

FRANCHISE DISCLOSURE DOCUMENT

DEPARTMENT OF CORPORATIONS
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SEP 11 2012

B3 Franchising, LLC
an Oregon limited liability company
1000 N W Marshall Street
Portland, Oregon 97209
Telephone (503) 206-8308
Website www.barre3.com
Email chris@barre3.com

B3 Franchising, LLC franchises the right to operate “barre3®” exercise service businesses providing specialized exercise classes using a ballet barre and other equipment in combination with ballet, Pilates and yoga techniques, the retail sale of related merchandise and other related services and products

The total investment necessary to begin operation of a Studio ranges from \$93,450 to \$364,500 This includes \$30,700 to \$38,075 that must be paid to the franchisor or its affiliate The cost to purchase the right to develop additional franchise territories is \$22,500 per territory

This Disclosure Document summarizes certain provisions of your 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 payment 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 B3 Franchising, LLC, at 1000 N W Marshall Street, Portland, Oregon 97209, telephone (503) 206-8308

The terms of your contract will govern your franchise relationship Do not rely on the Disclosure Document alone to understand your contract Read your entire 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 like “*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 Circle, 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

Issuance Date April 9, 2012

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STATE COVER PAGE

Your state may have a franchise law that requires a franchise 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 A for information about the Franchisor, about other franchisors, 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 a franchise.

I THE FRANCHISE AGREEMENT REQUIRES THAT DISAGREEMENTS FIRST BE MEDIATED IN PORTLAND, OREGON. IF A DISPUTE IS NOT RESOLVED BY MEDIATION, IT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION ONLY IN PORTLAND, OREGON. ANY DISPUTES NOT SUBJECT TO ARBITRATION MUST BE LITIGATED IN PORTLAND, OREGON. OUT OF STATE ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OREGON THAN IN YOUR OWN STATE.

III THE FRANCHISE AGREEMENT STATES THAT THE LAW OF THE STATE OF OREGON GOVERNS THE AGREEMENT. OREGON LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

IV YOUR ABILITY TO RENEW THE FRANCHISE AGREEMENT MAY DEPEND ON WHETHER THE FRANCHISOR CONTINUES TO OFFER FRANCHISES IN THE STATE WHERE YOUR FRANCHISE IS LOCATED.

V WE WERE FORMED ON APRIL 12, 2010 AND HAVE A BRIEF OPERATING HISTORY FOR YOU TO REVIEW. YOU MAY WANT TO TAKE THIS INTO CONSIDERATION WHEN MAKING A DECISION TO PURCHASE THIS FRANCHISE OPPORTUNITY.

VI THE FRANCHISE AGREEMENT REQUIRES THE FRANCHISEE'S SPOUSE TO SIGN A GUARANTY MAKING SUCH SPOUSE JOINTLY AND SEVERALLY LIABLE FOR THE OBLIGATIONS UNDER THE FRANCHISE AGREEMENT AND PLACING THE SPOUSE'S MARITAL AND PERSONAL ASSETS AT RISK.

VII THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

We may use the services of 1 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 this franchise.

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STATE REGISTRATION PAGE

The following states require that the Franchise Disclosure Document be registered or filed in the state, or to be exempt from registration California, Florida, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Utah, Virginia, Washington and Wisconsin

This Franchise Disclosure Document is registered, on file or exempt from registration in the following states having franchise registration and disclosure laws, with the following effective dates

California pending
Hawaii pending
Maryland pending
New York May 3, 2012
Virginia July 3, 2012

Florida April 16, 2012
Illinois pending
Minnesota May 18, 2012
Utah April 11, 2012
Washington April 26, 2012

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