

FRANCHISE DISCLOSURE DOCUMENT

APR 04 2016


 PB Franchising LLC
 a Delaware limited liability company
 100 Dunbar Street Suite 301
 Spartanburg, South Carolina 29306
 (864) 594-5712
 www.purebarre.com

Department of Business Oversight

The franchise is for the development and operation of an exercise and workout studio using the Pure Barre business system

The total investment necessary to begin operation of a Pure Barre studio is ~~\$452,000~~ \$154,500 to ~~\$275,000~~ \$282,000. This includes ~~\$48,200~~ \$50,700 to \$55,200 that must be paid to the franchisor or its affiliates

If in our discretion we grant the right to develop multiple units the total investment necessary under the Multi-Unit Development Agreement is estimated to be ~~\$90,000~~ \$40,000 to \$315,000 (based on a 2 to 7 studio commitment but depending on the actual number of Pure Barre studios you agree to develop) This entire amount must be paid to the franchisor or its affiliates. We credit the estimated \$40,000 to \$140,000 development fee portion, in \$20,000 increments, toward the initial franchise fee that is due as franchise agreements are signed until the aggregate amount of these credits equals the development fee

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 disclosure in different formats contact Martha Albergotti at 100 Dunbar Street, Suite 301 Spartanburg, South Carolina 29306 and (864) ~~594~~ 302-57238023

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.

Issuance Date ~~March 18 2015~~ as amended ~~May 7 2015~~ April 1 2016

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 G 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 AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN OR WITHIN 50 MILES OF OUR WHERE OUR PRINCIPAL PLACE OF BUSINESS IS THEN LOCATED (CURRENTLY IN SOUTH CAROLINA). OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OR WITHIN 50 MILES OF WHERE OUR PRINCIPAL PLACE OF BUSINESS IS THEN LOCATED THAN IN YOUR OWN STATE.
2. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT STATE THAT SOUTH CAROLINA 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. 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. IF YOU DECIDE TO DEVELOP A SPECIFIC NUMBER OF FRANCHISES, YOU MUST ALSO SIGN AN AGREEMENT WITH OUR AFFILIATE AND PAY THEM A FEE TO ALLOW THEM TO DEVELOP YOUR OUTLET ON YOUR BEHALF.~~

- 4 5—YOUR SPOUSE MUST CONSENT TO YOU SIGNING A GUARANTEE WHICH PLACES YOUR SPOUSE'S INTERESTS IN THE MARITAL ASSETS AT RISK IF YOUR FRANCHISE FAILS
- 5 6—YOU MUST COMPLY WITH MINIMUM AND MAXIMUM PRICES SET BY THE FRANCHISOR FOR THE GOODS AND SERVICES YOU SELL. THIS REQUIREMENT MAY REDUCE YOUR ANTICIPATED REVENUE AND NET INCOME.
- 6 7—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.

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/pure-barre>