

FRANCHISE DISCLOSURE DOCUMENT



PB Franchising, LLC A Delaware Limited Liability Company 100 Dunbar Street Spartanburg, South Carolina 29306 (864) 594-5712

Mailing Address: P.O Box 3524 Spartanburg, South Carolina 29304 www.purebarre.com

You, the franchisee, will operate a fitness and workout studio, using the Pure Barre business system.

The total investment necessary to begin operation of a Pure Barre franchise is \$101,500 to \$141,000, plus the real estate cost of leasing or purchasing a site This includes an initial franchise fee of \$40,000 and an initial marketing fee of \$4,000 that must be paid to us

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, us 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 disclosure in different formats, contact Russell Smith at 100 Dunbar Street, Spartanburg, South Carolina 29306 and (864) 594-5712.

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(s) 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 "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. 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 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 Exhibit E 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 ARBITRATE AND LITIGATE WITH US ONLY IN THE COUNTY IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS THEN LOCATED (CURRENTLY IN SOUTH CAROLINA) OUT-OF-STATE ARBITRATION OR LITIGATION MIGHT FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MIGHT ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN THE COUNTY IN WHICH OUR PRINCIPAL PLACE OF BUSINESS IS THEN LOCATED THAN IN YOUR HOME STATE. SOME STATE FRANCHISE LAWS PROVIDE THAT CONSENT TO JURISDICTION PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW ANY ADDENDA OR RIDERS ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DISCLOSURES REGARDING STATE FRANCHISE LAWS.
- 2. THE FRANCHISE AGREEMENT STATES THAT SOUTH CAROLINA LAW GOVERNS THE AGREEMENT, AND THIS LAW MIGHT NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW YOU MIGHT WANT TO COMPARE THESE LAWS. SOME STATE FRANCHISE LAWS PROVIDE THAT CHOICE OF LAW PROVISIONS ARE VOID OR SUPERSEDED. YOU MIGHT WANT TO INVESTIGATE WHETHER YOU ARE PROTECTED BY A STATE FRANCHISE LAW. YOU SHOULD REVIEW ANY ADDENDA OR RIDERS ATTACHED TO THIS DISCLOSURE DOCUMENT FOR DISCLOSURES REGARDING STATE FRANCHISE LAWS.
- 3. YOU WILL BE OBLIGATED TO GENERATE A CERTAIN MINIMUM GROSS SALES VOLUME IN EACH CALENDAR YEAR. IF YOU DO NOT GENERATE



THESE MINIMUM AMOUNTS WE WILL HAVE THE RIGHT TO TERMINATE THE FRANCHISE AGREEMENT.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

The effective dates of this Disclosure Document in the states with franchise registration laws in which we have sought registration or exemption appear on the following page.

PureBarre\FDD\1012

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