

## FRANCHISE DISCLOSURE DOCUMENT



BODYBAR FRANCHISING, LLC 3232 West 7th Street Fort Worth, TX 76107 (214) 885-8466 www.bodybarpilates.com

We offer a franchise for the establishment and operation of studios offering Pilates-inspired classes and other fitness-related services under the BODYBAR trade name and business system.

The total estimated investment necessary to begin operation of a BODYBAR Pilates Studio is \$196,200 to \$338,795. This amount includes \$137,450 to \$175,795 that must be paid to the franchisor or its affiliate prior to opening.

We also offer an area development program for the establishment and operation of multiple BODYBAR Pilates Studios in a specified development area. The total investment necessary to enter into a development agreement for the right to develop three (3) BODYBAR Pilates Studios is \$271,200 and \$413,795 which includes (a) \$207,950 to \$246,295 that is paid to us or our affiliates prior to opening your initial Studio under the development agreement, and (b) the rest of your total estimated initial investment to begin operation of your initial BODYBAR Pilates Studio.

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, 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 us at 3232 West 7th Street, Fort Worth, TX 76107, Attn: Kamille McCollum via telephone at (214) 885-8466, or by emailing franchising@bodybarpilates.com.

The terms of your contract will govern your franchise relationship. Do not rely on the Franchise Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Franchise Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Franchise 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 Franchise 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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## **STATE COVER PAGE**

Your state may have a franchise law that requires a franchisor 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 <u>Exhibit G</u> for information about the franchisor or for information 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 AND AREA DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US, AT OUR OPTION, BY MEDIATION ONLY IN DALLAS, TEXAS. OUT-OF-STATE MEDIATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO MEDIATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
- 2. CERTAIN DISPUTES WITH US NOT SUBJECT TO MEDIATION MUST BE RESOLVED BY LITIGATION IN DALLAS, TEXAS. IT MAY COST YOU MORE TO LITIGATE WITH US IN TEXAS THAN IN YOUR OWN STATE.
- 3. THE FRANCHISE AGREEMENT AND DEVELOPMENT AGREEMENT STATES THAT TEXAS 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.
- 4. YOUR SPOUSE MUST SIGN A DOCUMENT THAT MAKES YOUR SPOUSE LIABLE FOR ALL FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT EVEN THOUGH YOUR SPOUSE HAS NO OWNERSHIP INTEREST IN THE FRANCHISE. THIS GUARANTEE WILL PLACE BOTH YOUR AND YOUR SPOUSE'S MARITAL AND PERSONAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.
- 5. YOU MUST MAINTAIN MINIMUM REVENUE REQUIREMENT. YOUR INABILITY TO MAINTAIN THIS REQUIREMENT MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHTS YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.
- 6. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.



## STATE EFFECTIVE DATES

The following states require that this Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington and Wisconsin.

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

State	Effective Date
California	Not Registered
Florida (exemption)	Not Registered
Hawaii	Not Registered
Illinois	Not Registered
Indiana	Not Registered
Kentucky	Not Registered
Maryland	Not Registered
Michigan (notice only)	Not Registered
Minnesota	Not Registered
Nebraska	Not Registered
New York	Not Registered
North Dakota	Not Registered
Rhode Island	Not Registered
South Dakota	Not Registered
Texas (exemption)	Exempt
Utah (exemption)	Not Registered
Virginia	Not Registered
Washington	Not Registered
Wisconsin	Not Registered

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