

FRANCHISE DISCLOSURE DOCUMENT



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BAREBONES INTERNATIONAL FRANCHISING, INC

A California Corporation 8555 Weyand Avenue Sacramento, California 95828 Telephone 916-287-9100 Fax 916-737-5147 www barebonesworkwear com/franchise mydream@barebonesworkwear com

The franchises we offer are for the operation of retail clothing stores under the name BAREBONES WORKWEAR® featuring a wide array of quality brand name apparel, footwear, safety gear and accessories Products sold from the franchise store will include those that are durable, comfortable, and stylish, making them also suitable for lifestyle and outdoor markets BAREBONES WORKWEAR® offers value pricing, a "cool" retail environment, and legendary customer service

The total estimated investment necessary to begin operation of a single **BAREBONES WORKWEAR®** franchise ranges from \$316,365 to \$593,740 This includes the initial Franchise fee of \$35,000 that must be paid to us However, we also offer area development agreements that will allow you to develop from 2 to 5 business locations in a designated territory for a development fee of \$50,000 to \$75,000, which includes all the initial franchise fees you would pay us for these locations. If you sign an Area Development Agreement, then the total initial investment to begin operation of your first **BAREBONES WORKWEAR®** franchise store, including the area development fee that would allow you to open between two and five franchises, would be between \$331,365 and \$633,740 (See Items 5 and 7 for additional information)

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.**

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You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact our sales department at 8555 Weyand Avenue, Sacramento, California 95828 (916-287-9100) or mydream@barebonesworkwear com

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 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 ("FTC"). You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, N W, Washington, D C 20580. You can also visit the FTC's home page at 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

THE ISSUANCE DATE OF THIS DISCLOSURE DOCUMENT IS March 19, 2015

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STATE COVER PAGE

Your state may have a franchise law that requires us 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 administrator listed in Exhibit "F" 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 REQUIRES YOU TO RESOLVE DISPUTES WITH US FIRST BY MEDIATION IN SACRAMENTO COUNTY, CALIFORNIA, AND IF THE DISPUTE REMAINS UNRESOLVED AFTER MEDIATION THEN THE DISPUTE MUST BE RESOLVED WITH US BY ARBITRATION ONLY IN SACRAMENTO COUNTY, CALIFORNIA OUT-OF-STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES IT MAY ALSO COST YOU MORE TO MEDIATE AND ARBITRATE WITH US IN SACRAMENTO COUNTY, CALIFORNIA THAN IN YOUR OWN STATE

2 THE FRANCHISE AGREEMENT STATES THAT CALIFORNIA 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 YOUR SPOUSE AND THE SPOUSE OF ALL OWNERS, IF FRANCHISEE IS AN APPROVED BUSINESS ENTITY, MUST SIGN A SPOUSAL CONSENT, MAKING THE SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT, PLACING THE SPOUSE'S OWN PERSONAL ASSETS AT RISK

4 THE TOTAL AMOUNT NECESSARY TO BEGIN OPERATION OF A BAREBONES WORK WEAR FRANCHISE IS BETWEEN \$316,365 and \$593,740 THIS AMOUNT EXCEEDS THE FRANCHISOR'S STOCKHOLDERS EQUITY AS OF DECEMBER 31, 2014, WHICH IS \$58,600

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 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

A chart of State Effective Dates is located on the following page

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