

## FRANCHISE DISCLOSURE DOCUMENT

**BARRE SKINNY, LLC**  
**(A Tennessee limited liability company)**  
**2099 Thunderhead Road, Suite 102**  
**Knoxville, Tennessee 37922**  
**Telephone: (865) 692-1148**  
**www.neighborhoodbarre.com**



Barre Skinny, LLC is offering franchises for the operation of an exercise studio using a combination of dance conditioning, pilates and isometric techniques and also selling exercise equipment and merchandise.

The total estimated initial investment necessary to begin operation of a NEIGHBORHOOD BARRE Studio franchise, excluding the lease of a facility, ranges from \$95,100 to \$254,500. This includes between approximately \$36,500 to \$38,000 that must be paid to the franchisor or affiliates. See Items 5 and 7.

We also grant to qualified persons rights to a specific geographic area in which to develop a predetermined number of Studios under a Development Agreement. If you sign a Development Agreement, in addition to payment of the initial franchise fee for the first Studio, you pay a Development Fee of \$15,000 for each additional Studio to be developed, which is later applied to the initial franchise fee due for the additional Studio.

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 us at 2099 Thunderhead Road, Suite 102, Knoxville, Tennessee 37922, telephone (865) 692-1148.

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 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, such as "*Buying a Franchise: A Consumer Guide*" which can help you understand how to use this 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 [www.ftc.gov](http://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: JUNE 8, 2018**

## 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 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 this franchise:

- 1. THE FRANCHISE AGREEMENT REQUIRES YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR, AS APPLICABLE, LITIGATION ONLY IN TENNESSEE. OUT OF STATE ARBITRATION, OR AS APPLICABLE, LITIGATION, MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE WITH US OR, AS APPLICABLE, SUE US IN TENNESSEE THAN IN YOUR OWN STATE.**
- 2. THE FRANCHISE AGREEMENT STATES THAT TENNESSEE LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.**
- 3. THE FRANCHISOR IS AT AN EARLY STAGE OF DEVELOPMENT AND HAS A LIMITED OPERATING HISTORY. THIS FRANCHISE IS LIKELY TO BE A RISKIER INVESTMENT THAN A FRANCHISE IN A SYSTEM WITH A LONGER OPERATING HISTORY.**
- 4. THE FRANCHISEE WILL BE REQUIRED TO MAKE AN ESTIMATED INITIAL INVESTMENT RANGING FROM \$95,100 TO \$254,500. THIS AMOUNT EXCEEDS THE FRANCHISOR'S MEMBER'S EQUITY AS OF DECEMBER 31, 2017, WHICH WAS \$<14,483>.**
- 5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.**

We 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 is our agent and represents us, and 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.

The effective dates of this Disclosure Document in the states with registration laws are on the following page.

## STATE EFFECTIVE DATES REGISTRATION STATES

The following states require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, 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: <u>Not registered</u>	North Dakota: <u>Not registered</u>
Hawaii: <u>Not registered</u>	Rhode Island: <u>Not registered</u>
Illinois: <u>Not registered</u>	South Dakota: <u>Not registered</u>
Indiana: <u>Not registered</u>	Virginia: <u>Pending</u>
Maryland: <u>Not registered</u>	Washington: <u>Not registered</u>
Minnesota: <u>Not registered</u>	Wisconsin: <u>Not registered</u>
New York: <u>Not registered</u>	

## EXEMPTION/NOTICE FILING STATES

Connecticut: <u>Not exempt</u>	Michigan: <u>Not exempt</u>	Texas: <u>Not exempt</u>
Florida: <u>Not exempt</u>	Nebraska: <u>Not exempt</u>	Utah: <u>Not exempt</u>
Kentucky: <u>Exemption</u>		

In all the other states, the effective date of this Franchise Disclosure Document is the issuance date of June 8, 2018.

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