor before making any decisions to purchase a Franchise Business.~~

ITEM -8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Franchise Agreement

PURCHASES FROM US, OUR DESIGNEE OR APPROVED SUPPLIERS OR UNDER OUR SPECIFICATIONS

PURCHASES FROM US

At present, you must purchase solely from us the following items. We may change these items based on our experience.

FURNITURE, FIXTURES AND EQUIPMENT

You must purchase the furniture, furnishings and fixtures from us. We do not deliver or install these items.

BOOKKEEPING SOFTWARE

You must sublicense from us the QuickBooks Online accounting system.

HIRING AND ONBOARDING SOFTWARE

You must sublicense from us the Career Plug hiring and onboarding software.

MICROSOFT OFFICE 365 SOFTWARE

You must sublicense from us a Microsoft Office 365 Software.

KNETK SOFTWARE

You must license from KnetK LLC its KnetK Software.

FACTOR 4 SOFTWARE

You must license from Factor 4 its gift card and loyalty program.

PERKVILLE SOFTWARE

You must license from Perkvilve, Inc. its loyalty and reward programs.

granting rights to others to provide (except as specifically stated in the first paragraph of this Section), products and services to customers and other third parties that are similar or dissimilar to, or competitive with, any products and services provided at Units, whether identified by the Trademarks or other trademarks or service marks, regardless of the method of distribution (including through our Website, other retail outlets, shipping and delivery), including temporary locations, such as events occurring for a limited duration; and

(d) acquiring the assets or ownership interests of, or being acquired (regardless of the form of transaction) by, one or more businesses providing products and services similar or dissimilar to those provided at Units, and franchising, licensing or creating other arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating, whether within or outside the Limited Protected Territory.

CONDITIONS TO CONTINUED LIMITED PROTECTED TERRITORY.

Minimum Performance Standard. We expressly condition the grant of your Limited Protected Territory upon your successful penetration of the market in your Limited Protected Territory. You agree to promote actively and aggressively the services offered at your Franchise Business within your Limited Protected Territory. Beginning in your 2nd full business year of operation and each full business year thereafter, the Franchise Business must generate at least \$240,000 in annual Gross Revenues. To cure this default you must pay us an “Underperformance Fee” equal to 6% of the difference between your actual Gross Revenues and \$240,000. If you fail to do this within 30 days on completion of your year-end financial statements, we have the option of exercising any of our rights under the Franchise Agreement including: (i) eliminating your rights in your Limited Protected Territory; or (ii) terminating the Franchise Agreement. This minimum performance standard is not a financial performance representation and does not infer that you will experience Gross Revenues of any particular level.

Our Right to Modify the Limited Protected Territory. We may not unilaterally alter your Limited Protected Territory. The parties may alter the Limited Protected Territory by a written amendment to the Franchise Agreement signed by the parties. If you breach the Franchise Agreement and fail to timely cure, we may reduce the size of your Limited Protected Territory or terminate the Franchise Agreement.

ALTERNATE METHODS OF DISTRIBUTION.

We do not employ alternate methods of distribution, including the Internet, to make sales within your Limited Protected Territory using the Principal Trademark or to make sales within your Limited Protected Territory of products and services under trademarks other than the Principal Trademark.

NO COMPENSATION TO YOU

We will not compensate you for any of these sales made within your Limited Protected Territory.

RESTRICTIONS ON ADVERTISING AND OPERATING OUTSIDE OF LIMITED PROTECTED TERRITORY

You will not solicit business from consumers outside your DMA ~~by a toll-free number, catalog, direct mail, Internet, website or other advertising or solicitation method, including through other channels of distribution, such as the Internet, catalog, sales, telemarketing, or other direct marketing.~~

You must operate the Franchise Business only at the location described in Section 1.2 of the Franchise Agreement. You do not have the right to use other channels of distribution to provide services to customers without our prior written consent.

OUR OPERATION OF A SIMILAR BUSINESS UNDER A DIFFERENT MARK

Neither we nor any affiliate operate or have plans to operate or franchise a business under a different trademark that sells or will sell goods or services similar to those you will offer.

Area Development Agreement

NO MINIMUM TERRITORY

You are not obtaining any minimum territory as a Developer but we grant you a Development Area described below.

RELOCATION RIGHTS

There are no written conditions under the Area Development Agreement allowing you to relocate the Franchise Business.

DEVELOPMENT AREA

We grant you a Development Area that will be described in the Map attached as Exhibit A to the Area Development Agreement. The Development Area is usually based on a city or county basis, or a Designated Marketing Area depending on the number of Franchised Units to be developed.

NO EXCLUSIVE RIGHTS TO DEVELOPMENT AREA

We do not grant to you exclusive rights within the Development Area. You may face competition from other Franchised Units, Company-Owned Units, or from other channels of distribution or competitive brands that we control. We grant you the right to construct, open and operate Franchise Businesses within the Development Area pursuant to a Development Schedule under which you must open a specified number of Franchise Business within a specified time. The Development Area will usually be a city or county. We will grant each Franchised Unit you open within the Development Area a Limited Protected Territory under the applicable franchise agreement. For the perimeter of the Development Area, you agree that you will not select a site that is within the limited protected territory of a Company-Owned Unit or Franchised Unit that is operating or under construction.

APPROVAL OF LOCATIONS FOR FUTURE UNITS

We must approve the location for all future Franchised Units that you develop and the Limited Protected Territory (to be granted under the applicable franchise agreement) for each of these Franchised Units. Our then current standards for sites and territories will apply.

ALTERNATE METHODS OF DISTRIBUTION

We do not currently employ alternate methods of distribution, including the Internet, to make sales within your Development Area using the Principal Trademark or to make sales within your Development Area of products and services under trademarks other than the Principal Trademark.

6. **Distinguishing Characteristics** - The distinguishing characteristics of the group measured are time in operation and Franchised Units.

- We had to exclude the results of operations of 5 units relocating.

NOTES TO ITEM 19:

1. **Some Franchise Businesses have sold or earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much.**
2. "Gross Revenues" means the entire amount of all of the revenues from the ownership or operation of the Franchise Business, including the proceeds of any business interruption insurance, whether the revenues are evidenced by cash, credit, checks, or gift certificates (unless exempted by us), and the fair market value of any services, property, or other means of exchange, except the amount of any sales taxes that are collected and paid to the taxing authority (based on the cash method of accounting). We allow the deduction of cash refunded, credit given to customers, and receivables uncollectible from customers in computing Gross Revenues to the extent that the cash, credit or receivables were previously included in Gross Revenues on which Royalty Fees and Advertising Contributions were paid. Gross Revenues are considered received at the time the goods, products, merchandise or services from which Gross Revenues are derived are delivered or rendered, or at the time that the relevant sale takes place, whichever occurs first.
3. These sales figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Revenues figures to obtain your net income or profit.
4. We calculated the figures in the table in this financial performance representation using financial reports submitted by our franchisees.
5. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.
6. We ~~encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your Franchise Business. We also~~ encourage you to contact our existing franchisees to discuss their experiences with our franchise system and their Franchise Businesses. ~~Despite the information set forth in this financial performance representation, our existing franchisees are your best source of information about franchise operations.~~

Other than in this Item 19, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned (as applicable) or franchised outlets. We also do not authorize our employees or representatives to make any such representations, either orally or in writing. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Tony Zaccario, President and CEO at 6700 North Andrews Avenue #210, Fort Lauderdale, Florida 33309, 954-799-6419, the Federal Trade Commission, and the appropriate state regulatory agencies.

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MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

1. [Based on our financial information submitted, the Minnesota Department of Commerce has imposed a deferral of initial fees until we have performed all of our pre-opening obligations and you are open for business.](#)

[ITEM 5 and ITEM 7 are amended as follows:](#)

INITIAL FEES

[All fees paid to the Franchisor by the Franchisee, including payments for goods and services received from the Franchisor before the business opens, shall be deferred pending satisfaction of all of the Franchisor's pre-opening obligations to the Franchisee.](#)

INITIAL CONTRIBUTION TO MEDIA FUND

[You will make an initial Advertising Contribution of \\$500 to the Media Fund. The initial Advertising Contribution will be deferred and is not payable to us until we have complied with all of our pre-opening obligations to you under the Franchise Agreement and you are open for business.](#)

DEVELOPMENT FEE

[In addition, all Development Fees and initial payments by Developers shall be deferred until the first Franchise under the Area Development Agreement opens.](#)

2. ~~4.~~ ITEM 13 is amended by the addition of the following language to the original language:

Minnesota considers it unfair to not protect the Franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g). The Franchisor will protect the Franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

23. ITEMS 17(c) and (g) are amended by addition of the following language:

With respect to Franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which requires (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

34. ITEMS 17(c) and (m) are amended by addition of the following language:

Minnesota Rules 2860.4400(D) prohibits a Franchisor from requiring a Franchisee to assent to a Franchise Termination and Release Agreement.

45. ITEMS 17(q) and (r) are amended by addition of the following language:

The Franchisee cannot consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief. See Minn. Rules 2860.4400. Also, a court will determine if a bond is required.

6. ~~5-~~ITEM 17(u) is amended by addition of the following language:

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

67. ITEMS 17(v) and (w) are amended by the addition of the following language:

Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C or (2) the Franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

8. [NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \\$30 on service charges.](#)

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

This Addendum to Franchise Agreement is signed on _____ between Stretch Zone Franchising, LLC, a Florida limited liability company (“us” “we” and “our”) and _____ (“you” or “your”) to amend the Franchise Agreement as follows:

1. Section 3.1 of the Franchise Agreement is amended as follows:

INITIAL FEES

All fees paid to the Franchisor by the Franchisee, including payments for goods and services received from the Franchisor before the business opens, shall be deferred pending satisfaction of all of the Franchisor’s pre-opening obligations to the Franchisee.

~~4~~2. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in the Franchise Agreement be amended to be consistent with the Minnesota Franchise Act, Minn. Stat. §§ 80.01 *et seq.*, (the “Minnesota Franchise Act”) and of the Rules and Regulations promulgated under the Minnesota Franchise Act. To the extent that the Franchise Agreement contains provisions that are inconsistent with the following, the provisions are amended:

(a) Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the Franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) the Franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) With respect to Franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which requires (except in certain specified cases) (1) that a Franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Franchise Agreement and (2) that the consent to the transfer of the Franchise will not be unreasonably withheld.

(c) The Franchisor will protect the Franchisee’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the Franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

(d) Minnesota considers it unfair to not protect the Franchisee’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

(e) Minnesota Rules 2860.4400(D) prohibits a Franchisor from requiring a Franchisee to assent to a general release.

(f) The Franchisee cannot consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

(g) The Limitations of Claims Section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

(h) NSF checks are governed by Minnesota Statute 604.113, which puts a cap of \$30 on service charges.

23. Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this Amendment. This Amendment has no force or effect if the jurisdictional requirements are not independently met.

In witness whereof, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

FRANCHISOR:

STRETCH ZONE FRANCHISING LLC, a
Florida limited liability company

By: _____
Tony Zaccario, CEO and President

Date: _____, 20__

DEVELOPER:

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____, 20__

(IF INDIVIDUALS):

[Signature]

[Print Name]

Date: _____, 20__

[Signature]

[Print Name]

Date: _____, 20__

MINNESOTA ADDENDUM TO AREA DEVELOPMENT AGREEMENT

This Addendum to Area Development Agreement is signed on _____ between Stretch Zone Franchising, LLC, a Florida limited liability company (“us” “we” and “our”) and _____ (“you” or “your”) to amend the Area Development Agreement as follows:

2. [Section 3.1 of the Area Development Agreement is amended as follows:](#)

Section 3.1 Development Fee

[In addition, all Development Fees and initial payments by Developers shall be deferred until the first Franchise under the Area Development Agreement opens.](#)

2. ~~4.~~ The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in the Area Development Agreement be amended to be consistent with the Minnesota Franchise Act, Minn. Stat. §§ 80.01 *et seq.*, (the “Minnesota Franchise Act”) and of the Rules and Regulations promulgated under the Minnesota Franchise Act. To the extent that the Area Development Agreement contains provisions that are inconsistent with the following, the provisions are amended:

(a) Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the Franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the Developer to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the Developer’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) the Developer’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

(b) With respect to Franchises governed by Minnesota law, the Franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which requires (except in certain specified cases) (1) that a Developer be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the Area Development Agreement and (2) that the consent to the transfer of the Development Rights will not be unreasonably withheld.

(c) The Franchisor will protect the Developer’s rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

(d) Minnesota considers it unfair to not protect the Developer’s right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

(e) Minnesota Rules 2860.4400(D) prohibits a Franchisor from requiring a Developer to assent to a general release.

(f) The Developer cannot consent to the Franchisor obtaining injunctive relief. The Franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.

(g) The Limitations of Claims Section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

3. ~~2.~~ Each provision of this Amendment is effective only to the extent that the jurisdictional requirements of the Minnesota law applicable to the provision are met independent of this.

4. ~~3.~~ Amendment. This Amendment has no force or effect if the jurisdictional requirements are not independently met.

In witness whereof, each of the undersigned hereby acknowledges having read this Amendment, understands and consents to be bound by all of its terms.

FRANCHISOR:

STRETCH ZONE FRANCHISING LLC, a
Florida limited liability company

By: _____
Tony Zaccario, CEO and President

Date: _____, 20__

DEVELOPER:

(IF ENTITY):

[Name]

By: _____

Name: _____

Title: _____

Date: _____, 20__

(IF INDIVIDUALS):

[Signature]

[Print Name]

Date: _____, 20__

[Signature]

[Print Name]

Date: _____, 20__