

## FRANCHISE DISCLOSURE DOCUMENT



PB Franchising SPV, LLC  
a Delaware limited liability company  
17877 Von Karman Ave., Suite 100  
Irvine, CA 92614  
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www.purebarre.com

The franchise is the right to develop, own and operate, as part of the Pure Barre® system, a fitness studio that provides barre and other specialized exercise classes using designated equipment. The total investment necessary to begin operation of a Pure Barre studio is \$~~265,330~~314,411 to \$~~418,980~~629,345, which includes \$~~86,600~~102,800 to \$166,400 that must be paid to franchisor or its affiliates.

You and we may also enter into ~~an area development~~a multi-unit agreement under which you would agree to acquire an agreed upon number of franchises and open an agreed upon number of studios within a designated development area and pursuant to an agreed upon opening schedule. Under the ~~area development~~multi-unit agreement you must commit to developing at least 3 outlets. The total investment necessary to enter into ~~an area development~~a multi-unit agreement for the right to develop three Studios ranges from \$~~340,330~~334,411 to \$~~493,980~~699,345, which includes (a) the total initial investment to begin operation of your initial Pure Barre studio, ~~less the initial~~which includes \$102,800 to \$166,400 that must be paid to franchisee ~~or fee, or its affiliates~~ and (b) a development fee of \$~~135,000~~20,000 and a potential sourcing fee of \$50,000 which must be paid to franchisor or its affiliates.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government 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 Katelyn DiGiorgio at PB Franchising SPV, LLC, 17877 Von Karman Ave., Suite 100, Irvine, California 92614, and at (~~513~~949) 815346-84673000.

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 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 ~~30~~14, 2024

2025

## **How to Use This Franchise Disclosure Document**

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

<b>QUESTION</b>	<b>WHERE TO FIND INFORMATION</b>
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits I and J.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Pure Barre business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Pure Barre franchisee?	Item 20 or Exhibits I and J list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

## **What You Need To Know About Franchising Generally**

**Continuing responsibility to pay fees.** You may have to pay royalties and other fees even if you are losing money.

**Business model can change.** The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

**Supplier restrictions.** You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

**Operating restrictions.** The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

**Competition from franchisor.** Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

**Renewal.** Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

**When your franchise ends.** The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

## **Some States Require Registration**

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends that franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit B.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

### **Special Risks to Consider About This Franchise**

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in California. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in California than in your own states.
2. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement, even if 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.
3. **Minimum Monthly Gross Sales**. You must meet a minimum monthly gross revenue quota requirement. Your inability to meet this requirement may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
4. **Short Operating History**. 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.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

**THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY  
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY**

**THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:**

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in the Michigan Franchise Investment Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement ~~or area development agreement~~ existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement ~~or area development agreement~~ and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

**THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.**

Any questions regarding this notice should be directed to: Michigan Attorney General's Office, Consumer Protection Division, Attention: Franchise Section, G. Mennen Williams Building, 1<sup>st</sup> Floor, 525 West Ottawa Street, Lansing, Michigan 48933, Telephone Number: 517-373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the franchise agreement ~~and the area development agreement~~. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

**THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF**

**MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.**

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~~ITEM 1~~ **ITEM 1**

**THE FRANCHISOR, ANY PARENTS, PREDECESSORS AND AFFILIATES**

To simplify the language, this disclosure document (this “Disclosure Document”) uses “we,” “us,” “our,” “Franchisor” or “Pure Barre” to mean PB Franchising SPV, LLC, the franchisor. “You” means the person, corporation, partnership or other entity that buys the franchise and those of your owners who personally assume and guarant~~y~~ee performance of your obligations under your agreements with us. Terms used but not defined in this Disclosure Document (including various capitalized terms) have the meanings given to them in the Franchise Agreement attached as Exhibit A to this Disclosure Document (the “Franchise Agreement”).

**Franchisor**

We do business under the name PB Franchising SPV, LLC, or in some cases, simply as “Pure Barre.” We do not do business under any other name. Our principal business address is 17877 Von Karman Ave., Suite 100, Irvine, CA 92614, and our business phone number is (~~949~~) ~~815~~949 ~~846~~815 ~~3000~~346. We are a Delaware limited liability company formed on March 6, 2023.

Except as provided in this Item, we have not and do not offer franchises in any other line of business and we have not otherwise been involved in other substantive business activity.

**Predecessors and Internal Reorganization**

From October 2012 through March 2023, franchises for Pure Barre-branded studios (“Studios”) were offered by our predecessor (and affiliate), PB Franchising, LLC (“Predecessor”). Predecessor has temporarily operated Studios in connection with the reacquisition of Studios from franchisees for purposes of resale to new franchisees. To facilitate the possibility of future funding and financing opportunities (each a “Financing Opportunity”) for our parent entities, in March 2023, we and our affiliates engaged in an internal reorganization; ~~effective March 15, 2023~~ (the “Reorganization”), pursuant to which we acquired from Predecessor, and currently own, the Marks (defined below) and other intellectual property related to the development and operation of Studios and the Pure Barre system. We began selling franchises for the Studios as of April 4, 2023. The Franchise Agreements, ~~A~~area ~~D~~development ~~A~~agreements, and certain other agreements related to Studios that were signed by Predecessor before the Reorganization were assigned to us as of December 31, 2023.

**Parents and Potential Financing Opportunity**

As part of the Reorganization, our direct parent, XPOF Assetco, LLC (“Assetco”), was created. As described in Item 21 of this Disclosure Document, Assetco guarantees our obligations as franchisor. Assetco’s current direct parent is Xponential Fitness, LLC (“Xponential”). Xponential, via an intermediate holding company, is controlled by Xponential Fitness, Inc. (“XFI”), which is a publicly traded company listed on the New York Stock Exchange under the symbol “XPOF.” We anticipate that, if a Financing Opportunity occurs, it would be conducted by newly created indirect parents (immediately upstream of Assetco) and that our and Assetco’s only involvement in the Financing Opportunity would be to guarantee the obligations of our newly created indirect parents who are involved in the transaction. We expect that guarantee would cause the leverage ratio of debt to “Adjusted EBITDA” of Xponential and its subsidiaries (including us) to increase in an amount not determinable unless and until the details of the Financing Opportunity are determined. “Adjusted EBITDA” means EBITDA (net income/loss before interest, taxes, depreciation and amortization), adjusted for the impact of certain non-cash and other items that we do not consider in our evaluation of ongoing operating performance.

## Affiliates

Currently, there are ~~108~~ brands within the portfolio of brands owned and franchised by subsidiaries of Xponential: ~~AKT®~~, BFT®, Club Pilates®, CycleBar®, Lindora®, Pure Barre®, ~~Row House®~~, Rumble®, Stretch Lab®, and Yoga Six® (collectively, the “Xponential Brands”).

~~Our affiliate, AKT Franchise SPV, LLC (“AKT SPV”), a Delaware limited liability company, has offered franchises for fitness studios that provide indoor fitness classes/instruction through a combination of circuit training, dance cardio, Pilates, and yoga under the AKT® trademark (“AKT Studios”) since April 2023. Our affiliate, and predecessor to AKT SPV, AKT Franchise, LLC (“AKT”), a Delaware limited liability company, previously offered franchises for AKT Studios from July 2018 through March 2023. The franchise agreements, area development agreements, and certain other agreements related to AKT Studios that were signed by AKT before the Reorganization were assigned to AKT SPV as of December 31, 2023. As of December 31, 2023, there were 11 franchised AKT Studios in operation.~~

Our affiliate, BFT Franchise SPV, LLC (“BFT SPV”), a Delaware limited liability company, has offered franchises for fitness studios that provide functional, group training fitness instruction and related services under the BFT® trademark (“BFT Studios”) since April 2023. Our affiliate, and predecessor to BFT SPV, BFT Franchise Holdings, LLC (“BFT”), a Delaware limited liability company, previously offered franchises for BFT Studios from January 2022 through March 2023. The franchise agreements, area development agreements, and certain other agreements related to BFT Studios that were signed by BFT before the Reorganization were assigned to BFT SPV as of December 31, 2023. As of December 31, ~~2023~~2024, there were ~~3249~~ franchised BFT Studios in operation.

Our affiliate, Club Pilates Franchise SPV, LLC (“CP SPV”), a Delaware limited liability company, has offered franchises for fitness studios that provide Pilates and other exercise classes under the CLUB PILATES® trademark (“Club Pilates Studios”) since April 2023. Our affiliate, and predecessor to CP SPV, Club Pilates Franchise, LLC (“CP”), a Delaware limited liability company, previously offered franchises for CP Studios from March 2015 through March 2023. The franchise agreements, area development agreements, and certain other agreements related to Club Pilates Studios that were signed by CP before the Reorganization were assigned to CP SPV as of December 31, 2023. As of December 31, ~~2023~~2024, there were ~~868~~1029 franchised Club Pilates Studios in operation.

Our affiliate, CycleBar Franchising SPV, LLC (“CB SPV”), a Delaware limited liability company, has offered franchises for indoor cycling studios under the CYCLEBAR® trademark (“CycleBar Studios”) since April 2023. Our affiliate, and predecessor to CB SPV, CycleBar Franchising, LLC (“CB”), an Ohio limited liability company, previously offered franchises for CycleBar Studios from January 2015 through March 2023. The franchise agreements, area development agreements, and certain other agreements related to CycleBar Studios that were signed by CB before the Reorganization were assigned to CB SPV as of December 31, 2023. As of December 31, ~~2023~~2024, there were ~~218~~189 franchised CycleBar Studios in operation.

~~Our affiliate, Row House Franchise SPV, LLC (“RH SPV”), a Delaware limited liability company, has offered franchises for fitness studios that offer rowing and free weight exercise instruction under the ROW HOUSE® trademark (“Row House Studios”) since April 2023. Our affiliate, and predecessor to RH SPV, Row House Franchise, LLC (“RH”), a Delaware limited liability company, previously offered franchises for Row House Studios from December 2017 through March 2023. The franchise agreements, area development agreements, and certain other agreements related to Row House Studios that were signed by RH before the Reorganization were assigned to RH SPV as of December 31, 2023. As of December 31, 2023, there were 65 franchised Row House Studios in operation.~~

Our affiliate, Rumble Franchise SPV, LLC (“RF SPV”), a Delaware limited liability company, has offered franchises for fitness studios that offer and provide boxing classes/instruction and other related exercise classes under the RUMBLE® trademark (“Rumble Studios”) since April 2023. Our affiliate, and predecessor to RF SPV, Rumble Franchise, LLC (“RF”), a Delaware limited liability company, previously offered franchises for Rumble Studios from March 2021 through March 2023. The franchise agreements, area development agreements, and certain other agreements related to Rumble Studios that were signed by RF before the Reorganization were assigned to RF SPV as of December 31, 2023. As of December 31, 2023, there were 6484 franchised Rumble Studios in operation.

Our affiliate, Stretch Lab Franchise SPV, LLC (“SL SPV”), a Delaware limited liability company, has offered franchises for fitness studios that provide stretching classes in both private and group formats, related therapy activities and, if approved, a proprietary “flexologist” training programs under the STRETCH LAB® trademark (“Stretch Lab Studios”) since April 2023. Our affiliate, and predecessor to SL SPV, Stretch Lab Franchise, LLC (“SL”), a Delaware limited liability company, previously offered franchises for Stretch Lab Studios from December 2017 through March 2023. The franchise agreements, area development agreements, and certain other agreements related to Stretch Lab Studios that were signed by SL before the Reorganization were assigned to SL SPV as of December 31, 2023. As of December 31, 2023, there were 429485 franchised Stretch Lab Studios in operation.

Our affiliate, Yoga Six Franchise SPV, LLC (“YS SPV”), a Delaware limited liability company, has offered franchises for fitness studios that offer and provide indoor yoga classes/instruction and other related exercise classes under the YOGA SIX® trademark (“Yoga Six Studios”) since April 2023. Our affiliate, and predecessor to YS SPV, Yoga Six Franchise, LLC (“YS”), a Delaware limited liability company, previously offered franchises for Yoga Six Studios from September 2018 through March 2023. The franchise agreements, area development agreements, and certain other agreements related to Yoga Six Studios that were signed by YS before the Reorganization were assigned to YS SPV as of December 31, 2023. As of December 31, 2023, there were 185192 franchised Yoga Six Studios in operation.

Lindora Franchise, LLC (“Lindora Franchisor”), a Delaware limited liability company, has offered franchises for Lindora Clinics Studios that provide or arrange for the provision of certain medical and non-medical products and services under the LINDORA® trademark (“Lindora Clinics Studios”) since December 2023; however, Lindora Franchisor became our affiliate in January 2024. As of December 31, 2023, there were 31 franchised Lindora Clinics Studios in operation.

Since 2018, our affiliate, Xponential Fitness Brands International, LLC (“XFB International”), a Delaware limited liability company, has offered master franchises and unit franchises outside the United States for Studios and for fitness studios developed and operated under the various other Xponential Brands. Since 2023, Assetco has offered franchises in Canada for fitness studios developed and operated under the various Xponential Brands. Neither Assetco nor XFB International has ever owned or operated a Studio or offered franchises for Studios in the United States.

Our affiliate, ~~CycleBar Canada Franchising, LLC (“CycleBar Canada”), a British Columbia~~ Xponential Gift Cards, LLC (“XGC”), a California ~~un~~limited liability company, ~~offers franchises for CycleBar Studios in Canada. CycleBar Canada began offering franchises for CycleBar Studios in Canada in August 2015. CycleBar Canada manages the branded gift card programs for various Xponential Brands. XGC~~ has never owned or operated a Studio ~~nor offered franchises for Studios in the United States.~~

Our affiliate, Xponential ~~Gift Cards~~ Procurement Services, LLC (“XGCXPS”), a ~~California~~ Delaware limited liability company, ~~manages the branded gift card programs for various Xponential Brands. XGC manufactures, and provides to franchisees, custom millwork, cabinets, tables, display cases, engraved wood~~

signs, point of sale displays, custom acrylic panels, and other similar products. XPS has never owned or operated a Studio or offered franchises for Studios.

All of the entities referenced in this Item 1 share our principal business address, ~~except that CycleBar Canada has a registered office at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8 Canada.~~ Neither we nor any other entity described in this Item 1 has owned or operated a Studio or offered franchises in this or any other line of business except as specifically described in this Item 1. We have no other predecessors, parents or affiliates that are required to be disclosed in this Item 1.

For purposes of this Disclosure Document, ~~AKT SPV~~, BFT SPV, CP SPV, CB SPV, ~~RH SPV~~, RF SPV, SL SPV, and YS SPV, and are together referred to as the “Affiliate SPV Franchisors,” and ~~AKT~~, BFT, CP, CB, ~~RH~~, RF, SL, and YS are together referred to as the “Affiliate Prior Franchisors.” Our affiliates, AKT Franchise, LLC, Row House, LLC, and Stride Franchise, LLC are collectively referred to as the “Former Portfolio Brand Franchisors”, and AKT Franchise SPV, LLC, Row House Franchise SPV, LLC, and Stride Franchise SPV, LLC are collectively referred to as the “Former Portfolio Brand SPV Franchisors.”

### **Agent for Service of Process**

Our agents for service of process are disclosed in Exhibit B.

### **The Franchise We Offer**

We offer for sale a franchise to operate a Studio at a specific location (each a “Franchise”) pursuant to the terms of our form of franchise agreement attached to this Disclosure Document as Exhibit A (the “Franchise Agreement”). We expect that all Studios will typically operate from a commercial space ~~of approximately 1,200 square feet to 1,800 square feet~~ located within a retail shopping center. We may, however, consider alternative sites, on a case-by-case basis, at a franchisee’s request.

If you are granted a Franchise, you must operate your Studio at a location that we approve (the “Authorized Location”). You must sign the Franchise Agreement to be granted a Franchise for your Studio. If you are a legal entity, such as a limited liability company, partnership, or corporation, each person who directly or indirectly owns a 10% or greater ownership in you (each, a “Guarantor”) must sign and deliver to us our then-current form of Guarantee, Indemnification, and Acknowledgment (a “Guarantyee”), and one of your Guarantors must be designated as an “Operating Principal”, who has the authority communicate with us and otherwise act on your behalf in all matters relating to your Studio.

Each Studio offers fitness training classes using techniques and methods which are proprietary to us and which provide a total body workout using elements of Pilates, weights and ballet, including using a ballet barre, to perform small isometric movements for a safe, low-impact workout that strengthens and sculpts the body without adding bulk and any other services that we authorize (collectively, the “Approved Services”). Studios are established and operated under a comprehensive design that includes spacious interior, a significant number of exercise equipment/apparatuses, specifications, and procedures for operations; quality customer service; management and financial control; training and assistance; and advertising and promotional programs (which we call our “System”). The System’s standards, specifications and procedures (collectively, the “System Standards”) are described throughout in our confidential ~~operations manual (the “Manual~~ learning management system, which includes electronic versions of manuals and written policies and procedures related to the development and operation of Studios (as we may refer to as, the “Learning Management System”). The System and the ~~Manual~~ Learning Management System, and their various components, may be modified, discontinued, and further developed in our discretion.

Your Studio must engage at least one individual that is capable of and authorized to provide the Approved Services at all times (an “Authorized Instructor”). To be an Authorized Instructor, the individual must attend our proprietary “Pure Barre Classic Training” (the “Pure Barre Classic Training Program”) – otherwise known as “Pure Barre Classic Training” – designed to provide individuals with guidelines and information on how to provide the Approved Services in accordance with our current System Standards.

### **Area-Development Rights**

We also offer qualified individuals and entities the right to acquire multiple Franchises (the “Development Rights”) within a designated geographical area (the “Development Area”) under our current form of ~~area-development~~multi-unit agreement, which is attached to this Disclosure Document as Exhibit K (the “~~Development~~Multi-Unit Agreement”). The ~~Development~~Multi-Unit Agreement will provide a designated schedule in which you (or your affiliates) must acquire Franchises and open and operate the designated number of Studios (a “Development Schedule”).

Under the ~~Development~~Multi-Unit Agreement, the minimum number of Franchises you may commit to acquiring is three. For each Franchise you acquire pursuant to the ~~Development~~Multi-Unit Agreement, you (or your affiliate) will sign our then-current form of Franchise Agreement. When you sign the ~~Development~~Multi-Unit Agreement, you will also sign your 1<sup>st</sup> Franchise Agreement in the form attached to this Disclosure Document as Exhibit A. Each subsequent Franchise Agreement you sign will be our then-current form, and it might contain terms that are materially different than those found in our current form, including with respect to fees.

You will be required to pay us a one-time development fee that will be calculated based on the number of Studios you commit to develop under the ~~Development~~Multi-Unit Agreement (the “Development Fee”); ~~but you will not be required to pay any other initial franchise fee at the time you execute your franchise agreements for each Franchise we grant to you or your affiliates pursuant to the Development Agreement.~~

### **Market and Competition**

The market for fitness services and studios is crowded. You will face competition for members from other barre-based studios, gyms, personal trainers, yoga studios, fitness/exercise centers and studios, health clubs, Pilates studios, and even other System franchisees. While traditionally not seasonal, Studios may see some fluctuations in membership sales after the first of the calendar year and during the summer months.

### **Laws, Rules, and Regulations**

Some states require that health/fitness facilities have a staff person available during all hours of operation that is certified in basic cardiopulmonary resuscitation or other specialized medical training. Some state or local laws may also require that health/fitness facilities have an automated external defibrillator and/or other first aid equipment on the premises. Certain states and local governments have passed laws relating specifically to health/fitness facilities, including laws requiring bonds if a health and fitness facility sells memberships valid for more than a specified time period, requiring facility owners to deposit into escrow certain amounts collected from members before the facility opens (so-called “pre-sale” memberships), and imposing other restrictions on memberships that health and fitness facilities sell. At a minimum, your Studio will be subject to various federal, state and local laws, and regulations affecting the business, including laws relating to membership agreements, zoning, access for the disabled, and safety and fire standards. You may need the local fire marshals or other local, state or federal agency’s permission before you begin operations. In addition, there may be local licensing and employment regulations, including worker’s compensation insurance requirements.



You must acquire and maintain certain licenses, permits, and authorizations to operate your Studio under the applicable laws of where your Studio is located. Among other things, you will need to ensure that all music played by you or your Authorized Instructors at your Studio is properly licensed for use in connection with the provision of the Approved Service, or if permitted by us, any other purpose.

## ~~ITEM 2~~ ITEM 2 BUSINESS EXPERIENCE

### Mark King: Chief Executive Officer

Since November 2024, Mark King has been our Chief Executive Officer and the Chief Executive Officer of Assetco, each of the Affiliate SPV Franchisors, Lindora Franchisor, each of the Affiliate Prior Franchisors, each of the Former Portfolio Brand Franchisors, each of the Former Portfolio Brand SPV Franchisors, and XFB International. Since June 2024, Mr. King has also been the Chief Executive Officer of XFI. Mr. King was on a sabbatical from January 2024 to May 2024. Mr. King served as the Chief Executive Officer of Taco Bell, a division of Yum! Brands from August 2019 to December 2023. Mr. King is based in Irvine, California.

### Katelyn DiGiorgio: ~~Interim~~ Brand President

Since ~~December 2023~~ June 2024, Ms. DiGiorgio has served as our Brand President. From December 2023 to May 2024, Ms. DiGiorgio served as our Interim Brand President. From December 2016 to December 2023, Ms. DiGiorgio served as the Vice President of Training & Technique of our Predecessor. Ms. DiGiorgio is based in Irvine, California.

### ~~Ryan Junk: Chief Operating Officer~~

~~Since March 2023, Mr. Junk has served as our Chief Operating Officer and the Chief Operating Officer of Assetco and each of the Affiliate SPV Franchisors. Since January 2024, Mr. Junk has also served as the Chief Operating Officer of Lindora Franchisor, and since March 2021, Mr. Junk has served as the Chief Operating Officer of each of the Affiliate Prior Franchisors, except BFT. Since July 2020, Mr. Junk has also served as Xponential's Chief Operating Officer. From November 2017 to June 2020, Mr. Junk served as the President of CB. From March 2021 to February 2024, Mr. Junk served as the Chief Operating Officer of Stride Franchise, LLC, and from March 2023 to February 2024, he served as the Chief Operating Officer of Stride Franchise SPV, LLC. Since June 2016, Mr. Junk has also served as a Consultant and Owner of R.L.J. Consulting Group, LLC in Redondo Beach, California. Mr. Junk is based in Irvine, California.~~

### ~~Sarah Luna: President~~

~~Since March 2023, Ms. Luna has served as our President and the President of Assetco and each of the Affiliate SPV Franchisors. Since January 2024, Ms. Luna has also served as the President of Lindora Franchisor, and since March 2021, Ms. Luna has served as the President of each of the Affiliate Prior Franchisors, except BFT. Since January 2021, Ms. Luna has also served as Xponential's President. From March 2021 to February 2024, Ms. Luna served as the President of Stride Franchise, LLC, and from March 2023 to February 2024, she served as the President of Stride Franchise SPV, LLC. From October 2018 to January 2021, Ms. Luna served as the Brand President of our Predecessor. Ms. Luna is based in Irvine, California.~~

### John Meloun: Chief Financial Officer

Since March 2023, Mr. Meloun has served as our Chief Financial Officer and the Chief Financial Officer of Assetco ~~and~~, each of the Affiliate SPV Franchisors, and each of the Former Portfolio Brand SPV Franchisors. Since January 2024, Mr. Meloun has also served as the Chief Financial Officer of Lindora Franchisor. Mr.

Meloun has also served as the Chief Financial Officer for: ~~AKT, CB, and PB (each since October 2018), and RH, RF, SL, and YS (each since March 2021). From March 2021 to February 2024, Mr. Meloun served as the Chief Financial Officer of Stride Franchise, LLC, CP, CycleBar Holdco, LLC, Row House Franchise, LLC, and from March 2023 to February 2024, Mr. Meloun served as the Chief Financial Officer of YS (each since September 2019); CB (since July 2019); our Predecessor (since October 2018); RB and Stride Franchise-SPV, LLC (each since March 2021); SL (since October 2019); Xponential Intermediate Holdings, LLC and CycleBar Worldwide, Inc. (each since March 2021); and XFB International (since January 2020).~~ Mr. Meloun has also served as ~~Xponential's~~ the Chief Financial Officer of Xponential (since July 2018) and Xponential Employment Services, Inc. (since January 2022). Mr. Meloun is based in Irvine, California.

#### **Andrew Hagopian: Chief Legal Officer**

Since ~~March~~ April 2023, Mr. Hagopian has served as our Chief Legal Officer and the Chief Legal Officer of Assetco ~~and~~, each of the Affiliate SPV Franchisors, and each of the Former Portfolio Brand SPV Franchisors. Since August 2023, Mr. Hagopian has served as the Chief Legal Officer of each of the Affiliate Prior Franchisors and each of the Former Portfolio Brand Franchisors. Since January 2024, Mr. Hagopian has also served as the Chief Legal Officer of Lindora Franchisor. ~~From March 2023 to February 2024~~ Since November 2024, Mr. Hagopian has served as the Chief Legal Officer of ~~Stride Franchise, LLC and Stride Franchise SPV, LLC~~ XFB International. Since March 2023, Mr. Hagopian has also served as the Chief Legal Officer of Xponential and XFI. From June 2022 to February 2023, Mr. Hagopian served as General Counsel of Newlight Technologies, Inc., based in Huntington Beach, California. From January 2021 to June 2022, Mr. Hagopian served as General Counsel for BetMGM, based in Las Vegas, Nevada. From December 2016 to December 2020, Mr. Hagopian served as Chief Corporate Counsel for MGM Resorts International, based in Las Vegas, Nevada. Mr. Hagopian is based in Irvine, California.

#### **Timothy Weiderhoft: Chief Operating Officer, North America**

Since February 2025, Mr. Weiderhoft has served as our Chief Operating Officer, North America and the Chief Operating Officer, North America of Assetco, Lindora Franchisor, and each of the Affiliate SPV Franchisors, Former Portfolio Brand SPV Franchisors, Affiliate Prior Franchisors, and Former Portfolio Brand Franchisors. Since January 2025, Mr. Weiderhoft has also served as the Chief Operating Officer of North America of Xponential. Previously, Mr. Weiderhoft served as the Chief Operating Officer and VP of Franchising (from June 2024 to January 2025) and the Chief Development Officer (from November 2022 to June 2024) of Barkley Ventures Franchising dba Central Bark in Phoenix, Arizona. From September 2019 to November 2022, Mr. Weiderhoft served as Chief Executive Officer of Wow Wow Hawaiian Lemonade Franchising based in Phoenix, Arizona. Mr. Weiderhoft is based in Phoenix, Arizona.

#### **John Kawaja: President, North America**

Since February 2025, Mr. Kawaja has served as our President, North America and the President, North America of Assetco, Lindora Franchisor, and each of the Affiliate SPV Franchisors, Former Portfolio Brand SPV Franchisors, Affiliate Prior Franchisors, and Former Portfolio Brand Franchisors. Since January 2025, Mr. Kawaja has also served as the President of North America of Xponential. Mr. Kawaja previously served as Xponential's President – Wholesale from October 2024 to January 2025. From November 2023 to September 2024, Mr. Kawaja served as President of G/Fore in Los Angeles, California. From December 2022 to October 2023 (and earlier from January 2021 through April 2021), Mr. Kawaja served as Co-Founder of leftBrain Performance based in San Diego, California. From May 2021 to November 2022, Mr. Kawaja served as CEO-N.A. of 54 Group in San Diego, California. From August 2020 to December 2020, Mr. Kawaja served as Consultant to the PGA European Tour in London, United Kingdom. From September 2018 to July 2020, Mr. Kawaja served as President of Honma Golf in Carlsbad, California. Mr. Kawaja is based in Irvine, California.

### **Kevin Beygi: Chief Technology Officer**

Since February 2025, Mr. Beygi has served as our Chief Technology Officer and the Chief Technology Officer of Assetco, Lindora Franchisor, and each of the Affiliate SPV Franchisors, Former Portfolio Brand SPV Franchisors, Affiliate Prior Franchisors, and Former Portfolio Brand Franchisors. Since January 2025, Mr. Beygi has also served as the Chief Technology Officer of Xponential. From February 2021 to January 2025, Mr. Beygi served as the Director of Data Analytics of Microsoft in Redmond, Washington. From June 2020 to January 2021, Mr. Beygi served as Senior Data Scientist of Midcontinent Independent System Operator (MISO) in Carmel, Indiana. From November 2019 to May 2020, Mr. Beygi served as a Data Scientist Consultant for Disney in Orlando, Florida. Mr. Beygi is based in Irvine, California.

### **Eric Simon: Chief Development Officer**

Since February 2025, Mr. Simon has served as our Chief Development Officer and the Chief Development Officer of Assetco, Lindora Franchisor, and each of the Affiliate SPV Franchisors, Former Portfolio Brand SPV Franchisors, Affiliate Prior Franchisors, and Former Portfolio Brand Franchisors. Since January 2025, Mr. Simon has also served as the Chief Development Officer of Xponential. Previously, Mr. Simon served as the SVP, Franchise Sales & Development (from December 2023 to January 2025) and the VP Franchise Sales & Development (from November 2016 to December 2023) for The Joint Corp. in Scottsdale, Arizona. Mr. Simon is based in Scottsdale, Arizona.

### **Lou DeFrancisco: President of Franchise Sales (Xponential)**

Since December 2024, Mr. DeFrancisco has served as the President of Franchise Sales of Xponential. Mr. DeFrancisco served as Lindora Franchisor's Brand President from January 2024 through December 2024. He also served as the Brand President of (i) BFT SPV from March 2023 to December 2023, and (ii) BFT from February 2022 to December 2023. From December 2017 to February 2022, he served as Brand President of SL. Mr. DeFrancisco has also been employed by Xponential Employment Services Inc. (since January 2022) and is based in Irvine, California.

## **ITEM 3-ITEM 3** **LITIGATION**

### **Pending Actions Involving Parent, Predecessor or Affiliate**

JSP Group LLC; Spencer O. Pettit; Jesse T. Pettit v P.B. Franchising SPV LLC, filed July 31, 2024, American Arbitration Association. In September 2024, a demand for arbitration was initiated by a franchisee and its owners, for a monetary claim of \$299,999 due to alleged fraud, breach of contract, and violation of state unfair trade practice statutes. An arbitrator has been selected, the preliminary hearing was held on January 9, 2025, and the evidentiary hearing is set for January 6-9, 2026, and January 12-13, 2026.

Dance Fitness Michigan LLC, et al. v. AKT Franchise, LLC, et al., filed August 30, 2023 (as amended on November 20, 2023), Superior Court of the State of California, County of Orange, Case No. 30-2023-01345433-CU-AT-CXC (the "AKT Lawsuit"). This action was filed by certain former AKT franchisees and their purported owners after AKT initiated an arbitration against and sought damages from certain of them for breaches of their franchise agreements. In addition to the relief described below, the plaintiffs seek declaratory and injunctive relief to allow them to litigate their claims in this action rather than in the original arbitration proceedings initiated by AKT. In this action, one or more of the following parties: Dance Fitness Michigan LLC, Property Maintenance, Inc., 6pk Mason LLC, 6pk Liberty LLC, Teeny Turner LLC, S2 Fitness Enterprises, LLC, Soros & Associates, LLC, and AdEdge Services Inc., Deanna Alfredo, Amanda Davis, Nisha Moeller, Samantha Cox, Suzanne Fischer, Nichole Soros, Michael Soros, Paul Dumas, Jodi Dumas and Laura Hannan (collectively, the



“AKT Plaintiffs”) assert that one or more of the following parties: AKT [Franchise, LLC](#), AKT [Franchise](#) SPV, [LLC](#), Assetco, Xponential, XFI, H&W Franchise Intermediate Holdings LLC, Xponential Intermediate Holdings LLC, H&W Investco LP, H&W Investco II LP, LAG Fit, Inc., MGAG LLC, Anthony Geisler, Mark Grabowski, Melissa Chordock, Elizabeth “Liz” Batterton Cooper, Alexander Cordova, Lance Freeman, Ryan Junk, Megan Moen, John Meloun, Sarah Luna, Tori Johnston, Justin LaCava, Bobby Tetsch, Brandon Wiles, Jason Losco, Brittney Holobinko, Amy Wehrkamp, Scott Svlich, Sarah Nolan, Emily Brown, Rachel Markovic, and Brenda Morris (collectively, the “AKT Defendants”): (a) violated pre-sale disclosure obligations under the California Franchise Investment Law, the Michigan Franchise Investment Law and the Florida Franchise Act by failing to provide a compliant Franchise Disclosure Document and failing to disclose certain information they contend was required to be disclosed by, and making certain statements they contend were incorrect and prohibited under, those laws some of which they contend were erroneous (the “Pre-Sale Disclosure Claims”); (b) fraudulently induced them to purchase franchises; (c) breached the implied covenant of good faith and fair dealing (the “Covenant Claim”); (d) breached a purported agreement to provide certain financing; and (e) engaged in unfair and deceptive trade practices. The AKT Plaintiffs seek rescission of various franchise agreements, actual and special damages, attorneys’ fees, costs and interest. AKT Defendants have been served with the complaint, and ~~all~~ [have each AKT Defendant has](#) filed, ~~or are in the process of filing,~~ a demurrer to the complaint [and/or a motion to quash the complaint](#).

*Enlightened Armadillo, Inc., et al. v. Yoga Six Franchise, LLC, et al.*, filed November 22, 2023, Superior Court of the State of California, County of Orange, Case No. 30-2023-01367265-CU-AT-CXC. This is an action filed by the same attorney who represents the AKT Plaintiffs in the AKT Lawsuit. The plaintiffs are two Yoga Six franchisees (Enlightened Armadillo, Inc. and Snug Holding Company LLC) and their purported owners (Mark Hrubant, Ella Hrubant, and Melinda Sung) (collectively, the “Y6 Plaintiffs”) who assert essentially the same Pre-Sale Disclosure Claims (with respect only to the California Franchise Investment Law) and Covenant Claim (as to the Yoga Six entities only) against YS SPV, YS, Assetco, Xponential, XFI, Xponential Intermediate Holdings LLC, H&W Franchise Intermediate Holdings LLC, Lag Fit Inc., H&W Investco LP, H&W Investco II LP, MGAG LLC, Anthony Geisler, Mark Grabowski, Lindsay Junk, Nate Chang, Jason Losco, Lance Freeman, Ryan Junk, Megan Moen, John Meloun, Sarah Luna, Brenda Morris, and Justin LaCava (collectively, the “Y6 Defendants”). The Y6 Plaintiffs seek declaratory and injunctive relief regarding the enforceability of the mandatory arbitration provisions in the franchise agreements, rescission of their franchise agreements, actual and special damages, attorneys’ fees, costs and interest. Y6 Defendants have been served with the complaint and all, [except H&W Franchise Intermediate Holdings LLC](#), have filed, ~~or are in the process of filing,~~ a demurrer to the complaint: [and/or a motion to quash the complaint. The hearings on the demurrers to the complaint and the motions to quash the complaint are scheduled to take place on April 22, 2025.](#)

~~In addition to the franchise-related lawsuits described above, XFI and certain of its officers have been named in securities-related lawsuits that are pending as of the date of this Disclosure Document. First, in the Taylor General Lawsuit (defined below), the named plaintiff initiated a putative class action in which it purports to be a shareholder of XFI during a designated “Class Period” (July 26, 2021 through December 7, 2023) and seeks to represent itself and other similarly shareholders who held shares during the designated Class Period. Similarly, in the Akande Lawsuit (also defined below), the named plaintiff initiated a derivative lawsuit on behalf of XFI regarding defendants’ alleged actions during the same Class Period. Each complaint alleges that the defendants made certain omissions and misstatements of material facts in certain of XFI’s publicly disclosed and filed documents during the designated Class Period in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder (the “SEC Claims”) and seeks compensatory damages, interest, and costs (including attorneys’ and experts’ fees). As of the date of this Disclosure Document there are two currently pending securities-related lawsuits and, given the nature of these types of claims, we expect additional similar lawsuits to be filed on behalf of other XFI shareholders, with respect to the same set of facts, by law firms competing to be named as lead counsel.~~

~~As of the date of this Disclosure Document, each of the following cases is in the initial pleadings stage.~~

Nickle Acquisition LLC v. Xponential Fitness, Inc. et al., filed February 3, 2025, Superior Court of the State of California, County of Orange, Case No. 30-2025-01459041-CU-AT-CXC (the “Nickle Acquisition Lawsuit”). This action was filed by Nickle Acquisition LLC (“Nickle Acquisition”), a former franchisee of the BFT and CycleBar franchise brands, and its purported owners, Michael D. Nickle and Jana Nickle (“Nickles” together with Nickle Acquisition, “Nickle Plaintiffs”), asserting that one or more of XFI, CB, CB SPV, BFT, BFT SPV, Xponential, Xponential Intermediate Holdings LLC, Assetco, H&W Franchise Intermediate Holdings LLC, LAG FIT, Inc., H&W Investco LP, H&W Investco II LP, MGAG LLC, Anthony Geisler, Mark Grabowski, Trevor Lucas, Lou DeFrancisco, Ryan Junk, Sarah Luna, Lance Freeman, Kristie Lavasile, and Navitas Credit Corp. (collectively, the “Nickle Defendants”): (a) violated the California Franchise Investment Law for allegedly (i) failing to disclose directors, principal officers, and individuals with management responsibility and litigation and material terms of settlements in Franchise Disclosure Documents; (ii) willfully making untrue statements regarding franchisee’s estimated initial investment and time to open studios in the in Franchise Disclosure Documents; and (iii) failing to timely disclose the Franchise Disclosure Documents; (b) willfully made untrue financial performance representations and other representations and failing to disclose financial performance representations in Franchise Disclosure Documents; (c) breached the franchise agreements and covenant of good faith and fair dealing by allegedly undercutting membership sales; (d) made fraudulent omissions by allegedly failing to disclose kickbacks, financial relationships, lack of standard due diligence, and material facts regarding the Xponential franchise system; and (e) committed fraudulent inducement by allegedly making misrepresentations regarding the Castle Pines CycleBar studio performance. Nickle Plaintiffs seek declaratory judgment that the franchise agreements, including the arbitration provisions, are void and unenforceable, and rescission of the franchise agreements, actual and special damages, attorneys’ fees, costs, and interest.

4LMVMT, LLC, et al. v. Yoga Six Franchise, LLC, et al., filed January 24, 2025, American Arbitration Association, Irvine, California), Case No. 01-25-0000-3620 (the “4LMVMT Arbitration”). On January 28, 2025, an arbitration was initiated by a Yoga Six franchisee and its purported owners, Ana Llewellyn, Nicholas Llewellyn, and Nicholas Llewellyn II against YS, Xponential, Lindsay Junk, and Sarah Luna. On February 18, 2025, the Yoga Six franchisee, Ana Llewellyn and Nicholas Llewellyn (collectively, the “Claimants”) filed an Amended Demand for Arbitration against YS and Xponential (collectively, the “Respondents”), seeking damages for claims arising out of and related to four of Claimant’s franchise agreements. Claimants purchased four resale Studios located in Oklahoma and Minnesota between May 2022 and April 2023, after communicating with certain Respondents about the opportunity. Claimants assert that three out of the four Studios had to close, alleging that one or more of Respondents: (a) fraudulently induced Claimant to enter each of the four franchise agreements; (b) breached a purported agreement to provide certain financing and support; (c) breached the fiduciary duty owed to Claimants; (d) acted negligently and/or grossly negligent during the franchise relationship; and (e) violated the Oklahoma Business Opportunity Sales Act (71 O.S. § 807 & § 808) and Minnesota securities laws. Claimants seek actual damages for the Studio closures and loss of income, attorneys’ fees, assumption of liability and ownership of Claimants’ remaining open Studio, release from future obligations related to the Studios, promissory estoppel and/or dissolution of all franchise agreements and future liability thereunder, and indemnification and reimbursement of costs related to ongoing civil litigation. On February 11, 2025, YS filed an Answer.

American Health Concepts, LLC and Yaqim Lalani v. Yoga Six Franchise, LLC et al., filed December 11, 2024, Superior Court of Dekalb County State of Georgia, Case No. 24cv11069 (the “AHC Lawsuit”). This action was filed by American Health Concepts, LLC and its purported owner, Yaqim Lalani (collectively, the “AHC Plaintiffs”), asserting that one or more of YS, Xponential, Anthony Geisler, and Lindsay Junk (the “AHC Defendants”): (a) violated the Federal Trade Commission Act by allegedly (i) failing to disclose individuals serving as directors, trustees, general partners or other individuals who had management responsibility in the Franchise Disclosure Document disclosed to AHC Plaintiffs, (ii) providing false or misleading financial performance representations in Item 19 of the Franchise Disclosure Document disclosed to AHC Plaintiffs; and (iii) making misrepresentations regarding studio closures in Item 20 of the Franchise Disclosure Document disclosed to AHC Plaintiffs; and (b) committed fraud in the inducement by allegedly making false or misleading statements in the Franchise Disclosure Document disclosed to AHC Plaintiffs. AHC Plaintiffs also assert money

had and received, unjust enrichment, and that the development agreement between the parties is void for lack of consideration. AHC Plaintiffs seek damages, attorneys' fees, and other just and proper relief. On March 12, 2025, AHC Defendants filed a Notice of Removal to remove the AHC Lawsuit to the United States District Court for the North District of Georgia, Atlanta Division (Case No. 1:25-cv-01315-SCJ).

Andrea Thompson v. PB Franchising SPV, LLC d/b/a Pure Barre, filed February 21, 2025, United States District Court, Middle District of Florida, Case No. 3:25-cv-00183-HES-SJH (the "TCPA Lawsuit"). On February 21, 2025, Andrea Thompson ("Thompson") filed a class action complaint, alleging violations of the Telephone Consumer Protection Act ("TCPA"), against us in connection with use of text messages in marketing activities. Thompson brings the case on behalf of a class of individuals that purportedly received unsolicited text messages while designated on the Do Not Call Registry list. Thompson seeks certification of the class, monetary damages, and injunctive relief.

### Pending Securities Litigation

XFI and certain of its current and former officers, directors, shareholders, and securities underwriters have been named in four securities-related lawsuits that are pending as of the date of this Disclosure Document. Two of those lawsuits (namely, Taylor General Lawsuit and the WBP Pension Fund Lawsuit, each as defined below) were consolidated on October 3, 2024, with the Taylor General Lawsuit as the lead lawsuit. In the consolidated complaint filed in the Taylor General Lawsuit on July 26, 2024, the plaintiffs, who purport to be shareholders of XFI, allege that certain defendants made certain omissions and misstatements of material facts in certain of XFI's publicly disclosed and filed documents between July 23, 2021 and May 10, 2024 ("Class Period") and violated certain provisions of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder and the Securities Act of 1933 (the "SEC Claims"), and seek (i) to represent themselves and other shareholders of XFI who held shares during the designated Class Period in a putative class action, and (ii) damages. Defendants filed a motion to dismiss the consolidated complaint on October 8, 2024. On December 6, 2024, the plaintiffs filed an opposition to defendants' motion to dismiss and sought leave to file a proposed supplemental consolidated complaint. On February 18, 2025, the Court granted the plaintiffs' motion to supplement, denying defendants' pending motion to dismiss as moot. On February 28, 2025, plaintiffs filed the supplemented complaint. Defendants' motion to dismiss the supplemented complaint is due April 15, 2025, and the Court has scheduled a motion to dismiss hearing for August 5, 2025. Any future federal securities lawsuits filed by XFI shareholders asserting SEC claims based on the same or similar facts as Taylor General Lawsuit and/or the WBP Pension Fund Lawsuit would likely be consolidated with the current actions.

Additionally, the Ayers Lawsuit and Akande Lawsuit were consolidated (the "Consolidated Shareholder Derivative Action") on June 24, 2024, and the Consolidated Shareholder Derivative Action is stayed pending final resolution of the consolidated Taylor General Lawsuit and WBP Pension Fund Lawsuit. It is possible that additional shareholder derivative lawsuits will be filed purportedly on behalf of XFI based on the same set of facts alleged in the Ayers Lawsuit and Akande Lawsuit.

City of Taylor General Employees Retirement System v. Xponential Fitness, Inc., Anthony Geisler, ~~and~~ John Meloun, Mark Grabowski, Brenda Morris, Chelsea Grayson, BoFA Securities, Inc., Jefferies LLC, Morgan Stanley & Co. LLC, Guggenheim Securities, LLC, Piper Sandler & Co., Robert W. Baird & Co. Incorporated, Raymond James & Associates, Inc., Roth Capital Partners, LLC, and R. Seelaus & Co., LLC, filed February 9, 2024, United States District Court for the Central District of California, Southern Division, Case No. 8:24-cv-00285 (the "Taylor General Lawsuit").

Gideon Akande v. Anthony Geisler, John Meloun, Jair Clarke, Mark Grabowski, Chelsea A. Grayson, Brenda Morris, and Xponential Fitness, Inc., filed March 10, 2024, United States District Court for the Central District of California, Western Division, Case No. 2:24-cv-01928. In ~~addition to the SEC Claims, the plaintiff alleges that the defendants~~ this shareholder derivative lawsuit, the plaintiff, purports

to bring claims on behalf XFI against certain of its current and former officers and directors, alleging that the defendants are liable to XFI for certain of the SEC Claims at issue in the consolidated Taylor General Lawsuit and also (i) breached fiduciary duties, mismanaged XFI's business, and wasted XFI's assets, (ii) were unjustly enriched, and (iii) abused their ability to control and influence XFI. In addition to ~~the relief described above,~~ damages, the plaintiffs seeks (i) an order directing XFI and the individual defendants to improve XFI's corporate governance, and (ii) restitution by the individual defendants (the "Akande Lawsuit").

*Patrick Ayers v. Anthony Geisler, Jair Clarke, Mark Grabowski, Chelsea A. Grayson, Brenda Morris, John Meloun, and Xponential Fitness, Inc.* filed on May 10, 2024, United States District Court for the Central District of California, Southern Division, Case No. 2:24-cv-3937. The plaintiffs in this shareholder derivative lawsuit allege similar claims as in the Akande Lawsuit (the "Ayers Lawsuit").

*City of West Palm Beach Police Pension Fund v. Xponential Fitness, Inc., Anthony Geisler, John Meloun, Mark Grabowski, Brenda Morris, Chelsea Grayson, BoFA Securities, Inc., Jefferies LLC, Morgan Stanley & Co. LLC, Guggenheim Securities, LLC, Piper Sandler & Co., Robert W. Baird & Co. Incorporated, Raymond James & Associates, Inc., Roth Capital Partners, LLC, and R. Seelaus & Co., LLC*, filed on June 18, 2024, United States District Court for the Central District of California, Southern Division, Case No. 8:24-cv-01333 (the "WBP Pension Fund Lawsuit").

*Stefanie Nelson v. Anthony Geisler, Jair Clarke, Mark Grabowski, Chelsea A. Grayson, John Meloun, Brand Morris, and Xponential Fitness, Inc.*, filed on February 10, 2025, United States District Court for the Central District of California, Southern Division, Case No. 8:25-cv-00258. The plaintiffs in this shareholder derivative lawsuit allege similar claims as in the Akande Lawsuit and Ayers Lawsuit (the "Nelson Lawsuit"). On February 20, 2025, the plaintiffs in the Akande Lawsuit and Ayers Lawsuit filed a Notice of Related Derivative Action, requesting that the Nelson Lawsuit be consolidated into the Consolidated Shareholder Derivative Action.

### **California Regulatory Matter**

*In the Matter of: The Commissioner of Financial Protection and Innovation v. Xponential Fitness, Inc., et al.* On November 4, 2024, in order to avoid the expense of a hearing and other possible court proceedings, the Commissioner of California's Department of Financial Protection and Innovation ("DFPI") and us, our Predecessor, Affiliate SPV Franchisors, Affiliate Prior Franchisors, Former Portfolio Brand SPV Franchisors, and Former Portfolio Brand Franchisors (collectively, the "Brand Franchisors"), and XFI, Xponential, Assetco, and Xponential Intermediate Holdings LLC (together with the Brand Franchisors, the "DFPI Parties") entered into a negotiated Consent Order to resolve as to all of the DFPI Parties, DFPI's investigation as to the DFPI Parties' compliance with the California Franchise Investment Law ("CFIL"). The Consent Order acknowledges that, in its investigation, the Commissioner found, without adjudication, that certain registration applications filed by the Brand Franchisors with the DFPI contained material misrepresentations and omissions and sets forth the agreement of the DFPI Parties, without admitting nor denying any of the Commissioner's findings, to desist and refrain from violating Sections 31110, 31200 and 31201 of the California Corporations Code and to pay an administrative penalty of \$450,000. The Consent Order also acknowledges that CP SPV failed to timely file certain exemption notices. Finally, the Consent Order also requires that persons (a) with management responsibility relating to the sale or operation of the Brand Franchisors, (b) assisting the Brand Franchisors in preparing franchise materials or selling franchises and (c) certifying the accuracy of Franchise Disclosure Documents filed with the Commissioner by the Brand Franchisors complete required compliance training.

Except as provided above, no litigation is required to be disclosed in this Item.

~~ITEM 4~~ **ITEM 4**  
**BANKRUPTCY**

In Re Timothy Paul Weiderhoft and Dena Rose Weiderhoft (Case No. 2:23-bk-05397-BKM; Bankruptcy Court, District of Arizona). On August 9, 2023, Xponential's Chief Operating Officer of North America, Timothy Weiderhoft, and his wife filed a personal Chapter 7 bankruptcy petition after an unrelated restaurant venture failed in light of the COVID-19 pandemic. A discharge was granted by the bankruptcy court on December 20, 2023. Mr. Weiderhoft's principal business address is our principal business address.

No other bankruptcy is required to be disclosed in this Item.

~~ITEM 5~~ **ITEM 5**  
**INITIAL FEES**

**Franchise Agreement**

*Initial Franchise Fee*

You must pay to us a lump sum initial franchise fee of \$60,000 (the "Initial Franchise Fee") to establish a single Studio under a Franchise Agreement. The Initial Franchise Fee is due upon the signing of the Franchise Agreement. The Initial Franchise Fee will be fully earned by us upon payment and is not refundable, in whole or in part, under any circumstance. ~~If you are purchasing an existing Studio from a System franchisee, you will pay us a \$30,000 training fee in lieu of the Initial Franchise Fee. Except as disclosed in this Item, we uniformly impose the Initial Franchise Fee on all parties that are purchasing a single Studio.~~

We proudly participate in the International Franchise Association's VetFran Program. If you are a veteran of the United States Armed Forces and meet the requirements of the VetFran Program, the Initial Franchise Fee will be reduced to \$45,000.

Separately, if you (or your affiliates) already own and operate a Pure Barre Studio, then the Initial Franchise Fee for your 2nd franchise will be reduced to \$50,000. If you (or your affiliates) already own and operate at least two Pure Barre Studios, then the Initial Franchise Fee for your 3rd or more franchises will be reduced to \$40,000. These reduced Initial Franchise Fees are conditioned on that you (and your affiliates) are in compliance with all franchise agreements and any other agreement between us (and our affiliates) and you (and your affiliates).

*Pre-Sales and Soft Opening Retail Inventory Kit*

Prior to opening your Studio, you must purchase opening inventory (the "Pre-Sales and Soft Opening Retail Inventory Kit") which includes, but is not limited to, presale merchandise and other apparel that will be available for resale as part of your Approved Products, including items branded with the Marks, and other t-shirts, towels, exercise clothing and related accessories.



The components will be determined in coordination with our team to ensure brand consistency and optimal product selection. The cost for the Pre-Sales Retail Package will be collected directly by the retail team at the start of the Pre-Sales and Phase, while the Soft Opening Retail Inventory Kit is \$15,000, which is collected in the form of a credit in our online retail store that you can draw against when picking out the components of your cost will be included as a line item in the equipment invoice. While you currently purchase the Pre-Sales and Soft Opening Retail Inventory Kit. We require that you use all of your credit within 6 months of the opening of your Studio. We may require you to pay us immediately upon execution of your Franchise Agreement. This amount is payable in lump sum, non-refundable under any circumstances and is deemed fully earned upon payment. We expect to impose this charge for the kit uniformly. from us, we may designate that you purchase it directly from a third-party Approved Supplier.

~~This amount is payable in lump sum, non-refundable under any circumstances, and will be imposed uniformly.~~

You are required to use certain of these items in coordination with the pre-opening sales plan we approve or designate for your Studio as part of the opening support program that our approved supplier provides in connection with your Studio, as we determine appropriate in our discretion (the "Opening Support Program"). We anticipate that you will begin ~~the pre-sale phase approximately two (2) months before you open your~~ pre-selling Studio memberships (the "Pre-Sales Phase") for approximately six (6) months before you open your Studio's doors to the general public for participation in regular classes in the physical premises of your Studio (the "Soft Opening").

The cost of the Pre-Sales and Soft Opening Retail Inventory Kit ranges from \$14,000 to \$18,000. This amount is non-refundable and is deemed fully earned upon payment. We expect to impose this charge for the kit uniformly.

#### *Initial Instructor Training Fee*

Prior to ~~opening~~ your Studio's Soft Opening, you must pay us the appropriate training and/or subscription fees in connection with eight (8) individuals attending and completing the Pure Barre Classic Training necessary to become an Authorized Instructor prior to the opening of your Studio, and we assume and expect that you will send up to seven (7) of those Authorized Instructors to also attend the additional instructor training (the "Additional Instructor Training") (Pure Barre Empower, Pure Empower Barre Define, and Pure Reform Training Barre Align) in order to provide certain advanced classes and instruction as part of the Approved Services prior to or around ~~the opening of~~ your Studio's Soft Opening (collectively, "Instructor Training"). You must pay us ~~\$11,300~~ between \$8,850 and \$13,750 to conduct Instructor Training, which will be due and payable in lump sum before training is conducted and is uniformly imposed and non-refundable; however, in 2024, we collected a reduced Instructor Training fee ranging from \$4,000 to \$8,000 because we, on a case-by-case basis, allowed certain franchisees who own and operate multiple Studios to send less than eight (8) trainees to the Pure Barre Classic Training.

#### Reduced Technology Fee

As of your Studio's Soft Opening, you will be required to commence paying us our then-current monthly a technology fee for the technology services we provide as part of the System (the "Technology Fee"), which is currently \$150 per month, when you begin. However, upon the commencement of your Pre-Sales Phase, you must begin paying us a reduced Technology Fee in the amount of \$150 per month. As such, we estimate that your payment of Technology Fees for two six (26) months prior to the opening of your Studio's Soft Opening will be \$300. The Technology Fee is payable in a lump sum, is uniformly imposed, and is non-refundable under any circumstances.

### ~~Note Regarding Fitness Equipment & Initial FF&E Package~~

~~Our standard offering assumes that you will acquire the Fitness Equipment & Initial FF&E Package under a lease to own or comparable arrangement with a third party Approved Supplier (as defined in Item 8). The “Fitness Equipment & Initial FF&E Package” includes: (i) a Studio fixture package (comprised of a millwork bundle (front desk, ~~slatwall~~retail displays, cubbies), millwork accessories and other related supplies; (ii) the package of fitness equipment and other operational equipment we designate to be used in Studios (ballet barre, floor mat, tubing, balls, platforms, cuff weights, gliders, dumbbells) and smaller pieces of related exercise equipment; (iii) other items related to the outfitting and design and buildout of your Studio; and (iv) the installation and ~~transportation of shipping costs for~~ the foregoing items. ~~If, however, you determine to outright purchase (without financing), which may vary depending on the geographic location of your Studio. You will purchase~~ the Fitness Equipment & Initial FF&E Package, ~~we may require that you purchase such package from us (or if designated, our affiliate (the cost of which we estimate to be approximately in the range of \$24,800—\$33,800 and would), which will~~ be due prior to the opening ~~and non-refundable upon payment). Rather than purchasing (without financing) of your Studio. The cost of~~ the Fitness Equipment & Initial FF&E Package, ~~our standard offering assumes and expects that you will acquire the Fitness Equipment & Initial FF&E Package under a lease to own or comparable arrangement to increase or facilitate cash flow during early operations. is~~ approximately \$23,900 to \$51,500. The amount is payable in lump sum, uniformly imposed, and non-refundable under any circumstances.~~

### ~~Development~~Multi-Unit Agreement

#### Development Fee

If we award you the right to acquire multiple Franchises for Studios within a given Development Area, you must commit to developing and opening at least 3 Studios and pay us a one-time Development Fee in lump sum upon your execution of the ~~Development~~Multi-Unit Agreement. You must execute our current form of Franchise Agreement for the first Studio we grant you the right to open within your Development Area concurrently with the Multi-Unit Agreement. Your Development Fee will ~~depend on the number of Studios you commit to develop and open within the Development Area, and is calculated as follows: (i) \$45,000 per Studio if you agree to open and operate between three and five Studios; (ii) \$40,000 per Studio if you agree to open and operate between six and nine Studios; and (iii) \$35,000 per Studio if you agree to open and operate 10 or more Studios.~~ be equal to \$10,000 for each Studio, less the first one, that you commit to opening in satisfaction of an agreed upon Development Schedule specified in the Multi-Unit Agreement. The number of Studios required to be open under a Multi-Unit Agreement is an agreed upon number (typically, at least 3 Studios). If your Multi-Unit Agreement requires that you open 3 Studios, your Development Fee will be 2 x \$10,000, or \$20,000. For each additional Studio you are required to open under your Development Schedule, your Development Fee will increase by \$10,000. While the Development Fee is not a deposit, we will apply it, in \$10,000 increments, toward satisfaction of the initial franchise fee due under each Franchise Agreement (less the first one) you sign in satisfaction of your obligations under the Multi-Unit Agreement. The initial franchise fees paid under each Franchise Agreement shall be the same as required as of the date of this Disclosure Document. The Development Fee is payable in a lump sum, is not refundable, and is determined in the same manner for all franchisees who sign Multi-Unit Agreements.

You will be required to enter into our then-current form of franchise agreement for each Studio you wish to open under your ~~Development Agreement, but you will not be required to pay an Initial Franchise Fee at the time you execute each of these Franchise Agreements. If you enter into a Development Agreement, you must execute our current form of Franchise Agreement for the first Studio we grant you the right to open within your Development Area concurrently with the Development~~Multi-Unit Agreement.

Your Development Fee will be deemed fully earned upon payment and is not refundable under any circumstances. The Development Fee described above is calculated and applied uniformly to all of our franchisees.

### Note Regarding Sourcing Fees

If you are purchasing an existing Studio from a System franchisee and a franchise broker is owed a commission in connection with the purchase, you will pay a \$30,000 sourcing fee to us, to help cover the commission owed to the broker, in lieu of the Initial Franchise Fee.

~~Your Development Fee will be deemed~~ Additionally, if you are an existing franchisee and a franchise broker is owed a commission in connection with the purchase of your additional franchise(s) and/or Development Rights under a Multi-Unit Agreement based on a previously-made introduction to us or our affiliates, you will pay us an additional sourcing fee as follows: (i) if you acquire a single additional franchise, the sourcing fee will be \$28,000 (in addition to the Initial Franchise Fee); (ii) if you acquire Development Rights under a Multi-Unit Agreement for the right to open two (2) additional Studios, then the sourcing fee will be \$40,000 (in addition to your Development Fee); (iii) if you acquire Development Rights under a Multi-Unit Agreement for the right to open three (3) to five (5) Studios, then the sourcing fee will be \$50,000 (in addition to your Development Fee); (iv) if you acquire Development Rights under a Multi-unit Agreement for the right to open six (6) to nine (9) Studios, then the sourcing fee will be \$84,000 (in addition to your Development Fee); and (v) if you acquire Development Rights under a Multi-Unit Agreement for the right to open ten (10) or more Studios, then the sourcing fee will be \$120,000 (in addition to your Development Fee). Any applicable sourcing fee will be due on the signing of your Franchise Agreement and/or Multi-Unit Agreement, will be fully earned upon payment, and ~~is will not be~~ refundable under any circumstances. ~~The Development Fee described above is calculated and applied uniformly to all of our franchisees.~~ In this instance, you will sign the Form of Sourcing Fee Addendum (Franchise Agreement), as attached as Exhibit L-1, and/or the Form of Sourcing Fee Addendum (Multi-Unit Agreement), as attached as Exhibit L-2, respectively.

### ~~ITEM 6~~ **ITEM 6** **OTHER FEES**

Type of Fee	Amount	Due Date	Remarks
Royalty	7% of Gross Sales generated by your Studio over the relevant reporting period <sup>1</sup>	Payable weekly via electronic funds transfer (“EFT”) based on the Gross Sales of your Studio during the preceding business week	You will be required to start paying your Royalty once your Studio begins collecting revenue from operations. We may collect your Royalty on a different interval (for example, monthly).
Contributions to Brand Development Fund <sup>2</sup>	Currently, 2% of Gross Sales <sup>1</sup>	Payable weekly at the same time and in the same manner as the Royalty	Your contributions (the “Fund Contributions”) to the Brand Development Fund (the “Fund”) will begin when your Studio begins generating revenue from operations. <u>We may, on notice to you, adjust the amount of your required Fund Contributions, subject to the Marketing Expenditure Cap.</u> <sup>3</sup>



Type of Fee	Amount	Due Date	Remarks
<a href="#">Regional or Local Advertising Co-Op</a>	<a href="#">As the Co-Op determines (not currently charged)</a>	<a href="#">As the Co-Op determines</a>	<a href="#">We may establish regional cooperatives comprised of Studios that are within a given geographical area (each, a “Co-Op”). If a Co-Op is established where your Studio is located, you will be required to participate in that Co-Op and contribute to that Co-Op in the amounts the Co-Op determines. We may, on notice to you, adjust the amount of your required contributions to the Co-Op, subject to the Marketing Expenditure Cap.<sup>3</sup></a>
<a href="#">Local Advertising Requirement</a>	<a href="#">The greater of (a) \$1,500 or (b) 2% of the prior month’s Gross Sales<sup>1</sup></a>	<a href="#">Payable monthly with your 1<sup>st</sup> Royalty payment each month</a>	<a href="#">This is a spending requirement, but we reserve the right to have you pay this amount to us rather than spending it yourself. We may, on notice to you, adjust the amount of your required spending, subject to the Marketing Expenditure Cap.<sup>3</sup></a>
Initial Instructor Training Fee	<p>Our then-current training fee for the kind of training being provided</p> <p>Currently, our training fees are as follows:</p> <p>\$800 per trainee for Pure Barre Classic Training;</p> <p><del>\$700</del><u>350</u> per trainee for <a href="#">each</a> non-Classic core class format Instructor Training (<a href="#">Empower, Align, Define</a>); and</p> <p><del>\$1,500 additional fee for the training of fewer than 6 trainees conducted on franchisee’s reasonable request.</del></p> <p>\$2,000 additional <a href="#">optional</a> fee for <a href="#">on-site</a> training session requests that falls outside of the regularly published training schedule.</p>	Prior to training	<p>We will not charge you or your Designated Manager any tuition to attend the “Owner/Operator” and/or “Designated Manager” modules of our initial training program (the “Initial Training Program”), as applicable, prior to opening.</p> <p>You will be required to ensure your Authorized Instructors have each completed: (i) our proprietary Pure Barre Classic Training prior to providing any Approved Services at your Studio; and (ii) the Additional Instructor Training within 12 months of the time Authorized Instructor completes Pure Barre Classic Training in order to continue to provide Approved Services at your Studio.</p> <p>We may charge our general Training Fee in connection with (a) re-training or replacement training with regards to the portions of the initial training that are designed for the franchisee owner and/or Designated Manager, (b) any training we require you to complete to cure a default under your Franchise Agreement with us (“Remedial Training”), (c) training you request we provide (other than the kind of day-to-day assistance described below), or (d) training we provide on-site at your Studio.</p> <p>We will not charge any training fee in connection with minor, day-to-day assistance that we provide remotely over the phone or via email, subject to our availability.</p> <p>In addition to our then-current training fee, you will always be responsible for the costs and expenses that are incurred in connection with you and your personnel attending training.</p>

Type of Fee	Amount	Due Date	Remarks
Technology Fee	<del>Our then-current Technology Fee for the technology services we provide as part of the System</del> Currently, <del>\$150</del> <u>304</u> /month	Payable monthly.	We charge you a recurring Technology Fee to help cover the costs and expenses associated with developing, implementing, licensing or otherwise using and integrating the technology we determine appropriate to provide as part of the System or otherwise in connection with your Studio and/or Studio network. <u>We may increase the Technology Fee by 50% annually.</u>
Music Licensing Fee (In-Studio)	<u>Currently included in the Technology Fee – however, it may be a separately charged fee at our discretion</u> <del>Then-current fee charged by our Approved Supplier</del> Currently, <del>\$185/month per Studio</del>	<del>Payable monthly.</del> <u>As invoiced or otherwise agreed</u>	We <del>currently collect a</del> <u>may, upon notice, require you to pay a recurring</u> music licensing fee <del>(the “Music Licensing Fee”)</del> <u>to cover costs we incur in connection with obtaining licensing rights to music and playlists you will use in connection with the provision of the Approved Services at your Studio. This amount is subject to increase based upon vendor pricing to either our then-current Approved Supplier, which may be us or our affiliate, or the applicable performing rights organizations (PROs).</u>
Instructor Subscription Fee	Then current Subscription Fee.  Currently, we have not yet established a subscription service but intend to do so	Payable monthly	<del>When</del> <u>If</u> we establish an ongoing subscription service to provide Authorized Instructors with new and updated choreography, workouts, techniques, and other content, you (or, if you are an entity, your Operating Principal) will have the option, but <u>will</u> not be required, to pay the Authorized Instructor Subscription Fee and receive direct access to these materials. All Authorized Instructors must pay the Authorized Instructor Subscription Fee, however you (or, if you are an entity, your Operating Principal) are not required to do so unless you are also serving as an Authorized Instructor.
<del>Renewal</del> <u>Successor Franchise</u> Fee	\$10,000	<del>At time of renewal.</del> <u>Prior to expiration of initial term</u>	You must renovate and <del>reimage</del> <u>modernize</u> the Studio at your expense at the time <del>of renewal</del> <u>you are granted a successor franchise</u> to conform to our then-current standards and image.

Type of Fee	Amount	Due Date	Remarks
Transfer Fee	<del>Franchise Agreement:</del> \$10,000  <del>Development Agreement:</del> \$10,000 per undeveloped franchise	Upon your request for our <del>approval of</del> <u>consent to</u> any proposed transfer	<p>Instead of the standard transfer fee, we will only charge an administrative fee amounting to: (i) \$<del>500</del><u>750</u> if you are an individual franchisee and assigning your franchise <del>and/or development agreements</del> rights to an entity that you fully own; or (ii) \$1,500 if the assignment is from an existing System franchisee to another immediate family member.</p> <p>Payment of the transfer fee is one of the conditions you must satisfy in order to assign an interest in your Franchise Agreement, your Studio, and/or you (if you are a business entity). There are <del>other</del> various other terms and conditions upon which we may condition <del>of approval or</del><u>our</u> consent to any such transfer.</p> <p><del>You may be afforded the option—but do not have the obligation—to enter into an agreement with our affiliates for resale assistance and access to certain third-party broker networks. Should you determine to enter into this agreement, you will be responsible for (a) the third-party broker fees (currently, 40% of the purchase price), and (b) a broker access fee amounting to 10% of purchase price for any of the assignable assets that are sold to a prospect, if we or broker network generate the prospect.</del></p>
Relocation Fee	\$5,000	Upon submission of a proposal to relocate	<p>You will not be permitted to relocate your Studio without our prior written approval, which may be withheld in our discretion.</p> <p>We may assess a relocation fee of \$5,000 at the time you submit the proposed location for your relocated Studio. Generally, we do not approve requests to relocate your Studio after a site selection has been made and you have opened for business unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement.</p> <p>If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection</p>
Insurance Policies <sup>3, 4</sup>	Amount of unpaid premium.	As agreed	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.

Type of Fee	Amount	Due Date	Remarks
Mystery Shopper and Other Quality Control Programs	If charged, \$500/year	As arranged	Payable only if we establish a mystery shopper program or other quality control mechanism/program, in which case we may require a franchisee to contribute up to \$500/year to help defray the costs of such programs that are designed to preserve the goodwill and brand image.
Audit Fees <sup>4 5</sup>	Costs incurred by us in connection with conducting audit  Currently, we estimate that such costs will typically be between \$500 - <u>to</u> \$2,500 (plus costs of any travel)	Within 15 calendar days after receipt of audit report.	Payable only if (a) audit or review shows an understatement of Gross Sales for the audited period of 2% or more, or (b) the audit or review is being conducted in response to your failure to timely submit any reports required by your Franchise Agreement.
Late Fees	The lesser of the highest applicable legal rate for open account business credit, or 1.5% per month.	Upon demand.	Applies to all amounts not paid when due, until paid in full. We may also require you to pay an administrative fee of \$50 for each late payment or late report.
Non-Compliance Fee	<del>Then current fee charged by us</del>  <del>Currently,</del> \$100 for each day of non-compliance.	Upon demand.	Payable only in the event you fail to comply with your material obligations under your Franchise Agreement. The Non-Compliance Fee will be incurred during each day of non-compliance.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will reimburse us for all costs in enforcing our obligations concerning the Franchise Agreement if we prevail.
Indemnification	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Studio.
Alternative Supplier Approval <sup>5 6</sup>	\$1,500 per day for personnel engaged in evaluating a supplier	At time of request.	Additionally, you must reimburse us for any travel, accommodations, and meal expenses.
<del>Regional Co-Op</del>	<del>As the Co-Op determines</del>	<del>As the Co-Op determines</del>	<del>We may establish regional cooperatives comprised of Studios that are within a given geographical area (each, a "Co-Op"). If a Co-Op is established where your Studio is located, you will be required to participate in that Co-Op and contribute to that Co-Op in the amounts the Co-Op determines.</del>

Type of Fee	Amount	Due Date	Remarks
<del>Extension of Time to Open your Studio</del>	<del>Then current fee, currently \$2,500</del>	<del>Upon request for extension of time</del>	<del>You are required to open your Studio within six months of executing your Franchise Agreement, but we may agree in writing to provide you with an additional three months to open your Studio if you (a) have already secured an Approved Location for your Studio, and (b) are otherwise making diligent and continuous efforts to buildout and otherwise prepare your Studio for opening throughout the six (6) month period following the execution of your Franchise Agreement; however you must pay us our then current fee as a condition to granting any extension of time.</del>
Management Fee	The reasonable costs/expenses we incur in connection with taking over operations, including manager's salary, room and board, travel expenses, and all other related expenses.	When incurred	If we take over the operations of your Studio due to your breach of the Franchise Agreement (or your death or disability), we may take all actions necessary to operate the Studio.
Lost Revenue Damages	The applicable amount of Lost Revenue Damages, as further defined in the Remarks	Upon termination of Franchise Agreement	If you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for your breach, you must pay us an amount equal to the net present value of: (1) the lesser of 36 or the number of calendar months remaining on the term of the Franchise Agreement absent termination, multiplied by (2) the sum of the Royalty and Fund Contribution percentages in effect as of the termination date, multiplied by (3) the average monthly Gross Sales of your Studio during the 24 full calendar months immediately preceding the termination date, minus (4) any cost savings we experienced as a result of the termination. However, if (i) as of the termination date, your Studio had not operated a full 24 calendar months, monthly average Gross Sales will equal the highest monthly Gross Sales achieved during the period in which you operated your Studio, and (ii) if the termination was based on your unapproved closure of your Studio, average monthly Gross Sales would be based on the 24 full calendar months immediately preceding the closure of your Studio.

## Notes to Item 6 Table:

All fees are uniformly imposed by and are payable to us, unless otherwise noted. No other fees or payments are to be paid to us, and we do not currently impose or collect any other fees or payments for any third party. Any fees paid to us are non-refundable unless otherwise noted. Fees payable to third parties may be refundable based on your individual arrangements.

<sup>1</sup> **Gross Sales.** Except as provided below, the term “Gross Sales” means the total revenue, in whatever form, generated by your Studio, whether or not in compliance with your Franchise Agreement and regardless of receipt, including all revenue generated from the sale and provision of any and all gift cards and other products and services at or through your Studio and all proceeds from any business interruption insurance related to the non-operation of your Studio. Please note that the following are excluded from Gross Sales: (a) any sales tax and equivalent taxes that you collect for or on behalf of any governmental taxing authority and paid to it, and (b) the value of any allowance issued or granted to any client of the Studio that you credit in good faith in full or partial satisfaction of the price of the Approved Products or Approved Services offered in connection with your Studio. You must participate in our then-current electronic funds transfer and reporting program(s). Currently, we collect all amounts owed to us through our designated third-party service provider. All fees owed and any other amounts designated by us must be received or credited to our account by pre-authorized bank debit by 5:00 p.m. P.S.T. on or before the applicable due date. Your Studio may be located in a jurisdiction whose taxing authority will subject us to tax assessments on payments you submit to us for the Royalty fees and Fund Contributions. Under such circumstances, you will be required to adjust, or “gross up” your payment to us to account for these taxes.

<sup>2</sup> **Brand Development Fund.** We (and our affiliates) have established the Fund and you will be required to make a weekly Fund Contribution beginning the date your Studio begins collecting revenue from business operations. The Fund Contributions may be used for (among other things) product development; signage; creation, production and distribution of marketing, advertising, public relations and other materials in any medium, including the internet; social media; administration expenses; brand/image campaigns; media; national, regional and other marketing programs; activities to promote current and/or future Studios and the brand; agency and consulting services; research; and any expenses approved by us and associated with your Studio. We will have sole discretion over all matters relating to the Fund. ~~You must pay for your own local advertising.~~

<sup>3</sup> **Marketing Expenditure Cap.** We cannot require that the percentage of Gross Sales that you are required to contribute to the Fund, contribute to a Regional or Local Advertising Co-Op, and spend on the Local Advertising Requirement exceed, in the aggregate, seven percent (7%) per month (the “Marketing Expenditure Cap”).

<sup>34</sup> **Insurance Policies.** The minimum limits for coverage under many policies will vary depending on several factors, including the size of your Studio, and the number of classes offered at your Studio. See Item 8 of this Disclosure Document for our minimum insurance requirements.

<sup>45</sup> **Audit Fees.** You will be required to reimburse us for the cost of the audit in the event that (a) an audit discloses an understatement of Gross Sales for the audited period of two percent (2%) or more, or (b) the audit or review is being conducted in response to your failure to timely submit any reports required by your Franchise Agreement. You will also be required to pay the amount of such understatement, plus late fees and interest.

<sup>56</sup> **Alternative Supplier Approval.** You may request the approval of an item, product, service or supplier. We may require you to pre-pay any reasonable charges connected with our review and evaluation of any proposal.

~~ITEM 7~~ **ITEM 7**  
ESTIMATED INITIAL INVESTMENT

**YOUR ESTIMATED INITIAL INVESTMENT**

**A. Franchise Agreement**

Type of Expenditure <sup>1</sup>	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Franchise Fee <sup>2</sup>	\$60,000	\$60,000	Lump sum, <del>in cash</del> , by certified check or bank wire	At signing of Franchise Agreement	Us
<del>Initial Training Program</del> <u>Sourcing Fees<sup>3,2</sup></u>	\$0	<del>\$0</del> <u>\$28,000</u>	<del>N/A</del> <u>Lump sum by certified check or bank wire</u>	<del>N/A</del> <u>At signing of Franchise Agreement</u>	<del>N/A</del> <u>Us</u>
Travel & Living Expenses While Training <sup>3</sup>	\$0	\$3,000	As arranged	As incurred	Transportation Carriers, Hotel Facilities, Etc.
Real Estate/Lease and Professional Fees <sup>4</sup>	<del>\$19,000</del> <u>\$17,500</u>	<del>\$31,000</del> <u>\$36,500</u>	As arranged	As incurred	Landlord; Attorneys; Accountants
Net Leasehold Improvements <u>(Net of Estimated Tenant Improvement Allowances)</u> <sup>5</sup>	<del>\$102,000</del> <u>\$103,500</u>	<del>\$166,000</del> <u>\$279,500</u>	As arranged	As incurred	Approved Suppliers (Third-Party), Architects and Contractors
Signage <sup>6</sup>	<del>\$10,000</del> <u>\$9,000</u>	<del>\$18,500</del> <u>\$22,000</u>	As arranged	As incurred	Approved Suppliers (Third-Party) and Vendors
Insurance <sup>7</sup>	<del>\$1,050</del> <u>\$3,872</u>	<del>\$2,500</del> <u>\$8,056</u>	As arranged	Before Opening	Approved Supplier (Third-Party)
<del>Payments for</del> Fitness Equipment & Initial FF&E Package <sup>8</sup>	<del>\$2,200</del> <u>\$23,900</u>	<del>\$5,900</del> <u>\$51,500</u>	As required	Before opening	<u>Us</u> <del>Approved Supplier (Third-Party)</del>
Pre-Sales and Soft Opening Retail Inventory Kit <sup>9</sup>	<del>\$15,000</del> <u>\$14,000</u>	<del>\$15,000</del> <u>\$18,000</u>	Lump sum	Before opening	Us



Type of Expenditure <sup>1</sup>	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Computer System, A/V Equipment, and Related Components <sup>10</sup>	<del>\$17,500</del> 19,500	<del>\$18,500</del> 22,500	As arranged	As arranged	Approved Suppliers (Third-Party) and Vendors
Initial <del>Grand Opening</del> Marketing & Advertising Spend <sup>11</sup>	<del>\$15,000</del> 30,650	<del>\$25,000</del> 39,900	As arranged	As arranged	Approved Suppliers (Third-Party) and Vendors
Initial Instructor Training Fees <sup>12</sup>	<del>\$11,300</del> 8,850	<del>\$11,300</del> 13,750	As arranged	As arranged	Us
Technology, <del>Musie</del> , and Software Fees <sup>13</sup>	<del>\$2,280</del> 3,639	<del>\$2,280</del> 3,639	As arranged	As arranged	Us and Third Party Approved Suppliers
Additional Funds – 3 months <sup>14</sup>	<del>\$10,000</del> 20,000	<del>\$60,000</del> 43,000	As arranged	As incurred	Employees, Vendors, Utilities
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b>	<del>\$265,330</del> 314,411	<del>\$418,980</del> 629,345			

#### Notes to Table A:

All amounts payable to us are nonrefundable, unless otherwise noted. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any. These figures are only estimates of the range of your initial costs ~~in~~ during the development of your Studio, the Pre-Sales Phase, and the first three (3) months of operation ~~only~~ after your Studio's Soft Opening. Leasing and financing is available for many of the above expenses. We do not offer direct or indirect financing, but we may assist you in obtaining working capital through other sources, ~~as described in Item 10 below~~.

<sup>1</sup> **General.** The initial investment table shows certain expenditures required to establish and operate a Studio. This Item 7 assumes and expects that (a) ~~the size of your Studio will be within 1,200 — 1,800 square feet;~~ ~~(b) you will obtain financing to acquire the Fitness Equipment & Initial FF&E Package under a lease-to-own or comparable arrangement with from~~ a third party Approved Supplier, ~~instead of outright~~ rather than paying the full purchase price in lump sum; ~~and~~ ~~(c) you will develop and build your Studio in accordance with our specifications for Studios. The typical Studio will likely be approximately 1,500 to 1,800 square feet in size and be in a rectangular shape. All estimates listed in the table above exclude tax.~~

<sup>2</sup> **Initial Franchise Fee.** The Initial Franchise Fee is non-refundable. The Initial Franchise Fee for a single Studio is \$60,000. We do not provide financing for the Initial Franchise Fee. ~~If~~ As provided in Item 5, if this is your (or your affiliates') 2nd Studio, the Initial Franchise Fee will be reduced to \$50,000, and if this is your (or



your affiliates') 3rd or more Studio, the Initial Franchise Fee will be reduced to \$40,000. If you qualify for the VetFran Program, the Initial Franchise Fee will be reduced to \$45,000.

Additionally, if you are ~~purchasing~~ an existing ~~Studio from a System~~ franchisee, you will pay us a \$30,000 ~~training fee in lieu of~~ and a franchise broker is owed a commission in connection with the purchase of your additional franchise based on a previously-made introduction to us or our affiliates, you will pay us an additional sourcing fee of \$28,000 (in addition to the Initial Franchise Fee).

<sup>3</sup> **Travel and Living Expenses While Training.** You (or, if you are an entity, your Operating Principal) must attend our proprietary Initial Training Program. We will not charge any tuition or training fee in connection with your attendance Initial Training Program, provided all individuals attend at the same time. The estimate in Table A above assumes that you (or, if you are an entity, your Operating Principal) will attend the Initial Training Program, and you will be responsible for the costs and expenses associated with attending our Initial Training Program (e.g., transportation, meals, lodging and other expenses). The amount you will spend while training will depend on several factors, including the number of ~~persons~~people attending, the distance you must travel and the type of accommodations you choose, if any are needed.

<sup>4</sup> **Real Estate/Lease.** If you do not own adequate Studio space, you must lease suitable premises. ~~As noted above, our model requires that the size of a typical Studio will range from 1,200 to 1,800 square feet, and the amounts shown are based on that range. We may consider variances, at your request, on a case-by-case basis.~~ In addition to base rent, the lease may require you to pay common area maintenance charges, your pro rata share of the real estate taxes and insurance, and your pro rata share of HVAC and trash removal, which are included in ~~this~~the ranges provided above. You will also likely be required to pay a security deposit. This estimate includes three (3) months of base rent plus one (1) month for estimating the security deposit. This estimate is also designed to cover the legal and other professional fees associated with securing an approved premises.

<sup>5</sup> **Net Leasehold Improvements.** This estimate includes the ~~net~~-cost of leasehold improvements (net of estimated tenant improvement allowances), including floor coverings, wall treatments, ceilings, painting, electrical, carpentry, plumbing, HVAC, and similar work, as well as materials and the cost of labor. ~~This estimate also includes fees for professional services of architect and sound consultant as well as permitting fees related to building construction. This estimate assumes that the size of your Studio will be in the range of 1,200 to 1,800 square feet.~~ We expect that you will not sign a lease unless the landlord is willing to provide a reasonable tenant improvedment allowance which, in our experience, has ranged from \$30,000 to \$134,000, ~~or an average of \$74,000, and an average of three (3) months' rent abatement which, in our experience, is on average approximately \$7,500.~~17,000 to \$196,515, or a median of \$60,620. The net leasehold improvements estimate also includes fees for professional services of an architect and sound consultant as well as permitting fees related to building construction.

<sup>6</sup> **Signage.** You will need to purchase appropriate signage for your Studio that we approve. Each landlord has different restrictions it places on interior and exterior signage that may affect your costs. This estimate includes costs associated with permanent signage and graphics only and does not include optional temporary signage and graphics.

<sup>7</sup> **Insurance.** This estimate is for ~~three (3) months~~an annual premium of your minimum required insurance, using our required or approved third-party vendor. You will need to check with your insurance carrier for actual premium quotes and costs, and for the actual amount of deposit. Insurance costs depend on the area in which your Studio is located, your experience with the insurance carrier, the loss experience of the carrier, the amount of deductibles and of coverage, and other factors beyond our control. You should obtain appropriate advice from your own insurance professional before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

<sup>8</sup> ~~Payments in Connection with~~ **Fitness Equipment & Initial FF&E Package.** The “Fitness Equipment & Initial FF&E Package” includes: (i) a Studio fixture package (comprised of a millwork bundle (front desk, ~~slatwall~~retail displays, cubbies), millwork accessories and other related supplies; (ii) the package of fitness equipment and other operational equipment we designate to be used in Studios (ballet barre, floor mat, tubing, balls, platforms, cuff weights, gliders, dumbbells) and smaller pieces of related exercise equipment; (iii) other items related to the outfitting and design and buildout of your Studio; and (iv) the installation and ~~transportation of~~shipping costs for the foregoing items, which may vary depending on the geographic location of your Studio. ~~Our standard franchise offering assumes and expects that you will acquire the Fitness Equipment & Initial FF&E Package under a lease-to-own or comparable arrangement with a third party Approved Supplier (we have pre-approved several lenders as of the date of this Disclosure Document). As such, the range above is designated to capture and account for the typical deposit (0% down for the low estimate and 10% down for the high estimate), a lease filing fee, and the payments that you will make to the lender during the first four months of operation of the Studio (first payment at closing plus three months of ongoing payments). If you determine not to follow our System recommended practice of financing the Fitness Equipment & Initial FF&E Package, the estimated cost to purchase this equipment outright will be in the range of \$24,800—\$33,800 and will be paid to us or our affiliates.~~

<sup>9</sup> **Pre-Sales and Soft Opening Retail Inventory Kit.** ~~You will choose the components of~~The Pre-Sales and Soft Opening Retail Package must be purchased directly through us. This package will include designated branded merchandise, apparel, and accessories to support presales and soft opening retail sales. We will provide a curated retail inventory based on your Studio’s retail display needs. The components will be determined in coordination with our team to ensure brand consistency and optimal product selection. The cost for the Pre-Sales Retail Package will be collected directly by the retail team at the start of the Pre-Sales Phase, while the Soft Opening retail inventory cost will be included as a line item in the equipment invoice. While you currently purchase the Pre-Sales and Soft Opening Retail Inventory Kit from ~~our branded online retail store which includes, but is not limited to, pre-sale merchandise, branded apparel made up of tops, bottoms, and accessories. The entire package must be purchased prior to soft opening. Shipping is not included. The cost of the Pre-Sales and Soft Opening Retail Inventory Kit is collected in the form of a credit in our online retail store that you can draw against when picking out the components of your Pre-Sales and Soft Opening Retail Inventory Kit. We require that you use all of your credit within 6 months of the opening of your Studio.~~us, we may designate that you purchase it directly from a third-party Approved Supplier.

<sup>10</sup> **Computer System, A/V Equipment, and Related Components.** You will be required to purchase a Computer System, as disclosed more fully in Item 11 of this Disclosure Document. Your Computer System must meet our specifications. Your ~~s~~Studio must be equipped with a ~~high~~high-speed internet connection through a local area network for access to certain web-based business management software programs specific for ~~the~~your sStudio. You must purchase these components from designated vendors and must execute any related software licenses these vendors require. We will make available to you a certain business management software program specific for the Studio to be loaded on to your system. These costs are paid to suppliers, when incurred, before beginning business and are usually not refundable.

<sup>11</sup> ~~Initial Grand Opening~~ **Marketing & Advertising Spend.** ~~While~~You are required to spend the amount set forth in the table above on your grand openingmust spend at least \$15,000 on your initial marketing program (the “Initial ~~Grand Opening~~ Marketing & Advertising Spend Requirement”) in coordination with your Opening Support Program. ~~Typically, we expect your Opening Support Program to commence prior to the “soft opening” of your Studio through your actual opening of the Studio. These funds must be spent on your Opening Support Program and any other pre-opening marketing and/or advertising activities we designate.~~estimate that you will spend approximately \$30,650 to \$39,900 on advertising and marketing expenses during the Pre-Sales Phase and the first three (3) months after your Studio’s Soft Opening. We may require that you spend any portion of these funds on services or products supplied by one or more of our Approved Suppliers. We will have the right to modify ~~its~~our Opening Support Program as we determine appropriate in our sole discretion. You must provide us

with supporting documentation evidencing these expenditures upon our request. ~~This estimate is in addition to your required contributions to the Fund.~~

<sup>12</sup> **Instructor Training Fee.** As previously explained in Item 5, you will be required to ensure that ~~(a)~~ all of your initial Authorized Instructors each of your Authorized Instructors (a) attend and complete the Pure Barre Classic Training prior to the opening of your Studio, and (b) each Authorized Instructor completes the Additional Instructor Training (Pure Barre Empower, ~~Pure Empower~~ Barre Define, and ~~Pure Reform~~ Barre Align) within 12 months of when the Pure Barre Classic Training is completed in order to continue to provide the Approved Services from your Studio. Consistent with our standard franchise offering, we assume for this range that you will send eight (8) total individuals to Pure Barre Classic Training and that all then-current training fees are paid for such training. The high end of this range also assumes that you may send up to seven (7) of your Authorized Instructors to complete Additional Instructor training during your initial ramp-up period.

<sup>13</sup> **Technology, ~~Musie~~, and Software Fees.** This estimate is designed to cover ~~(i)~~ our current Technology Fee and other Software Fee obligations from when you begin the Pre-Sales Phase of opening your Studio, which we estimate you will begin ~~twosix~~ (26) months prior to ~~the Soft e~~ Opening of your Studio, and over the first three (3) months of operation, for a total of ~~five~~ nine (59) months of payments, ~~and (ii) Musie Licensing Fee obligations for the first three (3) months of operation.~~ As of the date of this Disclosure Document, the ~~Technology Fee is \$150 per month,~~ Software Fee is ~~\$195~~ 203 per month, ~~and Musie Licensing Fee is \$185~~ the Technology Fee is \$304 per month, except that, during your Pre-Sales Phase, you will pay a reduced Technology Fee in the amount of \$150 per month.

<sup>14</sup> **Additional Funds.** This is an estimate of certain funds needed to cover your business (not personal) expenses during the first three (3) months of operation after your Studio's Soft Opening and certain other typical expenses in connection with the development of the Studio during the Pre-Sales Phase, such as expenses incurred in connection with the selling of pre-sale memberships. These expenses include, for example, payments to us, vendor processing fees, business incorporation and legal costs, broker and consultant fees, bank service fees, initial personnel wages, ongoing purchases of equipment and supplies, ~~marketing expenses/fees and local advertising; utilities;~~ utilities, recruitment fees, and repairs and maintenance. Your cost will depend upon your management skill, experience and business acumen; local economic conditions; the prevailing wage rate; competition; and sales of the Studio during the period. This estimate is net of any revenue generated in connection with your Studio during the relevant time period.

The estimates in this Item 7 are based on: (i) our franchisees' experience in developing Studios using the resources that we make available to them; (ii) our and our Predecessor's experience in selling franchises for the Studios; (iii) the experience of Affiliate SPV Franchisors and Affiliate Prior Franchisors in developing other fitness concepts and information related to their respective studio investment costs; (iv) current estimates we have received from our Approved Suppliers and other third party vendors; and (v) our affiliates' experience in developing and/or operating Studios and franchises of other Xponential Brands. The availability and terms of financing to you will depend upon factors such as the availability of financing in general, your creditworthiness, the collateral security that you may have, and policies of lending institutions concerning the type of business you operate. This estimate does not include any finance charge, interest, or debt service obligation.

**B. ~~Development~~Multi-Unit Agreement (Using Example of Franchise Award to Develop 3 Studios)**

Type of Expenditure <sup>1</sup>	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee <sup>2</sup>	<del>\$135,000</del> <u>\$20,000</u>	Lump sum, <del>in cash,</del> <u>by</u> certified check or bank wire	At signing of the <del>Development</del> <u>Multi-Unit</u> Agreement.	Us
<u>Sourcing Fee <sup>3</sup></u>	<u>\$0 to \$50,000</u>	<u>Lump sum by certified check or bank wire</u>	<u>At signing of the Multi-Unit Agreement.</u>	<u>Us</u>
Initial Investment to Open Initial Studio <sup>3</sup> <sup>4</sup> -	<del>\$205,330</del> <u>\$14,411 to \$358,980</u> <u>\$629,345</u>	See Table A of this Item 7, <del>less the Initial Franchise Fee.</del>		
<b>TOTAL ESTIMATED INITIAL INVESTMENT</b>	<del>\$340,330</del> <u>\$34,411 to \$493,980</u> <u>\$699,345</u>	This is the total estimated initial investment to enter into a <del>Development</del> <u>Multi-Unit</u> Agreement for the right to develop three (3) total franchised Studios, as well as the costs to open and commence operating your initial Studio for the first three months ( <del>less the Initial Franchise Fee</del> ), as described more fully in Table A of this Item 7. See Note 3.		

**Notes to Table B:**

<sup>1</sup> General. All amounts payable to us are nonrefundable, unless otherwise noted. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any. These figures are estimates of the range of your initial costs in the first three months of operating the initial Studio you are granted under your ~~Development~~ Multi-Unit Agreement only.

~~<sup>2</sup> Development Fee. If we award you the right to acquire multiple Franchises for Studios within a Development Area, you must commit to developing and opening at least 3 Studios and pay us a one-time Development Fee upon your execution of the Development Agreement. Your Development Fee will depend on the number of Studios you commit to develop and open, and is calculated as follows: (i) \$45,000 per Studio if you are awarded the right to develop between three (3) and five (5) Studios; (ii) \$40,000 per Studio if you are awarded the right to develop between six (6) and nine (9) Studios; and (iii) \$35,000 per Studio if you are awarded the right to develop ten (10) or more Studios.~~

<sup>2</sup> Development Fee. The Development Fee is payable to us and is non-refundable. The actual amount of the Development Fee will depend on the number of Studios you agree to develop under the Development Schedule because the Development Fee is equal to \$10,000 times the number of Studios you agree to open, less one. The number of Studios required to be open under a Multi-Unit Agreement is an agreed upon number (typically, at least 3 Studios). If your Multi-Unit Agreement requires that you open 3 Studios, your Development Fee will be 2 x \$10,000, or \$20,000. For each additional Studio you are required to open under your Development Schedule, your Development Fee will increase by \$10,000. While the Development Fee is not a deposit, we will apply it, in \$10,000 increments, toward satisfaction of the initial franchise fee due under each Franchise Agreement (less the first one) you sign in satisfaction of your obligations under the Multi-Unit Agreement.

<sup>3</sup> Sourcing Fee. Additionally, if you are an existing franchisee and a franchise broker is owed a commission in connection with the purchase of your Development Rights under a Multi-Unit Agreement based on a previously-made introduction to us or our affiliates, you will pay us an additional sourcing fee as follows: (i) if you acquire Development Rights under a Multi-Unit Agreement for the right to open two (2) additional Studios, then the sourcing fee will be \$40,000 (in addition to your Development Fee); (ii) if you acquire Development Rights under a Multi-Unit Agreement for the right to open three (3) to five (5) Studios, then the sourcing fee will be \$50,000 (in addition to your Development Fee); (iii) if you acquire Development Rights under a Multi-unit Agreement for the right to open six (6) to nine (9) Studios, then the sourcing fee will be \$84,000 (in addition to your Development Fee); and (iv) if you acquire Development Rights under a Multi-Unit Agreement for the right to open ten (10) or more Studios, then the sourcing fee will be \$120,000 (in addition to your Development Fee). For purposes of this chart in Item 7, we have included the potential additional sourcing fee in connection with the acquisition of Development Rights for three (3) Studios, as detailed in this Item 7.

<sup>34</sup> Initial Investment for Initial Studio. This figure represents the total estimated initial investment required to open and commence operating the first Studio you agree to develop under your ~~Development~~Multi-Unit Agreement. You will be required to enter into our then-current form of franchise agreement for the initial Studio you develop under your ~~Development~~Multi-Unit Agreement, most likely once you have found a premises for the Studio that we approve. The range includes all the items outlined in Table A of this Item 7, ~~except for the \$60,000 Initial Franchise Fee (because you are not required to pay an Initial Franchise Fee for those Studios you develop under the Development Agreement)~~. It does not include any of the costs you will incur in opening the additional Studio(s) that you are awarded the right to develop under your ~~Development~~Multi-Unit Agreement.

## ~~ITEM 8~~ ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Studio in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing through our confidential ~~Manual~~Learning Management System and other proprietary guidelines and writings that we prepare for your use in connection with the Studio and System. We may periodically change our System Standards, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System.

### Approved Products and Approved Services

You may only market, offer, sell and provide the Approved Services, as well as any related merchandise and other products that we authorize for sale in conjunction with the Approved Services (the “Approved Products”) at your Studio in a manner that meets our System Standards. We will provide you with a list of our then-current Approved Products and Approved Services, along with their standards and specifications, as part of the ~~Manual~~Learning Management System or otherwise in writing prior to the opening of your Studio. We may update or modify this list in writing at any time.

If you wish to offer any product or service in your Studio other than our Approved Products and Approved Services, or use any item in connection with your Studio that does not meet our System Standards, you must first obtain our prior written approval as described more fully in this Item.

### Approved Suppliers

We have the right to require you to purchase any items or services necessary to operate your Studio from a supplier that we approve or designate (each, an “Approved Supplier”), which may include us or our affiliate(s). We will provide you with a list of our Approved Suppliers in writing as part of the ~~Manual~~Learning Management System or otherwise in writing, and we may update or modify this list as we deem appropriate. When evaluating



and approving Approved Suppliers, we consider a variety of factors. While the prices at which a supplier sells its goods or services is one factor, it is not the only factor we consider. Our designation of an Approved Supplier does not mean that such Approved Supplier's prices will be lower than those of other suppliers.

Currently, we have Approved Suppliers for the following items that you must purchase in connection with the establishment and/or operation of your Studio: (i) the Pre-Sales and Soft Opening Retail Inventory Kit; (ii) the Fitness Equipment & Initial FF&E Package ; (iii) the Pure Barre Classic Training and ongoing Additional Instructor Training that your instructors must complete to become and remain Authorized Instructors (and related training materials); (iv) certain of the designated exercise equipment/supplies; (v) ~~interior graphics and exterior signage~~studio barres; (vi) insurance coverage; (vii) shipping services; (viii) training materials; (ix) counsel to review and negotiate potential leases; (x) music licensing; and (xi) the POS System and then-current software we require you to use in connection with that POS System and your Studio, including without limitation, any software and technology we determine to provide to you as part of our System in connection with your then-current Technology Fee.

Currently, we and our affiliates are the only Approved Supplier for the Pre-Sales and Soft Opening Retail Inventory Kit, Fitness Equipment & Initial FF&E Package (in case of outright purchase without financing), as well as the Pure Barre Classic Training, Additional Instructor Training and Instructor Subscription Training you must acquire and/or complete, as applicable, in connection with your Studio. If you determine to outright purchase (without financing) the Fitness Equipment & Initial FF&E Package rather than acquiring such package under a lease-to-own or comparable arrangement with a third party Approved Suppliers, we may designate ourselves or our affiliate as the Approved Supplier for that package.

We may develop proprietary products for use in your Studio, including private-label products that bear our Marks, and require you to purchase these items from us or our affiliate(s).

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Approved Services directly to our Approved Suppliers, and may provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

~~Except as provided above in this Item: (i)~~As of the date of this Disclosure Document: (i) other than the Pre-Sales and Soft Opening Retail Inventory Kit, the technology services we provide in exchange for our then-current Technology Fee, and certain services that XPS provides, such as custom millwork, cabinets, tables, display cases, engraved wood signs, point of sale displays, custom acrylic panels, and other similar products, neither we nor any of our affiliates are an Approved Supplier for any items you are required to purchase in connection with your Studio as part of our standard Franchise offering; and (ii) none of our officers own an interest in any of our Approved Suppliers other than us.

We may designate us or any of our affiliates as an Approved Supplier with respect to any other item you must purchase in connection with your Studio in the future.

## **Required Purchases and Right to Derive Revenue**

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your “Required Purchases.” We estimate that your Required Purchases in total will be about ~~70~~40% ~~95~~to 52% of your total purchases to establish the Studio and about ~~35~~44% ~~50~~to 63% of your purchases to continue the operation of the Studio. Please be advised that these percentages do not include the lease payments that you make in connection with your Studio.

We and our affiliates may derive revenue from any of the purchases that our System franchisees are required to make in connection with the Studio. In fiscal year ~~2023~~2024, we ~~did not receive~~ any revenue ~~\$341,025~~ from the sale of goods and services to franchisees, ~~but our~~ which was 1.3% of our total revenue of \$27,115,328 during the year. Our Predecessor also received ~~\$6,272,455~~4,141,327 from franchisees.

## **Non-Approved Products/Services and Alternate Supplier Approval**

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Studio that are not Approved Products and Approved Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Studio; or (ii) purchasing from a non-approved supplier. You must pay us our then-current non-approved product or supplier evaluation fee when submitting your request, as well as cover our costs incurred in evaluating your request. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier’s production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier’s facilities and test its products and/or services, and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new suppliers is proprietary, but we may (although are not required to) make it available to you upon request. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Marks. The revocation of a previously approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

## **~~Purchasing Cooperatives and~~ Right to Receive Compensation and Negotiated Prices**

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Studios in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of Approved Suppliers with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Studios in the System, such as rebates, commissions or other forms of compensation, which may comprise of fixed payments and/or percentages of overall sales transactions. During the fiscal year ~~2023~~2024, we ~~did not receive~~ any vendor \$1,943,642 in allowances, rebates, or other consideration from vendors in connection with purchases by franchisees, ~~but which constituted 7.2% of our total revenue of \$27,115,328 during the year, and~~ our Predecessor received \$3,765,318 in similar allowances, rebates, and leadership conference sponsorships of \$5,363,803 other consideration. Additionally, Xponential received \$6,837,252 in allowances, rebates, or other consideration from vendors in connection with purchases by franchisees of all Xponential Brands in the United States and Canada. We may use any amounts that we receive from suppliers for any purpose that we deem appropriate. We and/or our affiliates may negotiate supply contracts with our suppliers under which we are able to purchase products, equipment, supplies, services and other items at a price that will benefit us and our franchisees.

~~We may create additional purchasing cooperatives in the future. We may negotiate volume purchase agreements with some vendors or Approved Suppliers for the purchase of goods and equipment needed to operate the Studio.~~

### Cooperatives

No purchasing or distribution cooperatives have been formed.

### Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

### Insurance

As a Franchise owner, you are required to obtain and maintain, at your sole expense, the required insurance coverages as prescribed in your Franchise Agreement and/or our Manual Learning Management System. We may amend, modify, supplement or otherwise change the coverages or policies required below upon thirty (30) days' written notice to you (or such a shorter period of time that we determine appropriate if a health/safety or infringement-related issue) via the Manual Learning Management System or otherwise. While the specifications and standards for such coverages may vary depending on the size of your Studio and/or other factors, such as what is customary for businesses of your type in your area, as of the date of this Disclosure Document, we typically require the following coverages:

**1. Commercial General Liability** insurance covering your day-to-day business operations and premises liability exposures with limits not less than the following:

- |    |                    |                          |
|----|--------------------|--------------------------|
| a. | Each Occurrence:   | \$1,000,000              |
| b. | General Aggregate: | \$5,000,000 (per Studio) |



c.	Products Completed Operations Aggregate:	\$5,000,000
d.	Personal and Advertising Injury:	\$1,000,000
e.	Participant Legal Liability:	\$1,000,000
f.	Professional Liability:	\$1,000,000
g.	Damage to Premises Rented to You:	\$1,000,000
h.	Employee Benefits Liability (each employee):	\$1,000,000
i.	Employee Benefits Liability (aggregate):	\$2,000,000
j.	Medical Expense (any one person):	\$5,000
k.	Sexual Abuse and Molestation: included (not excluded)	

Such insurance shall include coverage for contractual liability (for liability assumed under an “insured contract”), products-completed operations, personal and advertising injury, premises liability, third party property damage and bodily injury liability (including death).

**2. Automobile Liability** insurance covering liability arising out of your use, operation or maintenance of any auto (including owned, hired, and non-owned autos, trucks or other vehicles) in connection with your ownership and operation of the franchise, with limits not less than the minimum compulsory requirements in your state (note: it is highly recommended to maintain ~~at~~ least \$1,000,000 each accident combined single limit for bodily injury and property damage). This requirement only applies to the extent that owned, leased or hired/rented vehicles are used in the operation of the Franchise.

**3. Workers Compensation** insurance covering all of your employees with statutory coverage and limits as required by state law. Such insurance shall include coverage for Employer’s Liability with limits not less than \$500,000 each accident, \$500,000 disease – each employee, and \$500,000 disease – policy limit.

**4. Property** insurance written on a special causes of loss coverage form with limits not less than the current replacement cost of the Studio’s business personal property (including furniture, fixtures and equipment) and leasehold improvements (tenant improvements). Such Property insurance shall include glass coverage with limits not less than \$25,000, signage coverage with limits not less than \$10,000, and business interruption/extra expense coverage with limits not less than twelve months of rent.

**5. Employment Practices Liability** insurance with limits of not less than \$1,000,000 per claim in the aggregate, with a retention not larger than \$25,000, providing defense and coverage for claims brought by any of your employees or other personnel alleging various employment-related torts. Said policy shall also include Third-Party Employment Practices Liability coverage.

Your policies must be written by an insurance company licensed in the state in which you operate the Studio and the insurance company must have at least an “A” Rating Classification as indicated in A.M. Best’s Key Rating Guide. We, Assetco, and subsidiaries/affiliates shall be included as Additional Insureds on Studio’s Commercial General Liability policy.

### Computer System

You must purchase the computer system that we specify, including computer hardware, software, the POS System, certain audio-visual equipment, inventory control systems, and high-speed network connections (collectively, the “Computer System”). The component parts of the Computer System must be purchased from Approved Suppliers. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. The Computer System is described in more detail in Item 11

of this Disclosure Document.

~~ITEM 9~~ **ITEM 9**  
FRANCHISEE'S OBLIGATIONS

**This table lists your principal obligations under the Franchise Agreement and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of the Disclosure Document.**

Obligation	Section in Franchise Agreement	Section in <del>Development</del> <b>Multi-Unit Agreement</b>	Disclosure Document Item
a. Site Selection and acquisition/lease	Sections 1.2, 2.2.C, 7.1 and 7.2, <del>8.4.B</del> , 15.1.A(10)-(11) and Exhibit 4	Section 2.D	Items 11 and 12
b. Pre-opening purchases/leases	Sections 5.4, 6.1, 7.3, <del>and</del> 7.4	Not Applicable	Items 5, 7 and 8
c. Site development and other pre-opening requirements	<del>Article 7 and</del> Sections 6.1, <del>6.2, to</del> 6.3, 6.5, 6.8, <u>Article 7</u> , and <u>Section 9.2</u>	Article 2	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5.5 and 6.2	Not Applicable	Items 6, 7 and 11
e. Opening	Sections 2.2, <del>(D) and</del> 6.1, <del>and</del> <del>15.1.B(10)</del>	Section 2.C	Item 11
f. Fees	Article 5 and Sections 6.2, 9.1, 9.2, <del>and</del> 9.4, <del>and</del> <del>15.1.B(5)</del>	<del>Section 2.3</del> , Article 4	Items 5 and 6
g. Compliance with standards and policies / Operating Manual	Article 4 and Sections 1.2, 2.2.E, 6.3, 6.5, 7.1, 7.3, 8.1, 8.4, <del>and</del> <u>8.5</u> , 8.7 <del>and</del> <u>9.3</u>	Section 2.D	Item 11
h. Trademarks and proprietary information	Article 4 and Sections 12.1, 15.1.A( <del>56</del> ), and 15.1.A(8)	Article 5	Items 13 and 14
i. Restrictions on products/services offered	Section 8.4, <del>A and</del> 15.1.A( <del>13</del> <u>14</u> )	Not Applicable	Items 8 and 16
j. Warranty and customer service requirements	Sections 8.1, 8.3 to 8.7	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Sections 8.7 and 15.1.B(12)	Sections 2.C and 2.D and Exhibit A	Item 12
l. Ongoing product/service purchases	<del>Article 9 and</del> Sections <del>5.9</del> <u>6.5</u> and 8.4	Not Applicable	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 7.1 and 8.1	Not Applicable	Items 6 and 17

Obligation	Section in Franchise Agreement	Section in <del>Development</del> <u>Multi-Unit Agreement</u>	Disclosure Document Item
n. Insurance	Sections <del>10.4</del> <u>10.5</u> and 15.1.B(8)	Not Applicable	Items 6, 7 and 8
o. Advertising and Fund	Article 9 and Sections 5.6 and 15.1.B(5)	Not Applicable	Items 6 and 11
p. Indemnification	Sections 4.1, 6.9, 7.1.E, 11.2, 15.4, and Exhibit 3	Section 7.B	Item 6
q. Owner's participation/management/staffing	Sections 2.2.B, 5.5.A-B, 8.3, 8.6	Article 1	Item 15
r. Records and reports	Section 10.1	Article 10	Item 11
s. Inspections and audits	Sections 8.2 and 10.2	Not Applicable	Items 11
t. Transfer	Section 13.1.B(3), Article 14, and <u>Section</u> 15.1.A(6)	Article 9	Items 6 and 17
u. Renewal	Section 3.2	Not Applicable	Item 17
v. Post-termination obligations	Article 13 and Section 15.3	Section 8.C	Item 17
w. Non-competition covenants	Article 13, Sections 15.1.A( <del>12</del> <u>13</u> ) and 15.3.G	Article 6	Item 17
x. Dispute resolution	Article 16	Article 12	Item 17
y. Guaranty <del>ee</del>	Section 2.2.B and Exhibit 3	Exhibit B	Item 1, Exhibit D

## ~~ITEM 10~~ ITEM 10 FINANCING

We do not offer direct or indirect financing ~~through the third party providers described below for certain amounts due under the Franchise Agreement. The third party providers listed below sponsor our annual franchise convention which we share with our Affiliate SPV Franchisors listed in Item 1 at a minimum level of \$10,000. In addition, Amerifund pays us a \$500 rebate per deal they finance.~~ We do not guarantee your note, lease or any other obligation. We~~While we~~ do not offer direct financing ~~and as such it is not our practice or intent to sell, assign, or discount any financing arrangement. As security for the performance of your obligations under the Franchise Agreement, including payments owed to us for purchases by you, you must grant us a security interest in all of the assets used in the operation of the Studio. If you are an entity, then one (1) or more of your owners may be required to guarantee the repayment obligations in connection with the program, as the provider determines appropriate.~~ or indirect financing, certain third-party lenders, such as Amerifund and Navitas, have sponsored our convention in the past and may do so in the future, but we are unaware of the terms of any financing you may, if at all, obtain from these or other lenders.

Item(s) Eligible for Program	Source of Financing or Lease-to-Own Program	Down Payment	Amount Financed	Term	Interest Rate	Finance Charges	Monthly Payment	Prepay Penalty	Security Required	Liability Upon Default	Loss of Legal Right on Default
Pre-Sales and Soft Opening Retail Inventory Kit and Fitness Equipment & Initial FF&E Package, and Certain Other Expenses	Amerifund	0% to 20%	\$39,800–\$48,800	2 to 5 years	6.9% to 18%	\$800-\$1,200 documentation and UCC filing and termination fees	Varies based on amount financed; down payment; term; and interest rate	None	Lien on financed equipment only; no additional collateral required	Unpaid balance	Lender will repossess equipment and schedule payment plan for balance due. If lender is able to resell equipment, resale price will be applied to balance due.
Pre-Sales and Soft Opening Retail Inventory Kit and Fitness Equipment & Initial FF&E Package, and Certain Other Expenses	Navitas	First and last months' payments	\$39,800–\$48,800	1 to 5 years	9%	1% origination fee and documentation fee between \$595 and \$1,500	Varies based on amount financed; term; and interest rate	Sliding scale; total of all payments in first year; principal balance plus 0% to 5% thereafter	Lien on financed equipment; Guaranty	Unpaid balance	Lender can repossess and resell equipment

## ~~ITEM 11~~ ITEM 11

### FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

#### A. Pre-Opening Assistance

##### *Franchise Agreement*

Before ~~you open~~ your Studio's Soft Opening:

1. We will provide you (or, if you are an entity, your Operating Principal), as well as your Designated Manager (if appointed) of your Studio, with our proprietary Initial Training Program, that at least you (or, if appropriate, your Operating Principal) will need to complete prior to opening your Studio. We will typically provide the Initial Training Program within the ~~thirty (30)~~ 60 to 90 days prior to your Studio opening, but that timing will be subject to the availability and schedules of our training personnel. We will provide the Initial Training Program at our corporate headquarters or other training facility we designate. (Franchise Agreement, Section 5.5). We will also provide your prospective Authorized Instructors with our Pure Barre Classic Training Program as described more fully below in this Item. (Franchise Agreement, Section 5.5).

2. If the Authorized Location for your Studio has not been identified at the time the Franchise Agreement is signed, we will work with you to designate a geographical area within which you must secure an Authorized Location for your Studio ("Designated Market Area"). (Franchise Agreement, Section 1.2).

3. Prior to you attending your required initial training, we will ~~loan~~provide you ~~one copy of the Manual~~access to the Learning Management System, which contains mandatory and suggested specifications, standards and procedures. The ~~Manual~~Learning Management System is confidential and remains our property. We may modify the ~~Manual~~Learning Management System. (Franchise Agreement, Section 6.4). The Learning Management System is in digital format on a web platform and not a traditional paper or PDF format. However, we have attached the Table of Contents of the ~~Manual is attached~~Learning Management System to this Disclosure Document as Exhibit F. The ~~Manual~~franchise owner section of the Learning Management System currently ~~consists~~comprises of approximately ~~312 pages, and seven (7) separate manuals~~17 modules (which is approximately 163 pages on the digital platform).

4. We will provide you (through the ~~Manual~~Learning Management System or otherwise) with specifications for the layout and design of the Studio (Franchise Agreement, Section 6.1 and 6.3).

5. We will provide you (through the ~~Manual~~Learning Management System or otherwise) with the list of the components of the Fitness Equipment & Initial FF&E Package, other furnishings, other supplies, and signs to be used in the Studio, as well as a list of Approved Suppliers; ~~however, we do not deliver or install these items at your Studio~~ (Franchise Agreement, Section 6.5).

6. We will license you the use of the then-current Marks we designate for use in connection with Studios (Franchise Agreement, Sections 4.1 and 4.2).

7. We will consult and advise you on establishing the Pre-Sales Phase and Opening Support Program. (Franchise Agreement, Section 6.8).

#### ~~Development~~Multi-Unit Agreement

If you enter into a ~~Development~~Multi-Unit Agreement, we will designate your Development Area and subsequently review and provide our approval with regards to the premises you propose for each Studio location within the Development Area. (~~Development~~Multi-Unit Agreement, Section 2.A and Exhibit A).

### **B. Site Selection Assistance and Time to Open**

#### *Site Selection Assistance: Franchise Agreement*

You must assume all costs, liabilities, expenses and responsibility in connection with: (i) locating, obtaining and developing a premises for your Studio; and (ii) constructing, equipping, remodeling and/or building out the premises for use as a Studio, all in accordance with our System Standards. If the Authorized Location for your Studio has not been identified at the time the Franchise Agreement is signed, we will assign you a Designated Market Area. (Franchise Agreement, Section 1.2).

We may provide you with: (i) our current written site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we determine is appropriate; and (ii) the contact information of any local real estate broker that we have an existing relationship with and that is familiar with our confidential site selection/evaluation criteria, if we know any such brokers in or around the Designated Market Area you are assigned. (Franchise Agreement, Section 1.2). We do not generally own the premises that System franchisees use for their Studio.

Our guidelines for site selection may require that you conduct, at your expense, an evaluation of the demographics of the market area for the location. Ideally, the Authorized Location of your Studio will be a major, national-tenant, anchored commercial retail center that meets our then-current requirements for population

density, demographics, available parking, traffic flow and entrance/exit from the site. ~~The typical Studio will be at least 1,200 square feet to 1,800 square feet in size.~~ (Franchise Agreement, Section 1.2).

If you locate a site, we will approve or disapprove of the site after we receive any and all reasonably requested information regarding your proposed site from you. (Franchise Agreement, Section 1.2). While we are not required under the Franchise Agreement to notify you as to whether the site has been approved or rejected within a certain timeframe, we typically will notify you of our decision within 30 days after you have submitted all requested information to us regarding the site. We use a software program to evaluate the demographics of a market area for site selection approval. If we cannot agree on a site, we may extend the time for you to obtain a site, or we may terminate the Franchise Agreement.

We also have the right and opportunity to review any lease or purchase agreement for a proposed location before you enter into such an agreement. We may condition our approval of a given premises as an Authorized Location for your Studio on a number of conditions, including: (i) the lease for such location including the terms outlined in Section 7.2 of the Franchise Agreement and Exhibit 4 to the Franchise Agreement, including any Collateral Assignment of Lease as set forth in our then-current ~~Manual~~ Learning Management System, in the lease for the location; and (ii) receiving a written representation from the landlord of the proposed premises that you will have the right to operate the Studio, including offering and selling the Approved Products and Approved Services, throughout the term of your Franchise Agreement. (Franchise Agreement, Sections 2.2.C and 7.2, and Exhibit 4).

You must secure our approval for an Authorized Location ~~that we approve~~ within 90 days of executing your Franchise Agreement for that Studio or we may terminate that Franchise Agreement. (Franchise Agreement, Section 1.2).

*Site Selection Assistance: ~~Development~~ Multi-Unit Agreement*

You are responsible for locating and presenting to us proposed sites for Studios in the Development Area. We will use reasonable efforts to review and evaluate the proposed sites within 30 days after we receive all requested information and materials to evaluate the site. We will approve the proposed site for any Studio if it meets our then-current standards. If we accept a proposed site, you (or your affiliate) must timely sign a separate Franchise Agreement for the site. (~~Development~~ Multi-Unit Agreement, Section 2.2).

*Time to Open: Franchise Agreement*

We will authorize you to commence the Pre-Sales Phase when (i) you have signed a premises lease agreement accepted by us for the Authorized Location (and, in some cases, once a letter of intent is signed in connection with the premises), and (ii) your pre-opening sales plan has been approved by us. We will authorize the Soft ~~o~~Opening of your Studio when (i) all of your pre-opening obligations have been fulfilled (including meeting certain minimum membership levels), (ii) all required pre-opening training has been completed, including Pure Barre Classic Training by at least seven (7) Authorized Instructors, (iii) all amounts due us have been paid, (iv) copies of all insurance policies (and payment of premiums) and all other required documents have been received by us, and (v) all permits have been approved. (Franchise Agreement, Sections 5.4, 5.5, 6.2 and 10.4).

The typical length of time between ~~the signing of the~~ Franchise Agreement and the time you open your Studio or payment of consideration for the franchise and commencement of the Pre-Sales Phase (which is when you will begin generating revenue) is approximately six (6) months. ~~This assumes that you will timely~~ and to the Soft Opening is approximately twelve (12) months. Note, if you are granted the right to acquire multiple franchises, these estimates relate to the signing of your first Franchise Agreement and the development of your first Studio. Additionally, these timelines are likely to increase if you do not use the services of our Approved Suppliers and other resources that we make available to you. ~~Your total timeframe may be shorter or longer~~



~~depending on the time necessary to obtain an~~ in connection with the development of your Studio or if you experience unanticipated delays in securing acceptable premises, ~~to obtaining~~ financing, ~~to obtaining the necessary~~ permits and licenses for the construction and operation of the Studio, ~~to complete~~ing construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, ~~to complete~~ing the interior and exterior of the Studio, including decorating, purchasing and installing fixtures, equipment and signs, and ~~to complete~~ing preparation for operating the Studio, including purchasing any necessary inventory or supplies ~~needed prior to opening~~.

~~You are required to open your Studio within six (6) months of executing your Franchise Agreement, but we may agree in writing to provide you with an additional three (3) months to open your Studio if you (a) have already secured an approved premises for your Studio, and (b) are otherwise making diligent and continuous efforts to buildout and otherwise prepare your Studio for opening throughout the six (6) month period following the execution of your Franchise Agreement. If you do not open your Studio within the time period set forth in the Franchise Agreement, we will have the option to terminate your Franchise Agreement. (Franchise Agreement, Section 2.2.D).~~

If you do not sign a premises lease agreement accepted by us for the Authorized Location within six (6) months after you sign the Franchise Agreement, we may terminate your Franchise Agreement without refund of your Initial Franchise Fee. Additionally, if you do not conduct your Studio's Soft Opening within twelve (12) months after you sign the Franchise Agreement we may terminate your Franchise Agreement without refund of your Initial Franchise Fee. (Franchise Agreement, Section 2.2).

*Time to Open: ~~Development~~Multi-Unit Agreement (if applicable)*

If you have entered into a ~~Development~~Multi-Unit Agreement to open and operate multiple Studios, your ~~Development~~Multi-Unit Agreement will include a Development Schedule containing a deadline by which you must have each of your Studios open and operating. (~~Development~~Multi-Unit Agreement, Exhibit A).

### **C. Our Obligations During the Operation of the Studio**

#### *Franchise Agreement*

During the operation of your Studio:

1. We will specify or approve certain equipment and suppliers to be used in your Studio (Franchise Agreement, Sections 6.5 and 7.1).
2. We will provide additional training to you and any of your employees at your request. You are responsible for any and all costs associated with such additional training (Franchise Agreement, Section 6.2).
3. We will provide such continuing advisory assistance and information to you in the development and operation of the Studio as we deem fit (Franchise Agreement, Section 6.4).
4. We (or our affiliates) will maintain and administer the Fund (Franchise Agreement, Section 9.1).

We may also decide to require fixed maximum or minimum prices for any products or services that you offer in connection with the Studio (Franchise Agreement, Section 6.6).

## D. Advertising and Marketing

### *Advertising Generally*

You are responsible for local marketing activities to attract members to your Studio. We require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet or otherwise. You must first obtain our advanced written approval before any form of co-branding, or advertising with other brands, products or services. (Franchise Agreement, Section 9.2)

You must strictly follow the social media guidelines, code of conduct, and etiquette as set forth in the ~~Manual~~[Learning Management System](#) regarding social media activities. Any use of social media by you pertaining to the Studio must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. You will promptly modify or remove any online communication pertaining to the Studio that does not comply with the Franchise Agreement or the ~~Manual~~[Learning Management System](#). (Franchise Agreement, Section 9.3)

### *Brand Development Fund*

The Fund was established to promote Studios and help promote and develop our System and brand generally. As of the date of this Disclosure Document, your Fund Contribution is two percent (2%) of your Studio's Gross Sales. Fund Contributions will be payable from the earlier of (a) the date your Studio opens, or (b) the date the Studio receives a payment from a client in connection with Approved Services to be provided at any point. We may increase the Fund Contribution upon 60 days' written notice to you, [subject to the Marketing Expenditure Cap](#). (Franchise Agreement, Sections 5.6 and 9.1).

The Fund is administered by us (or our affiliates), as we deem appropriate in our discretion. ~~With that said, we may (at our option) also~~[We have](#) established a marketing fund committee (the "MFC") to help advise on matters related to the Fund. ~~As of the date of this Disclosure Document we have not established the MFC but in the event we establish the MFC, the Fund will still be administered by us with the MFC serving~~[Under the current charter, which is subject to change upon notice by us, the MFC serves](#) in an advisory capacity ~~only~~[and consists of five \(5\) members. System franchisees elect or appoint four \(4\) members to the MFC to serve for a one-year term corresponding to the calendar year and we select one \(1\) member to serve for a one-year term corresponding to the calendar year.](#) The Fund will be maintained and operated by us (or our affiliates) to meet the costs of conducting regional and national advertising and promotional efforts, other brand development activities, as well as related technology used to implement the foregoing (i.e., digital marketing platform, System web portal) that we determine beneficial to the System and employ~~ing~~ advertising/public relations agencies to assist in advertising activities. ~~The MFC, if established, will serve in an advisory capacity only.~~ We will direct all advertising, marketing and public relations programs and activities financed by the Fund, including the creative concepts, materials and endorsements used and the geographic market, media placement and allocation. We have the power to form, change or dissolve the Fund and/or MFC. We will pay for these activities from the Fund. The Fund Contributions may be used for traditional and digital advertising activities, such as website development, social media, public relations, advertising campaigns (television, radio, print or other media), or other promotions which will raise awareness of our brand.

We are not obligated to ensure that Fund activities or dollars are spent equally, on a pro rata basis, either on your Studio, or all Studios in an area. A brief statement regarding the availability of System franchises may be included in advertising and other items produced using the Fund, but we do not otherwise expect to use the Fund primarily for any Franchise sales or solicitations as of the date of this Disclosure Document.

We (and our affiliates) will have the right to make disbursements from the Fund, as we determine appropriate to cover the costs and expenses associated with the marketing, advertising and promotion of the brand, Marks, System, Studio locations and/or the Approved Products and Approved Services, including: the cost of formulating, developing and implementing advertising and promotional campaigns; the reasonable costs of administering the Fund, including accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Fund; and/or creation, development and/or placement of any creative and/or implementation of any campaigns associated with the same. The Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Fund. We are not required to audit the Fund, but we may retain independent certified public accountants to prepare an annual audit of the Fund, at the expense of the Fund, ~~and send~~. We will provide a copy of the ~~audit~~annual accounting of the Fund to franchisees upon written request. Our company-owned or affiliate-owned Studios, if and when operating, are not required to contribute to the Fund at the same rate as franchisees. As of the date of this Disclosure Document, all franchisees will contribute to the Fund at the same rate as you. Should the Fund Contribution for the System decrease at any time, we have the right to reduce our contribution from company-owned or affiliate-owned Studios to the rate specified for franchised locations.

We are not required to spend all Fund Contributions in the fiscal year they are received. You agree to participate in all Fund programs. The Fund may furnish you with marketing, advertising and promotional materials; however, we may require that you pay the cost of producing, shipping and handling for such materials.

During the fiscal year ended on December 31, ~~2023~~2024, the Fund Contributions were spent as follows: ~~2.3~~1% on production, ~~32.1~~32% on administrative expenses, ~~1.2~~1% on media placement and ~~64.4~~66% on Internet-related matters and digital activities.

#### *Local Advertising Requirement; Co-Ops*

As part of your material obligations under your Franchise Agreement, you must spend ~~at least \$1,500 per~~ the greater of (a) \$1,500 or (b) two percent (2%) of Gross Sales each month on marketing and advertising materials (excluding agency and vendor fees) that we approve in connection with the promotion of your Studio within your Designated Territory (your “Local Advertising Requirement”). We may periodically increase your Local Advertising Requirement, subject to the Marketing Expenditure Cap. Upon our request, you must provide us with an accounting of your monthly expenditures associated with your Local Advertising Requirement, along with invoices and other relevant documentation to support those expenditures. Please be advised that the Local Advertising Requirement is only the minimum amount you must spend each month, and we encourage you to spend additional amounts on the local promotion of your Studio. We are not required to spend any amount on advertising within your Designated Territory.

We have not yet established a local or regional Co-Op. We may, in the future, decide to form one or more associations and/or sub-associations of Studios to conduct various marketing-related activities on a cooperative basis. If one or more Co-Ops (local, regional and/or national) are formed covering your Authorized Location, then you must join and actively participate. You may be required to contribute such amounts as are determined by such Co-Ops, subject to the Marketing Expenditure Cap. (Franchise Agreement, Section 9.4).

#### *Initial ~~Grand Opening~~ Marketing ~~& Advertising Spend~~ Requirement; Opening Support Program*

In addition to the Local Advertising Requirement, you will be required to spend a minimum of \$15,000 in connection with pre-opening sales activities and other initial launch promotional activities designed to increase visibility of your Studio within your Designated Territory. You may be required to spend all or some portion of these funds on products/services received from an Approved Supplier we designated ~~d~~ or approve, and all materials used in connection with your grand opening campaign must be approved by us if not previously designated for

use. We expect that you will typically be required to spend these amounts in the 30 to 60 days prior to opening and in the 30-day period following the opening of your Studio. (Franchise Agreement, Section 9.2).

Your Pre-Sales Phase and Opening Support Program must commence once your real estate lease is signed. The Opening Support Program is provided by our third-party Approved Supplier and is currently overseen by our internal marketing and sales departments. Participation in the Opening Support Program is mandatory, and we may require you to spend certain amounts on services or content that is supplied by one (1) or more of our Approved Supplier(s). The Initial ~~Grand Opening-Marketing & Advertising Spend~~[Requirement](#) will not count towards your Local Advertising Requirement [and is not subject to the Marketing Expenditure Cap](#).

**E. Training**

*Initial Training Programs (for Owner/Operator or, if appropriate, Designated Manager*

Prior to ~~opening~~[your Studio's Soft Opening](#), you must ensure that: (i) you (or, if you are an entity, your Operating Principal) completes our Initial Training Program to our satisfaction, which will typically last 2-3 business days at our corporate headquarters or another training facility we designate (most likely in California [or virtually online](#)); and (ii) your Designated Manager (if appointed) attend and complete the Designated Manager Training Program to our satisfaction. While there is no specific deadline by which the training above must be completed, you (or, if you are an entity, your Operating Principal) and your Designated Manager (if appointed) must complete all of the training obligations prior to ~~opening~~[your Studio's Soft Opening](#). Training classes are not held on a regular schedule. We will schedule the program based on your and our availability and the projected opening date for your Studio. [If you are purchasing an existing Studio, all required training must be completed within 60 days after you take over the operations of the Studio.](#)

In the event you are the owner of multiple Studios or otherwise wish to appoint a third-party individual to manage the day-to-day operations of your Studio, then that individual (a "Designated Manager") must (a) attend and complete at least the Designated Manager Training Program (and, if he/she wishes to provide the Approved Services, the Pure Barre Classic Training Program described below in this Item) to our satisfaction, and (b) otherwise be approved by us, before assuming any management responsibility at your Studio. (Franchise Agreement, Sections 5.5 and 6.2).

We do not charge a tuition or training fee for you or your designated trainees (you or your Operating Principal and Designated Manager (if appropriate)) to attend the appropriate training program(s) below, provided these individuals attend or otherwise complete such training prior to ~~the opening of~~[your Studio's Soft Opening](#). You will be responsible for the costs and expenses associated with these individuals attending our Initial Training Program. (Franchise Agreement, Section 5.5). The training program uses the ~~Operations Manual~~[Learning Management System](#) and other written material as training materials.

Our primary initial training programs as of the date of this Disclosure Document are described below:

**TRAINING PROGRAMS**

Initial Training Program (or "Owner/Operator Module")			
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Communications and Expectations	1.5	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation

Initial Training Program (or “Owner/Operator Module”)			
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Pure Barre Class	0	1	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Retail	1	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Intro to Studio Management Software	2	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Sales	3.5	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Finance	1	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Staffing and HR Support	2	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Marketing	3.5	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Recruiting	1	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Training & Technique	3	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
Test	0.5	0	Online; <del>At</del> <u>at</u> our corporate headquarters in Irvine, CA; or other training location per our designation
<b>TOTAL HOURS FOR OWNER/OPERATOR MODULE</b>	<b>19</b>	<b>1</b>	

Designated Manager Training Module			
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Ingredients of a Successful GM	1	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Software	4	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Prospect Generation	5	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Pre-Sale, Soft Open, and Grand Open	1	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Retail Sales	1	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Sales Process: Foundation Classes and Memberships	5	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Marketing	2	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Sales: Role-Play & Agreement Write-Up	2	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Pure Barre Sample Class	1	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Monthly Strategy Planning	1	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
Comprehension Exam	1	0	Online; <del>At</del> <a href="#">at</a> our corporate headquarters in Irvine, CA; or other training location per our designation
<b>TOTAL HOURS FOR DESIGNATED MANAGER MODULE</b>	<b>24</b>	<b>0</b>	



Pure Barre Classic Training (for those that wish to qualify as an Authorized Instructor)			
Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Pure Barre Concept, Class Planning, and Teaching Skills	3	1	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Basic Anatomy	0	2	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Musicality and PB Choreography	2	0	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Hands on Assistance and Exercise Modifications	2	0	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Warm Up Techniques	4	0	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Thigh Exercises	4	0	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Seat Exercises	4	0	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Abdominal Exercises	4	0	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Stretching	1	0	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Creating the Pure Barre Experience	3	1	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
Practical Teaching Application	2	65	Online; <del>At</del> at our corporate headquarters in Irvine, CA; or other training location per our designation
<b>TOTAL HOURS</b>	<b>29</b>	<b>69</b>	

**Explanatory Notes to Training Charts above.**

1. Before certain trainees attend their required training at one of our designated training locations, such trainees must complete approximately 4 hours of online classes covering introductory topics related to the Studio, including the business concept itself and basic anatomy. We may provide additional portions of any of the

training programs above remotely via webinar or other online learning management system that allows us to monitor and track a trainee's participation, progress and completion, as well as test the trainee for knowledge retention, as we determine appropriate in our discretion.

2. The hours of on-the-job training provided in connection with the "Practical Teaching Application" described in the Training Chart above will likely vary based on how quickly a given trainee is able to memorize and retain the information presented, but we estimate that this portion of the initial training usually takes between 40 to 50 hours.

3. Currently, Pure Barre Classic Training classes are held weekly, with ~~each week alternating between our then current corporate training locations (if we have not provided a method to attend and complete this training remotely)~~ remote virtual and in person session options. However, we may elect to offer training less frequently depending on when new franchisees join the franchise system or otherwise modify our training schedule at any time. The training programs and corresponding classes above are conducted after you sign the Franchise Agreement, and typically while your Studio is in the build-out phase.

4. Before the opening of your Studio, we also require you to participate in approximately 6 hours of training to train you on certain aspects of the required business management and point-of-sale software, membership presales, marketing, and daily operations. You will use our materials for on-the-job training, but we do not supervise this aspect of training.

5. You and, if appropriate, your Designated Manager, must complete their required initial training above (either the Owner/Operator Module or Designated Manager Module, as applicable) approximately 6 to 8 weeks before opening your Studio. You may also be required to participate in subsequent training or refresher courses after your Studio is open. All individuals participating in Initial Training must attend simultaneously. If you do ensure all you and your appropriate personnel have completed all required training prior to the date you are required to open your Studio or prior to you opening your Studio, we may terminate your Franchise Agreement.

We will provide you with training materials contained in the ~~Manuals~~ Learning Management System, which includes our training ~~manual~~ Learning Management System covering class format, basic anatomy, positioning and choreography, proper form and modifications, teaching skills, and evaluation and review forms. Training courses currently are conducted by teacher trainers and are overseen by our ~~Interim~~ Brand President, Katelyn DiGiorgio, the latter of which has (a) around ~~nine (9)~~ 10 years of experience with us or our affiliates and the Pure Barre brand (by working with certain affiliate operations), and (b) over ~~11~~ 12 years of experience in connection with most training topics.

#### *On-Site Grand Opening Assistance (Discretionary)*

~~Around the time you first open~~ For your Studio's Soft Opening, we may send one (1) or more representatives to your Studio to (a) provide assistance and recommendations regarding your opening and initial operations, and/or (b) provide additional or refresher training associated with any required initial training described above in this Item, as we deem appropriate in our discretion. If we determine to provide such on-site assistance, it will typically last between 1-2 business days and we may require that you cover the costs our representatives incur in connection with such assistance.

### *Additional Instructor Training*

Within 12 months of the date an Authorized Instructor completes Pure Barre Classic Training, that Authorized Instructor must also complete our then-current Additional Instructor Training, which is currently provided under and in connection with our classes and instruction that our System franchisees are authorized to provide utilizing the PURE [BARRE](#) EMPOWER™, [PURE BARRE DEFINETM](#), and PURE ~~REFORM~~[BARRE ALIGN](#)™ marks and exercises/routines we have developed as part of our System. You must pay the appropriate training fees associated with this additional training that your Authorized Instructors must attend and/or participate in and complete in order to retain his or her status as an Authorized Instructor that is permitted to provide the Approved Services at the Studio, as well as all costs and expenses your Authorized Instructor(s) incur in connection with attending and/or participating in such training. Below please find an outline of the Additional Instructor Training as of the date of this Disclosure Document:

#### **PURE [BARRE](#) EMPOWER Training Program**

<b>Subject</b>	<b>Hours of Classroom Training</b>	<b>Hours of On-the-Job Training</b>	<b>Location</b>
Pure <a href="#">Barre</a> Empower Concept, Class Planning, and Teaching Skills	2	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Health Benefits and Physiology	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Warm Up Techniques	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Upper Body Strength Exercises	1	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Lower Body Strength Exercises	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Abdominal Exercises	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Stretching	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Creating the Pure <del>Reform</del> <a href="#">Barre Empower</a> Experience	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Online Post-Training Course Work	4	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Practical Teaching Application	0	11 to 15	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
<b>TOTAL HOURS</b>	<b>10</b>	<b>11 to 15</b>	

PURE ~~REFORM~~BARRE DEFINE Training Program

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Pure <del>Reform</del> <u>Barre Define</u> Concept, Class Planning, and	2	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Health Benefits and Physiology	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Warm Up Techniques	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Arms-Legs Exercises	1.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Seat exercises	1	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Abdominal Exercises	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Stretching	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Creating the Pure <del>Reform</del> <u>Barre Define</u> Experience	.5	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Online Post-Training Course Work	3	0	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
Practical Teaching Applications	0	11 to 15	Online; At our corporate headquarters in Irvine, CA; or other training location per our designation
<b>TOTAL HOURS</b>	<b>10</b>	<b>11 to 15</b>	

### PURE BARRE ALIGN Training Program

<u>Subject</u>	<u>Hours of Classroom Training</u>	<u>Hours of On-the-Job Training</u>	<u>Location</u>
<u>Pure Barre Align Concept, Class Planning, and</u>	<u>2</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Health Benefits and Physiology</u>	<u>.5</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Warm Up Techniques</u>	<u>.5</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Arms-Legs Exercises</u>	<u>1.5</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Seat exercises</u>	<u>1</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Abdominal Exercises</u>	<u>.5</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Stretching</u>	<u>.5</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Creating the Pure Barre Align Experience</u>	<u>.5</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Online Post-Training Course Work</u>	<u>3</u>	<u>0</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<u>Practical Teaching Applications</u>	<u>0</u>	<u>11 to 15</u>	<u>Online; At our corporate headquarters in Irvine, CA; or other training location per our designation</u>
<b><u>TOTAL HOURS</u></b>	<b><u>10</u></b>	<b><u>11 to 15</u></b>	

#### *Additional / Remedial Training Generally*

We may also provide, and require that you (and your Operating Principal and Designated Manager, as appropriate), as well as your Authorized Instructors, attend up to five (5) days of additional training each year at our designated training facility. We will not charge any training fee in connection with such training that we require you to attend. (Franchise Agreement, Section 6.3). We may also require you to attend certain training as part of the actions you must take to cure certain defaults under your Franchise Agreement (“Remedial Training”),

and we may charge you our then current Training Fee in connection with such Remedial Training (Franchise Agreement, Section 5.5).

You may request that we provide certain additional or refresher training to you, either at one (1) of our designated training facilities or on-site at your Studio. We may charge you our then-current Training Fee based on the number of days of such training that we provide at your request (regardless of location). (Franchise Agreement, Section 5.5).

You will be responsible for the costs and expenses associated with you and your designated personnel attending any such additional training described in this Item. (Franchise Agreement, Section 5.5).

#### **F. Computer System - Hardware and Software**

You must acquire a computer for use in the operation of the Studio. The cost associated with the Computer System is included in the subheading “Computer System, A/V Equipment, and Related Components” set forth in Item 7. You must record all of your receipts, expenses, invoices, member lists, class and employee schedules, and other business information promptly in the Computer System and use the software that we specify or otherwise approve. Currently, you must license the business/Studio management software we designate from our Approved Supplier, which we may require you to use in connection with class scheduling, processing member credit and debit card payments, keeping your business records and generating business reports, among other things associated with your Studio’s operations. At this time, we have approved no other compatible program but we may do so at our sole discretion. If the Approved Supplier for the required software changes, you must migrate your operations to the new required software at our direction. The details of these standards and requirements will be described in the [Manual Learning Management System](#) or otherwise in writing and may be modified in response to changes in marketing conditions, business operating needs, or technology. (Franchise Agreement, Sections 5.4, 5.6 and 10.3).

You must allow our Approved Supplier to upgrade the proprietary database configuration of the required software for the computer in your Studio as we determine necessary. Our Approved Supplier may provide you [with](#) periodic updates to maintain the software and may charge a fee for preparing the updates and maintaining the software. There are no limitations on the frequency and cost of the updates. The system is designed to enable us to have immediate, independent access to the information monitored by the system, and there is no contractual limitation on our independent access or use of the information we obtain. (Franchise Agreement, Sections 5.4 and 10.3).

You must purchase, lease and maintain such computer hardware and software, dedicated high speed communications equipment and services, dedicated telephone and power lines, modem(s), speakers, and other computer-related accessories or peripheral equipment as we may specify, for the purpose of, among other functions, recording Studio sales, scheduling classes, and other functions that we require. You must provide such assistance as may be required to connect your Computer System with a computer system used by us. We will have the right, on an occasional or regular basis, to retrieve such data and information from your Computer System as we, in our sole and exclusive discretion, consistent with consumer privacy laws, deem necessary. You must operate your Computer System in compliance with certain security standards specified and modified by us and with our System Standards. (Franchise Agreement, Sections 5.4 and 10.3).

To ensure full operational efficiency and optimal communication capability between and among Computer System installed by you, us, and other franchisees, you agree, at your expense, to keep your computer system in good maintenance and repair, and following our determination that it will be economical or otherwise beneficial to the System to promptly install such additions, changes, modifications, substitutions and/or



replacement to your computer hardware, software, communications equipment and services, telephone and power lines, and other computer-related facilities, as we direct.

~~We may require you to update or upgrade any computer hardware or software during the term of the Franchise, and if we choose to do so, there are no limitations on the cost and frequency of this obligation.~~ The approximate cost of the Computer System ~~including a computer or tablet computer, hardware and software is approximately \$2,500 to \$3,500~~ and the Audio Visual Package is between \$19,500 and \$22,500. The approximate cost of any annual maintenance upgrades or updates or maintenance support contracts varies widely from \$100 to \$1,000 which does not include (a) our then-current Technology Fee (currently, ~~150~~304/month), (b) then-current Software Fee charged by our Approved Supplier for the Studio management software (currently, ~~\$195~~203/month), ~~(c) Music Licensing Fee (currently, \$185 per month); and (d and any associated credit card surcharge and transaction processing fees, and (c) the fees associated with any other required software we designate in the future for use in connection with your Studio. We have no obligation to provide ongoing maintenance, repairs, upgrades or updates, and any such obligations would be those of the software licensors.~~

We may implement our own technology support and maintenance service, and charge a fee in connection your Studio. We have no obligation to provide ongoing maintenance, repairs, upgrades or updates, and any such obligations would be those of the software licensors.

#### *AV Package*

~~The audio-visual package typically includes assorted speakers, displays and other audio and visual equipment, and various mounting and cabling products (the “AV Package”). We estimate that the AV Package will cost approximately \$15,000.~~

## **ITEM 12 ITEM 12** **TERRITORY**

### **Franchise Agreement**

#### *Authorized Location*

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You will operate your Studio at the Authorized Location. Once you have identified your Authorized Location and we accept the proposed site, we will designate the Designated Territory around the Authorized Location within which you will have certain protected rights.

You will not be permitted to relocate your Studio without our prior written approval, which may be withheld ~~in~~at our discretion. You will be assessed a relocation fee of \$5,000 at the time you submit the proposed location for your relocated Studio. Generally, we do not approve requests to relocate your Studio after a site selection has been made and you have opened for business unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.

## Designated Territory

Your Designated Territory will ~~typically contain a maximum of 50,000 people which will be approximately a two-mile radius around your Studio's Authorized Location, unless your Studio is located in a major metropolitan downtown area or similarly situated/populated central business district (a "Central Business District"). If your Studio is located in a Central Business District, your Designated Territory will typically contain up to 50,000 people but may be limited to a geographic area comprised of anywhere from a radius of two blocks to two miles around your Studio, as we deem appropriate in our discretion. The size of your Designated Territory~~ may generally be an area with a population of at least 15,000 people, as published by the U.S. Census Bureau or other governmental agencies and commercial sources. However, the size and shape of your Designated Territory will vary from the territory granted to other franchisees based on the location and demographics surrounding your Studio.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. ~~If we determine, in our discretion, to base your Designated Territory on population, then the sources we use to determine the population within your Designated Territory will be supplied by (a) the territory mapping software we determine to license or otherwise use, or (b) publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).~~

As long as you are in compliance with your Franchise Agreement, we will not operate, or grant a license to a third-party to operate, during the term of your Franchise Agreement, a Studio located within the Designated Territory, subject to our reservation of rights below.

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation or otherwise of present or future Studios, using any of the other brands or Marks that we now, or in the future, may offer, and we may operate or license Studios or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to your Designated Territory and whether or not they provide services similar to those that you offer. You do not have any rights with respect to other and/or related businesses, products and/or services, in which we may be involved, now or in the future. Your Designated Territory will not be modified by us for any reason so long as you are not in default of your Franchise Agreement, except in cases where (a) your requested relocation of your Studio is approved and you relocate, and/or (b) at the time of any requested ~~renewal or~~ for a successor franchise or a proposed assignment of the franchise, the population of the Designated Territory is over ~~50,000~~ 15,000. In such cases, we may move or modify the size of your Designated Territory.

### *Rights Within and Outside the Designated Territory*

While you and other Studios will be able to provide the Approved Services to any potential client that visits or otherwise reaches out to your Studio, you will not be permitted to actively solicit or recruit clients outside your Designated Territory, unless we provide our prior written consent.

You will not be permitted to advertise and promote your Studio via advertising that is directed at those outside your Designated Territory without our prior written consent, which we will not unreasonably withhold provided (a) the area you wish to advertise in is contiguous to your Designated Territory, and (b) that area has not been granted to any third party in connection with a Studio (or ~~Development~~ Multi-Unit Agreement) of any kind.

We may choose, in our sole discretion, to evaluate your Studio for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera monitoring, member comments/surveys, and secret shopper reports). You must meet minimum standards for

cleanliness, equipment condition, repair and function, and customer service. Your employees, including independent contractors, must meet minimum standards for courteousness and customer service.

#### *Minimum Gross Sales Quota(s)*

Unless waived by us due to unique market conditions, you must meet a certain minimum monthly Gross Sales quota (the "Minimum Monthly Gross Sales Quota"), as follows: (i) you must achieve and maintain trailing 12-month average monthly Gross Sales of ~~\$30,000~~ 10,000 by the 1<sup>st</sup> anniversary of ~~the opening of your Studio's~~ Soft Opening; and (ii) you must achieve and maintain trailing 12-month average monthly Gross Sales of ~~\$40,000~~ 15,000 by the 2<sup>nd</sup> anniversary of your Studio's Soft Opening and each successive anniversary ~~of the opening of your Studio.~~

If you fail to meet the Minimum Monthly Gross Sales Quota ~~for 36 consecutive months~~ at any time during the term of your Franchise Agreement, we, ~~in our discretion,~~ may institute a mandatory corrective training program ~~or~~ upon written notice to you. You will be obligated, at your expense, to participate in and implement all temporary and permanent corrective measures that we require to address the performance standards not achieved. However, if you fail to participate in and implement all temporary and permanent corrective measures that we require, or if you fail to achieve the Minimum Monthly Gross Sales Quota during any trailing 36-month period, regardless of your participation in any corrective training programs mandated by us, then we may terminate your Franchise Agreement upon written notice to you.

#### **~~Development~~Multi-Unit Agreement**

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

If you are awarded the right to acquire multiple Franchises for Studios under our form of ~~Development~~Multi-Unit Agreement, then we will provide you with a Development Area upon execution of the ~~Development~~Multi-Unit Agreement. The size of your Development Area will substantially vary from other System developers based on: (i) the number of Studios we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these Studios. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the ~~Development~~Multi-Unit Agreement.

~~Each Studio you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct site located within the Development Area; and (ii) within its own Designated Territory that we will define once the site for that Studio has been approved.~~

You are responsible for locating and presenting to us proposed sites for Studios in the Development Area. We will use reasonable efforts to review and evaluate the proposed sites within 30 days after we receive all requested information and materials to evaluate the site. We will approve the proposed site for any Studio if it meets our then-current standards. If we accept a proposed site, you (or your affiliate) must timely sign a separate Franchise Agreement for the site. Each Studio you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct site located within the Development Area; and (ii) within its own Designated Territory that we will define once the site for that Studio has been approved.

As long as you are in compliance with your ~~Development~~Multi-Unit Agreement, we will not operate, or grant a license to a third-party to operate, during the term of your ~~Development~~Multi-Unit Agreement, a Studio located within the Development Area, and we will not grant anyone else the right to develop Studios within the Development Area, subject to our reservation of rights below.

You must comply with your development obligations under the ~~Development~~[Multi-Unit](#) Agreement, including your Development Schedule, in order to maintain your development rights within the Development Area. If you do not comply with your Development Schedule, we may terminate your ~~Development~~[Multi-Unit](#) Agreement and any further development rights you have under that agreement. Otherwise, we will not modify the size of your Development Area except by mutual written agreement signed by both parties.

### **Reserved Rights**

We and our parents/affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement and/or ~~Development~~[Multi-Unit](#) Agreement (as appropriate): (i) establish and operate, and license any third party the right to establish and operate, other Studios and Studios using the Marks and System at any location outside of your Designated Territory(ies) and, if applicable, Development Area; (ii) market, offer and sell products and services that are similar to the products and services offered by the Studio under a different trademark or trademarks at any location, within or outside the Designated Territory(ies) and, if applicable, the Development Area; (iii) use the Marks and System, as well as other such marks we designate, to distribute any Approved Products and/or Approved Services in any alternative channel of distribution, within or outside the Designated Territory(ies) and Development Area (including the Internet and other e-commerce channels and streaming platforms; wholesale stores, retail stores, catalog sales, etc.) as further described below; (iv) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Approved Services (but under different marks), within or outside your Designated Territory(ies) and, if applicable, Development Area; (v) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited in your Franchise Agreement and, if applicable, your ~~Development~~[Multi-Unit](#) Agreement ; and (vi) open and operate, or license third parties the right to open or operate, Studios at “Non-Traditional Sites” both within and outside the Designated Territory and, if applicable, Development Area. “Non-Traditional Site” means any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, “big box” gyms and/or fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, hotels, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations).

Neither the Franchise Agreement nor the ~~Development~~[Multi-Unit](#) Agreement grants you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our parent/affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Designated Territory.

### **Internet Sales / Alternative Channels of Commerce**

We may sell products and services to members located anywhere, even if such products and services are similar to what we sell to you and what you offer at your Studio. We may use the internet or alternative channels of commerce to sell products and services branded with the Marks. You may only sell the products and services from your Studio’s Authorized Location, and may only use the internet or alternative channels of commerce to offer or sell the products and services, as permitted by us, in order to register members for classes. We may require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet or otherwise. We retain the right to approve or disapprove of such advertising, in our sole discretion. Any use of social media by you pertaining to the Studio must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content.

We may "occupy" any social media websites/pages and be the sole provider of information regarding the Studio on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to the Studio that does not comply with the Franchise Agreement or the ~~Manual~~[Learning Management System](#). You are not prohibited from obtaining members over the Internet provided your Internet presence and content comply with the requirements of the Franchise Agreement.

### **Additional Disclosures**

Neither the Franchise Agreement nor the ~~Development~~[Multi-Unit](#) Agreement provides you with any right or option to open and operate additional Studios (other than as specifically provided for in your ~~Development~~[Multi-Unit](#) Agreement if you are granted multi-unit development rights). Regardless, each Studio you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. We have not established, nor do we presently intend to establish, other franchised or company-owned businesses that are similar to the Studio and that sell our Approved Products and Approved Services under a different trade name or trademark, but we may do so in the future without your consent. Certain of our affiliates are involved with franchising and other activities as previously disclosed in Item 1 of this Disclosure Document, and such affiliates may continue conducting franchising and other activities.

As described in Item 1, our following affiliates offer franchises using trademarks other than the Marks:


- ~~• AKT SPV offers and sells franchises for fitness studios that provide fitness training classes combining circuit training, strength, toning, dance cardio, and other fitness techniques under the AKT® trademark.~~
- ☐ • BFT SPV offers and sells franchises for fitness studios that provide strength and endurance training, high-intensity intermittent training exercises, high-intensity resistance training, hypertrophy-style training, and other techniques under the BFT® trademark.
- ☐ • CB SPV offers and sells franchises for indoor cycling studios under the CYCLEBAR® trademark.
- ☐ • CP SPV offers and sells franchises for Pilates studios under the CLUB PILATES® trademark.
- ☐ • Lindora Franchisor offers and sells franchises for ~~clinics~~[studios](#) that provide or arrange for the provision of certain medical and non-medical products and services under the LINDORA® trademark.
- ~~• RH SPV offers and sells franchises for fitness studios that offer rowing and free weight exercise instruction under the ROW HOUSE® trademark.~~
- ☐ • RF SPV offers and sells franchises for fitness studios that provide boxing classes and other related exercise classes under the RUMBLE® trademark.
- ☐ • SL SPV offers and sells franchises for studios that provide stretching classes, related therapy activities, and if approved, a proprietary "flexologist" training programs under the STRETCH LAB® trademark.

- ▣ ~~•~~ YS SPV offers and sells franchises for studios that provide yoga and other exercise programs under the YOGA SIX® trademark.

There is no mechanism for resolving any conflicts that may arise between franchised or company-owned studios that operate under any of the Xponential Brands, including any Studio. Any resolution of conflicts regarding location, customers, support, or services will be entirely within your and our business judgment. While we do not anticipate conflicts between franchisees of different brands, we will analyze any future conflict and take action (if any) that we deem appropriate.

### ~~ITEM 13~~ ITEM 13 TRADEMARKS

We grant you the right to use the Marks we designate for use in connection with your Studio as part of the license rights you are granted under each Franchise Agreement you enter into with us, provided you only use the Marks in connection with your Studio operations and in strict accordance with the terms of your Franchise Agreement and any ~~Manual~~ Learning Management System or other written directives from us. The following Marks are registered and owned by us on the Principal Register of the United States Patent and Trademark Office (“USPTO”):

Mark	Registration Number	Registration Date
pure barre	3,553,370	December 30, 2008
pure barre	4,431,632	November 12, 2013
	4,431,630	November 12, 2013
lift • tone • burn	4,608,054	September 23, 2014

We have also filed federal applications with the USPTO to register the following Marks:

<u>Mark</u>	<u>Serial Number</u>	<u>Filing Date</u>
PURE <del>EMPOWER</del> <u>BARRE</u> <u>ENGAGE</u>	<del>5,613,749</del> <u>98351259</u>	<del>November 20, 2018</del> <u>January 10, 2024</u>
<u>PURE BARRE FOCUS</u>	<u>98351268</u>	<u>January 10, 2024</u>

We expect and intend to submit all affidavits and other filings necessary to maintain the registrations above. There are no presently effective determinations of the United States Patent and Trademark Office, the trademark administrator of any State, or any court, nor any pending material litigation involving any of the Marks which are relevant to their use in any State. There are no pending interference actions or opposition or cancellation proceedings that significantly limit our rights to use or license the use of the Marks in any manner material to the System. We have filed all required affidavits for the Marks and will continue to do so.

You must follow our rules when you use the Marks. You cannot use our name or any of the Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You must not use any other trade names or trademarks in the operation of the Studio without first obtaining our written consent. You must not establish a website on the Internet using any domain



name containing the Marks or any variation thereof without our written consent. We retain the sole right to advertise on the Internet and create a website using the Marks as domain names.

If it becomes advisable, in our sole discretion, for us to modify or discontinue use of any of the Marks, or use one or more additional or substitute Mark, you must comply with our directions to modify or otherwise discontinue the use of such Mark within a reasonable time after notice by us. We will not be obligated to compensate you for any costs you incur in connection with any such modification or discontinuance.

You cannot seek to register, re-register, assert claim to ownership of, license or allow others to use or otherwise appropriate to itself any of the Marks or any mark or name confusingly similar to them, except insofar as such action inures to our benefit and has our prior written approval. Upon the termination or cancellation of the Franchise Agreement, you must discontinue use of the Marks, remove copies, replicas, reproductions or simulations thereof from the premises and take all necessary steps to assign, transfer, or surrender to us all Marks which you may have used in connection with the Franchise Agreement.

You must immediately notify us of any apparent infringement of or challenge to your use of the Marks. Although not obligated to do so, we will take any action deemed appropriate and will control any litigation or proceeding. You must cooperate with any litigation relating to the Marks which we or our affiliates, or the licensor, might undertake.

We are not aware of any prior superior rights or infringing uses that would materially affect your use of the Marks. There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks.

~~ITEM 14~~ITEM 14  
**PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION**

You do not receive the right to use any item covered by a patent or copyright, but you can use the proprietary information in the ~~Manual~~Learning Management System. Item 11 describes the ~~Manual~~Learning Management System and the limitations on the use of the ~~Manual~~Learning Management System by you and your employees.

Other than the copyright registrations below, we do not have any other registered copyrights or any pending patent applications that are material to the franchise. However, we claim copyrights on certain forms, advertisements, promotional materials, software source code and other Confidential Information as defined below.

Copyright	Registration Number	Registration Date	Duration of the Copyright	Whether Franchisor Can or Intends to Renew
Teacher Training Manual	TX0007679563	2013-02-21	95 years	Cannot be renewed
Teacher Training Manual	TX0007679562	2013-02-21	95 years	Cannot be renewed
Teacher Training Manual	TX0007675833	2013-02-22	95 years	Cannot be renewed
Teacher Training Manual	TX0007918310	2014-05-15	95 years	Cannot be renewed

There currently are no effective determinations of the United States Copyright Office (or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could

materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

All information relating to the System and to the development and operation of Studios (including your Studio), including, without limitation, the ~~Manual~~[Learning Management System](#), our training programs, members and supplier lists, customer data, or other information or know-how distinctive to the development or operation of a Studio (all of the preceding information is the “Confidential Information”) is considered to be proprietary and trade secrets of Franchisor. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates, or personal or other information of your employees and other personnel. We disclose to you Confidential Information needed for the operation of a Studio, and you may learn additional information during the term of your franchise. We have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

Both during and after the term of your Franchise Agreement, you must use the Confidential Information only for the operation of your Studio under a Franchise Agreement; maintain the confidentiality of the Confidential Information; not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and follow all prescribed procedures and regulations for prevention of unauthorized use or disclosure of the Confidential Information.

Your confidentiality obligations under the Franchise Agreement will not restrict or prohibit you from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Securities and Exchange Commission, or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. You do not need our prior authorization to engage in such protected conduct, and you do not need to notify us that you have engaged in such conduct.

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to the Studio that you or your employees conceive or develop.

You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to Studios or the Franchise that are conceived or developed by you and/or your employees. We will have a perpetual right to use, and to authorize others to use, those ideas, etc. without compensation or other obligation

#### ~~ITEM 15~~[ITEM 15](#) **OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

Under the Franchise Agreement, we recommend but do not require, that you (or, if you are an entity, the Operating Principal) personally supervise the Studio. You may appoint a Designated Manager we approve to manage daily operations of your Studio. We will not unreasonably withhold our approval of any Designated Manager you propose, provided the individual has successfully completed the Designated Manager Training Module of our Initial Training Program and, if that individual will be providing any Approved Services, the Pure Barre Classic Training Program. Once approved, your Designated Manager may assist in the direct, day-to-day supervision of the operations of the Studio, or to be the on-premises supervisor if you choose not to personally supervise the Studio. If you are a business entity, your Designated Manager need not hold an ownership interest in the business to be the on-premises supervisor.

You will keep us advised, in writing, of any Designated Manager involved in the operation of the Studio and their contact information. Your Studio must, at all times, be managed by and staffed with at least one (1) individual who has successfully completed the Owner/Operator Module of our Initial Training Program.

You and your managers and employees must comply with the confidentiality provisions described in Item 14. If you are a legal entity, having more than one owner, all owners, shareholders, partners, joint venturers, and any other person who directly or indirectly owns a 10% or greater interest in the Studio (and each such person's spouse) must execute a Guarantee.

## ~~ITEM 16~~ **ITEM 16** **RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must offer for sale and sell, only and all those Approved Products and Approved Services, and deal only with those Approved Suppliers, that we authorize or require. Principally, this means you must purchase the amount and type of equipment, including various equipment/supplies for use in connection with the provision of the Approved Services such as resistance bands/straps, interval training equipment, and weights and other exercise equipment, and offer only those types of fitness and exercise classes that we authorize. Failure to comply with our purchasing restrictions may result in the termination of your Franchise Agreement. We may supplement, revise and/or modify our Approved Products and/or Approved Services as we deem appropriate, as well as our System Standards associated with the provision of these products/services. These changes will be outlined in our [Manual Learning Management System](#) or otherwise in writing, and there are no contractual limitations on our right to make these types of changes.

You must ensure that only Authorized Instructors who have completed all required training are those that provide the classes and other Approved Services at your Studio. No other individuals may conduct such classes or provide any Approved Services.

If we discontinue any Approved Product or Approved Service offered by the Studio, then you must cease offering or selling such product/service within a reasonable time, unless such product/service represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us). You may not use the location of your Studio for any other business purpose other than the operation of your Studio.

You may not advertise, offer for sale or sell, any products and/or services that we have not authorized. We may change the types of authorized products and services at any time ~~in~~at our discretion. You agree to promptly undertake all changes as we periodically require, without limit, except we will not require you to thoroughly modernize or remodel the Studio any more often than once every 5 years. You will not make any material alterations to your Studio or its appearance as originally approved by us without our prior written approval.

You must refrain from any merchandising, advertising, or promotional practice that is unethical or may be injurious to our business and/or other Studios or to the goodwill associated with the Marks. Subject to the conditions set forth above, we do not impose any restrictions with regards to the customers to whom you may sell goods and services.

Subject to applicable law, and in accordance with your Opening Support Program and the System Standards, you must begin offering and selling memberships for your Studio upon commencement of the Pre-Sales Phase. You must offer, accept the use of, and ensure that you and your Studio personnel are aware of all then-current System policies and procedures related to member reciprocity amongst (a) other Studios that are part of the System, and/or (b) the Studios operated as part of the franchise systems in connection with the other Xponential Brands. ~~Currently~~As of the date of this Disclosure Document, you must offer and accept the use of the XPASS reciprocity program, which permits members from your Studio, other Pure Barre Studios, and the

other Xponential Brands' studios to use your Studio ~~under such terms and conditions as we may periodically state in writing.~~ However, public access to the XPASS reciprocity program is currently in the process of being discontinued and will only be available to employees of Xponential or its affiliates.

## ~~ITEM 17~~ ITEM 17

### RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

#### THE FRANCHISE RELATIONSHIP

##### A. Franchise Agreement

This table lists certain important provisions of the Franchise Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	10 years from the date the Franchise Agreement is signed, unless sooner terminated.
b. Renewal or extension of term	Section 3.2	You have the option to extend the term for <del>two</del> <u>one</u> consecutive <del>\$10</del> <u>10</u> -year periods.
c. Requirements for renewal or extension	Section 3.2	To qualify for a <del>renewal</del> <u>successor</u> franchise, you must execute our then-current franchise agreement, which may contain terms and conditions that differ materially from those in the Franchise Agreement; maintain possession of the Authorized Location or secure an alternative location approved by us; remodel your Studio as necessary to comply with the System Standards; have substantially complied with the Franchise Agreement during its term; be in compliance with all provisions of the Franchise Agreement and any other agreements between you and us; pay the <del>renewal</del> <u>successor franchise</u> fee (\$10,000); give us no less than 90 days', nor more than 180 days', notice of your desire to acquire a <del>renewal</del> <u>successor</u> term; and sign a general release in substantially the form of Exhibit G to this Disclosure Document (subject to applicable state law).
d. Termination by franchisee	Not Applicable	Not applicable other than by applicable state law.
e. Termination by franchisor without cause	Not Applicable	The Franchise Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Section 15.1	We may terminate the Franchise Agreement upon delivery of notice to you if you are <u>in</u> default under the terms of the Franchise Agreement, as further outlined below.

Provision	Section in Franchise Agreement	Summary
g. “Cause” defined – curable defaults	Sections 15.1 and 15.2	Under the Franchise Agreement, you have 30 days to cure (subject to state law): failure to obtain a required consent or approval; failure to comply with provisions of the Franchise Agreement other than for which a different cure period is specified or for which we may immediately terminate; failure to maintain required books and records; failure to supervise or manage your Studio appropriately; failure to pay us, our affiliates, or any third party any amount due or failure to obtain adequate financing; unauthorized closure of designated bank accounts or failure to designate an alternate bank account; failure to maintain insurance; unauthorized provision of products and/or services; marketing or advertising failures; failure to meet the System Standards or the Minimum Monthly Gross Sales Quota; failure to engage Pre-Sales Phase activities; and use of unauthorized suppliers. A default under other franchise agreements or any other agreements (including a <del>Development</del> <a href="#">Multi-Unit</a> Agreement) in effect between us (or any of our affiliates) and you (or any of your affiliates), will constitute a default under the Franchise Agreement.
h. “Cause” defined – non-curable defaults	Sections 15.1 and 15.2	The following events constitute non-curable defaults: material misrepresentations or omissions; your insolvency or bankruptcy; conviction or plea of no contest to a felony or other crime or offense that can adversely affect the reputation of you, us or the Studio; unauthorized transfers; falsification of reports; unauthorized disclosure of our Confidential Information or misuse of Marks; abandonment of the business for 2 consecutive days unless otherwise approved; failure on 3 occasions within any 12 consecutive month period to pay amounts due or otherwise to comply with the Franchise Agreement; default of same provision 2 times within 6 months, regardless of cure; failure on 2 or more occasions in any 24 consecutive month period to offer only approved goods and services; violate any health, safety or sanitation law or conduct your operation in a manner creating a safety hazard; failure to <del>open the Studio for business</del> <a href="#">sign an approved premises lease within 6 months of signing the Franchise Agreement, or failure to conduct a Soft Opening within 12</a> months of signing the Franchise Agreement, unless otherwise agreed in writing; default under the lease or loss of right to possess the location for the Studio; failure to comply with non-compete covenants; and a failure to cure default under other agreements (including a <del>Development</del> <a href="#">Multi-Unit</a> Agreement or other Franchise Agreements) in effect between us (or any of our affiliates) and you (or any of your affiliates).

Provision	Section in Franchise Agreement	Summary
i. Franchisee's obligation on termination/non-renewal	Article 13 and Section 15.3	Your obligations include: stop operations of the Studio; stop using the Marks and items bearing the Marks; stop using the name "Pure Barre" in any form as part of your corporate name; assign any assumed names to Company; de-identify the premises from any confusingly similar decoration, design or other imitation of a Studio; stop advertising as a Pure Barre Franchise; pay all outstanding sums to us and our affiliates and third-parties; pay damages and costs we incur in enforcing the termination provisions of the Franchise Agreement; return <del>the Manual</del> <u>all materials related to the Learning Management System</u> and other Confidential Information to us; return all signs to us; assign your telephone and facsimile numbers, electronic mail and internet addresses to us; sell to us, at our option, all assets of the Studio, including inventory, equipment, supplies and items bearing the Marks, and assign us your lease; and comply with non-competition and non-interference covenants.
j. Assignment of contract by franchisor	Section 14.6	No restriction on our right to assign.
k. "Transfer" by franchisee definition	Section 14.1	Voluntary, involuntary, direct or indirect assignment sale, gift, encumbrance, pledge, delegation or other disposition of Franchise Agreement, ownership interests, <u>control of your Studio, lease for</u> your Studio, or your <u>Studio's</u> assets.
l. Franchisor approval of transfer by franchisee	Sections <del>14.1 and 14.29.B</del>	Our prior written consent is required.



Provision	Section in Franchise Agreement	Summary
m. Conditions for franchisor approval of transfer	Section 14.2	You must be in compliance with all agreements, the System Standards, all contracts with any party; at our option, transferee must either (a) execute our then-current form of franchise agreement, which may contain materially different terms than your original contract / Franchise Agreement, to govern the franchise moving forward, or (b) assume all obligations under these agreements; transferee meet our then-current requirements and complete or agree to complete our training program for new franchisees (including payment of applicable training fee(s)); you or the transferee must pay our transfer fee of \$10,000, except in the case of a transfer from an individual to a wholly owned entity ( <del>\$500</del> 750) or a transfer to an immediate family member (\$1,500); you must sign our then-current form of general release; transferee must, at our election, sign our then-current form of franchise agreement; and transferee must complete initial training and pay any applicable fee(s).
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.5	We have a right of refusal for any bona fide offer to acquire an interest in you, your Franchise Agreement, and/or your Studio.
o. Franchisor's option to purchase franchisee's business	Sections 14.5 and 15.3	Subject to applicable state laws, on termination, we may purchase any or all of the assets of your Franchise at the lesser of (i) your costs for such assets less the cost of depreciation, or (ii) fair market value.
p. Death or disability of franchisee	Section 14.3	All interests must be transferred within six (6) months or such longer period we designate. We have the option to immediately appoint a manager and commence operating your Studio on behalf of you, in which case you will pay our reasonable costs and expenses.

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Article 13	<p>Neither you nor your principals, owners, guarantors, or any of the immediate family members of the foregoing (collectively, the “Restricted Parties”) must directly or indirectly be involved in: (i) any Competing Business; or (ii) any business that offers or grants franchises/licenses, or establishes joint ventures, for the operation of a Competing Business. You must not divert, or attempt to divert, any customer or prospective customer to a Competing Business in any manner. You will not solicit members of any other studio to your studio. These restrictions are subject to state law.</p> <p>“Competing Business” means any fitness or exercise business, any fitness or exercise marketing or consulting business, any business offering products of a similar nature to those of the Studio, or in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses</p>
r. Non-competition covenants after the franchise is terminated or expires	Article 13 and Section 15.3	<p><i>Prohibition on Franchising Activities</i> - Same requirements as are in place during the term of the Franchise Agreement, but instead of being global prohibitions, the restrictions remain in place for 2 years following the expiration/termination of your Franchise Agreement.</p> <p><i>Prohibition on Competing Business.</i> Same requirements as are in place during the term of the Franchise Agreement, but instead of being global prohibitions, the restrictions remain in place for 2 years following the expiration/termination of your Franchise Agreement, and apply: (i) at the Authorized Location; and (ii) within a 10 mile radius of (a) the Authorized Location, <del>and</del><u>or</u> (b) any other Studio. These restrictions are subject to state law.</p> <p>Additionally, for a period of 2 years after termination of the Franchise Agreement, you must not (i) solicit business from customers of your former Studio, <del>and</del><u>or</u> (ii) contact any of our suppliers or vendors for any competitive business purpose,.</p>
s. Modification of the Franchise Agreement	Article 19	<p>The Franchise Agreement can be modified only by written agreement between us and you. We may modify the <del>Manual</del><u>Learning Management System</u> and the System Standards.</p>

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Article 19	<p>Only the terms of Franchise Agreement, including its attachments and the System Standards, are binding. Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable (subject to state law).</p> <p>Notwithstanding the foregoing, nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.</p>
u. Dispute resolution by arbitration or mediation	Article 16	<p><u>We and you</u> must first <del>submit</del> <u>use good faith efforts to discuss and resolve</u> all disputes and controversies arising under the Franchise Agreement <del>to our management and make every effort to resolve the dispute internally before initiating arbitration or litigation.</del> Upon failure of informal dispute resolution and except for our right to seek injunctive relief in any court of competent jurisdiction, the dispute must be submitted for mediation to JAMS, which will take place at our, or as applicable, our successor's or assign's, then-current principal place of business (currently, Irvine, California), <u>or via a videoconferencing platform, if we and you agree.</u> If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.</p> <p>Except for our right to seek injunctive relief in any court of competent jurisdiction, we and you must arbitrate all disputes at a location within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, in Irvine, California) (subject to state law), <u>or via a videoconferencing platform, if we and you agree,</u> in accordance with JAMS' then-current Comprehensive Arbitration Rules &amp; Procedures.</p>
v. Choice of forum	Section 16.6	<p>Subject to the arbitration requirement, litigation must be brought in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Irvine, California) (subject to state law). However, we may seek injunctive relief in any court of competent jurisdiction.</p>
w. Choice of law	Section 16.1	<p>Except for the U.S. Trademark Act, the Federal Arbitration Act other federal laws, and disputes involving non-competition covenants (which are governed by the law of the state in which your Studio is located), California law applies (subject to state law).</p>

**B. ~~Development~~Multi-Unit Agreement**

This table lists certain important provisions of the ~~Development~~Multi-Unit Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in <del>Development</del> Multi-Unit Agreement	Summary
a. Length of the term of the <del>Development</del> Multi-Unit Agreement	Section 2.A, Exhibit A	The Development Schedule will dictate the amount of time you have to open a specific number of franchises, which will differ for each Developer.
b. Renewal or extension of the term	<del>Not Applicable</del> Section 2.C	<del>Not Applicable</del> If you fail to comply with your Development Schedule, you will be afforded a one-time reasonable extension of time not to exceed 90 days to comply with the Development Schedule.
c. Requirements for developer to renew or extend	<del>Not Applicable</del> Section 2.C	<del>Not</del> You must have already signed a lease for the <del>Applicable</del> premises and you request such extension at least 30 days prior to development deadline
d. Termination by developer	Not Applicable	Not applicable other than by applicable state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Article 8	We may terminate your <del>Development</del> Multi-Unit Agreement with cause as described below.
g. “Cause” defined – curable defaults	Sections 8.A and 8.B	We may terminate your <del>Development</del> Multi-Unit Agreement after providing notice and a 30-day cure period if you fail to comply with any provision of the <del>Development</del> Multi-Unit Agreement (except as provided in (h) below), or a 10-day cure period if you fail to make any required payment to us or our affiliates. A default under franchise agreements or any other agreements in effect between us or any of our affiliates and you or any of your affiliates, will constitute a default under the <del>Development</del> Multi-Unit Agreement.

Provision	Section in <del>Development</del> Multi-Unit Agreement	Summary
h. “Cause” defined – non-curable defaults	Sections 8.A and 8.B	We may terminate your <del>Development</del> Multi-Unit Agreement automatically upon written notice if: materially misrepresent or omit any information in connection with your application for your development rights; you become insolvent or make a general assignment for the benefit of creditors; file a bankruptcy petition or are adjudicated bankrupt; a bill in equity or appointment of receivership is filed in connection with you; a receiver or custodian of your assets of property is appointed; a proceeding for a composition of creditors is initiated against you; a final judgment is entered against you and not satisfied within 30 days; if you are dissolved, execution is levied against you; a suit to foreclose any lien or mortgage against any of your Studios is levied; the real or personal property of the Studio is sold after being levied upon; you fail to satisfy your Development Schedule; you or any of your principal officers, directors, partners, managing members or owners is convicted of a crime; you falsify any reports or information provided to us; you fail to comply with the non-competition covenants; you fail to comply with the same provision within a 6-month period or you fail to comply with the <del>Development</del> Multi-Unit Agreement on 3 separate occasions in any 12-consecutive month period.
i. Developer’s obligations on termination/ non-renewal	Section 8.C	Upon termination, all rights provided to you under the <del>Development</del> Multi-Unit Agreement shall immediately cease and you must comply with all post-termination non-competitive restrictions.
j. Assignment of contract by franchisor	Section 9.A	No restriction on our right to assign.
k. “Transfer” by developer - defined	Section 9.B	Voluntary, involuntary, direct or indirect assignment sale, gift, encumbrance, pledge, delegation or other disposition of <del>Development</del> Multi-Unit Agreement, ownership interests, your development rights, or your assets.
l. Franchisor approval of transfer by developer	<del>Section 9.C</del> Not Applicable	<del>Our prior written consent is required</del> <u>You have no right to transfer.</u>

Provision	Section in <del>Development</del> <u>Multi-Unit</u> Agreement	Summary
m. Conditions for franchisor approval of transfer	<del>Section 9.C</del> <u>Not Applicable</u>	<del>Our conditions for approving a transfer include: you must not be in default of the Development Schedule; the prospective transferee must meet our then current standards for franchisees; you must pay us a transfer fee of \$10,000 and any applicable broker fees due in connection with the transaction; you must sign a general release; you and the transferee must sign our form of consent to transfer pursuant to which, among other things and at our option, either (i) transferee agrees to execute our then current form of area development agreement, or (ii) the Development Agreement is assigned to and assumed by the proposed transferee; no past due amounts owed to us; no outstanding default of the Development Agreement (or any other agreement with us); and the transfer must not be made separate and apart from the transfer to the same transferee of all Franchise Agreements that were signed pursuant to the Development Agreement.</del> <u>Not Applicable</u>
n. Franchisor's right of first refusal to acquire developer's business	<del>Section 9.D</del> <u>Not Applicable</u>	<del>We will have a right of refusal for any bona fide offer to purchase any interest in you, the Development Agreement, and/or your development rights.</del> <u>Not Applicable</u>
o. Franchisor's option to purchase developer's business	Not Applicable	Not Applicable
p. Death or disability of developer	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Article 6	You will have the same noncompetition restrictions as provided under the Franchise Agreement(s) you sign pursuant to the <del>Development</del> <u>Multi-Unit</u> Agreement. These restrictions are subject to state law.
r. Non-competition covenants after the franchise is terminated or expires	Section 8.C	For two years after the expiration/termination, you and the Restricted Parties may not own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, provide services to, or have any interest in or involvement with, any other Competing Business: (a) within the Development Area; (b) within 10 miles outside the boundaries of the Development Area, or (c) within a 10-mile radius of any Studio that is open, under lease or otherwise under development as of the date <del>Development</del> <u>Multi-Unit</u> Agreement expires or is terminated or, as to a transferring owner, the date of such transfer. These restrictions are subject to state law.



Provision	Section in <del>Development</del> Multi-Unit Agreement	Summary
s. Modification of the <del>Development</del> Multi-Unit Agreement	Article 14	Your <del>Development</del> Multi-Unit Agreement may not be modified, except by a writing signed by both parties.
t. Integration/merger clause	Article 14	Only the terms of the <del>Development</del> Multi-Unit Agreement are binding (subject to applicable state law) and may only be modified to the extent required by an appropriate court to make the <del>Development</del> Multi-Unit Agreement enforceable. Any representations or promises outside of the Disclosure Document and other agreements may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the representations made in the Disclosure Document.
u. Dispute resolution by arbitration or mediation	Article 12	<p><u>We and you must first submit use good faith efforts to discuss and resolve</u> all disputes and controversies arising under the <del>Development Agreement to our management and make every effort to resolve the dispute internally.</del> <u>Multi-Unit Agreement before initiating arbitration or litigation.</u></p> <p>Upon failure of informal dispute resolution and except for our right to seek injunctive relief in any court of competent jurisdiction, the dispute must be submitted for mediation to JAMS, which will take place at our, or, as applicable, our successor's or assign's, then-current principal place of business (currently, Irvine, California), <u>or via a videoconferencing platform, if we and you agree.</u> If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.</p> <p>Except for our right to seek injunctive relief in any court of competent jurisdiction and as otherwise described above, we and you must arbitrate all disputes at a location within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, in Irvine, California) (subject to state law), <u>or via a videoconferencing platform, if we and you agree,</u> in accordance with JAMS' then-current Comprehensive Arbitration Rules &amp; Procedures.</p>
v. Choice of forum	Section 12.F	Subject to the arbitration requirement, litigation must be brought in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Irvine, California) (subject to state law). However, we may seek injunctive relief in any court of competent jurisdiction.

Provision	Section in <del>Development</del> <u>Multi-</u> <u>Unit Agreement</u>	Summary
w Choice of law	Section 12.A	Except for the U.S. Trademark Act, the Federal Arbitration Act other federal laws, and disputes involving non-competition covenants (which are governed by the law of the state in which your Studio is located), California law applies (subject to state law).

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in Exhibit H, entitled State Specific Addenda, to this Disclosure Document.

### ~~ITEM 18~~ITEM 18

#### **PUBLIC FIGURES**

We do not currently use any public figure or personality to promote the franchise being offered in this Disclosure Document.

### ~~ITEM 19~~ITEM 19

#### **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

#### **Definitions Used Throughout Item 19**

- • “Gross Revenue” means the total revenue generated by a given Studio, including all revenue generated from the sale and provision of any and all approved services at, from, or otherwise through, that Studio. Gross Revenue excludes sales tax (that the Studio owner must pay directly to the appropriate taxing authority). Please note, Gross Revenue is defined differently than how “Gross Sales” is defined in the Franchise Agreement, and as such, the amount of Royalty fees you pay under the Franchise Agreement may be different than if applied to Gross Revenue data provided below.
- • “Measurement Period” means the period beginning on ~~February~~January 1, ~~2023~~2024, and ending on ~~January~~December 31, 2024. ~~Each month in the Measurement Period is an entire calendar month.~~
- • “Non-Traditional Site” means any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, “big box” gyms and/or fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, hotels, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations).

- •A “Qualified Studio” means a Studio that was owned and operated by a franchisee for the entire Measurement Period ~~(except for permitted temporary closures) and that was in operation for at least six (6) calendar months when its results began to be included in the data set and as of the end of the calendar month for which its results were included.~~ Qualified Studios do not include Studios that operated at Non-Traditional Sites.

- ~~“Fully Scheduled” means a Qualified Studio that scheduled at least 150 classes during the respective calendar month.~~

- ~~“Minimally Scheduled” means a Qualified Studio that scheduled less than 150 classes during the respective calendar month.~~

### **General Notes**

The data presented in the charts below is historical data related to Qualified Studios that we obtained by polling the information directly from the franchisees’ gymstudio management software systems and/or from profit and loss reports provided to us by franchisees. In all cases, the data used was the franchisees’ data. We do not anticipate that the ~~data polled from or provided by current franchisees~~ characteristics of the Studios included in this Item 19 will materially differ from ~~that of a~~ Studios operated by new franchisees. ~~This Item 19 contains certain historical data related to the operation of certain Studios.~~

In each instance in which we show an average in this Item 19, we also show the range of the data points and the median data point. The range is the space between the lowest and highest points in the data set. The median is the middle data point; that is, the data point in the center of all data points. Where the number of data points is an even number, there is no middle data point, so the median is the average of the two middle data points.

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## Part A: Qualified Studios During Measurement Period

As of December 31, 2024, there were a total of 617 Studios in operation in the United States, all of which were owned and operated by third-party franchisees. Of the 617 Studios, 601 were Qualified Studios.

### Part A-1: Gross Revenue of Qualified Studios

In this Part A-1, we sorted the 601 Qualified Studios, ranked (highest to lowest) by the amount of Gross Revenue reported by the Qualified Studios for the Measurement Periods, into four (4) quartiles, with the 1st, 2nd, and 3rd quartiles each comprising 150 Qualified Studios and the 4th quartile comprising 151 Qualified Studios.

The chart below provides, for the 601 Qualified Studios, the average, median, and range of Gross Revenue during the Measurement Period for each quartile along with the same information for the complete set of 601 Qualified Studios.

~~*I. The below provides the data relevant to Qualified Studios that, as of the particular calendar month, were open and operating for at least six (6) months:*~~

		Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
	<i>Total Number of Open and Operating Franchised Studios</i>	611	613	615	615	621	614	624	628	628	611	614	612
	<b>Number of Qualified Studios</b>	596	597	599	599	609	604	613	617 Average	617 Median	601 Range (Min)	603 Range (Max)	602 Number / Percentage of Qualified Studios that Met or Exceeded the Average
<i>Average Gross Revenue of Qualified Studios 1st Quartile</i>	<i>Number of Qualified Studios that Met or Exceeded the Average 150</i>								\$27,503,588.040	253 + 42%\$27,719,537,512	258 + 43%\$26,391,448,901	256 + 43%\$27,471,262	258 48/ 4332%256

		Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
												327 267 / 44 %\$ 27, 642 \$28 ,23 0\$2 8,8 03\$ 31, 610 \$35 ,58 7\$3 1,1 05\$ 29, 580 256 / 42 %2 68/ 44 %2 74/ 44 %2 68/ 43 %2 48/ 41%1 ,408,4 44	
2nd Quartile	Median Gross Revenue of Qualified Studios150	\$25,235							\$26,536\$2 26,58 45,86 6\$25, 623\$ 25,23 1\$24, 230\$ 25,45 8\$392	\$28,585389 ,255	\$31,673344 ,930	\$28,323448 ,835	\$27,53167 / 45%

		Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
									,832				
<u>3rd Quarter</u>	<i>Range of Gross Revenue of Qualified Studios</i>	\$4,030 to \$100,021	\$4,304 to \$91,198	\$13,292 to \$92,944	\$1,961 to \$100,321	\$56,797 to \$96,788	\$48,292 to \$98,372	\$2,099 to \$101,943	<del>\$400,300,491</del> to <del>\$1,535,545</del> 29,536	<del>\$3,276 to \$106,545</del> 29,8,900	<del>\$2,066 to \$113,317</del>	<del>\$2,066 to \$113,317</del>	<del>72 / 48%</del> to <del>\$3,188 to \$104,065</del>
<u>4th Quarter</u>		151							\$192,138	\$207,075	\$43,313	\$257,802	89 / 59%
<u>Total</u>		601							\$368,082	\$344,889	\$43,313	\$1,408,444	270 / 45%

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**Data Set and Methodology (Part A, Table I)**

The chart above reflects the average, median, and range of Gross Revenue of Qualified Studios during each calendar month in the Measurement Period. We calculated the average Gross Revenue for each calendar month by adding the total amount of monthly Gross Revenue generated by the Qualified Studios, then dividing that number by the number of Qualified Studios for that calendar month.



*H. The below provides the data relevant to Fully Scheduled Qualified Studios that, as of the particular calendar month, were open and operating for at least six (6) months:*

	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23
Open Studios	611	613	615	615	621	614	624	628	628	611	614
Qualified Studios	288	411	328	378	368	326	406	332	404	338	269
Revenue of Qualified Studios	\$34,985	\$32,094	\$32,987	\$32,998	\$33,408	\$34,763	\$33,232	\$36,378	\$37,860	\$44,576	\$40,600
Average Monthly Active Members	127/ 44%	186/ 45%	140/ 43%	165/ 44%	151/ 41%	132/ 40%	171/ 42%	139/ 42%	183/ 45%	135/ 40%	118/ 44%
Revenue of Qualified Studios	\$33,323	\$30,214	\$31,318	\$31,361	\$31,695	\$32,428	\$31,382	\$33,603	\$36,526	\$40,753	\$38,990
Revenue of Qualified Studios	\$11,710 to \$100,021	\$8,560 to \$91,198	\$10,958 to \$92,944	\$12,047 to \$100,321	\$12,558 to \$96,788	\$11,578 to \$98,372	\$9,431 to \$101,943	\$14,586 to \$106,536	\$7,295 to \$106,545	\$12,901 to \$135,619	\$13,170 to \$113,300

#### Part A-2: Monthly Active Members of Qualified Studios

In this Part A-2, we sorted the 601 Qualified Studios, ranked (highest to lowest) by the amount of average Monthly Active Members reported by the Qualified Studios for the Measurement Period, into four (4) quartiles, with the 1st, 2nd, and 3rd quartiles each comprising 150 Qualified Studios and the 4th quartile comprising 151 Qualified Studios. “Monthly Active Members” means Studio members who were party to an effective studio membership agreement with a Qualified Studio for a particular calendar month.

We calculated the average Monthly Active Members as follows: (a) we totaled the number of Monthly Active Members for each calendar month during the Measurement Period for each Qualified Studio; then (b) we calculated a simple average of the Monthly Active Members for the entire Measurement Period to determine the average Monthly Active Members during the Measurement Period for each such Qualified Studio; then (c) we calculated a simple average of all such Qualified Studios’ average Monthly Active Members to determine the average Monthly Active Members for all 601 Qualified Studios noted above. We also show the range and median of Monthly Active Members for all 601 Qualified Studios.

	<u>Number of Qualified Studios</u>	<u>Average</u>	<u>Median</u>	<u>Range (Min)</u>	<u>Range (Max)</u>	<u>Number / Percentage of Qualified Studios that Met or Exceeded the Average</u>
<u>1st Quartile</u>	<u>150</u>	<u>298</u>	<u>285</u>	<u>241</u>	<u>475</u>	<u>60 / 40%</u>
<u>2nd Quartile</u>	<u>150</u>	<u>215</u>	<u>216</u>	<u>190</u>	<u>241</u>	<u>75 / 50%</u>

<u>3rd Quartile</u>	<u>150</u>	<u>167</u>	<u>166</u>	<u>146</u>	<u>190</u>	<u>70 / 47%</u>
<u>4th Quartile</u>	<u>151</u>	<u>113</u>	<u>118</u>	<u>34</u>	<u>145</u>	<u>89 / 59%</u>
<u>Total</u>	<u>601</u>	<u>198</u>	<u>190</u>	<u>34</u>	<u>475</u>	<u>273 / 45%</u>

**Data Set and Methodology (Part A, Table II)**

~~The chart above reflects the average, median, and range of Gross Revenue of Fully Scheduled Qualified Studios during each calendar month in the Measurement Period. We calculated the average Gross Revenue for each calendar month by adding the total amount of monthly Gross Revenue generated by the Fully Scheduled Qualified Studios, then dividing that number by the number of Fully Scheduled Qualified Studios for that calendar month.~~

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### Part A-3: Monthly New Memberships of Qualified Studios

In this Part A-3, we sorted the 601 Qualified Studios, ranked (highest to lowest) by the amount of Monthly New Memberships reported by the Qualified Studios for the Measurement Period, into four (4) quartiles, with the 1st, 2nd, and 3rd quartiles each comprising 150 Qualified Studios and the 4th quartile comprising 151 Qualified Studios. “Monthly New Memberships” means new Studio members who signed a studio membership agreement with a Qualified Studio for a particular calendar month.

We calculated the average Monthly New Memberships as follows: (a) we totaled the number of Monthly New Memberships for each calendar month during the Measurement Period for each Qualified Studio; then (b) we calculated a simple average of the Monthly New Memberships for the entire Measurement Period to determine the average Monthly New Memberships during the Measurement Period for each Qualified Studio; then (c) we calculated a simple average of all such Qualified Studios’ average Monthly New Memberships to determine the average Monthly New Memberships for all 601 Qualified Studios noted above. We also show the range and median of Monthly New Memberships for all 601 Qualified Studios.

***III. The below provides the data relevant to Minimally Scheduled Qualified Studios that, as of the particular calendar month, were open and operating for at least six (6) months:***

	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
Total Number of Open and Operating Franchised Studios	611	613	615	615	621	614	624	628	628	611	614	612
Number of Minimally Scheduled Qualified Studios	308	186	271	221	241	278 Number of Qualified Studios	207 Average	285 Median	213 Range (Min)	263 Range (Max)	334 Number / Percentage of Qualified Studios that Met or Exceeded the Average	237
Average Gross Revenue of Minimally Scheduled Qualified Studios	\$20,507	\$18,050	\$18,407	\$18,017	\$18,041	\$19,291	\$18,419	\$19,979	\$19,756	\$24,034	\$23,452	\$19,897
1st Quartile						150	29	27	22	54	58 / 39%	
Number of Minimally Scheduled Qualified	140 45%	89 48%	133 49%	107 48%	2nd Quartile 12	150 43 9%	191 63 50%	191 66 48%	16 98 46%	22 12 8%	152 69 46%	117 49%

	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24
<i>Studios that Met or Exceeded the Average</i>					1/ 50%	50%				49%		
<i>Median Gross Revenue of Minimally Scheduled Qualified Studios</i> <b>3rd Quartile</b>						\$19,607 150	\$18,210 14	\$18,096 14	\$18,399 12	\$18,913 16	\$22,615 74 / 49%	
<b>4th Quartile</b>						\$17,788 151	\$17,863 9	\$19,296 9	\$19,738 2	\$23,428 12	\$19,815 83 / 55%	
<i>Range of Gross Revenue of Minimally Scheduled Qualified Studios</i>	\$4,030 to \$56,512	\$4,304 to \$32,015	\$13,2 to \$42,559	\$1,961 to \$37,069	<b>Total</b> \$567 to \$36,155	<b>601</b> \$482 to \$45,342	<b>18</b> \$2,099 to \$54,344	<b>16</b> \$400 to \$60,033	<b>2</b> \$1,535 to \$43,595	<b>54</b> \$3,276 to \$68,723	<b>262 /</b> <b>44%</b> \$2,066 to \$63,581	<b>\$3,189</b> to \$40,024

#### **Data Set and Methodology (Part A, Table III)**

The chart above reflects the average, median, and range of Gross Revenue of Minimally Scheduled Qualified Studios during each calendar month in the Measurement Period. We calculated the average Gross Revenue for each calendar month by adding the total amount of monthly Gross Revenue generated by the Minimally Scheduled Qualified Studios, then dividing that number by the number of Minimally Scheduled Qualified Studios for that calendar month.

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## Part B: Member Information for New Studios

The chart below provides the data relevant to New Studios as of the particular month after it ~~opened~~ conducted its Soft Opening in calendar year ~~2023~~ 2024:

		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
	Number of New Studios <sup>1</sup>	<u>23</u> <del>17</del>	<u>23</u> <del>15</del>	<u>23</u> <del>15</del>	<u>19</u> <del>14</del>	<u>18</u> <del>12</del>	<u>17</u> <del>9</del>	<u>15</u> <del>7</del>	<u>13</u> <del>5</del>	<u>12</u> <del>2</del>	<u>9</u> <del>1</del>	<u>8</u> <del>0</del>	<u>7</u> <del>0</del>
Gross Revenue	Average	<del>\$10,541</del> <u>11,400</u>	<del>\$30,492</del> <u>34,964</u>	<del>\$36,300</del> <u>38,202</u>	<del>\$36,57</del> <u>40,224</u>	<del>\$36,77</del> <u>40,485</u>	<del>\$35,05</del> <u>41,819</u>	<del>\$36,05</del> <u>937,918</u>	<del>\$34,98</del> <u>935,177</u>	<del>\$36,03</del> <u>333,053</u>	<del>\$37,50</del> <u>324,538</u>	<del>\$38,83</del> <u>2N/A</u>	<del>\$35,6</del> <u>77N/A</u>
	Number / Percentage of New Studios that met or exceeded the average	<del>9%</del> <u>397 / 41%</u>	<del>10%</del> <u>439 / 60%</u>	<del>9%</del> <u>398 / 53%</u>	<del>8%</del> <u>427 / 50%</u>	<del>7%</del> <u>396 / 50%</u>	<del>7%</del> <u>414 / 44%</u>	<del>7%</del> <u>473 / 43%</u>	<del>5%</del> <u>383 / 60%</u>	<del>6%</del> <u>1 / 50%</u>	<del>3N/A</del> <u>33%</u>	<del>3N/A</del> <u>38%</u>	<del>3N/A</del> <u>43%</u>
	Median	<del>\$8,268</del> <u>10,535</u>	<del>\$29,705</del> <u>37,197</u>	<del>\$34,126</del> <u>39,419</u>	<del>\$32,90</del> <u>40,143</u>	<del>\$34,12</del> <u>40,316</u>	<del>\$31,62</del> <u>240,013</u>	<del>\$34,74</del> <u>537,105</u>	<del>\$34,69</del> <u>736,394</u>	<del>\$36,89</del> <u>833,053</u>	<del>\$34,71</del> <u>424,538</u>	<del>\$34,35</del> <u>9N/A</u>	<del>\$31,0</del> <u>21N/A</u>
	Range (Max)	<del>\$26,022</del> <u>24,731</u>	<del>\$66,724</del> <u>6,472</u>	<del>\$77,532</del> <u>64,244</u>	<del>\$69,23</del> <u>868,771</u>	<del>\$71,68</del> <u>567,681</u>	<del>\$66,75</del> <u>859,945</u>	<del>\$64,13</del> <u>954,109</u>	<del>\$66,60</del> <u>343,914</u>	<del>\$62,10</del> <u>137,257</u>	<del>\$68,20</del> <u>824,538</u>	<del>\$64,86</del> <u>8N/A</u>	<del>\$66,5</del> <u>94N/A</u>
	Range (Min)	<del>\$3,334</del> <u>1,687</u>	<del>\$8,442</del> <u>8,705</u>	<del>\$22,380</del> <u>18,926</u>	<del>\$22,49</del> <u>920,558</u>	<del>\$21,50</del> <u>618,419</u>	<del>\$19,08</del> <u>425,068</u>	<del>\$18,32</del> <u>724,662</u>	<del>\$17,69</del> <u>227,758</u>	<del>\$17,14</del> <u>728,849</u>	<del>\$21,36</del> <u>724,538</u>	<del>\$24,62</del> <u>6N/A</u>	<del>\$20,7</del> <u>72N/A</u>
Active Members	Average	<del>214</del> <u>222</u>	251	<del>260</del> <u>256</u>	<del>273</del> <u>261</u>	<del>273</del> <u>264</u>	<del>264</del> <u>285</u>	<del>262</del> <u>254</u>	<del>264</del> <u>239</u>	<del>258</del> <u>229</u>	<del>249</del> <u>186</u>	<del>246</del> <u>N/A</u>	<del>240</del> <u>N/A</u>
	Number / Percentage of New Studios that met or exceeded the average	<del>10%</del> <u>436 / 35%</u>	<del>10%</del> <u>436 / 40%</u>	<del>10%</del> <u>436 / 40%</u>	<del>8%</del> <u>57%</u> <del>42%</del>	<del>8%</del> <u>445 / 42%</u>	<del>6%</del> <u>354 / 44%</u>	<del>6%</del> <u>403 / 43%</u>	<del>5%</del> <u>382 / 40%</u>	<del>5%</del> <u>421 / 50%</u>	<del>3N/A</del> <u>33%</u>	<del>3N/A</del> <u>38%</u>	<del>3N/A</del> <u>43%</u>
	Median	207	241	246	258	253	247	251	259	241	217	214	192
	Range (Max)	416	446	483	494	486	488	471	469	463	457	444	452
	Range (Min)	110	126	132	128	122	120	110	103	107	107	109	115
Leads	Average	300	295	241	229	213	208	221	209	171	172	203	191
	Number / Percentage of New Studios that met or exceeded the average	<del>214</del> <u>13</u> <del>57%</del>	<del>236</del> <u>9</u> <del>39%</del>	<del>253</del> <u>10</u> <del>43%</del>	<del>265</del> <u>8</u> <del>42%</del>	<del>253</del> <u>8</u> <del>44%</del>	<del>272</del> <u>8</u> <del>47%</del>	<del>225</del> <u>6</u> <del>40%</del>	<del>211</del> <u>3</u> <del>23%</del>	<del>229</del> <u>6</u> <del>50%</del>	<del>186</del> <u>3</u> <del>33%</del>	<del>4N/A</del> <u>50%</u>	<del>3N/A</del> <u>43%</u>
	Median	309	277	222	209	195	199	207	186	172	141	208	175

		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12
	Range (Max)	<del>467</del> <u>341</u>	<del>750</del> <u>384</u>	<del>485</del> <u>417</u>	<del>432</del> <u>426</u>	<del>411</del> <u>451</u>	<del>331</del> <u>433</u>	<del>604</del> <u>344</u>	<del>533</del> <u>326</u>	<del>238</del> <u>267</u>	<del>291</del> <u>186</u>	<del>312</del> <u>N/A</u>	<del>391</del> <u>N/A</u>
	Range (Min)	<del>136</del> <u>108</u>	<del>130</del> <u>143</u>	<del>123</del> <u>151</u>	<del>101</del> <u>156</u>	<del>85</del> <u>154</u>	<del>118</del> <u>185</u>	<del>91</del> <u>191</u>	<del>121</del> <u>187</u>	<del>83</del> <u>191</u>	<del>104</del> <u>186</u>	<del>89</del> <u>N/A</u>	<del>87</del> <u>N/A</u>
New Memberships	Average	49	<del>51</del> <u>46</u>	<del>33</del> <u>28</u>	<del>31</del> <u>23</u>	<del>29</del> <u>23</u>	<del>27</del> <u>24</u>	<del>24</del> <u>21</u>	<del>24</del> <u>20</u>	<del>24</del> <u>25</u>	<del>21</del> <u>10</u>	<del>23</del> <u>N/A</u>	<del>22</del> <u>N/A</u>
	Number / Percentage of New Studios that met or exceeded the average	<del>10</del> <u>43</u> <u>9</u> <u>53</u> %	<del>10</del> <u>43</u> <u>5</u> <u>33</u> %	<del>10</del> <u>43</u> <u>8</u> <u>53</u> %	8 / <u>57</u> <u>42</u> %	<del>8</del> <u>44</u> <u>5</u> <u>42</u> %	<del>6</del> <u>35</u> <u>4</u> <u>44</u> %	<del>8</del> <u>53</u> <u>2</u> <u>29</u> %	<del>5</del> <u>38</u> <u>2</u> <u>40</u> %	<del>5</del> <u>42</u> <u>1</u> <u>50</u> %	<u>3</u> <u>N</u> <u>33</u> %	<u>4</u> <u>N</u> <u>50</u> %	<u>3</u> <u>N</u> <u>43</u> %
	Median	<del>41</del> <u>51</u>	<del>47</del> <u>39</u>	<del>31</del> <u>30</u>	<del>26</del> <u>24</u>	<del>27</del> <u>21</u>	<del>24</del> <u>17</u>	<del>24</del> <u>16</u>	<del>21</del> <u>17</u>	<del>20</del> <u>25</u>	<del>19</del> <u>10</u>	<del>23</del> <u>N/A</u>	<del>20</del> <u>N/A</u>
	Range (Max)	<del>101</del> <u>97</u>	<del>85</del> <u>94</u>	<del>71</del> <u>61</u>	<del>61</del> <u>42</u>	<del>49</del> <u>45</u>	<del>53</del> <u>42</u>	<del>40</del> <u>48</u>	<del>46</del> <u>32</u>	<del>51</del> <u>28</u>	<del>42</del> <u>10</u>	<del>34</del> <u>N/A</u>	<del>47</del> <u>N/A</u>
	Range (Min)	<del>26</del> <u>15</u>	<del>21</del> <u>22</u>	<del>10</del> <u>9</u>	<del>9</del> <u>6</u>	<del>9</del> <u>7</u>	<del>8</del> <u>10</u>	<del>6</del> <u>11</u>	<del>7</del> <u>14</u>	<del>9</del> <u>21</u>	<del>5</del> <u>10</u>	<del>9</del> <u>N/A</u>	<del>8</del> <u>N/A</u>

1. Does not include Studios that operated at Non-Traditional Sites.



## Additional Definitions (Part B)

- • “Active Members” means Studio members who were party to an effective studio membership agreement with a New Studio at the conclusion of the particular calendar month.
- ~~“Leads” means the total number of prospective Studio members who submitted contact information to New Studios regarding Studio products or services during the particular calendar month.~~
- • “New Memberships” means the total number of new Studio members who signed a studio membership agreement in the particular calendar month. New Memberships are included in the number of Active Members for that particular calendar month.
- • A “New Studio” means a Studio that was owned and operated by a franchisee and that ~~opened~~conducted its Soft Opening in calendar year ~~2023~~2024.
- “Soft Opening” means a Studio opened its doors to the general public for participation in regular classes in the physical premises of the Studio.

## Data Set and Methodology (Part B)

The chart ~~above~~ in this Part B reflects the monthly average, median, and range of Gross Revenue, Active Members, ~~Leads,~~ and New Memberships of New Studios during their ~~initial 12-~~ months after the Studio’s Soft eOpening phase. “Month 1” refers to the calendar month in which the Studio launched its ~~sSoft eOpening, which refers to when the Studio opened to its members and new prospects.~~ sSoft eOpening during that calendar month. The Gross Revenue data provided in Month 1 only includes the Gross Revenue generated by the New Studio after ~~the its sSoft eOpening~~ during that calendar month and does not include pre-opening membership sales prior to the New Studio’s ~~sSoft eOpening, regardless of when the Studio opened during the particular~~ sSoft eOpening during that calendar month. The New Studio’s Soft Opening Month 1 is the calendar month containing its specific Soft Opening date. “Month 2” refers to the calendar month after Month 1, and the same sequence repeats itself through “Month 12.”

We calculated the average of each category (Gross Revenue Active Members, ~~Leads,~~ and New Memberships) for each month of the New Studios’ monthly opening phase by adding the total monthly amount of the particular category (Gross Revenue Active Members, ~~Leads,~~ and New Memberships) generated by the New Studios, then dividing that number by the number of New Studios for that month.

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### **Part C: Monthly Membership Attrition Rate**

	Monthly Membership Attrition Rate
Average	<del>6.6</del> 6.3%
Number / Percentage that met or exceeded the average	<del>287</del> 285 / <del>47.67</del> 47.4%
Median	<del>6.6</del> 6.2%
Maximum	<del>12.2</del> 13.5%
Minimum	<del>2.9</del> 2.1%

### **Additional Definitions (Part C)**

- ❖ “Membership Attrition Rate” means the number of cancelled Studio memberships during a particular calendar month divided by the number of Studio members at the end of the prior respective calendar month.

### **Data Set and Methodology (Part C)**

The chart above reflects the average monthly Membership Attrition Rate during the ~~2023~~ calendar year for those Studios that were Qualified Studios as of Measurement Period (i.e., January 1, 2024 to December 31, 2024. ~~There were 602~~ for the 601 Qualified Studios ~~as of January 31, 2024.~~

We calculated the average monthly Membership Attrition Rate as follows: (a) we calculated the Membership Attrition Rate for each calendar month during ~~2023~~2024 for each such Qualified Studio by calculating the percentage of members that cancelled their memberships in a particular calendar month at each such Qualified Studio; then (b) we calculated an annual Membership Attrition Rate for each such Qualified Studio by determining a weighted average of each such Qualified Studio’s Membership Attrition Rate for the twelve months during the ~~2023~~2024 calendar year by allocating weight to the particular month’s Membership Attrition Rate based on the number of members that such Qualified Studio had during that month (for example, if a Qualified Studio had 200 members at the end of January ~~2023~~2024 and had 300 members ~~at the end~~as of February ~~2023~~29, 2024, the Qualified Studio’s Membership Attrition Rate for February ~~2023~~2024 was weighted 1.5 times greater than the Qualified Studio’s Membership Attrition Rate for January ~~2023~~2024, as a 300 membership base is 1.5 times greater than a 200 membership base); then (c) we calculated a simple average of all such Qualified Studios’ weighted average monthly Membership Attrition Rate to determine the average Monthly Membership Attrition Rate for all ~~602~~601 Qualified Studios noted above. We also show the range and median of Monthly Membership Attrition Rates for such Qualified Studios.

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#### **Part D: Average Revenue Mix**

	<b>Memberships</b>	<b>Services</b>	<b>Fees</b>	<b>Products</b>
Average	7980%	4410%	0%	409%
Number / Percentage of that met or exceeded the average	349354 / 58 59%	233226 / 39 38%	212222 / 35 37%	252249 / 42 41%
Median	81%	9%	0%	98%
Maximum	9291%	4639%	403%	5648%
Minimum	4446%	23%	0%	0%

#### **Additional Definitions (Part D)**

- ♦ “Fees” means Gross Revenue attributed to fees charged by Studios, such as set up fees, cancellation fees, monthly freeze fees, and enhancement fees.
- ♦ “Memberships” means Gross Revenue attributed to down payments and recurring dues for Studio memberships and membership add-ons.
- ♦ “Products” means Gross Revenue attributed to retail products sold by Studios.
- ♦ “Services” means Gross Revenue attributed to services that Studios provide, such as personal training services, drop-in fees, and studio class packages.

#### **Data Set and Methodology (Part D)**

The chart above reflects the average Gross Revenue that is attributed to Memberships, Services, Fees, and Products during the ~~2023 calendar year for those Studios that were~~ Measurement Period for the 601 ~~Qualified Studios as of January 31, 2024. There were 602 Qualified Studios as of January 31, 2024.~~ Each category (Memberships, Services, Fees, and Products) are exclusive of each other.

We calculated the average of each category (Memberships, Services, Fees, and Products) for each such Qualified Studio by adding the total amount of annual Gross Revenue generated by such Qualified Studio for each category (Memberships, Services, Fees, and Products), then dividing that number by the annual Gross Revenue generated by such Qualified Studio. Then, we calculated a simple average of those calculations for each category (Memberships, Services, Fees, and Products) to provide the average allocation of Memberships, Services, Fees, and Products for the entire set of ~~602~~ 601 Qualified Studios.

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**Some Studios have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for these financial performance representations will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Studio, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting our ~~Interim~~-Brand President, Katelyn DiGiorgio, c/o PB Franchising SPV, LLC, 17877 Von Karman Ave., Suite 100, Irvine, California 92614, and at (~~513~~949) ~~815~~346-~~8467~~3000, the Federal Trade Commission, and the appropriate state regulatory agencies.

~~ITEM 20~~ITEM 20  
**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1**  
**Systemwide Outlet Summary**  
for years ~~2021~~2022 to ~~2023~~<sup>1,2</sup>2024<sup>1,2</sup>

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	<del>2021</del> <u>2022</u>	<del>571</del> <u>598</u>	<del>603</del> <u>611</u>	<del>+32</del> <u>13</u>
	<del>2022</del> <u>2023</u>	<del>603</del> <u>611</u>	<del>619</del> <u>615</u>	<del>+16</del> <u>4</u>
	<del>2023</del> <u>2024</u>	<del>619</del> <u>615</u>	<del>615</del> <u>617</u>	<del>-4</del> <u>+2</u>
Company Owned	<del>2021</del> <u>2022</u>	<del>5</del> <u>3</u>	<del>3</del> <u>10</u>	<del>-2</del> <u>+7</u>
	<del>2022</del> <u>2023</u>	<del>3</del> <u>10</u>	<del>13</del> <u>0</u>	<del>+1</del> <u>-10</u>
	<del>2023</del> <u>2024</u>	<del>13</del> <u>0</u>	0	<del>-13</del> <u>0</u>
Total Outlets	<del>2021</del> <u>2022</u>	<del>576</del> <u>601</u>	<del>606</del> <u>621</u>	<del>+30</del> <u>20</u>
	<del>2022</del> <u>2023</u>	<del>606</del> <u>621</u>	<del>632</del> <u>615</u>	<del>+26</del> <u>-6</u>
	<del>2023</del> <u>2024</u>	<del>632</del> <u>615</u>	<del>615</del> <u>617</u>	<del>-17</del> <u>+2</u>

- The numbers are as of December 31 of each year in each of the tables provided in Item 20.
- As disclosed in XFI's most recent Form 10-K filed March ~~4~~14, ~~2024~~2025, with the U.S. Securities and Exchange Commission, XFI deems a Studio ~~closed if it has not generated~~no longer operating if (a) the company has reason to believe, after reasonable inquiry, that the Studio is permanently closed with no plans for re-opening or relocation, or (b) it has no sales for ~~at least~~at least nine consecutive months, ~~and~~and or more, whichever comes first. ~~†~~† Thus, the total number of open Studios provided above may not equal the number of open Studios cited in XFI's publicly-filed documents.

**TABLE 2**  
**Transfer of Outlets from Franchisees to New Owners**  
**(Other Than Franchisor)**  
**for years ~~2021~~2022 to ~~2023~~2024**

State	Year	Number of Transfer
<del>Alabama</del>	<del>2021</del>	<del>1</del>
<a href="#">Alabama</a>	2022	2
	2023	2
<del>Arkansas</del>	<del>2021</del> 2024	<del>1</del> 2
<a href="#">Arkansas</a>	2022	0
	2023	2
<del>Arizona</del>	<del>2021</del> 2024	0
<a href="#">Arizona</a>	2022	3
	2023	1
<del>California</del>	<del>2021</del> 2024	<del>4</del> 0
<a href="#">California</a>	2022	3
	2023	3
<del>Colorado</del>	<del>2021</del> 2024	<del>1</del> 5
<a href="#">Colorado</a>	2022	4
	2023	5
<del>Connecticut</del>	<del>2021</del> 2024	<del>0</del> 2
<a href="#">Connecticut</a>	2022	0
	2023	1
<del>Florida</del>	<del>2021</del> 2024	<del>6</del> 0
<a href="#">Florida</a>	2022	7
	2023	5
<del>Georgia</del>	<del>2021</del> 2024	<del>3</del> 7
<a href="#">Georgia</a>	2022	5
	2023	6
<del>Idaho</del>	<del>2021</del> 2024	<del>0</del> 4
<a href="#">Idaho</a>	2022	1
	2023	1
<del>Illinois</del>	<del>2021</del> 2024	<del>3</del> 1
<a href="#">Illinois</a>	2022	4
	2023	9
<del>Indiana</del>	<del>2021</del> 2024	<del>2</del> 4
<a href="#">Indiana</a>	2022	2
	2023	3
<del>Iowa</del>	<del>2021</del> 2024	0
<a href="#">Iowa</a>	2022	1
	2023	0
<del>Kansas</del>	<del>2021</del> 2024	0
<a href="#">Kansas</a>	2022	1
	2023	1

State	Year	Number of Transfer
<del>Kentucky</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>0</u>
<u>Kentucky</u>	2022	0
	2023	2
<del>Louisiana</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>2</u>
<u>Louisiana</u>	2022	0
	2023	1
<del>Maryland</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>2</u>
<u>Maryland</u>	2022	0
	2023	1
<del>Massachusetts</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>1</u>
<u>Massachusetts</u>	2022	0
	2023	2
<del>Michigan</del>	<del>2021</del> <u>2024</u>	1
<u>Michigan</u>	2022	1
	2023	5
<del>Minnesota</del>	<del>2021</del> <u>2024</u>	1
<u>Mississippi</u>	2022	0
	<del>2023</del>	<del>0</del>
<del>Mississippi</del>	<del>2021</del>	<del>0</del>
	<del>2022</del>	<del>0</del>
	2023	1
<del>Missouri</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>0</u>
<u>Missouri</u>	2022	3
	2023	3
<del>Montana</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>0</u>
<u>Montana</u>	2022	1
	2023	0
<del>Nebraska</del>	<del>2021</del> <u>2024</u>	0
<u>Nebraska</u>	2022	1
	<u>2023</u>	<u>0</u>
	<u>2024</u>	<u>0</u>
<u>New Hampshire</u>	<u>2022</u>	<u>0</u>
	2023	0
<del>Nevada</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>1</u>
<u>Nevada</u>	2022	0
	2023	1
<del>New Jersey</del>	<del>2021</del> <u>2024</u>	0
<u>New Jersey</u>	2022	1
	2023	4
<del>New Mexico</del>	<del>2021</del> <u>2024</u>	0
<u>New Mexico</u>	2022	1
	2023	0
<del>New York</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>0</u>
<u>New York</u>	2022	2



State	Year	Number of Transfer
	2023	16
<del>North Carolina</del>	<del>2021</del> <u>2024</u>	<del>20</del> <u>2</u>
<u>North Carolina</u>	2022	5
	2023	1
<del>North Dakota</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>2</u>
<u>North Dakota</u>	2022	2
	2023	0
<del>Ohio</del>	<del>2021</del> <u>2024</u>	0
<u>Ohio</u>	2022	2
	2023	3
<del>Oklahoma</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>3</u>
<u>Oklahoma</u>	2022	2
	2023	1
<del>Pennsylvania</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>0</u>
<u>Pennsylvania</u>	2022	0
	2023	0
<del>South Carolina</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>5</u>
<u>South Carolina</u>	2022	2
	2023	1
<del>Tennessee</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>0</u>
<u>Tennessee</u>	2022	6
	2023	4
<del>Texas</del>	<del>2021</del>	<del>6</del>
	<del>2022</del>	<del>8</del>
	<del>2023</del> <u>2024</u>	<del>6</del> <u>3</u>
<del>Virginia</del>	<del>2021</del>	<del>0</del>
<u>Texas</u>	2022	<del>6</del> <u>8</u>
	2023	<del>5</del> <u>6</u>
<del>Vermont</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>3</u>
<u>Virginia</u>	2022	<del>0</del> <u>7</u>
	2023	<del>0</del> <u>5</u>
<del>Washington</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>3</u>
<u>Washington</u>	2022	0
	2023	2
<del>Wisconsin</del>	<del>2021</del> <u>2024</u>	<del>0</del> <u>3</u>
<u>Wisconsin</u>	2022	1
	2023	0
<del>Total Outlets</del>	<del>2021</del> <u>2024</u>	<del>50</del> <u>0</u>
<u>Total Outlets</u>	2022	<del>77</del> <u>78</u>
	2023	98
	<u>2024</u>	<u>55</u>

**TABLE 3**  
**Status of Franchised Outlets**  
for years ~~2021~~2022 to ~~2023~~2024

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non Renewal s	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
AK	<del>2021</del> <u>2022</u>	1	0	0	0	0	0	1
	<del>2022</del> <u>2023</u>	1	0	0	0	0	0	1
	<del>2023</del> <u>2024</u>	1	0	0	0	0	0	1
AL**	<del>2021</del> <u>2022</u>	12	0	0	0	0	<del>0</del> <u>1</u>	<del>12</del> <u>11</u>
	<del>2022</del> <u>2023</u>	<del>12</del> <u>11</u>	0	0	0	0	0	<del>12</del> <u>11</u>
	<del>2023</del>	<del>12</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>	<del>11</del>
<del>AR</del>	<del>2021</del> <u>2022</u>	<del>3</del> <u>11</u>	0	0	0	0	0	<del>3</del> <u>11</u>
<u>AR</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
<del>AZ</del>	<del>2021</del> <u>2022</u>	<del>11</del> <u>3</u>	0	0	0	0	0	<del>11</del> <u>3</u>
<u>AZ</u>	2022	11	1	0	0	0	<del>0</del> <u>1</u>	<del>12</del> <u>11</u>
	2023	<del>12</del> <u>11</u>	1	<del>1</del> <u>0</u>	0	0	0	12
<del>CA**</del>	<del>2021</del> <u>2022</u>	<del>49</del> <u>12</u>	<del>62</del>	0	0	<del>1</del> <u>0</u>	<del>0</del> <u>1</u>	<del>54</del> <u>13</u>
<u>CA**</u>	2022	<del>54</del> <u>53</u>	6	0	0	6	<del>0</del> <u>1</u>	<del>54</del> <u>52</u>
	2023	<del>54</del> <u>52</u>	<del>9</del> <u>10</u>	1	0	<del>5</del> <u>4</u>	<del>9</del> <u>1</u>	48
<del>CO**</del>	<del>2021</del> <u>2022</u>	<del>17</del> <u>48</u>	<del>12</del>	<del>0</del> <u>2</u>	0	0	<del>0</del> <u>2</u>	<del>18</del> <u>46</u>
<u>CO**</u>	2022	18	0	0	0	1	0	17
	2023	17	1	0	0	0	1	17
<del>CT**</del>	<del>2021</del> <u>2022</u>	<del>9</del> <u>17</u>	0	0	0	0	<del>0</del> <u>1</u>	<del>9</del> <u>16</u>
<u>CT**</u>	2022	9	2	0	0	0	0	11
	2023	11	0	0	0	0	0	11

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
<del>DC</del> **	<del>2021</del> <u>2024</u>	<del>3</del> <u>11</u>	0	0	0	0	0	<del>3</del> <u>11</u>
<u>DC</u> **	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
<del>DE</del>	<del>2021</del> <u>2024</u>	<del>1</del> <u>3</u>	0	0	0	0	0	<del>1</del> <u>3</u>
<u>DE</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<del>FL</del> **	<del>2021</del> <u>2024</u>	<del>4</del> <u>61</u>	<del>4</del> <u>0</u>	0	0	<del>4</del> <u>0</u>	0	<del>4</del> <u>61</u>
<u>FL</u> **	2022	<del>4</del> <u>643</u>	<del>3</del> <u>6</u>	0	0	0	0	49
	2023	49	2	0	0	0	0	51
<del>GA</del> **	<del>2021</del> <u>2024</u>	<del>2</del> <u>851</u>	<del>0</del> <u>2</u>	<del>0</del> <u>2</u>	0	0	0	<del>2</del> <u>851</u>
<u>GA</u> **	2022	28	1	0	0	0	0	29
	2023	29	1	0	0	0	1	29
<del>HI</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>29</u>	<del>0</del> <u>1</u>	0	0	0	0	<del>2</del> <u>30</u>
<u>HI</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	1	1
<del>IA</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>1</u>	<del>1</del> <u>0</u>	0	0	0	0	<del>3</del> <u>1</u>
<u>IA</u>	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
<del>ID</del>	<del>2021</del> <u>2024</u>	<del>3</del> <u>4</u>	0	0	0	0	0	<del>3</del> <u>4</u>
<u>ID</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
<del>IL</del> **	<del>2021</del> <u>2024</u>	<del>2</del> <u>53</u>	0	0	0	0	0	<del>2</del> <u>53</u>
<u>IL</u> **	2022	25	1	0	0	0	0	26
	2023	26	3	0	0	2	<del>4</del> <u>1</u>	23
<del>IN</del> **	<del>2021</del> <u>2024</u>	<del>1</del> <u>323</u>	<del>1</del> <u>2</u>	0	0	0	0	<del>1</del> <u>425</u>
<u>IN</u> **	2022	14	0	0	0	0	0	14

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non Renewal s	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2023	14	1	0	0	0	0	15
<del>KS</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>3</del> <u>15</u>	1	0	0	0	<del>0</del> <u>1</u>	<del>4</del> <u>15</u>
<u>KS</u>	2022	4	0	0	0	0	0	4
	2023	4	0	0	0	0	0	4
<del>KY</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>6</del> <u>4</u>	0	0	0	0	0	<del>6</del> <u>4</u>
<u>KY</u>	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
<del>LA**</del>	<del>2021</del> <u>202</u> <u>4</u>	6	0	0	0	0	0	6
<u>LA**</u>	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
<del>MA**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>19</del> <u>6</u>	<del>20</del>	0	0	0	0	<del>21</del> <u>6</u>
<u>MA**</u>	2022	21	1	0	0	0	0	22
	2023	22	0	0	0	0	1‡	21
<del>MD**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>12</del> <u>21</u>	<del>12</del>	<del>0</del> <u>1</u>	0	0	0	<del>13</del> <u>22</u>
<u>MD**</u>	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	0	13
<del>ME</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>1</del> <u>13</u>	0	0	0	0	<del>0</del> <u>1</u>	<del>1</del> <u>12</u>
<u>ME</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<del>MI**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>18</del> <u>1</u>	<del>20</del>	0	0	<del>10</del> <u>0</u>	0	<del>19</del> <u>1</u>
<u>MI**</u>	2022	19	0	0	0	0	0	19
	2023	19	0	0	0	0	0	19
<del>MN</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>11</del> <u>19</u>	<del>10</del>	0	0	0	0	<del>12</del> <u>19</u>
<u>MN</u>	2022	12	0	0	0	<del>7</del> <u>5</u>	<del>0</del> <u>2</u>	5
	2023	5	<del>7</del> <u>6</u>	0	0	0	<del>6</del> <u>5</u>	6
<del>MO**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>7</del> <u>6</u>	<del>0</del> <u>1</u>	<del>0</del> <u>1</u>	0	0	0	<del>7</del> <u>6</u>

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non Renewal s	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
<u>MO*</u>	2022	7	2	0	0	0	0	9
	2023	9	0	0	0	0	0	9
<del>MS</del>	<del>2021</del> <u>2024</u>	<del>6</del> <u>9</u>	0	0	0	<del>4</del> <u>0</u>	0	<del>5</del> <u>9</u>
<u>MS</u>	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
<del>MT</del>	<del>2021</del> <u>2024</u>	<del>3</del> <u>6</u>	0	0	0	0	0	<del>3</del> <u>6</u>
<u>MT</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
<del>NC**</del>	<del>2021</del> <u>2024</u>	<del>23</del> <u>3</u>	<del>4</del> <u>0</u>	0	0	0	0	<del>24</del> <u>3</u>
<u>NC**</u>	2022	24	2	0	0	0	<del>0</del> <u>2</u>	<del>26</del> <u>24</u>
	2023	<del>26</del> <u>24</u>	<del>0</del> <u>1</u>	0	0	0	<del>1</del> <u>0</u>	25
<del>ND</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>25</u>	<del>0</del> <u>1</u>	0	0	0	0	<del>2</del> <u>26</u>
<u>ND</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
<del>NE</del>	<del>2021</del> <u>2024</u>	<del>3</del> <u>2</u>	0	0	0	0	<del>0</del> <u>1</u>	<del>3</del> <u>1</u>
<u>NE</u>	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
<del>NH**</del>	<del>2021</del> <u>2024</u>	3	0	<del>0</del> <u>1</u>	0	0	0	<del>3</del> <u>2</u>
<u>NH**</u>	2022	3	0	0	0	0	0	3
	2023	3	1	0	0	0	0	4
<del>NJ**</del>	<del>2021</del> <u>2024</u>	<del>18</del> <u>4</u>	<del>2</del> <u>0</u>	0	0	<del>4</del> <u>0</u>	0	<del>19</del> <u>4</u>
<u>NJ**</u>	2022	19	1	0	0	0	0	20
	2023	20	<del>2</del> <u>1</u>	0	0	0	<del>2</del> <u>1</u>	20
<del>NM</del>	<del>2021</del> <u>2024</u>	<del>4</del> <u>20</u>	0	<del>0</del> <u>1</u>	0	0	0	<del>4</del> <u>19</u>
<u>NM</u>	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
<del>NV**</del>	<del>2021</del> <u>2024</u>	<del>4</del> <u>1</u>	0	0	0	0	0	<del>4</del> <u>1</u>
<u>NV**</u>	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
<del>NY**</del>	<del>2021</del> <u>2024</u>	<del>29</del> <u>5</u>	<del>40</del>	0	0	0	0	<del>33</del> <u>5</u>
<u>NY**</u>	2022	33	0	0	0	0	0	33
	2023	33	0	0	0	0	2	31
<del>OH**</del>	<del>2021</del> <u>2024</u>	<del>19</del> <u>31</u>	1	<del>0</del> <u>1</u>	0	0	0	<del>20</del> <u>31</u>
<u>OH**</u>	2022	20	0	0	0	0	0	20
	2023	20	0	0	0	0	0	20
<del>OK</del>	<del>2021</del> <u>2024</u>	<del>6</del> <u>20</u>	<del>0</del> <u>1</u>	0	0	0	<del>0</del> <u>1</u>	<del>6</del> <u>20</u>
<u>OK</u>	2022	6	0	0	0	0	0	6
	2023	6	0	0	0	0	0	6
<del>OR**</del>	<del>2021</del> <u>2024</u>	<del>4</del> <u>6</u>	<del>20</del>	0	0	<del>20</del>	0	<del>4</del> <u>6</u>
<u>OR**</u>	2022	4	1	0	0	0	0	5
	2023	5	2	0	0	0	1 <del>+</del> <u>+</u>	6
<del>PA**</del>	<del>2021</del> <u>2024</u>	<del>19</del> <u>6</u>	1	0	0	0	0	<del>20</del> <u>7</u>
<u>PA**</u>	2022	20	0	0	0	1	0	19
	2023	19	3	0	0	0	0	22
<del>RI</del>	<del>2021</del> <u>2024</u>	<del>2</del> <u>22</u>	0	0	0	0	<del>0</del> <u>1</u>	<del>2</del> <u>21</u>
<u>RI</u>	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
<del>SC**</del>	<del>2021</del> <u>2024</u>	<del>12</del> <u>2</u>	<del>10</del>	0	0	0	0	<del>13</del> <u>2</u>
<u>SC**</u>	2022	13	0	0	0	0	0	13
	2023	13	0	0	0	0	1	12
<del>TN**</del>	<del>2021</del> <u>2024</u>	<del>17</del> <u>12</u>	0	0	0	0	<del>0</del> <u>1</u>	<del>17</del> <u>11</u>
<u>TN**</u>	2022	17	0	0	0	0	0	17

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non Renewal s	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
	2023	17	2	0	0	0	0	19
<del>TX**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>45</del> <u>19</u>	<del>10</del> <u>0</u>	0	0	<del>20</del> <u>0</u>	0	<del>53</del> <u>19</u>
<u>TX**</u>	2022	53	4	0	0	0	<del>0</del> <u>1</u>	<del>57</del> <u>56</u>
	2023	<del>57</del> <u>56</u>	3	0	0	<del>10</del> <u>0</u>	<del>3</del> <u>1</u> <del>1</del> <u>1</u>	56
<del>UT**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>35</del> <u>56</u>	<del>0</del> <u>3</u>	0	0	0	<del>0</del> <u>1</u>	<del>35</del> <u>58</u>
<u>UT**</u>	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
<del>VT</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>14</del> <u>0</u>	0	0	0	0	<del>0</del> <u>1</u>	<del>13</del> <u>0</u>
<u>VA**</u>	2022	<del>12</del> <u>7</u>	<del>0</del> <u>1</u>	0	0	0	<del>0</del> <u>1</u>	<del>12</del> <u>7</u>
	2023	<del>12</del> <u>7</u>	<del>0</del> <u>2</u>	0	0	<del>0</del> <u>1</u>	0	<del>12</del> <u>8</u>
<del>VA**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>26</del> <u>28</u>	<del>20</del> <u>0</u>	0	0	0	<del>0</del> <u>1</u>	<del>28</del> <u>27</u>
<u>VT</u>	2022	<del>28</del> <u>1</u>	0	0	0	0	0	<del>28</del> <u>1</u>
	2023	<del>28</del> <u>1</u>	<del>30</del> <u>0</u>	0	0	<del>20</del> <u>0</u>	<del>10</del> <u>0</u>	<del>28</del> <u>1</u>
<del>WA**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>11</del> <u>1</u>	0	0	0	0	0	<del>11</del> <u>1</u>
<u>WA*</u> <u>*</u> <u>=</u>	2022	11	3	0	0	0	0	14
	2023	14	3	0	0	0	<del>2</del> <u>1</u> <del>1</del> <u>1</u>	15
<del>WI**</del>	<del>2021</del> <u>202</u> <u>4</u>	<del>61</del> <u>5</u>	<del>04</del> <u>0</u>	0	0	0	<del>0</del> <u>1</u>	<del>61</del> <u>8</u>
<u>WI**</u>	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	1	6
<b>Total</b>	<del>2021</del> <u>202</u> <u>4</u>	<del>571</del> <u>6</u>	<del>440</del> <u>0</u>	0	0	<del>120</del> <u>0</u>	0	<del>603</del> <u>6</u>
<u>WV</u>	2022	<del>603</del> <u>0</u>	<del>310</del> <u>0</u>	0	0	<del>150</del> <u>0</u>	0	<del>619</del> <u>0</u>
	2023	<del>619</del> <u>0</u>	<del>460</del> <u>0</u>	<del>20</del> <u>0</u>	0	<del>100</del> <u>0</u>	<del>380</del> <u>0</u>	<del>615</del> <u>0</u>
	<u>2024</u>	<u>0</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>
<b>Total</b>	<u>2022</u>	<u>598</u>	<u>35</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>9</u>	<u>611</u>
	<u>2023</u>	<u>611</u>	<u>45</u>	<u>1</u>	<u>0</u>	<u>7</u>	<u>33</u>	<u>615</u>
	<u>2024</u>	<u>615</u>	<u>25</u>	<u>9</u>	<u>0</u>	<u>0</u>	<u>14</u>	<u>617</u>



\*\* Includes franchisees that have signed ~~D~~development [agreements \(which we now refer to as Multi-Unit Agreements\)](#).

‡ [Seven of these Studios \(1 in California; 2 in Illinois, 1 in Massachusetts; 1 in Oregon; 2 in Washington\)](#) Ceased operations as of December 31, 2023 but has since reopened

~~‡‡ Ceased operations as of December 31, 2023 but anticipate reopening in 2024 (applies to 1 of the 9 studios in California and 2 of the 4 studios in Illinois)~~

‡‡‡ Ceased operations as of December 31, 2023 but was transferred and has since reopened (applies to 1 of the 3 studios in Texas)

**TABLE 4**  
**Status of Company-Owned Outlets**  
**for years ~~2021~~2022 to ~~2023~~2024**

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
<del>CA</del>	<del>2021</del>	<del>1</del>	<del>0</del>	<del>1</del>	<del>0</del>	<del>1</del>	<del>1</del>
<a href="#">CA</a>	2022	1	0	6	<del>0</del> <a href="#">1</a>	<del>4</del> <a href="#">3</a>	3
	2023	3	0	<del>5</del> <a href="#">4</a>	<del>1</del> <a href="#">0</a>	7	0
<del>CO</del>	<del>2021</del> <a href="#">2024</a>	0	0	0	0	0	0
<a href="#">CO</a>	2022	0	0	1	0	0	1
	2023	1	0	0	0	1	0
<del>FL</del>	<del>2021</del>	<del>0</del>	<del>0</del>	<del>4</del>	<del>0</del>	<del>4</del>	<del>0</del>
	<del>2022</del> <a href="#">2024</a>	0	0	0	0	0	0
	<del>2023</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<del>IL</del>	<del>2021</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<a href="#">IL</a>	2022	0	0	0	0	0	0
	2023	0	0	2	0	2	0
<del>KS</del>	<del>2021</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>1</del>	<del>0</del>
	<del>2022</del> <a href="#">2024</a>	0	0	0	0	0	0
	<del>2023</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<del>MI</del>	<del>2021</del>	<del>0</del>	<del>0</del>	<del>1</del>	<del>0</del>	<del>1</del>	<del>0</del>
	<del>2022</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	<del>2023</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
<del>MS</del>	<del>2021</del>	<del>0</del>	<del>0</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>1</del>
<a href="#">MS</a>	2022	1	0	0	0	1	0
	2023	0	0	0	0	0	0
<del>MN</del>	<del>2021</del> <a href="#">2024</a>	<del>1</del> <a href="#">0</a>	0	0	0	<del>1</del> <a href="#">0</a>	0
<a href="#">MN</a>	2022	0	0	<del>7</del> <a href="#">5</a>	0	0	<del>7</del> <a href="#">5</a>

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
	2023	<del>75</del>	0	0	0	<del>75</del>	0
<del>NJ</del>	<del>2021</del>	<del>0</del>	<del>0</del>	<del>1</del>	<del>0</del>	<del>0</del>	<del>1</del>
	<del>2022</del> <del>2024</del>	<del>10</del>	0	0	0	0	<del>10</del>
<del>NJ</del>	<del>2023</del> <del>2022</del>	1	0	0	<del>0</del> <del>1</del>	<del>10</del>	0
<del>OR</del>	<del>2021</del>	<del>0</del>	<del>0</del>	<del>2</del>	<del>0</del>	<del>2</del>	<del>0</del>
	<del>2022</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>	<del>0</del>
	2023	0	0	0	0	0	0
<del>PA</del>	<del>2021</del> <del>2024</del>	0	0	0	0	0	0
<del>PA</del>	2022	0	0	1	0	0	1
	2023	1	0	0	0	1	0
<del>TX</del>	<del>2021</del> <del>2024</del>	<del>20</del>	0	<del>20</del>	0	<del>40</del>	0
<del>VA</del>	2022	0	0	0	0	0	0
	2023	0	0	1	<del>10</del>	<del>0</del> <del>1</del>	0
<del>VA</del>	<del>2021</del> <del>2024</del>	0	0	0	0	0	0
<del>Total</del>	2022	<del>0</del> <del>3</del>	0	<del>0</del> <del>13</del>	<del>0</del> <del>2</del>	<del>0</del> <del>4</del>	<del>0</del> <del>10</del>
	2023	<del>0</del> <del>10</del>	0	<del>2</del> <del>7</del>	0	<del>2</del> <del>17</del>	0
<del>Total</del>	<del>2021</del> <del>2024</del>	<del>50</del>	0	<del>1</del> <del>20</del>	0	<del>1</del> <del>40</del>	<del>30</del>
	<del>2022</del>	<del>3</del>	<del>0</del>	<del>15</del>	<del>0</del>	<del>5</del>	<del>13</del>
	<del>2023</del>	<del>13</del>	<del>0</del>	<del>10</del>	<del>2</del>	<del>21</del>	<del>0</del>

**TABLE 5**  
**Projected Openings as of December 31, ~~2023~~~~2024~~**

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected new Company-owned Outlets in the Next Fiscal Year
AZ	<del>21</del>	<del>10</del>	0
CA	<del>46</del>	3	0
CT	2	1	0
FL	4	<del>30</del>	0
<del>GAIL</del>	1	<del>10</del>	0
IN	<del>21</del>	<del>10</del>	0
KY	1	<del>10</del>	0
MA	2	1	0

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected new Company-owned Outlets in the Next Fiscal Year
MN	<del>1</del> <u>0</u>	<del>1</del> <u>0</u>	0
NC	<del>1</del> <u>0</u>	<del>1</del> <u>0</u>	0
<del>NV</del> <u>NE</u>	<del>3</del> <u>1</u>	<del>2</del> <u>1</u>	0
NY	<del>3</del> <u>4</u>	2	0
OH	<del>1</del> <u>0</u>	<del>1</del> <u>0</u>	0
OR	<del>2</del> <u>1</u>	<del>1</del> <u>0</u>	0
SC	<del>1</del> <u>0</u>	<del>1</del> <u>0</u>	0
TN	1	<del>1</del> <u>0</u>	0
TX	<del>4</del> <u>2</u>	<del>3</del> <u>1</u>	0
UT	2	1	0
<del>WA</del> <u>VA</u>	<del>2</del> <u>1</u>	<del>1</del> <u>0</u>	0
<del>WA</del> <u>WA</u>	1	<del>1</del> <u>0</u>	0
<b>Total</b>	<del>40</del> <u>31</u>	<del>28</del> <u>10</u>	<b>0</b>

A list of the names, addresses and telephone numbers of our current franchisees as of the date of this Disclosure Document is attached as Exhibit I. A list of the names, addresses and telephone numbers of the Studio franchisees who have had a franchise terminated, canceled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who have not communicated with us within 10 weeks of the issuance date of this Disclosure Document is attached as Exhibit J.

In the last three fiscal years, Studio franchisees entered into confidentiality agreements that restrict their ability to speak openly about their experience with our franchise system. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

If you buy the franchise offered in this Disclosure Document, your contact information may be disclosed to other buyers when you leave the franchise system.

#### **Trademark-Specific Franchisee Organizations**

The following independent franchisee organization has asked to be included in this Disclosure Document:

P.B.I.F.A., Inc.  
1401 21<sup>st</sup> Street, Suite R.  
Sacramento, CA 95811  
(256) 853-0034  
<http://www.mypboa.com>  
[mypboa@gmail.com](mailto:mypboa@gmail.com)

Except as disclosed in this Item, there are no other trademark-specific franchisee organizations associated with our franchise system that require disclosure in this Item.

~~ITEM 21~~ **ITEM 21**  
**FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit C ~~is~~are Assetco's audited financial statements, ~~including its which comprise the~~ balance sheets as of December 31, 2024 and 2023, and related statements of operations, changes in member's equity, and cash flows and the related notes to the financial statements for the year ended December 31, 2024 and for the period from March 6, 2023 to December 31, 2023. Assetco was formed in March 2023, and therefore, is unable to provide three years of financial statements. We are a wholly-owned subsidiary of Assetco, and Assetco absolutely and unconditionally guarantees to assume our duties and obligations under the Franchise Agreements and ~~Development~~Multi-Unit Agreements entered into while we are the wholly owned subsidiary of Assetco. A copy of the Assetco guarantyee is attached as Exhibit D. Our and Assetco's fiscal year ends on December 31 of each year.

~~ITEM 22~~ **ITEM 22**  
**CONTRACTS**

The following agreements are attached to this Disclosure Document:

Exhibit A	Form of Franchise Agreement and Exhibits
Exhibit 1	Ownership Interests; Designated Market Area; Authorized Location; Designated Territory
Exhibit 2	Authorized Location Addendum
Exhibit 3	Guarantee, Indemnification and Acknowledgment
Exhibit 4	Addendum to Lease
Exhibit E	Statement of Prospective Franchisee
Exhibit G	Form of General Release
Exhibit H	State Specific Addenda
Exhibit K	Form of <del>Area-Development</del> <u>Multi-Unit</u> Agreement
<u>Exhibit L-1</u>	<u>Form of Sourcing Fee Addendum (Franchise Agreement)</u>
<u>Exhibit L-2</u>	<u>Form of Sourcing Fee Addendum (Multi-Unit Agreement)</u>

~~ITEM 23~~ **ITEM 23**  
**RECEIPTS**

Exhibit ~~L~~M contains detachable documents acknowledging your receipt of ~~the~~this Disclosure Document.

**EXHIBIT A**  
**FORM OF FRANCHISE AGREEMENT**

**PB FRANCHISING SPV, LLC**

**PURE BARRE®  
FRANCHISE AGREEMENT**

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**EXHIBITS**

<b>EXHIBIT 1</b>	<b>OWNERSHIP INTERESTS; DESIGNATED MARKET AREA; AUTHORIZED LOCATION; DESIGNATED TERRITORY</b>
<b>EXHIBIT 2</b>	<b>AUTHORIZED LOCATION ADDENDUM</b>
<b>EXHIBIT 3</b>	<b>GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT</b>
<b>EXHIBIT 4</b>	<b>ADDENDUM TO LEASE</b>

**PURE BARRE®**  
**FRANCHISE AGREEMENT**

This Franchise Agreement (this “Agreement”) is made effective as of the Effective Date by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company, with its principal business address at 17877 Von Karman Ave., Suite 100, Irvine, CA 92614 (“Franchisor”), and the person or entity identified as the “Franchisee” in the signature blocks below (“Franchisee,” and together with Franchisor, the “Parties”). The Effective Date is the date Franchisor signs this Agreement as shown beneath its signature hereto.

**RECITALS**

Franchisor owns, administers and grants franchises for a system of fitness studios that (a) offer and sell specialized instruction and related services (“Approved Services”) and merchandise and other products (“Approved Products”), (b) are currently identified by the trademark “Pure Barre” and related designs and use other related trademarks and service marks designated from time to time by Franchisor (the “Marks”), (c) reflect distinctive interior design and display procedures, and color scheme and décor (the “Trade Dress”), and (d) operate using a designated “System” which includes the Marks, Trade Dress and certain of Franchisor’s other intellectual property including trade secrets, copyrights, confidential and proprietary information, and designated training and exercise methods and know-how, fitness equipment, furniture and fixtures, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, and personnel management systems (each, a “Pure Barre Studio” and collectively, the “Pure Barre Studios”).

Franchisee has requested that Franchisor grant it a franchise to own and operate a Pure Barre Studio and, to support its request, has provided Franchisor with certain information about its experience, skills and resources (the “Application Materials”). Franchisee has independently investigated the business contemplated by this Agreement and recognizes that the nature of the business may change over time.

Franchisor is willing to grant Franchisee’s request on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of and reliance on the foregoing Recitals (which are incorporated herein by reference), the agreements described below, and other valuable consideration, receipt and sufficiency of which are acknowledged, the Parties agree as follows:

**1. GRANT OF FRANCHISE**

1.1 **Grant.** Franchisee agrees to, at all times, faithfully, honestly, ethically, and diligently perform its obligations under this Agreement and to use its best efforts to promote its Pure Barre Studio (the “Studio”) as described herein. Accordingly, Franchisor grants to Franchisee the non-exclusive right and license to establish and operate a single Studio, offering only the Approved Services and Approved Products and utilizing only the System and the Marks, at the location identified on Exhibit 1 or as determined in accordance with Section 1.2 below (the “Authorized Location”), in accordance with the provisions and for the Term (defined below) specified in this Agreement.

Franchisee agrees not to conduct the business of its Studio at any location other than the Authorized Location and to use the Authorized Location only for the operation of its Studio. Franchisee also agrees that, once its Studio opens for business, it will continuously operate the Studio in accordance with this Agreement for the duration of the Term.

1.2 **Site Approval Process.** If the Authorized Location is not identified on Exhibit 1 when Franchisee signs this Agreement, Franchisee must search for acceptable locations for the Studio within the area identified on Exhibit 1 (the “Designated Market Area”) and secure Franchisor’s acceptance of the proposed location within 90 days after the Effective Date (the “Site Acceptance Period”). The Designated Market Area has been identified for the sole purpose of facilitating the orderly development of the market, and not for purposes of granting Franchisee any exclusivity or protection within the Designated Market Area. Franchisee acknowledges and agrees that Franchisor does not guarantee that Franchisee will find an acceptable site within the Designated Market Area or during the Site Acceptance Period.

Despite any assistance Franchisor provides to Franchisee, Franchisee is entirely responsible, at its expense, for doing everything necessary to develop and open the Studio in accordance with this Agreement, including, subject to Franchisor’s prior written acceptance, timely locating, selecting, and securing possession of the Authorized Location.

Franchisee must provide any information Franchisor requests to aid in its evaluation of Franchisee’s proposed site. Franchisor will have sole discretion to accept or reject any proposed site. Franchisor’s acceptance is entirely for its own benefit and may not be relied upon by Franchisee as a representation, warranty, or indication of any kind, including as to the suitability of the Authorized Location or the likelihood of success of the Studio. Franchisor is not responsible should any of the criteria on which it bases its decision change or not serve the Franchisee’s purposes.

When it accepts Franchisee’s proposed site, Franchisor will designate, in its sole determination based on any and all factors that Franchisor determines to be important, an area around the Authorized Location (the “Designated Territory”). If the Authorized Location and Designated Territory are not identified in Exhibit 1 when this Agreement is signed, Franchisor will, upon its acceptance of Franchisee’s proposed site for the Studio, complete and deliver to Franchisee the Authorized Location Addendum attached hereto as Exhibit 2. Franchisee will have 10 days following delivery of the Authorized Location Addendum to execute and return it to Franchisor. If Franchisee rejects the addendum or does not timely sign and return it to Franchisor, Franchisor may, in its discretion, revoke its acceptance of the Authorized Location, in which case, Franchisee must propose and secure Franchisor’s acceptance of an alternative site, using the same process, within the remainder of the Site Acceptance Period.

Once it acknowledges its acceptance of the Authorized Location and Designated Territory, Franchisee must thereafter obtain lawful possession of the Authorized Location by lease, purchase or other method and open its Studio in accordance with the conditions and deadlines set forth in this Agreement.

Franchisor will have the right to modify the boundaries of the Designated Territory if (a) Franchisee relocates its Studio as permitted under this Agreement, or (b) at the time of any requested ~~renewal~~[for grant of a successor franchise](#) or proposed Transfer (defined below), the population of the Designated Territory is over 50,000, with said modifications designed to afford Franchisee with a territory that contains a population that is similar to that contained within the original Designated Territory.

1.3 **Exclusivity for Designated Territory.** As long as Franchisee is in compliance with this Agreement and except as described in Section 1.4 below, Franchisor will not operate, or grant a license to a third-party to operate, during the Term, a Pure Barre Studio located within the Designated Territory.

1.4 **Rights Reserved to Franchisor.** For the avoidance of doubt, Franchisor reserves for itself and its affiliates all rights not expressly granted to Franchisee in this Agreement and the right to do all things that Franchisor does not expressly agree in this Agreement not to do, in each case, without regard to proximity

to the Studio and without any compensation to Franchisee, and on such terms and conditions as Franchisor deems appropriate. Without limitation, Franchisor and its affiliates may, themselves or through authorized third parties (and Franchisee is not granted the right to): (a) open and operate, and license third parties the right to open or operate, other Pure Barre Studios utilizing the Marks and System outside the Designated Territory; (b) market, offer and sell products and services similar to those offered by Pure Barre Studios (such as private label products that Franchisor may develop and the Pure Barre Classic Training Program (as defined in Section 5.5)) under a different trademark or trademarks at any location, both within or outside the Designated Territory; (c) use the Marks and System, as well as any other marks Franchisor may designate, to distribute Approved Products and/or Approved Services through alternate channels of distribution, including without limitation, via the Internet and other e-commerce channels, catalog sales, direct mail or wholesale, anywhere either within or outside the Designated Territory; (d) acquire, or be acquired by, or merge with, any company, including a company operating or licensing one or more businesses offering products or services similar to those offered by any Pure Barre Studio located within or outside the Designated Territory, and subsequently operate (or license a third-party the right to operate) these businesses and allow them to incorporate certain elements of the System (excluding the Marks and Trade Dress) regardless of location; (e) develop or become associated with and engage in other businesses, including other fitness concepts and systems, and/or award franchises under such other concepts for locations anywhere, including inside and outside of the Designated Territory; (f) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited by this Agreement; and (g) open and operate, or license ~~third~~ third-parties the right to open or operate, Pure Barre Studios at “Non-Traditional Sites” both within and outside the Designated Territory. A “Non-Traditional Site” is any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, “big box” gyms and/or fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, hotels, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations).

## 2. ACCEPTANCE BY FRANCHISEE

2.1 **Acceptance by Franchisee.** Franchisee accepts this Agreement and the license granted herein and agrees to develop and operate the Studio on the terms and conditions specified herein. Franchisee agrees to comply with all System Standards (as defined in Section 2.2.E), as they may be revised as provided herein, in developing and operating its Studio. Franchisee (or, if Franchisee is an entity, one of its Operating Principals (as defined in Section 5.5)) and its Designated Manager (as defined in Section 5.5.A of this Agreement) must attend and complete the appropriate initial training to Franchisor’s satisfaction, as set forth in Section 6.2 of this Agreement.

2.2 **Conditions.** The rights being licensed herein are subject, without limitation, to the following conditions:

A. The Studio shall be identified only by those Marks approved in writing by Franchisor with at least one exterior sign as designated by Franchisor;

B. If Franchisee is not a natural person, then concurrently, with the signing of this Agreement, any person who directly or indirectly owns a ten percent (10%) or greater ownership interest in Franchisee (the “Owners”) and each Owner’s spouse (if applicable) must sign and deliver to Franchisor the Guarantee, Indemnification, and Acknowledgment attached as Exhibit 3 hereto (a “Guarantee”). Any person or entity that at any time after the Effective Date becomes an Owner, pursuant to Section 14

or otherwise, shall, as a condition of becoming an Owner, execute and deliver, and require its spouse (if applicable) to execute and deliver, to Franchisor its then-current form of Guaranty~~ee~~;

C. Franchisee shall submit the proposed lease for the Authorized Location to Franchisor for its written ~~consent~~acceptance before Franchisee executes the lease. The lease must contain the provisions outlined in Franchisor's then-current form of lease addendum, the current form of which is attached as Exhibit 4, or substantially similar provisions acceptable to Franchisor ("Lease Addendum");

~~D. Franchisee agrees that it shall open the Studio for regular, continuous business no later than six (6) months after the Effective Date. If, through no fault of Franchisee, the Studio has not opened after six (6) months, Franchisor may agree in writing to provide Franchisee with an additional three (3) months to open its Studio if Franchisee (a) has already secured an approved premises for its Studio, and (b) is otherwise making diligent and continuous efforts to buildout and otherwise prepare its Studio for opening throughout the six (6) month period following the Effective Date. Franchisor reserves the right to charge Franchisee a fee of \$2,500 as a condition to granting any extension under this Section; and~~

D. Subject to Applicable Laws (defined below), Franchisee must execute a written premises lease agreement accepted by Franchisor for the Authorized Location no later than six (6) months after the execution of this Agreement (the "Lease Execution Deadline"), and Franchisee must, with Franchisor's written approval, open the Studio's doors to the general public for participation in regular classes in the physical premises of the Studio (the "Soft Opening") no later than twelve (12) months after the execution of this Agreement (the "Opening Deadline"); and

E. Franchisee agrees at all times to comply with the Manual Learning Management System (as defined in Section 6.3 below), and all required standards, operating systems, and other aspects of the System prescribed by Franchisor (the "System Standards"), each of which is subject to change at Franchisor's discretion.

### 3. TERM AND SUCCESSOR FRANCHISES

3.1 **Term.** The term of this Agreement shall be for a period of ten (10) years beginning on the Effective Date, unless sooner terminated under Section 15 (the "Term").

3.2 **Successor Franchises.** Subject to this Section, Franchisee will be eligible to acquire two (2) separate and consecutive successor franchises ~~, each~~ for an additional ~~five~~ten (~~5~~10) year term (~~each~~ a "Successor Franchise"). ~~Acquisition of the 1<sup>st</sup> Successor Franchise shall be subject to the following conditions and requirements, and acquisition of the 2<sup>nd</sup> Successor Franchise shall be subject to the conditions and requirements set forth in the 1<sup>st</sup> Successor Franchise agreement. To acquire the 1<sup>st</sup> Successor Franchise:~~

A. Prior to expiration of the Term, Franchisee shall execute Franchisor's then-current form of franchise agreement for Pure Barre Studios, modified as necessary to reflect that the franchise granted therein is a Successor Franchise (the "Successor Franchise Agreement"). The provisions of the Successor Franchise Agreement may differ from and shall supersede this Agreement in all respects, including changes in royalty and advertising fees, except that Franchisee shall pay the Successor Franchise Fee (as defined in Section 3.2.F below) instead of the Initial Franchise Fee (as defined in Section 5.1 below). Franchisee's failure or refusal to execute and return the Successor Franchise Agreement and Successor Franchise Fee to Franchisor within thirty (30) days after delivery of the Successor Franchise Agreement to Franchisee shall constitute Franchisee's election not to acquire the Successor Franchise;



B. Franchisee shall demonstrate that it has the right to remain in possession of the Authorized Location for the duration of the term of the Successor Franchise, or that it has been able to secure and develop an alternative site acceptable to Franchisor;

C. In consideration of the grant of the Successor Franchise, Franchisee shall execute a general release in the form and substance satisfactory to Franchisor, releasing any and all claims Franchisee and its related parties may have against Franchisor and its affiliates, and their respective owners, officers, directors, employees, agents, successors and assigns;

D. Franchisee shall have completed ~~or made arrangements to make~~, at Franchisee's expense, such renovation and modernization of its Studio, including the interior and exterior of the building, grounds, leasehold improvements, signs, furnishings, fixtures, equipment, surveillance cameras, and decor as Franchisor reasonably requires so the Studio conforms with the then-current System Standards;

E. During the Term, Franchisee shall have substantially complied with all of the provisions of this Agreement and all other agreements with Franchisor and vendors to the Studio, and Franchisee and its affiliates shall be in compliance with this Agreement and all other agreements between them and Franchisor both on the date of the notice described in Section 3.2.G below and at the expiration of the Term;

F. Franchisee shall pay Franchisor a successor franchise fee in the amount of \$10,000 (the "Successor Franchise Fee"); and

G. Franchisee shall have given Franchisor written notice of its desire to acquire the Successor Franchise no less than 90 days or more than 180 days before expiration of the Term.

3.3 **Holdover.** If, in its discretion and without seeking to enforce Franchisee's post-term obligations set forth in Section 15.3 of this Agreement, Franchisor suffers Franchisee's continued operation of its Studio pursuant to this Agreement beyond the expiration of the Term, such continuance of operations shall be deemed to be Franchisee's election to extend the Term on a month-to-month basis (the "Interim Period") and, in addition to all other rights Franchisor may have as a result of Franchisee's non-compliance with this Agreement, Franchisor may terminate this Agreement during such Interim period in accordance with Section 15.1.A and Section 15.1.B below or, without any cause or reason, upon 30 days' prior written notice. ~~Franchisee shall otherwise~~ The Interim Period shall be considered part of the Term. However, if Franchisee is granted a Successor Franchise, the term of the Successor Franchise Agreement will be deemed to have begun upon expiration of the Term of this Agreement, rather than the Interim Period. If Franchisor allows for an Interim Period, Franchisee must comply with all of its obligations under this Agreement during the ~~extension of the Term as described in this Section.~~ Interim Period; provided, however, upon the commencement of the Interim Period, Franchisee (i) will be required to pay the then-current Royalty Fee (as defined in Section 5.2 of this Agreement), then-current Fund Contributions (as defined in Section 5.6 of this Agreement), and all other then-current fees required to be paid by franchisees, and (ii) must deliver an executed general release in the form and substance satisfactory to Franchisor, releasing any and all claims Franchisee and its related parties may have against Franchisor and its affiliates, and their respective owners, officers, directors, employees, agents, successors and assigns. By accepting any then-current fees, Franchisor does not waive any of its rights and remedies under this Agreement, including the right to terminate this Agreement.

#### 4. TRADEMARK STANDARDS

4.1 **Ownership of Marks.** Franchisee acknowledges the validity of the Marks and agrees and recognizes that the Marks are the sole and exclusive property of Franchisor and/or its affiliates. Franchisee further acknowledges that its right to use the Marks and System is derived solely from this



Agreement and is limited to the operation of the Studio pursuant to and in compliance with this Agreement. Any unauthorized use of the Marks by Franchisee shall be a breach of this Agreement and an infringement of the rights of Franchisor and its affiliates. Franchisee's use of the Marks inures to the benefit of Franchisor, which owns all goodwill now and hereafter associated with the Marks. Franchisee agrees not to contest ownership or registration of the Marks. Franchisor agrees to indemnify Franchisee from any claims, costs or fees associated with Franchisee's authorized use of the Marks in accordance with this Agreement, subject to the requirement that Franchisor be immediately notified of any third-party challenge to Franchisee's authorized use of any Mark under this Agreement, and Franchisor has the right to control any related dispute or proceeding.

4.2 **Use of Marks.** Franchisee shall not use any Mark (i) as part of any corporate or business name with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, or (ii) to advertise any prospective Transfer that would require Franchisor's approval under Section 14 of this Agreement. Franchisee shall display and use the Marks only in the manner and form prescribed or authorized by Franchisor and shall conduct no other business using the Marks other than that prescribed by Franchisor. Franchisee shall not use any other mark, name, commercial symbol or logotype in connection with the operation of the Studio and shall not market any product or service relating to the Studio without Franchisor's written consent, and if such consent is granted, such product or service must be marketed in a manner acceptable to Franchisor.

Franchisee agrees to give such notices of trademark and service mark registrations and copyrights (including the ® and © symbols) as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under Applicable Laws ~~(defined below)~~.

4.3 **Notification of Infringement.** Franchisee agrees to notify Franchisor immediately in writing if it becomes aware that any person who is not a licensee of Franchisor is using or infringing upon any of the Marks. Franchisee may not communicate with any person other than Franchisor and its counsel in connection with any such use or infringement. Franchisor will have discretion to determine what steps, if any, are to be taken in any instance of unauthorized use or infringement of any of its Marks and will have complete control of any litigation or settlement in connection with any claim of an infringement or unfair competition or unauthorized use with respect to the Marks. Franchisee will execute any and all instruments and documents and will assist and cooperate with any suit or other action undertaken by Franchisor with respect to such unauthorized use or infringement such as by giving testimony or furnishing documents or other evidence. Franchisor will be responsible for legal expenses incurred by Franchisor in connection with any litigation or other legal proceeding involving such third-party. Franchisor shall not be liable for any legal expenses of Franchisee unless (a) pre-approved in writing by Franchisor in its discretion, and (b) the action proceeds or arises out of Franchisee's authorized use of the Marks hereunder.

4.4 **Modification, Discontinuance or Substitution.** Franchisor reserves the right, in its sole judgment, to modify, discontinue or replace any Mark on a national or regional basis, and Franchisee shall, as applicable and at its expense, immediately discontinue use of any Mark and commence using any modified or replacement Mark as directed by Franchisor. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's discontinuance or change of any Mark.

## 5. FEES

5.1 **Initial Franchise Fee.** On its signing of this Agreement, Franchisee agrees to pay Franchisor an initial franchise fee in the sum of Sixty Thousand Dollars (\$60,000) for the right to operate the Studio pursuant to the terms of this Agreement (the "Initial Franchise Fee"). The Initial Franchise Fee shall be fully earned by Franchisor upon payment and is not refundable under any circumstance.

5.2 **Royalty Fee.** Throughout the Term, Franchisee agrees to pay Franchisor, weekly, without setoff, credit or deduction of any nature, a royalty fee equal to seven percent (7%) of the Gross Sales (as that term is defined in Section 5.3, below) generated by the Studio over the immediately preceding week (the “Royalty” or “Royalty Fee”).

5.3 **Gross Sales.** “Gross Sales” means the total revenue, in whatever form, generated by the Studio, whether or not in compliance with this Agreement and regardless of receipt, including all revenue generated from the sale and provision of any and all gift cards and other products and services at or through the Studio and all proceeds from any business interruption insurance related to the non-operation of the Studio. “Gross Sales” does not include (a) any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, (b) the value of any allowance issued or granted to any client of the Studio that is credited in good faith by Franchisee in full or partial satisfaction of the price of the Approved Products or Approved Services offered in connection with the Studio, or (c) revenue generated from the provision of the Teacher Training Program at the Studio.

5.4 **Fitness Equipment & Initial FF&E Package; Pre-Sales and Soft Opening Retail Inventory Kit; Pre-Sales Phase Expenditures; POS/Inventory System.**

A. Prior to ~~opening~~ the Studio’s Soft Opening, Franchisee must purchase or lease the Fitness Equipment & Initial FF&E Package (as defined below) ~~(which the Parties expect Franchisee will acquire via a lease to own or comparable agreement entered into with a third party provider of such programs)~~ and opening retail inventory comprised of certain branded and other inventory that may be resold at the Studio (the “Pre-Sales and Soft Opening Retail Inventory Kit”) from Franchisor’s approved supplier(s). The “Fitness Equipment & Initial FF&E Package” includes: (i) a Studio fixture package (comprised of a millwork bundle (front desk, slatwall, cubbies), millwork accessories and other related supplies; (ii) the package of fitness equipment and other operational equipment that Franchisor designates to be used in Studios (ballet barre, floor mat, tubing, balls, platforms, cuff weights, gliders, dumbbells) and smaller pieces of related exercise equipment; (iii) other items related to the outfitting and design and buildout of ~~your~~the Studio; and (iv) the installation and ~~transportation of~~shipping costs for the foregoing items. Throughout the Term, Franchisee will be responsible for (i) maintaining and/or replacing the exercise equipment, furniture, fixtures, other equipment, and related supplies used in connection with the Studio, and (ii) maintaining certain levels of inventory with respect to those items comprising the Pre-Sales and Soft Opening Retail Inventory Kit, as set forth more fully in this Agreement.

B. As part of the Pre-Sales and Soft Opening Retail Inventory Kit, Franchisee will acquire and must utilize certain pre-sales start-up package materials in coordination with the pre-opening sales plan that Franchisee is required to commence conducting ~~approximately~~ at least sixty (60) days prior to the ~~opening of the~~ Studio’s Soft Opening (the “Pre-Sales Phase”). Franchisee agrees and acknowledges that Franchisee must: (i) develop the foregoing plan in coordination with the opening support program designated by Franchisor that is designed to generate prospective Studio clientele and members and otherwise promote the Studio prior to the Soft Opening (the “Opening Support Program”); (ii) obtain Franchisor’s prior approval of the plan and all Pre-Sales Phase activities; and (iii) incur and promptly pay all fees and costs associated with the Opening Support Program and other Pre-Sales Phase activities as and when such amounts become due.

C. Franchisee further agrees to install at its expense and use the membership accounting, cost control, ~~point of sale~~point-of-sale system and inventory control systems (the “POS/Inventory System”) through the supplier Franchisor designates. The designated or approved supplier(s) for these services will be updated in the Manual Learning Management System as changes are made. Throughout the Term, Franchisee will also be required to pay Franchisor’s then-current designated provider for the

software that Franchisor prescribes for use in connection with the Studio and the POS/Inventory System, which may be modified upon reasonable written notice to Franchisee.

**5.5 Training Programs and Fees.** The Parties agree and acknowledge that: (i) Franchisee or, if Franchisee is an entity, at least one (1) of Franchisee's operating principals (an "Operating Principal") must complete the "Owner/Operator Module" and Franchisor's proprietary initial training program (the "Initial Training Program"), as described in more detail in the ~~Manual~~[Learning Management System](#); and (ii) each instructor that Franchisee engages to provide any of the Approved Services at its Studio must complete Franchisor's proprietary Pure Barre Classic Training Program that is designed to provide instructors with additional guidelines and instruction for providing the Approved Services in accordance with the System (the "Pure Barre Classic Training Program"). Franchisor may, at its option, conduct any training program virtually via live or prerecorded modules. Fees for attendance and participation in a training program (each a "Training Fee") may be assessed as described below.

A. *Initial Training Program.* Except as provided below, Franchisee will not be required to pay any Training Fee or tuition in connection with individuals that attend the Initial Training Program prior to the ~~opening of the~~ Studio's [Soft Opening](#), provided such individuals all attend at the same time. For those individuals that wish to complete the Initial Training Program at a time other than when Franchisee (or, if applicable, its Operating Principal) attends the Initial Training Program, Franchisor may charge such individuals its then-current Training Fee. Franchisee may also designate a third-party individual that Franchisor approves to manage the day-to-day operations of the Studio (a "Designated Manager"), but any such individual must at least complete the Designated Manager Module of the Initial Training Program prior to assuming any management responsibilities at the Studio (with Franchisee paying the Training Fees associated therewith, if any). If Franchisee is acquiring and assuming an existing Pure Barre Studio from another System franchisee, it will be required to pay Franchisor's then-current Training Fee for persons required to attend Franchisor's Initial Training Program as necessary to satisfy the requirements of this Section.

B. *Designated Manager; Designated Manager Training Program.* If Franchisee (or one of its Operating Principals) is not or does not intend to be on-site at the Studio during normal business hours to manage the day-to-day operations of its Studio (including, for example, where Franchisee owns or is affiliated with owners of multiple open Pure Barre Studios), then Franchisee must appoint a "Designated Manager" for the Studio who will be responsible for the day-to-day operations of, and only for, the Studio. Each Designated Manager must attend and complete, to Franchisor's satisfaction, Franchisor's designated manager training program prior to assuming the Designated Manager responsibilities (the "Designated Manager Training Program"). Franchisor does not charge a Training Fee for Franchisee's initial Designated Manager's participation in the Designated Manager Training Program.

C. *Pure Barre Classic Training Program.* Every instructor that provides any of the Approved Services at Franchisee's Studio must, prior to providing instruction, complete the Pure Barre Classic Training Program, as described in the ~~Manual~~[Learning Management System](#). Franchisor will assess a Training Fee for participation in the Pure Barre Classic Training Program

D. *Ongoing/Refresher and Other Additional Training.* Franchisor may provide or request that Franchisee and certain of its management personnel attend and complete up to five (5) days of additional/refresher training each year, ~~but~~ Franchisor will not charge Franchisee a Training Fee in connection with such required training.

E. *No Training Fee for Minor, Day-to-Day Assistance.* Franchisor may provide or request that Franchisee and certain of its management personnel attend and complete up to five (5) days of

additional/refresher training each year, but Franchisor will not charge Franchisee a Training Fee in connection with such required training.

F. *Costs and Expenses.* Franchisor will not, under any circumstances, be responsible for, and the indemnities provided in Section 11.2 shall apply to, costs and expenses (including wages, benefits, and travel-related expenses) incurred by or owed to Franchisee or its personnel in or as a result of attending or participating in any training program described in this Agreement or otherwise provided by Franchisor or its designee.

G. *Training Fee for Certain Training.* Franchisor may charge its then-current Training Fee in connection with training that (a) Franchisee requests Franchisor provide, or (b) Franchisor provides on-site at Franchisee's Studio.

5.6 **Fund Contribution.** Franchisor (and its affiliates) have established a creative brand development fund to promote the System, Marks and brand with which the Studio is associated generally (the "Fund"). Franchisee shall contribute to the Fund, as directed by Franchisor from time to time, ~~up to~~ two percent (2%) of the Gross Sales of its Studio (the "Fund Contribution"), commencing once the Studio starts generating revenue from its business operations. The Fund Contribution will typically be paid in the same manner and at the same interval that the Royalty Fee is collected (based on the Gross Sales of the Studio over the immediately preceding reporting period). Franchisor has the right, at any time and on notice to Franchisee, to change the amount of the Fund Contribution in accordance with Section 9.1 below.

5.7 **Technology Fee.** Franchisor may charge Franchisee a recurring technology fee, the amount of which may change from time to time during the Term, in Franchisor's discretion, to pay for certain aspects of Franchisee's computer system and/or software used in the operation of the Studio ("Technology Fee"). Franchisor reserves the right to designate and/or change the amount, scope, interval, or manner of payment of the Technology Fee, including the party to whom payment is made, at any time upon providing reasonable written notice to Franchisee; provided, however, Franchisor will not increase the Technology Fee by more than 10% annually. The Technology Fee may be collected by Franchisor at the same time as the Royalty Fees due hereunder.

5.8 **Music Licensing Fee.** Franchisor may charge Franchisee its then-current music licensing fee (the "Music Licensing Fee") as consideration for costs incurred in connection with obtaining licensing rights to music and playlists Franchisee will use in connection with the provision of Approved Services at the Studio.

5.9 **Other Amounts Due in Connection with the Studio.** Franchisee will also be responsible for timely payment of any other required fees or amounts necessary to purchase ongoing marketing materials, inventory, supplies and/or other items from Franchisor, its affiliates or other third-party suppliers as described in this Agreement.

5.10 **Electronic Transfer; Right to Modify Collection Interval.**

A. Franchisor reserves the right to determine, from time to time, the frequency, intervals covered, and manner in which amounts owed to it or its affiliates must be paid. Currently all such amounts (including fees, interest, and other payments required under this Agreement) must be paid via automatic debit from Franchisee's point-of-sale operating account administered by the designated supplier of point-of-sale services on a weekly basis throughout the Term, subject to modification on reasonable written notice.

B. All amounts due to Franchisor or its affiliates for the purchase of products, services or otherwise are due upon receipt of an invoice from Franchisor or such affiliate. Any payment or report not actually received by Franchisor or its affiliates on or before the due date is overdue.

C. Franchisee agrees to complete and execute Franchisor's then-current form of "Electronic Funds Transfer Agreement" and any other form, including, without limitation, an "Electronic Debit Authorization" for the purpose of authorizing an electronic debit, and to submit any information required by Franchisor for such authorization. Such authorization must remain in effect throughout the Term and, following expiration or termination of this Agreement, until all amounts owed to Franchisor and its affiliates have been paid.

D. Franchisee is required to use only the POS/Inventory System provided by the designated supplier and will pay the designated provider directly for all fees associated with the use of the designated provider's software. Franchisee is not allowed to use an unapproved external terminal to process transactions.

5.11 **Interest and Late Charges.** Amounts due to Franchisor (except interest on unpaid amounts due) not paid when due shall bear interest from the date due until paid at the lesser of one and one-half percent (1.5%) per month or the highest rate of interest allowed by law. Franchisor may also recover its reasonable attorneys' fees, costs and other expenses incurred in collecting amounts owed by Franchisee.

## 6. FRANCHISOR SERVICES

In addition to the services described elsewhere in this Agreement, Franchisor will do the following:

6.1 **General Guidance for Opening.** Franchisor shall consult and advise Franchisee on the proper display of the Marks, layout and design, procurement of barre and other equipment, free weights and other equipment, furniture, fixtures, ~~surveillance cameras with audio~~, initial inventories, managing construction or remodeling of the Studio, and certain other items related to the development and operation of Pure Barre Studios. After Franchisee has executed an ~~approved~~accepted lease for the Authorized Location, Franchisor shall deliver to Franchisee specifications and standards for building, equipment, furnishings, fixtures, ~~surveillance cameras with audio~~, layout, design and signs relating to the Authorized Location and shall provide reasonable consultation in connection with the development of the Studio. Franchisee's architect is responsible for proposing changes to the layout, design and construction specifications provided by Franchisor as necessary to meet applicable legal requirements and to adapt for unique physical characteristics of the Authorized Location, but Franchisee agrees that no such changes, alterations or modifications whatsoever to Franchisor's selected layout and design specifications will be implemented without Franchisor's prior written consent.

6.2 **Training-Related Programs and Obligations.** Franchisor will provide the training programs described in Section 5.5 and below, and Franchisee must, at all times during the Term, be in compliance with all training obligations described in Section 5.5 and set forth below.

A. *Initial Training Program; Designated Manager Training Program.* All persons required to complete the Owner/Operator Module, the Designated Manager Training Program, and the Pure Barre Classic Training Program must do so prior to engaging in any activities related to the operation of the Studio. The specifics of each of the foregoing training programs shall be set forth in the ~~Manual~~Learning Management System. All such training is conducted, at Franchisor's option, at Franchisor's corporate headquarters or another training facility Franchisor designates. At Franchisee's option, one (1) or more other individuals that will be responsible for providing the Approved Services at the Studio must participate and complete the Pure Barre Classic Training Program component of the Initial Training



Program. If any of the individuals described in this Section and Section 5.5 fail to successfully complete the applicable training required by this Section and Section 5.5 before the time Franchisee is required to ~~open~~conduct the Studio's ~~hereunder~~Soft Opening, Franchisor may terminate this Agreement.

B. *Instructor Training and Related Obligations.* Any individual that wishes to provide Approved Services at the Studio must complete the Pure Barre Classic Training Program (either as part of the Initial Training Program or at some point thereafter via the instruction materials and test that is part of the System Standards). Franchisor may, in addition to exercising any of its other rights under this Agreement, terminate this Agreement upon written notice to Franchisee if Franchisee permits the Approved Services to be provided by any individual that does not meet the criteria in this Section. If Franchisee fails to comply with the foregoing (or any other material obligation under this Agreement), Franchisor reserves the right to charge Franchisee its then-current non-compliance fee ("Non-Compliance Fee") in each instance. The Studio must have at least one authorized instructor ("Authorized Instructor") that has completed the Pure Barre Classic Training Program on-site at the Studio at all times when any Approved Services are being provided. Franchisee must otherwise ensure that: (i) any Pure Barre Classic Training Program held at the Studio is performed in accordance with System Standards; (ii) any individual that participates in the Pure Barre Classic Training Program, successfully completes that program, and passes any test that is provided in connection with the program; and (iii) no personnel provides instruction or other Approved Services at the Studio unless and until such personnel successfully completes the Pure Barre Classic Training Program and passes the corresponding test. Franchisee agrees that Franchisor, as part of its right to inspect and audit the operations of the Studio on an ongoing basis, may require that Franchisee demonstrate that all required personnel has participated in and successfully completed the Pure Barre Classic Training Program and corresponding test.

C. *Discretionary On-Site Assistance.* ~~Around~~For the ~~time the~~ Studio's ~~is~~Soft ~~o~~Opening, Franchisor may send one (1) or more representatives to the Studio to (i) provide assistance and recommendations regarding the opening and initial operations of the Studio, and/or (ii) provide additional or refresher training associated with the Owner/Operator Module and/or the Pure Barre Classic Training Program, all as Franchisor determines appropriate in its discretion (collectively, the "Discretionary On-Site Assistance"). In the event Franchisor notifies Franchisee that it will be providing the Discretionary On-Site Assistance, such assistance typically lasts one (1) to two (2) days and Franchisee must ensure that Franchisee (or its Operating Principal) and all other management personnel are in attendance at the Studio during those days.

D. *Ongoing/Refresher Training.* Franchisor may provide, and require that Franchisee, as well as any of its management personnel attend, up to five (5) days of additional training each year at a training facility that Franchisor designates (without charging Franchisee any Training Fee as described in Section 5.5 of this Agreement). Franchisee may also request that Franchisor provide certain additional or refresher training to Franchisee, either at one (1) of Franchisor's designated training facilities or on-site at Franchisee's Studio, but Franchisor reserves the right to charge Franchisee its then-current Training Fee based on the number of days of such training that Franchisor provides at Franchisee's request.

E. *Remedial Training.* If Franchisor determines that Franchisee is operating the Studio in a manner that is not consistent with the terms of this Agreement or the ~~Manual~~Learning Management System, or if Franchisee is otherwise in material default of this Agreement, Franchisor may also require that Franchisee, its Designated Manager (if applicable) and/or certain Authorized Instructors of the Studio attend and complete up to five (5) additional days of training at (a) Franchisor's designated training facility, (b) the Studio, or (c) other location Franchisor designates, that is designed to address the default or other non-compliance issue (the "Remedial Training"). Franchisor may require Franchisee and its designated trainees to pay Franchisor its then-current Training Fee in connection with attending Remedial Training.

6.3 **Operations Manual Learning Management System.** During the Term, Franchisor will grant Franchisee ~~online~~ access to ~~an~~ its confidential online learning management platform, which includes electronic versions of ~~its~~ manuals and written policies and procedures related to the development and operation of Pure Barre Studios (collectively, the “Manual Learning Management System”). The Manual Learning Management System is anticipated to codify then-current specifications, standards and operating procedures prescribed or suggested by Franchisor. Franchisee acknowledges that Franchisor may from time to time revise its System Standards as well as the contents of the Manual Learning Management System (including by written memoranda and notices issued to owners of Pure Barre Studios), and Franchisee agrees to comply with each new or changed standard and specification upon notice from Franchisor. The Manual Learning Management System shall remain the sole property of Franchisor and is part of, and subject to the requirements applicable to, Franchisor’s Confidential Information (as defined in Section 12.1). If Franchisee, intentionally or otherwise through its gross negligence, compromises the secure access to the ~~online version of the Manual (or any hard copy of the~~ Manual Learning Management System (or any printed copies of the contents thereto), including, but not limited to, allowing unauthorized users access to the Manual Learning Management System and its confidential contents or intentionally posting any of the Confidential Information on the Internet, Franchisee acknowledges that it will be required to adequately compensate Franchisor for the breach and related damage to the Marks and System, and that any limitation of remedies provided in Sections 16.4. and 16.7 below shall not limit Franchisor’s remedy or relief in the foregoing instance(s).

6.4 **Continuing Services.** Franchisor will provide such continuing advisory assistance and information to Franchisee in the development and operation of the Studio as Franchisor deems advisable in its discretion. Such assistance may be provided, in Franchisor’s discretion, by Franchisor’s directives, System bulletins, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters or manuals.

6.5 **Approved Lists.** Franchisor will provide and from time to time, add to, alter or delete, at Franchisor’s discretion, lists of specifications, approved distributors and suppliers, approved services and products, including, but not limited to, barre and other fitness equipment and gear, and other materials and supplies used in the operation of the Studio. Franchisor, or an affiliate of Franchisor, may be a designated, approved, or sole supplier of certain equipment, gear, merchandise, apparel and supplies.

6.6 **Pricing.** The System has developed a reputation that is based in part on affordable prices for barre and fitness classes offered by Pure Barre Studios operating as part of the System. To promote a consistent consumer experience, and to maximize the value of the products and services Studios offer, Franchisor may, subject to Applicable Laws, require fixed maximum or minimum prices for any products or services offered by the System and Franchisee. Franchisee is obligated to abide by the pricing established by Franchisor from time to time, unless Franchisor consents to changes in local pricing offered by Franchisee in order to (i) allow Franchisee to respond to unique, local, marketing conditions, competition, or expenses; or (ii) comply with changes or interpretations in state or federal anti-trust laws. Consistent with state or federal law, Franchisor reserves the right to change or eliminate its pricing program in the future, or to move from a required to recommended pricing structure. For any product or service for which Franchisor does not impose a maximum or minimum price, Franchisor may require Franchisee to comply with an advertising policy adopted by Franchisor which will prohibit Franchisee from advertising any price for a product or service that is different than Franchisor’s suggested retail price. Although Franchisee must comply with Franchisor’s advertising policy, Franchisee will not be prohibited from selling any product or service at a price above or below the suggested retail price unless Franchisor imposes a maximum price or minimum price for such product or service.

6.7 **Fund.** As detailed in Section 9.1 of this Agreement, the Fund is currently maintained and administered by Franchisor (or its affiliates), with the advice and counsel of a marketing fund committee,



to meet the costs of conducting regional and national advertising and promotional activities (including the cost of advertising campaigns, test marketing, marketing surveys, public relations activities and marketing materials) which Franchisor and the marketing fund committee deem beneficial to the System.

6.8 **Approving ~~Pre-Opening~~ Support Program.** Franchisor and/or its approved provider will provide Franchisee with advice and consultation with respect to establishing the Pre-Sales Phase and the Opening Support Program described in Section 5.4.B above. The components of Franchisee's Opening Support Program must be approved by Franchisor prior to implementation, including the relevant timelines for certain ~~pre-opening~~initial sales and marketing activities.

6.9 **Branded Emails.** Franchisor reserves the right to require Franchisee to use an email address associated with Franchisor's registered domain name in connection with the operation of the Studio. If Franchisor requires Franchisee to obtain and use such an email address, Franchisee must do so according to System Standards. Franchisee acknowledges and agrees that Franchisor will have unrestricted access to all such email accounts and all document, data, materials, and messages shared from or by such accounts. Franchisor may deactivate any such account or limit Franchisee's or its users' access to it at any time. Franchisee acknowledges and agrees that it will use such email address only in connection with the operation of the Studio and in compliance with all Applicable Laws. Franchisee agrees to indemnify Franchisor and its affiliates for claims arising from Franchisee's unlawful use of such email address.

## 7. FACILITY STANDARDS, LEASE AND CONSTRUCTION

7.1 **Facility Specifications.** Franchisee's Studio shall satisfy the following conditions:

A. The Studio shall be laid out, designed, constructed or improved, equipped and furnished in accordance with the System Standards. Equipment, furnishings, fixtures, ~~surveillance cameras with audio,~~ décor and signs for the Studio shall be purchased from suppliers approved or designated by Franchisor. Franchisee may remodel or alter the Studio, or change its equipment, furniture or fixtures, only with Franchisor's prior written consent. Franchisee must obtain necessary permits, licenses and other legal or architectural requirements. The Studio shall contain or display only signage that has been specifically approved or designed by Franchisor.

B. The Studio and all fitness equipment shall, at all times, be maintained in accordance with the System Standards. Franchisee shall promptly repair or replace defective or obsolete equipment, signage, fixtures or any other item of the interior or exterior that is in need of repair, refurbishing or redecorating in accordance with such standards established (and updated from time to time) by Franchisor or as may be required by Franchisee's lease.

C. Franchisee recognizes that Franchisor may, in its discretion, evolve the System and the features and appearance of Pure Barre Studios to, among other things, respond to new fads, new forms of exercise, new equipment, new training techniques, and changing customer demands. Franchisee further understands that barre/fitness equipment and other equipment wears out, breaks down, or becomes obsolete. Consequently, from time to time, as Franchisor requires, Franchisee must modernize and/or replace components of the Trade Dress and Studio's operating assets and equipment as may be necessary for the Studio to conform to the System Standards for new Pure Barre Studios. Further, Franchisee will be required to thoroughly modernize or remodel the Studio, at Franchisee's cost, when requested by Franchisor, but no more than once every 5 years. This may include replacing barre/fitness equipment and gear, and other updates and improvements. Franchisee acknowledges that this obligation could result in Franchisee making extensive structural changes to, and significantly remodeling and renovating the Studio, and Franchisee agrees to incur, without limitation, any capital expenditures required in order to comply with this obligation and Franchisor's requirements. Within 60 days after receiving written notice from Franchisor, Franchisee shall have plans prepared according to the standards and specifications that

Franchisor prescribes, and Franchisee must submit those plans to Franchisor for its approval. Franchisee agrees to complete all work according to the plans that Franchisor approves within the time period that Franchisor reasonably specifies and in accordance with this Agreement. Franchisor and its affiliates who own Pure Barre Studios will hold themselves, and the Studios they operate (if any), to the same high standard and same frequency for replacement and renovation as is required of Franchisee.

D. The Studio shall contain signage prominently identifying Franchisee by name as an independently owned and operated franchisee of Franchisor.

E. ~~The Studio must have~~ Franchisor may require that Franchisee install and operate a surveillance camera with audio ~~purchased from a designated approved supplier installed at the premises of the Studio. The camera(s) must be web accessible. The camera(s) will be used by Franchisee to help~~ monitor teacher performance, quality assurance and safety. Franchisor has an absolute right to also review and monitor the camera(s) for the same purposes as Franchisee, and to ensure compliance with the System. Franchisee is responsible for complying with all Applicable Laws in connection with the use of the surveillance camera, ~~including without limitation, obtaining all necessary consents from Franchisee's employees, agents, customers, and any other visitors of the Studio for purposes of collecting, using, disclosing, and sharing relevant data and footage with Franchisor and its parents, affiliates, and subsidiaries.~~ Franchisee acknowledges and agrees that its indemnification obligations under this Agreement include claims arising from or related to any breaches of privacy from Franchisee's use of any surveillance camera.

F. Franchisee must offer, accept the use of, and ensure that it and the Studio's personnel are aware of all then-current System policies and procedures related to member reciprocity amongst (a) other Studios that are part of the System, and/or (b) studios operated as part of the franchise systems in connection with the other brands owned and/or licensed by Franchisor and its affiliates.

7.2 **Lease.** Franchisee is solely responsible for purchasing or leasing a suitable site for its Studio. Franchisee must submit the lease for the Studio to Franchisor for its written ~~consent~~ acceptance before Franchisee executes the lease for the Authorized Location. Franchisor will not withhold ~~consent~~ its acceptance of the lease arbitrarily; however, any lease must be subject to the applicable Lease Addendum or incorporate similar terms. Franchisor's acceptance of the lease for the Studio will be for Franchisor's own purposes, and Franchisor's makes no representation or warranty as to the quality or suitability of the lease or its terms for Franchisee's purposes. Franchisee acknowledges that it has been advised to have any lease reviewed by Franchisee's own legal counsel.

7.3 **Unit Development.** Franchisee agrees that after obtaining possession of the Authorized Location, Franchisee will promptly, at its sole expense:

- A. Obtain any standard plans and/or specifications from Franchisor;
- B. Engage a qualified licensed architect, as required by state or local codes, to prepare all drawings, designs, plans and specifications for the Studio, and submit same to Franchisor for review and written approval prior to commencing construction;
- C. Complete the construction or remodeling of the Studio in full and strict compliance with plans and specifications approved by Franchisor, and in compliance with the Trade Dress and all applicable ordinances, building codes and permit requirements;
- D. Purchase or lease, in accordance with the System Standards, all fitness equipment, fixtures, inventory, supplies and signs required for the Studio;

E. Hire and train the initial operating personnel according to this Agreement and the System Standards; and

~~F. Complete development of and have the Studio open for business not later than six (6) months after the Effective Date of this Agreement.~~

F. Conduct the Studio's Soft Opening by the Opening Deadline with Franchisor's approval.

7.4 **Franchisee's Responsibility.** Although Franchisor may provide Franchisee with various standard or sample plans and specifications with respect to constructing and equipping the Studio, it is Franchisee's sole responsibility to construct, equip, and operate the Studio in compliance with all applicable federal, state and local laws and regulations, including, without limitation, all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws, sanitation laws, Americans with Disabilities Act, and all other requirements that may be prescribed by any federal, state or local governmental agency ("Applicable Laws"). Franchisee is also responsible for ensuring that Franchisee and the Studio comply with all music licensing laws in connection with any music that Franchisee and/or any staff at the Studio determines to play or use that is not otherwise covered by the Music Licensing Fee. Franchisee further acknowledges and agrees that Franchisee is, and will continue to be, at all times during the Term, solely responsible for the day-to-day operation of the Studio in accordance with this Agreement, including all decisions regarding its personnel (as described in Section 8.3 below), each of whom must be competent, conscientious, and properly trained. Franchisee acknowledges that nothing in this Agreement shall, or may be construed to, create any type of employer or joint employer relationship between (a) Franchisee or any of Franchisee's personnel, and (b) Franchisor in any matter.

## 8. STUDIO IMAGE AND OPERATING STANDARDS

8.1 **Compliance.** Franchisee acknowledges and agrees that every detail regarding the appearance and operation of its Studio is important to Franchisor, Franchisee, the System and other owners and operators of Pure Barre Studios in order to maintain high and uniform operating standards, to increase demand for the classes sold by all franchisees, and to protect Franchisor's and the System's reputation and goodwill, and, accordingly, Franchisee agrees to comply strictly at all times with the requirements of this Agreement and the System Standards (whether contained in the ~~Manual~~[Learning Management System](#) or any other written or oral communication to Franchisee by Franchisor) relating to the appearance or operation of the Studio. Franchisee acknowledges that other Pure Barre Studios may operate under different forms of agreement with Franchisor, and that the rights and obligations of the Parties to other agreements may differ from those hereunder.

8.2 **Franchisor's Right to Inspect.** To determine whether Franchisee is complying with this Agreement and the System Standards, Franchisor reserves the right, at any reasonable time and without prior notice, and subject to Applicable Laws, to inspect and assess all aspects of the Studio's appearance and operations, including the right to: (1) inspect and examine the Studio premises, fitness equipment, facilities and operation of the Studio in person ~~or by web accessible surveillance cameras with audio, which are required to be installed in each classroom in the Studio;~~ (2) interview Franchisee and Franchisee's employees and any independent contractors; (3) interview members and customers of and suppliers to the Studio and any other person with whom Franchisee does business; (4) confer with members and staff of government agencies with authority over Franchisee about matters relevant to the Studio; and (5) use "mystery shoppers," who may pose as customers. Franchisor will bear the costs of all such initial inspections, but it reserves the right to require Franchisee to reimburse it costs (including travel expenses, room and board, employee/representative wages, and related fees) associated with re-inspections or follow-up visits that Franchisor or its designees conduct after any inspection of the Studio reveals one or more failures to comply with System Standards, and/or if any follow-up visit is necessary

because Franchisor or its designated representatives were for any reason prevented from properly inspecting any part of the Studio.

8.3 **Personnel.** Franchisee agrees to engage in the operation of the Studio only persons of high character and ability who maintain and exhibit traits of enthusiasm, cleanliness, neatness, friendliness, honesty and loyalty, it being recognized by Franchisee that such persons are necessary in order to promote and maintain customer satisfaction and the goodwill of the System. Franchisee must ensure that in connection with all dealings with all stakeholders in the value of the Pure Barre brand and System (including, without limitation, with Franchisor, its affiliates, Franchisor and its affiliates' employees, other Pure Barre franchisees, franchisees of our affiliates, members and prospective Studio members of the Pure Barre brand or any other brand in connection with our affiliates, and suppliers and vendors), its and each of its owners' and employees' must act honestly and ethically in each instance. Franchisee agrees to staff the Studio at all times with a sufficient number of qualified, competent personnel who have been trained in accordance with this Agreement and the System Standards. Franchisee, not Franchisor, shall be considered the employer of all employees and the principal of all independent contractors of the Studio. It is the sole responsibility of Franchisee to hire, discipline, discharge and establish wages, hours, benefits, employment policies and other terms and conditions of employment for its employees and independent contractors. Franchisee is solely responsible for obtaining its own independent legal advice regarding the employment of employees and retention of independent contractors, and for complying with any and all Applicable Laws pertaining thereto. Franchisor shall have no responsibility for the terms and conditions of Franchisee's relationship with Franchisee's employees and/or independent contractors. Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all Applicable Laws, including all wage-hour, civil rights, immigration, employee safety and related employment and payroll related laws. Franchisee shall make all necessary filings with, and pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required. Franchisee acknowledges that nothing in this Section or Agreement shall, or may be construed to, create any type of employer or joint employer relationship between (a) Franchisee or any of Franchisee's personnel, and (b) Franchisor in any matter.

#### 8.4 **Products and Services to be Offered for Sale.**

A. *Approved Services and Approved Products Generally.* Franchisee acknowledges that the presentation of a uniform image to the public and the offering of uniform services and products is an essential element of a successful franchise system. In order to ensure consistency, quality and uniformity throughout the System, Franchisee agrees (1) to sell and offer for sale only the Approved Services and Approved Products; (2) to sell and offer for sale all of the Approved Services and Approved Products required by Franchisor; (3) not to deviate from the System Standards; and (4) to discontinue selling and offering for sale any services or products that Franchisor may, in its discretion, disapprove at any time. Franchisor shall supply Franchisee with a list of suppliers from which Franchisee is required to purchase fitness equipment/accessories, and other products or services for the Studio. Franchisor may change this list from time to time, and upon notification to Franchisee, Franchisee shall only purchase fitness equipment/accessories and other required products or services from approved suppliers as specified on the changed list. Franchisor and its affiliates may be designated, approved, or sole suppliers of certain items and services. Franchisee agrees to keep the Studio and fitness equipment in clean condition, with all equipment well-maintained and operational, and be able at all times during business hours to provide members with all services and products specified by Franchisor.

B. *Required Use of Approved Suppliers.* Franchisee ~~agrees that all exercise equipment must be purchased exclusively from~~ may, at its option, designate, mandate or approved suppliers, ~~must be~~ (which may include Franchisor and its affiliates) of all equipment, gear, merchandise, apparel, supplies, and other assets used in the development and operation of Franchisee's Studio. Franchisee agrees to purchase all such items only approved or designated suppliers and ~~maintained~~ all such items according to

manufacturer or Franchisor specifications, ~~as applicable. Franchisee must, if required by Franchisor as a condition to site selection approval, use real estate attorney from the panel recommended by Franchisor to review and negotiate the lease for the Studio.~~ Franchisor and its affiliates may, at their option, collect from Franchisee some or all payments, fees, and expenses for and associated with such items and pay the suppliers directly on Franchisee's behalf. If Franchisor elects to do so, Franchisee agrees that Franchisor or its affiliates may auto-debit Franchisee's bank account for such amounts in the same manner and using the same authorization that Franchisee grants Franchisor with respect to payment of Royalty Fees and other fees. Franchisor and its affiliate may derive revenue or obtain other consideration from suppliers based on purchases that Franchisee makes, and Franchisor and its affiliates may use such revenue or consideration without restriction.

C. *No Deviation or Supplement with Regards to Approved Services and/or Related Methodology.* Franchisee and its instructors must teach classes exactly as specified in the [Manual Learning Management System](#) and in other training materials provided by Franchisor. Franchisee agrees not to add any exercises, training routines, workout regimens, barre exercises or other forms of instruction that are not approved by Franchisor, and Franchisee agrees not to leave out any exercises, choreography, workout regimens, or other forms of instruction that are required by Franchisor.

D. *Non-Approved Services, Products or Suppliers.* If Franchisee proposes to offer for sale any products, classes or services other than then-current Approved Services and Approved Products, Franchisee shall first notify Franchisor in writing and submit sufficient information, specifications and samples concerning such product, classes and/or supplier and/or service for a determination by the Franchisor whether such product, classes or supplier of service complies with the Franchisor's specifications and standards and/or whether such supplier meets the Franchisor's approved supplier criteria. Franchisor reserves the right to charge Franchisee reasonable costs in connection with Franchisor's review, evaluation and approval of alternative suppliers. These charges may include reimbursement for travel, accommodations, meal expenses, and personnel wages. Franchisor may from time to time prescribe procedures for the submission of requests for approved products and/or suppliers or services and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be executed by approved suppliers). Franchisor reserves the right to revoke its approval of a previously authorized supplier, product, class or service when Franchisor determines in its discretion that such supplier, product, class or service is not meeting the specifications and standards established by Franchisor. If Franchisor modifies its list of approved products, classes and/or suppliers and/or services, Franchisee shall not, after receipt in writing of such modification, reorder any product or utilize any supplier, product, class or service that is no longer approved.

E. *Franchisor Rights.* Franchisee acknowledges and agrees that Franchisor and certain of its affiliates are (or may at any time in future become) an approved, designated, or sole supplier for certain barre/fitness equipment, other equipment, products, logo items, signage and artwork, and other items and services used or sold in Pure Barre Studios; that Franchisor and such affiliates may derive income from the sale of such items, and that the prices charged by Franchisor or such affiliates may reflect an ordinary and reasonable profit consistent with a business of the kind that produces and/or supplies such items. Franchisee acknowledges and agrees that Franchisor and its affiliates may sell products and services to members located anywhere, even if such products and services are similar to what Franchisor sells to Franchisee and what Franchisee offers at its Studio. Franchisor and its affiliates may use the internet or alternative channels of commerce to sell products and services, including those identified by the Marks. Franchisee may only sell the products and services from the Studio's approved location and may only use the internet or alternative channels of commerce, as permitted by Franchisor, in order to register members for approved classes. Nothing in the foregoing shall prohibit Franchisee from obtaining members over the Internet provided Franchisee's internet presence and content comply with the requirements of this Agreement.



F. *Advertising Outside Designated Territory.* Unless Franchisor agrees otherwise, Franchisee may not actively solicit potential members or customers, or otherwise promote its Studio through any targeted advertising/marketing, outside of the Designated Territory. Nothing in this Agreement, however, shall prohibit Franchisee from servicing members and other customers that contact Franchisee or its Studio, regardless of where those members/customers reside or work.

G. *No Unauthorized Sales of Certain Items.* Unless Franchisor directs or agrees otherwise in writing, Franchisee agrees not to sell vitamins, supplements or other nutritional products or food items, including bottled water, at the Studio.

H. *Non-Compliance Fee.* In addition to Franchisor's other rights under this Agreement, Franchisor may charge its then-current per day Non-Compliance Fee for each day Franchisee offers or sells unauthorized products or services from the Studio.

8.5 **Compliance with Laws.** Franchisee agrees to comply with all Applicable Laws and, as soon as practicable, but in any event prior to conducting any activities in connection with the Studio, obtain all insurance required by this Agreement or Applicable Laws and any required governmental permits, certificates or licenses necessary to occupy the Authorized Location and operate the Studio. Franchisee also agrees to file and publish, if required by Applicable Laws, a certificate of doing business (whether under a fictitious name or otherwise). Franchisee acknowledges and agrees that it has the sole responsibility to investigate and comply with any Applicable Laws in the jurisdiction in which the Studio is located that relate to the ownership, development and operation of the Studio and businesses generally (including, for example, requirements related to accessibility, protection of personally identifiable [information, and/or personal](#) information, having staff during operating hours that are trained in certain life-saving procedures, and having certain life-saving and first aid equipment on premises, form and content of membership agreements, and other requirements that relate to gyms, fitness facilities, health spas, and similar businesses). Franchisee agrees to immediately provide Franchisor with a copy of any notice received by Franchisee from any person or state, local or governmental agency pertaining to compliance with any Applicable Laws including any such notices that any audit, investigation, or similar proceeding by any such person or governmental authority is pending or threatened against Franchisee on the basis of any of the foregoing. Franchisee hereby certifies and represents that Franchisee, and any of its affiliates, any of its partners, members, shareholders or other equity owners, and their respective employees, officers, directors representatives or agents, are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, [terrorist organization, or "Designated Terrorist Organization,"](#) "Specially Designated National and Blocked Person," or other banned, [prohibited,](#) or blocked person, entity, [group,](#) nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control. [Franchisee agrees to comply with and assist Franchisor in Franchisor's compliance efforts, as applicable, with any and all laws, regulations, Executive Orders or otherwise relating to anti-terrorist activities or conduct of transactions involving certain foreign parties, including the U.S. Patriot Act, Executive Order 13224, the U.S. Foreign Corrupt Practices Act, the Bank Secrecy Act, the International Money Laundering Abatement and Anti-terrorism Financing Act, the Export Administration Act, the Arms Export Control Act, the International Economic Emergency Powers Act, and related U.S. Treasury or other regulations.](#)

8.6 **Operational Efforts.** Franchisee agrees to keep Franchisor advised, in writing, of any Designated Manager and all teachers involved in the operation of the Studio and their contact information. Franchisee agrees to keep the Studio open for the hours stated in the [Manual Learning Management System](#) and as deemed appropriate by Franchisor. If Franchisee does not have a Designated Manager, then Franchisee (or its Operating Principal, as applicable) must be on-site at the Studio during normal business hours to manage day-to-day operations. Each Operating Principal must have the authority to act for Franchisee in all matters relating to the Studio, including voting responsibilities. Any

change in the Operating Principal(s) is subject to Article 14 below and the training requirements of this Agreement.

**8.7 Performance Standards.** Franchisee and Franchisor have a shared interest in the Studio performing at or above the System Standards. Franchisor would not have entered into this franchise relationship if Franchisor had anticipated that Franchisee would not meet the following performance standards (the “Performance Standards”):

A. *System Standards.* Franchisor may choose, in its sole discretion, to evaluate the Studio for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera monitoring, member comments/surveys, and secret shopper reports). Franchisee must meet minimum standards for cleanliness, equipment condition, repair and function, and customer service. Franchisee’s employees, including any independent contractors, must meet minimum standards for courteousness and customer service.

B. *Minimum Monthly Gross Sales Quota.* Unless waived by Franchisor due to unique market conditions, Franchisee must meet a certain minimum monthly Gross Sales quota (the “Minimum Monthly Gross Sales Quota”), as follows: (i) Franchisee must achieve and maintain trailing 12-month average monthly Gross Sales of ~~\$30,000~~ 10,000 by the first (1<sup>st</sup>) anniversary of the ~~opening of the Studio’s~~ Soft Opening; and (ii) Franchisee must achieve and maintain trailing 12-month average monthly Gross Sales of ~~\$40,000~~ 15,000 by the second (2<sup>nd</sup>) anniversary of the Studio’s Soft Opening and each successive anniversary ~~of the opening of the Studio~~ thereof.

If Franchisee fails to meet the Minimum Monthly Gross Sales Quota ~~for 36 consecutive months~~ at any time during the Term, Franchisor, at its sole discretion, may institute a mandatory corrective training program ~~or terminate this Agreement~~ upon written notice to Franchisee. Franchisee will be obligated, at its expense, to participate in and implement all temporary and permanent corrective measures that Franchisor requires to address the Performance Standards not achieved.

## **8.8 Anti-Corruption Compliance.**

A. *Anti-Corruption Practices.* Franchisee hereby represents, warrants and covenants to Franchisor and its affiliates that:

(1) in the performance of this Agreement, Franchisee (and, if an entity, its shareholders, affiliates, officers, directors and employees) and its business partners, if any, shall comply strictly with all applicable anti-corruption laws;

(2) neither Franchisee (nor, if an entity, any of its shareholders, affiliates, officers, directors or employees) nor its business partners, in connection with work or services for Franchisor, has taken or will take any actions in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of anything of value to any government official or to any other person while knowing that all or some portion of the money or value will be offered, given or promised to a government official to influence official action, to obtain or retain business or otherwise to secure any improper advantage;

(3) throughout the duration of this Agreement, neither Franchisee nor any of its officers, directors, employees, business partners or shareholders is or will become a government official and neither Franchisee nor any of its shareholders, affiliates or business partners is or will be owned, directly or indirectly, in whole or in part, or controlled by any government or government official;

(4) Franchisee shall notify Franchisor immediately if at any time the foregoing representations and warranties shall not be true and correct. Immediately upon receipt of such notification, Franchisor shall have the right to either unilaterally terminate this Agreement or require Franchisee to amend, at Franchisor's sole discretion, this Agreement to avoid any violation or potential violation of any applicable laws, rules and regulations;

(5) Franchisee shall create and maintain precise and accurate books and financial records in connection with the services to be performed under this Agreement. Further, upon request, Franchisor shall have the right to inspect Franchisee's books and financial records. Franchisee will fully cooperate with any such inspection that may be conducted;

(6) Franchisee may not assign, sub-contract or otherwise enter into any arrangements to share the fees hereunder with any third party or parties directly or indirectly or delegate the services for which Franchisee has been retained to any third party or parties without express prior written authorization from Franchisor;

(7) all payments due to Franchisee under this Agreement will be made by check or bank transfer, and no payments will be made in cash or bearer instruments. No payments which are owed to Franchisee hereunder will be made to a third party, and all payments will be made in the place where Franchisee's business is domiciled or where Franchisee performs services; and

(8) Franchisee agrees that Franchisor may disclose the terms of this Agreement, including Franchisee's identity and the payment terms, to any third party who, in Franchisor's judgment, has a legitimate need to know, including government agencies.

B. Remedies. In connection with the foregoing representations and warranties, the parties to this Agreement further agree as follows:

(1) If Franchisor concludes, in its sole opinion, that a breach of any of the foregoing representations and warranties has occurred or is likely to occur, Franchisor may, in addition to any other rights it has under this Agreement or under Applicable Laws:

a. withhold further payments under this Agreement until such time as it has received confirmation to its satisfaction that no breach has occurred or is likely to occur;

b. amend this Agreement as necessary to avoid a violation of law; and

c. terminate this Agreement upon written notice~~to Franchisee.~~

(2) In the event of a breach of any of the representations and warranties in this Agreement, any claims for payment by Franchisee, including claims for services previously rendered, shall be void to the extent permitted by law. Franchisee shall further indemnify and hold Franchisor harmless against any and all claims, losses or damages arising from or related to such breach.

(3) Franchisor shall not be obligated under this Agreement to take any action or omit to take any action that it believes, in good faith, would cause it to be in violation of any applicable anti-corruption laws.



C. *Annual Certification.* On Franchisor's request, by the 10<sup>th</sup> of January each calendar year during the Term, Franchisee shall, in writing to Franchisor, certify the continuation of the representations and warranties contained in this Section and its compliance with the obligations set forth in this Section.

## 9. ADVERTISING AND MARKETING

### 9.1 **Fund.**

A. Franchisee will be required to pay the appropriate Fund Contribution to Franchisor as described in Section 5.6 of this Agreement. In the event Franchisor increases the Fund Contribution from what it is as of the Effective Date, Franchisor will provide at least sixty (60) days' written notice of such increase in the Fund Contribution, subject to the Marketing Expenditure Cap (as defined in Section 9.2.G).

B. The Fund is administered by Franchisor (or its affiliates) with the assistance and advice provided by a marketing fund committee (the "MFC") pursuant to a charter agreement among Franchisor and the members of the MFC, which serves in an advisory capacity only. The MFC represents Pure Barre Studio franchisees and advises Franchisor with regard to all advertising, marketing and public relations programs and activities financed by the Fund, including the creative concepts, materials and endorsements used and the geographic market, media placement and allocation. The MFC is purely advisory in nature and has no operational or ultimate decision-making authority.

~~C. Franchisee agrees that Franchisor will have complete control and discretion over how to administer the Fund and Fund Contributions to determine the advertising, marketing and public relations programs and activities financed by the Fund, including, without limitation, the creative concepts, materials and endorsements used and the geographic market, media placement and allocation.~~ Franchisee agrees that the Fund may be used to pay the costs of preparing and producing associated materials and programs as Franchisor may determine, including, without limitation, the use of ~~s~~Social ~~m~~Media (as defined in Section 9.3 below); formulating, developing and implementing advertising and promotional campaigns; video, audio and written advertising materials employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional, national and multi-regional advertising programs including purchasing direct mail and other media advertising, website development/operation and to pay Internet, Intranet, URL, ~~(800)~~ or similar number, and other charges, fees and/or expenses, including employing advertising agencies to assist with marketing efforts; ~~and~~ supporting public relations, market research and other advertising, promotional and marketing activities; the reasonable costs of administering the Fund, including accounting expenses and the actual costs of salaries and fringe benefits paid to Franchisor's employees engaged in administration of the Fund and/or creation, development and/or placement of any creative and/or implementation of any campaigns associated with the same. A brief statement regarding the availability of Pure Barre franchises ~~and details about the franchise offering~~ may be included in advertising and other items produced using the Fund.

D. Franchisor may spend in any calendar year more or less than the total contributions to the Fund in that year. Franchisor may cause the Fund to invest any surplus for future use by the Fund. Franchisor (or its affiliates) may borrow from its affiliates (or Franchisor) or other lenders on behalf of the Fund to cover deficits of the Fund.

E. Franchisor, its affiliates, and/or their respective employees, agents, contractors, and designated vendors can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Fund, provided that any such compensation must be reasonable in amount. Franchisor can arrange for goods,

services, materials, etc. (including administrative services) to be provided by independent persons/companies and all related costs, fees, etc. will be paid by the Fund.

F. The Fund need not be segregated from but will be accounted for separately from Franchisor's other funds and Franchisor will not use the Fund for its general operating expenses. All taxes of any kind incurred in connection with or related to the Fund, its activities, contributions to the Fund and/or any other Fund aspect, whether imposed on Franchisor, the Fund or any other related party, will be the sole responsibility of the Fund. Franchisor will not be required to audit the Fund, but will provide an annual accounting of the Fund at the written request of Franchisee that is made 120 days after the fiscal year at issue. All interest earned on monies contributed to, or held in, the Fund will be remitted to the Fund and will be subject to the restrictions of the relevant franchise agreements.

G. Franchisee acknowledges that the Fund Contributions are intended to maximize general public recognition of and the acceptance of the System and Marks generally, for the benefit of the System as a whole. Notwithstanding the foregoing, Franchisor undertakes no obligation, in administering the Fund Contributions to make expenditures that are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular Pure Barre Studio benefits directly or pro rata from advertising or promotion conducted with the Fund Contributions.

H. Franchisor maintains the right to terminate the collection and disbursement of the Fund Contributions and the Fund. Upon termination, Franchisor will disburse the remaining funds for the purposes authorized under this Agreement.

## 9.2 Initial Marketing Spend; Local Marketing Activities.

A. *Initial Marketing Spend.* Franchisee must spend a minimum of \$15,000 (the "Initial Marketing Spend") in connection with the ~~pre-opening~~initial sales and marketing activities set forth in connection with (i) Franchisee's approved Opening Support Program, and (ii) other marketing and promotional activities that Franchisor approves or designates. Franchisor may also require that Franchisee expend all or any portion of the Initial Marketing Spend on initial marketing/advertising and/or public relations materials or services that are purchased from an approved supplier. The Initial Marketing Spend will not count towards Franchisee's local advertising expenditure requirements provided in Section 9.2.B below and is not subject to the Marketing Expenditure Cap.

B. *Local Advertising Requirement.* Franchisee is responsible for local advertising and marketing activities to attract members to the Studio. Franchisee must ~~expend at least \$1,500 per the greater of (a) \$1,500, or (b) two percent (2%) of Gross Sales each~~ month on approved local advertising and marketing activities (excluding agency and vendor fees) designed to promote the Studio within the Designated Territory (the "Local Advertising Requirement"). Franchisor may increase the Local Advertising Requirement, at its discretion, from time to time during the Term, subject to the Marketing Expenditure Cap. Upon Franchisor's written request, Franchisee must provide Franchisor with an accounting of all expenditures made by Franchisee to comply with this Section, along with any invoices or other documentation to support such expenditures. ~~Franchisor may, at any time and on notice to Franchisee, change the amount that Franchisee must spend on local advertising and marketing activities for its Studio.~~

C. *Advertising Standards.* Franchisee's advertising will be in good taste and conform to ethical and legal standards and Franchisor's requirements. ~~Franchisor may require~~ Franchisee ~~to~~must submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet or otherwise. ~~Franchisor retains the right to approve, disapprove, or revoke its approval of~~Any such advertising must be approved in writing by Franchisor, in its sole discretion, prior to any use in connection with the Studio. Franchisee agrees not

to use any materials or programs or medium of advertising disapproved by Franchisor. [Franchisor may revoke its approval with respect to any advertising materials, in its sole discretion, at any time.](#)

D. *Approval.* Franchisor must approve any form of co-branding of the Marks, or advertising or use of the Marks to endorse or support other organizations, brands, products or services, in writing, in advance.

E. *Opening Support Program.* Franchisee must also expend all required amounts that Franchisor prescribes or otherwise approves as part of Franchisee's Pre-Sales Phase plan, including any amounts due to Franchisor's approved supplier for the Opening Support Program.

F. *Full Participation.* Franchisee must participate in all advertising and sales promotion programs that Franchisor may develop from time to time to promote and enhance the collective success of the System.

G. *Marketing Expenditure Cap.* [Franchisor cannot require that the percentage of Gross Sales that Franchisee is required to contribute to the Fund, contribute to a Co-Op \(as defined in Section 9.4\), and spend on the Local Advertising Requirement \(collectively, the "Required Marketing"\) exceed, in the aggregate, seven percent \(7%\) per month \(the "Marketing Expenditure Cap"\); provided, however, it is Franchisee's responsibility to provide Franchisor with written notice if the Required Marketing exceeds the Marketing Expenditure Cap, and until Franchisor receives Franchisee's written notice \(the "Marketing Notice"\), Franchisee will fully comply with the Required Marketing requirements, and no excess amounts will be refunded to Franchisee. If the Required Marketing exceeds the Marketing Expenditure Cap, Franchisee may, after Franchisor receives Franchisee's Marketing Notice, reduce the Local Advertising Requirement, but only to the extent and for the time necessary to stay below the Marketing Expenditure Cap. Franchisee must immediately return to full compliance with Required Marketing once the Marketing Expenditure Cap is no longer exceeded.](#)

9.3 **Social Media Activities.** As used in this Agreement, the term "Social Media" is defined as a network of services, websites, and other electronic, virtual, or digital mediums, including, but not limited to, blogs, microblogs, and social networking sites, video-sharing and photo-sharing sites, customer review sites, marketplace sites, Wikis, chat rooms and virtual worlds, that allows participants to communicate online and form communities around shared interests and experiences. While it can be a very effective tool for building brand awareness, it can also be devastating to a brand if used improperly. Therefore, Franchisee must strictly follow the Social Media guidelines, code of conduct, and etiquette as set forth in the [Manual Learning Management System](#), which may require Franchisee to comply with Franchisor's then-current privacy policy. Any use of Social Media by Franchisee pertaining to the Studio must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. Franchisor reserves the right to "occupy" any Social Media websites/pages and be the sole provider of information regarding the Studio on such websites/pages (e.g., a system-wide Facebook page). At Franchisor's request, Franchisee will promptly modify or remove any online communication pertaining to the Studio that does not comply with this Agreement or the [Manual Learning Management System](#).

9.4 **Franchisee Marketing Groups.** Franchisor may decide to form one or more associations and/or sub-associations of Pure Barre Studios to conduct various marketing-related activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local, regional and/or national) are formed covering Franchisee's area, then Franchisee must join and actively participate. Franchisee will be entitled to one (1) vote if Franchisee is in Good Standing at the time the vote is taken. Franchisee will be considered in "Good Standing" if it is not in default of any obligation to Franchisor or any of Franchisor's affiliates, whether arising under this Agreement or any other agreement between Franchisee and Franchisor (or any of Franchisor's affiliates), the [Manual Learning Management System](#) or other System Standards.

Franchisee may be required to contribute such amounts as are determined from time to time by such Co-Ops, subject to the Marketing Expenditure Cap.

**9.5 Franchisee Advertising Legal Compliance.** Notwithstanding Franchisee's obligations to comply with all Applicable Laws, as required under this Agreement, Franchisee further acknowledges and agrees that it must comply with all Applicable Laws regarding marketing and advertising activities conducted in connection with the Studio, including, without limitation: (i) ensuring that consumer opt-out choices for email marketing and SMS promotions are followed; (ii) confirming that telephone numbers that may be used in connection with telephone or SMS promotion activities are not listed applicable "Do Not Call" lists; and (iii) substantiating claims made in its advertising content.

## **10. FINANCIAL REPORTS, AUDITS, COMPUTER SYSTEM AND INSURANCE REQUIREMENTS**

**10.1 Records and Reports.** Franchisee shall maintain and preserve for four (4) years or such period as may be required by law (whichever is greater) from the date of their preparation such financial information relating to the Studio as Franchisor may periodically require, including without limitation, Franchisee's sales and use tax returns, register tapes and reports, sales reports, purchase records, and full, complete and accurate books, records and accounts prepared in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor. Franchisee agrees that its financial records shall be accurate and up-to-date at all times. Franchisee agrees to promptly furnish any and all financial information, including tax records and returns, relating to the Studio to Franchisor on request.

**10.2 Right to Conduct Audit or Review.** Franchisor shall have the right, in its sole determination, to require a review by such representative(s) as Franchisor shall choose, of all information pertaining to the Studio, including financial records, books, tax returns, papers, and business management software programs of Franchisee, at any time during normal business hours without prior notice for the purpose of accurately tracking unit and System-wide sales, sales increases or decreases, effectiveness of advertising and promotions, and for other reasonable business purposes. Such review will take place at the Studio or Franchisee's head office (if different), or both, and Franchisee agrees to provide all information pertaining to the Studio requested by Franchisor during its review. If (a) the audit is conducted because of a failure by Franchisee to furnish reports, supporting records or other required information or to furnish the reports and information on a timely basis, or (b) the audit otherwise reveals an underreporting of two percent (2%) or more by Franchisee, then Franchisee shall reimburse Franchisor for all costs of the audit or review including, without limitation, travel, lodging, wage expense and reasonable accounting and legal expense. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

**10.3 Computer System and Software.** Franchisee must acquire a computer for use in the operation of the Studio, as well as any audio-visual equipment Franchisor specifies. Franchisee agrees to record all of its receipts, expenses, invoices, member lists, class schedules and other business information required by Franchisor from time to time promptly in the computer system and use the software that Franchisor specifies or otherwise approves. Franchisor reserves the right to change the computer system, and the accounting, business operations, customer service and other software at any time. Franchisee must upgrade and maintain the computer system and software in the Studio, as required by Franchisor from time to time, and pay any fees associated with such upgrades. Franchisee will provide Franchisor with any passwords necessary to access the computer system and software at Franchisor's discretion.

**10.4 Information Security.** Franchisee may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information,

biometric or health data, government-issued identification numbers and credit report information (“Personal Information”). Franchisee may gain access to such Personal Information from Franchisor, its affiliates, its vendors, or Franchisee’s own operations. Franchisee acknowledges and agrees that, as between it and Franchisor, all Personal Information (other than Restricted Data, as defined below) is Franchisor’s Confidential Information and is subject to the protections in Article 12 below. Franchisee acknowledges and agrees that Franchisor may from time to time share Franchisee’s and/or its owners’ names as well as personal and business addresses, telephone numbers, and e-mail addresses with Franchisor’s affiliates and third-parties.

During and after the Term, Franchisee (and if Franchisee is a legal entity, each of its Owners) agree to, and to cause its respective current and former employees, representatives, affiliates, successors, and assigns to: (a) collect, disclose, process, retain, and use all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Internet presence; (b) assist Franchisor with meeting its compliance obligations under applicable laws and regulations relating to Personal Information; and (c) promptly notify Franchisor of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee will notify Franchisor immediately and specify the extent to which Personal Information was compromised or disclosed. Franchisee also agrees to fully cooperate, at its own expense, with any investigation Franchisor, or its designees, conducts related to the suspected or actual breach. Franchisee also agrees to follow Franchisor’s instructions regarding curative actions and public statements relating to the breach. Franchisee also agrees to comply with applicable law regarding notice of the breach (either to the affected individuals and/or applicable governmental officials). To the extent permitted under Applicable Law, Franchisee will provide Franchisor with a copy of the form of breach notice as soon as practical in advance of providing such notice to the affected data subjects and/or governmental official. Franchisor reserves the right to conduct a data security and privacy audit of any of the Studio and computer system at any time, from time to time, to ensure that Franchisee is complying with Franchisor’s requirements. Franchisee must promptly notify Franchisor if it receives any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or Franchisee’s compliance with Franchisee’s obligations relating to Personal Information under this Agreement, and/or if Franchisee has any reason to believe that it will not be able to satisfy any of its obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in this Agreement, Franchisee agrees that Franchisor does not control or own any of the following Personal Information (collectively, the “Restricted Data”): (a) any Personal Information of employees, officers, contractors, owners or other personnel of Franchisee, its affiliates, or the Studio; (b) such other Personal Information as Franchisor may from time to time expressly designate as Restricted Data; and/or (c) any other Personal Information to which Franchisor does not have access. Regardless of any guidance Franchisor may provide generally and/or any specifications that Franchisor may establish for Personal Information, Franchisee has sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data.



## 10.5 Insurance.

A. Prior to ~~opening~~ the Studio's ~~for business~~ Soft Opening and throughout the entire Term, Franchisee will keep in force at Franchisee's own expense and by advance payment of the premium, all insurance coverages required by applicable law, and that it believes are appropriate for its own protection; Franchisee must, at a minimum, maintain the minimum insurance coverages and coverage amounts specified in the ~~Manual~~ Learning Management System from time to time, which as of the Effective Date are as follows:

(1) **Commercial General Liability** insurance covering Franchisee's day-to-day business operations and premises liability exposures with limits not less than the following:

Each Occurrence:	\$1,000,000
General Aggregate:	\$5,000,000 (per Studio)
Products Completed Operations Aggregate:	\$5,000,000
Personal and Advertising Injury:	\$1,000,000
Participant Legal Liability:	\$1,000,000
Professional Liability:	\$1,000,000
Damage to Premises Rented to You:	\$1,000,000
Employee Benefits Liability (each employee):	\$1,000,000
Employee Benefits Liability (aggregate):	\$2,000,000
Medical Expense (any one person):	\$5,000
Sexual Abuse and Molestation:	included (not excluded)

Such insurance shall include coverage for contractual liability (for liability assumed under an "insured contract"), products-completed operations, personal and advertising injury, premises liability, third party property damage and bodily injury liability (including death).

(2) **Automobile Liability** insurance covering liability arising out of Franchisee's use, operation or maintenance of any auto (including owned, hired, and non-owned autos, trucks or other vehicles) in connection with its ownership and operation of the franchise, with limits not less than the minimum compulsory requirements in Franchisee's state. This requirement only applies to the extent that owned, leased or hired/rented vehicles are used in the operation of the franchise.

(3) **Workers Compensation** insurance covering all of Franchisee's employees with statutory coverage and limits as required by state law. Such insurance shall include coverage for Employer's Liability with limits not less than \$500,000 each accident, \$500,000 disease – each employee, and \$500,000 disease – policy limit.

(4) **Property** insurance written on a special causes of loss coverage form with limits not less than the current replacement cost of the Studio's business personal property (including furniture, fixtures and equipment) and leasehold improvements (tenant improvements). Such property insurance shall include glass coverage with limits not less than \$25,000, signage coverage with limits not less than \$10,000, and business interruption/extra expense coverage with limits not less than twelve months of rent.

(5) **Employment Practices Liability** insurance with limits of not less than \$1,000,000 per claim in the aggregate, with a retention not larger than \$25,000, providing defense and coverage for claims brought by any of Franchisee's employees or other personnel alleging various employment-related torts. Said policy shall also include third party employment practices liability coverage.

B. All insurance policies must be written by an insurance company licensed in the state in which Franchisee operates its Studio. The insurance company must have at least an “A” Rating Classification as indicated in A.M. Best’s Key Rating Guide.

C. Franchisor reserves the right, from time to time, in its discretion, to upgrade the insurance requirements or lower the required amounts as to policy limits, deductibles, scope of coverage, or rating of carriers in response to current industry standards, market conditions and/or landlord requirements. Within sixty (60) days of receipt of notice from Franchisor, Franchisee agrees to revise its coverage, as specified in any notice from Franchisor.

D. Franchisor reserves the right to designate, or require pre-approval of, the provider of any insurance required in connection with the Studio.

E. Franchisee’s obligation to obtain and maintain insurance shall not be limited by reason of any insurance that may be maintained by Franchisor nor relieve Franchisee of liability under the indemnity provisions set forth in this Agreement. At Franchisor’s designation, Franchisor, as well as its parents, affiliates, and subsidiaries, shall be included as additional insureds on the Studio’s insurance policies, including without limitation, the Studio’s Commercial General Liability and any Umbrella Excess Liability insurance policies. All insurance policies must waive any subrogation rights or other rights to assert a claim back against Franchisor and shall contain a clause requiring notice to Franchisor thirty (30) days in advance of any cancellation or material change or cancellation to any such policy. Franchisee shall give Franchisor certificates of coverage at least annually. Failure to obtain or the lapse of any of the required insurance coverage shall be grounds for the immediate termination of this Agreement pursuant to Section 15.1, and Franchisee agrees that any losses, claims or causes of action arising after the lapse of or termination of insurance coverage will be the sole responsibility of Franchisee and that Franchisee will hold Franchisor harmless from all such losses, claims and/or causes of action. In addition, but not to the exclusion of the foregoing remedy, if Franchisee fails to procure or maintain the required insurance, Franchisor shall have the right and authority, but not the obligation, to procure immediately the insurance and Franchisee shall reimburse Franchisor for the cost of the insurance plus reasonable expenses immediately upon written notice. Franchisee is required to submit to Franchisor a copy of a Certificate of Insurance, with Franchisor as an additional insured, showing compliance with the foregoing requirements at least thirty (30) days before Franchisee commences operation of the Studio. Franchisor shall have a security interest in all insurance proceeds to the extent Franchisee has any outstanding obligations to Franchisor.

## 11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1 **Independent Contractor.** The only relationship between Franchisor and Franchisee created by this Agreement is that of independent contractor. The business conducted by Franchisee is completely separate and apart from any business that may be operated by Franchisor and nothing in this Agreement shall create a fiduciary relationship between them or constitute either Party as agent, legal representative, subsidiary, joint venturer, partner, employee, servant or fiduciary of the other Party for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor, and Franchisee agrees to take such action including exhibiting a notice to that effect in such content, form and place as Franchisor may specify. It is further specifically agreed that Franchisee is not an affiliate of Franchisor and that neither Party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other Party. Neither Party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either Party that would create an implied or apparent agency or other similar relationship by and between the Parties.



11.2 **Indemnification.** Franchisee agrees to indemnify, defend and hold Franchisor, its owners, affiliates, successors and assigns, and the directors, officers, owners, managers, employees, servants, and agents of each (collectively, the “Indemnitees”), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys’ fees and court costs), that are brought against any of the Indemnitees ~~(collectively, the “Claims”)~~ that arise out of or are otherwise related to Franchisee’s or an Indemnitee’s (a) breach or attempted breach of, or misrepresentation under, this Agreement or in connection with the offer/sale of the Studio prior to the execution of this Agreement; (b) ownership, construction, development, management, or operation of the Studio in any manner, including, without limitation, Franchisee’s or an Indemnitee’s employment practices; (c) gross negligence or intentional misconduct; and/or (d) alleging Franchisee’s or its representatives’ violation of Applicable Laws as set forth in Section 8.5 above. Notwithstanding the foregoing, any Indemnitee may choose to engage counsel and defend against any such ~~C~~claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement’s expiration or termination. Indemnitees need not seek recovery from any insurer or other third-party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Franchisee under this Section. Any Indemnitee’s failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that person may recover from Franchisee under this Section.

## 12. CONFIDENTIAL INFORMATION

### 12.1 Franchisor’s Confidential Information.

A. Franchisee acknowledges and agrees that all information relating to the System and to the development and operation of the Studio, including, without limitation, the ~~Manual~~Learning Management System, Franchisor’s training programs, members and supplier lists, customer data, or other information or know-how distinctive to the development or operation of a Pure Barre Studio (all of the preceding information is referred to herein as the “Confidential Information”) is considered to be proprietary and trade secrets of Franchisor. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to Franchisor or its affiliates, or any Restricted Data. Franchisee (and its Owners, if Franchisee is a legal entity) agrees that during and after the Term, Franchisee will, and cause its spouses, immediate family members, affiliates, and assigns to: (i) process, retain, use, collect, and disclose Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of the Studio in accordance with this Agreement, and not for any other purposes of any kind; (ii) process, retain, use, collect, and disclose Confidential Information strictly in accordance with the privacy policies and System Standards and Franchisee’s and its representative’s instructions; (iii) keep confidential and not disclose, sell, distribute, or trade Confidential Information to any person other than those of Franchisee’s employees, independent contractors, and representatives who need to know such Confidential Information for the purpose of assisting Franchisee it is operation of the Studio in accordance with this Agreement; (iv) not make unauthorized copies of any portion of Confidential Information; (v) adopt and maintain administrative, physical, and technical safeguards to prevent unauthorized use or disclosure of any portion of Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve Franchisor’s rights and controls in such Confidential Information, in each case that are no less protective or beneficial to Franchisor than the terms of this Agreement; and (vi) at Franchisor’s request, destroy or return any portion of the Confidential Information. Upon Franchisor’s request, Franchisee shall require the Studio’s employees and any independent contractors to execute a nondisclosure and non-competition agreement in a form satisfactory to Franchisor. Franchisee shall not

acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of its Studio in accordance with this Agreement. If Franchisee or Franchisee's employees or any independent contractors learn about an unauthorized use of any Confidential Information, Franchisee must promptly notify Franchisor. Franchisor is not obligated to take any action but will respond to the information as it deems appropriate. If Franchisee at any time conducts, owns, consults with, is employed by or otherwise assists a similar or competitive business to that franchised hereunder, the doctrine of "inevitable disclosure" will apply, and it will be presumed that Franchisee is in violation of this covenant; and in such case, it shall be Franchisee's burden to prove that Franchisee is not in violation of this covenant.

B. Franchisee acknowledges that Franchisor is not making any representations or warranties, express or implied, with respect to the Confidential Information. Franchisor and its affiliates have no liability to Franchisee and its affiliates for any errors or omissions from the Confidential Information.

C. Franchisee agrees that any new concept, process or improvement in the operation or promotion of the Studio developed by or on behalf of Franchisee that relates to or enhances Pure Barre Studios or the System, or any aspect of Franchisor's business, shall be the sole property of Franchisor, and Franchisee shall promptly notify Franchisor and shall provide Franchisor with all necessary information and execute all necessary documents to memorialize said ownership, or, if necessary, Franchisee's assignment of such ownership to Franchisor, without compensation. Franchisee acknowledges that Franchisor may utilize or disclose such information to other Franchisees.

D. Notwithstanding the foregoing, nothing in this Agreement or any other agreement with Franchisor restricts or prohibits Franchisee any person from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Securities and Exchange Commission, or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. ~~Franchisee does not~~ No person needs the prior authorization of Franchisor to engage in conduct protected by the preceding sentence, and ~~Franchisee does not~~ person needs to notify Franchisor that ~~Franchisee~~ such person has engaged in such conduct. ~~Nothing in this provision is intended to exert controls over Franchisee's relationships with its employees or to create or imply an employment relationship between Franchisor and Franchisee or Franchisee's employees.~~

12.2 **Injunctive Relief.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of this Article 12. Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article 12 will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to injunctive relief as specified in Section 16.5 herein to enforce the terms of this Article 12. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 12. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

### 13. COVENANTS NOT TO COMPETE

#### 13.1 **Non-Competition Covenants of Franchisee.**

A. *During the Term of this Agreement.* Franchisee agrees that neither Franchisee, its principals, owners, or guarantors, nor any immediate family of Franchisee, its principals, owners, or guarantors ("Restricted Parties"), will, directly or indirectly, for themselves or through, on behalf of, or in

conjunction with any other person, partnership or corporation own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with any fitness or exercise business (except a business that it operates pursuant to a franchise agreement with Franchisor or its affiliates), any fitness or exercise marketing or consulting business, any business offering products of a similar nature to those of the Studio, or in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses (each a "Competing Business"). Franchisee further agrees that, during the Term, the Restricted Parties shall not divert, or attempt to divert, any customer or prospective customer to a Competing Business in any manner.

B. *After the Term of this Agreement.* Franchisee agrees that, unless (and then only to the extent) prohibited by Applicable Law, Franchisee, the Restricted Parties, and its owners will comply with the following:

(1) *Prohibition on Franchising Activities.* For two (2) years after the expiration, or termination, ~~or nonrenewal~~ (by Franchisor or by Franchisee for any reason) of this Agreement or after Franchisee has assigned its interest in this Agreement, neither Franchisee nor any other Restricted Party will, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

(2) *Prohibition on Competing Businesses.* For two (2) years after the expiration, or termination, ~~or non-renewal~~ (by Franchisor or by Franchisee for any reason) of this Agreement or after Franchisee has assigned its interest in this Agreement, neither Franchisee nor any other Restricted Party will own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with, any other Competing Business: (i) at the Authorized Location; or (ii) within a ten (10) mile radius of (a) the Authorized Location, or (b) any other Pure Barre Studio owned by Franchisor, its affiliates, or any franchisee, which is open, under lease or otherwise under development as of the date this Agreement expires or is terminated.

(3) *Transfer of All Ownership Interests.* If an owner of Franchisee ceases to be an owner of Franchisee for any reason, the former owner shall comply with the provision of this Section 13.1.B as though this Agreement were terminated as of the date on which the owner ceased to be an owner.

### 13.2 Non-Solicitation Covenants.

A. *During the Term of this Agreement.* Franchisee agrees that it will not, during the Term of this Agreement, divert or seek to divert customers from another Pure Barre Studio to its Studio.

B. *After the Term of this Agreement.* Franchisee agrees that, for two (2) years after the expiration, or termination ~~or non-renewal~~ (by Franchisor or by Franchisee for any reason) of this Agreement or after Franchisee has assigned its interest in this Agreement, neither Franchisee nor any other Restricted Party will (i) solicit business from customers of Franchisee's former Studio or any other Pure Barre Studio, or (ii) contact any of Franchisor's suppliers or vendors for any competitive business purpose.

### 13.3 Enforcement of Covenants.

A. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 13. Franchisee acknowledges and agrees that in view of the nature of the System and the business of Franchisor, the restrictions contained in this Article 13 are reasonable and necessary to protect the legitimate interests of the System and Franchisor. Franchisee further acknowledges and agrees that Franchisee's violation of the terms of this Article 13 will cause irreparable injury to Franchisor for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to preliminary and permanent injunctive relief and damages, as well as, an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor shall be entitled. Franchisee agrees to waive any bond that may be required or imposed in connection with the issuance of any preliminary or provisional relief. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 13. If Franchisee violates any restriction contained in this Article 13, and it is necessary for Franchisor to seek equitable relief, the restrictions contained herein shall remain in effect until two (2) years after such relief is granted. If Franchisee contests the enforcement of Article 13 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 13 is delayed.

B. Franchisee agrees that the provisions of this covenant not to compete are reasonable. If, however, any court should find this Article 13 or any portion of this Article 13 to be unenforceable and/or unreasonable, the court is authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue to the extent necessary to render it enforceable and/or reasonable and to enforce the provision so revised.

C. Franchisor shall have the right, in Franchisor's discretion, to reduce the scope of any covenant not to compete set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall comply with any covenant as so modified.

## 14. TRANSFER OF INTEREST

14.1 **Franchisor's ApprovalConsent Required.** All rights and interests of Franchisee arising from this Agreement are personal to Franchisee and except as otherwise provided in this Article 14, Franchisee shall not, without Franchisor's prior written consent, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, pledge or encumber its interest in this Agreement, in the license granted hereby, in the assets of the Studio, any of its rights hereunder, ~~or~~ in the lease for the premises at which the Studio is located, or in the control or management of the Studio (each a "Transfer"), and any purported Transfer shall be null and void. If Franchisee is a corporation, limited liability, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the percentages of ownership interests reflected on Exhibit 1 to this Agreement must promptly be reported to Franchisor and is a Transfer within the meaning of this Article 14. Any proposed Transfer shall be subject to Franchisor's right of first refusal provided in Section 14.5 below.

14.2 **Conditions for ApprovalConsent of Transfer.** Franchisee must provide Franchisor with all information or documents that Franchisor requests about the proposed Transfer, the transferee, and its owners. Upon Franchisor's receipt of such information, Franchisor shall not unreasonably withhold its approvalconsent of a proposed transfer, provided that the prospective transferee, in Franchisor's reasonable judgment, and as demonstrated by satisfactory background and credit checks (including

bankruptcy search, criminal and litigation histories, United States Office of Foreign Assets Control search, politically exposed persons PEP search) conducted by reputable agencies and sources, is of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable to Franchisor's then-current standards for franchisees; and that the following conditions are met: (1) Franchisee pays Franchisor a transfer fee in an amount equal to \$10,000 (except in those cases set forth at the end of this Section where only an administrative fee is charged), as well as any applicable broker fees due in connection with the transaction; (2) Franchisee and its related parties sign a prescribed form of general release in favor of Franchisor and its related parties in a form acceptable to Franchisor; (3) the proposed ~~transferee (and, if appropriate, their respective owners) must pay the applicable Training Fee of \$30,000;~~ (4) the proposed transferor and transferee and their respective owners must execute a form of consent to transfer pursuant to which, at Franchisor's option, either (a) transferee agrees to execute Franchisor's then-current form of franchise agreement that will then govern the balance of the Term, or (b) this Agreement is assigned to and assumed by the proposed transferee; ~~(5)~~ the Studio and equipment must be upgraded, refurbished or repaired if Franchisor, in its sole discretion, decides it is necessary; ~~(6)~~ the transferee (a) completes (or has its Operating Principal complete) the Owner/Operator Module and has its Designated Manager complete the Designated Manager Training Program, and (b) has at least one (1) Authorized Instructor prior to reopening, and/or resuming the provision of Approved Services at, the Studio; ~~(7)~~ all monies owed, however arising, by Franchisee or its affiliates to Franchisor, its affiliates, and all suppliers to the Studio are paid; and ~~(8)~~ there must not be an outstanding default of any provision of this Agreement or of any other agreement between Franchisee (or its affiliates) and Franchisor (or its affiliates). In addition to the foregoing, if a franchise broker is owed a commission in connection with the purchase of Franchisee's Studio, the proposed transferee must pay Franchisor a sourcing fee equal to \$30,000. Instead of the standard transfer fee, Franchisee must pay an administrative fee at the time of proposing any transfer or assignment amounting to (a) ~~\$500~~750 if Franchisee is an individual (or individuals) and the transfer is from Franchisee to an entity that is wholly owned by such individual(s), or (b) \$1,500 if the transfer is from Franchisee to an immediate family member.

**14.3 Death or Disability of Franchisee.** In the event of the death or disability of Franchisee, if an individual, or of a stockholder of a corporate Franchisee, or of a partner of a Franchisee which is a partnership, or a member of a Franchisee which is a limited liability company, the transfer of Franchisee's or the deceased stockholder's, partner's or member's interest in this Agreement to his or her heirs, trust, personal representative or conservators, as applicable, must occur within six (6) months of the death or disability, but, shall not be deemed a Transfer by Franchisee (provided that the responsible management employees or agents of Franchisee have been satisfactorily trained at Franchisor's Initial Training Program) nor obligate Franchisee to pay any transfer fee. If Franchisor determines (i) there is no imminent transfer to a qualified successor or (ii) there is no heir or other principal person capable of operating the Studio, Franchisor shall have the right, but not the obligation, to immediately appoint a manager and commence operating the Studio on behalf of Franchisee or its estate. Franchisee shall be obligated to, and shall, pay to Franchisor all reasonable costs and expenses for such management assistance, including without limitation, the manager's salary, room and board, travel expenses and all other related expenses of the Franchisor appointed manager. Operation of the Studio during any such period shall be for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee or its owners for any debts, losses or obligations incurred by the Studio, or to any creditor of Franchisee for any supplies, inventory, equipment, furniture, fixtures or services purchased by the Studio during any period in which it is managed by a Franchisor appointed manager. Franchisor may, in its sole discretion, extend the six (6) month period of time for completing a transfer contemplated by this Section.

**14.4 Relocation.** Franchisee may not relocate the Studio from the Authorized Location without Franchisor's prior written approval, which Franchisor may provide in its sole discretion. Franchisee



agrees and acknowledges that: (i) it must pay Franchisor a \$5,000 relocation fee at the time Franchisee makes any relocation request; and (ii) Franchisor is not likely to approve any relocation request unless (a) due to extreme circumstances that are beyond Franchisee's control, and (b) Franchisee is in full compliance with this Agreement.

**14.5 Franchisor's Right of First Refusal.** If Franchisee (or any of its owners) desire to engage in a Transfer, Franchisee (or its owners) agree to obtain from a responsible and fully disclosed buyer, and send to Franchisor, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in Franchisee or in this Agreement and the Studio. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. The right of first refusal process will not be triggered by a proposed Transfer that would not be allowed under Sections 14.1 and 14.2 above. Franchisor may require Franchisee (or its owners) to send to Franchisor copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within 30 days after Franchisor receives an exact copy of the bona fide offer and all ~~relevant~~ information that Franchisor requests, Franchisor may, by written notice delivered to Franchisee or its selling owner(s), elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. Franchisor may substitute any form of payment proposed in the offer as acceptable consideration. ~~If Franchisor exercises its right of first refusal, Franchisor will have 30 days from the date that Franchisor notified Franchisee of its intended purchase.~~ Franchisee and its owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and Franchisee and its selling owner(s) (and their immediate family members) must comply with the obligations regarding Competing Businesses, as though this Agreement had expired on the date of the purchase. Franchisor has the unrestricted right to assign this right of first refusal to ~~its affiliate or an unaffiliated~~ third party, who then will have the rights described in this Section 14.5.

If Franchisor decides not to exercise its right of first refusal, Franchisee or its owners may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor otherwise ~~approved~~ consented to the Transfer in accordance with, and Franchisee (and its owners) and the transferee comply with the conditions in, Sections 14.1 and 14.2 above. If Franchisee does not complete the sale to the proposed buyer within 60 days after either Franchisor notifies Franchisee that it does not intend to exercise its right of first refusal or the time Franchisor's exercise expires, or if there is a material change in the terms of the sale (which Franchisee agrees to tell Franchisor promptly), Franchisor or its designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or Franchisor's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's or its designee's option.

**14.6 Transfer by Franchisor.** Franchisor shall have the right to transfer, assign or delegate all or any part of its rights or obligations herein to any person or legal entity, directly or indirectly, by merger, assignment, pledge or other means.

## 15. DEFAULT AND TERMINATION OF AGREEMENT

**15.1 Termination of Franchise by Franchisor.** Franchisor shall have the right to terminate this Agreement for "good cause" upon delivering notice of termination to Franchisee. For purposes of this Agreement, "good cause" shall include, without limitation: (i) a material breach of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, (ii) intentional, repeated or continuous breach of any provision of this Agreement or any other agreement between

Franchisee and Franchisor or any of Franchisor's affiliates, and (iii) the breaches (and, if applicable, failure to cure such breaches) described below in this Section 15.

A. *Immediate Termination.* Franchisee shall be deemed to be in default and Franchisor may terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, and such termination shall be for good cause where the grounds for termination are:

(1) Franchisee has made any material misrepresentation or omission in the Application Materials or otherwise in connection with applying for the franchise or in executing or performing under this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates;

(2) Franchisee becomes insolvent by reason of Franchisee's inability to pay debts as they become due, or makes an assignment for the benefit of creditors or makes an admission of Franchisee's inability to pay obligations as they become due;

(3) Franchisee files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Franchisee or a receiver is appointed for Franchisee's business, or a final judgment remains unsatisfied or of record for thirty (30) days or longer; or if Franchisee is a corporation, limited liability company or partnership, Franchisee is dissolved;

(4) Franchisee voluntarily or otherwise abandons the Studio. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Studio for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Studio in accordance with this Agreement or the ~~Manual~~[Learning Management System](#);

(5) Franchisee or any of its principal officers, directors, partners or managing members is convicted of or pleads no contest to a felony or other crime or offense that adversely affect the reputation of the System or the goodwill associated with the Marks;

(6) Franchisee or its owners make an unauthorized direct or indirect Transfer or attempted or purported Transfer or fails or refuses to transfer the Franchise or the interest in the Franchise of a deceased or disabled controlling owner thereof as required;

(7) Franchisee falsifies any financial reports or records required to be provided by Franchisee to Franchisor under this Agreement;

(8) Franchisee's: (i) disclosure, utilization, or duplication of any portion of the System, the ~~Manual~~[Learning Management System](#) or other proprietary or Confidential Information relating to the Studio that is contrary to the provisions of this Agreement; or (ii) use of the Marks in any manner not expressly authorized by Franchisor;

(9) Franchisee violates any health or safety law, ordinance or regulation or operates the Studio in a manner that presents a health or safety hazard to its members or to the public;

(10) Franchisee fails to ~~obtain lawful possession of an acceptable location and to open for business as a franchised Studio within six (6) months after this Agreement is~~[execute a written premises lease](#) accepted by Franchisor [for the operation of the Studio at the Authorized Location by the Lease Execution Deadline](#), unless Franchisor agrees [to](#) otherwise in writing;



(11) Franchisee fails to conduct the Studio's Soft Opening by the Opening Deadline with Franchisor's approval, unless Franchisor agrees to otherwise in writing;

(12) ~~(11)~~ Franchisee defaults under the lease agreement or otherwise loses the right to possess the premises at the location at which the Studio is located;

(13) ~~(12)~~ Franchisee fails to comply with the covenants not to compete as required in Article 13 herein;

(14) ~~(13)~~ Franchisee permits the offer or sale of products and services other than the Approved Services at the Studio in violation of the terms of this Agreement on two (2) or more occasions in any 24-month period, regardless of whether Franchisee subsequently cured the prior default(s);

(15) Franchisee fails to comply with its obligations under Section 17.6 herein;

(16) ~~(14)~~ Franchisee, after curing a default pursuant to Section 15.1.B herein, commits the same act of default again within any six (6)-month period whether or not such default is cured after notice thereof is delivered to Franchisee; or

(17) ~~(15)~~ Franchisee (or any of its owners) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any provision of this Agreement, whether or not Franchisor notifies Franchisee of the failures, and if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee.

B. *Termination with Notice.* In addition to the provisions of Section 15.1.A, if Franchisee shall be in default under the terms of this Agreement and the default shall not be cured or remedied (to Franchisor's satisfaction) within thirty (30) days after receipt of written notice from Franchisor (or 10 days' prior notice in the event of a default that is described in Subsections (6), (7) or (8) below), in addition to all other remedies available to Franchisor at law or in equity, Franchisor may immediately terminate this Agreement on written notice to Franchisee. Franchisee shall be in default, and each of the following shall constitute good cause for termination under this Section:

(1) Failure, refusal or neglect by Franchisee to obtain Franchisor's prior written acceptance, approval or consent any time such acceptance, approval or consent is required by this Agreement;

(2) Franchisee's failure to comply with any provision of this Agreement that does not otherwise provide for immediate termination, or Franchisee's bad faith in carrying out the terms of this Agreement;

(3) Failure by Franchisee to maintain books and financial records for the Studio suitable for proper financial audit or failure by Franchisee to permit Franchisor to carry out its rights to conduct an inspection or audit as provided in this Agreement or failure by Franchisee to submit as required by this Agreement all reports, records and information of the Studio;

(4) Franchisee, or if Franchisee has elected not to directly supervise "on-premises" the day-to-day Studio operations, then Franchisee's management employee, fails to complete, to Franchisor's satisfaction, the Initial Training Program as provided in this Agreement;

(5) Franchisee fails to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement, or is unable to obtain adequate financing to cover all costs of developing, opening and operating the Studio;

(6) Franchisee fails to pay when due any amounts owing to any person or entity in connection with the construction, leasing, financing, operation or supply of the Studio;

(7) Franchisee closes any bank account without completing all of the following after such closing: (i) immediately notifying Franchisor in writing, (ii) immediately establishing another bank account, and (iii) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by electronic funds transfer;

(8) Franchisee fails to maintain or suffers cancellation of any insurance coverage required under this Agreement or Applicable Laws;

(9) Franchisee allows classes to be taught or training to be conducted by teachers who have not successfully completed the Pure Barre Classic Training Program;

(10) Franchisee offers in conjunction with the operation of the Studio products or services that have not been approved by Franchisor;

(11) Franchisee fails to abide by the pertinent marketing and advertising requirements and procedures and participate in marketing programs for the Studio as established by Franchisor;

(12) Franchisee fails to (i) comply with the Performance Standards as set forth in ~~the provisions~~ Section 8.7 of this Agreement, ~~as prescribed by Franchisor, or in the Manual, including, but not limited to, the Minimum Monthly Gross Sales Quota for a period of 36 consecutive months, and fails to participate in and implement all temporary and permanent corrective measures mandated by Franchisor to address such non-compliance,~~ (ii) comply with System Standards for cleanliness, customer service, equipment maintenance, and any other System Standards which effect or enhance the member experience at the Studio, or (iii) achieve the Minimum Monthly Gross Sales Quota described in Section 8.7 during any trailing 36-month period, regardless of its participation in any corrective training programs mandated by Franchisor; or

(13) Franchisee fails to (a) utilize Franchisor's then-current approved supplier to provide the Opening Support Program, (b) actively engage in the Pre-Sales Phase activities set forth in the plan that Franchisor and/or its approved supplier approves in connection with the Opening Support Program, and/or (c) fails to timely acquire the Pre-Sales and Soft Opening Retail Inventory Kit or expend the required minimum amounts that Franchisor prescribes in connection with the Pre-Sales Phase and other pre-opening activities designed to promote the Studio consistent with the terms of this Agreement.

**15.2 Cross-Default.** If there are now, or hereafter shall be, other franchise agreements or any other agreements in effect between Franchisee or any of its affiliates and Franchisor or any of its affiliates, a default by Franchisee or any of its affiliates and/or owners under the terms and conditions of this Agreement or any other such agreement, shall at the option of Franchisor, constitute a default under this Agreement and all such other agreements.

**15.3 Obligations of Franchisee upon Termination, ~~or Expiration or Non-Renewal.~~** Immediately upon termination, or expiration ~~or non-renewal~~ of this Agreement for any reason:

A. All rights, privileges and licenses granted by Franchisor to Franchisee shall immediately cease and be null and void and of no further force and effect, and all such rights, privileges and licenses shall immediately revert to Franchisor;

B. Franchisee shall cease operating the Studio, and shall immediately, at its own expense, remove and cease using or displaying all signs, obliterate or remove all letterheads, labels or any other item or form of identification that would in any way link or associate Franchisee, its goods and/or services with Franchisor, and shall immediately cease to use, in any manner, the Marks, Confidential Information, System and any other intellectual property of Franchisor or its affiliates;

C. Franchisee shall immediately terminate all advertising and promotional efforts and any other act that would in any way indicate that Franchisee is or was ever an authorized Pure Barre Studio franchisee;

D. Franchisee shall cancel any assumed name of Franchisee or equivalent registration that contains any Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination, or expiration ~~or non-renewal~~ of this Agreement;

E. Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Marks that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to use any trade dress or designation of origin or description or representation that falsely suggests or represents an association or connection with Franchisor;

F. Franchisee shall pay all amounts owing to Franchisor and its approved suppliers under this Agreement and otherwise in connection with the Studio. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including reasonable legal fees, incurred by Franchisor as a result of the default;

G. Franchisee shall comply with the covenants set forth in Articles 12 and 13 of this Agreement;

H. Franchisee shall, at Franchisor's option, assign to Franchisor any interest that Franchisee has in any lease for the premises of the Studio; and

I. Franchisor shall have the option, exercisable by giving written notice thereof within thirty (30) days from the date of such termination, or expiration ~~or non-renewal~~ to purchase any and all equipment, furniture, fixtures, signs, sundries and supplies owned by Franchisee and used in the Studio, at the lesser of (i) Franchisee's cost less depreciation computed on a reasonable straight line basis (as determined in accordance with generally accepted accounting principles and consistent with industry standards and customs) or (ii) fair market value of such assets, less (in either case) any outstanding liabilities of the Studio. In addition, Franchisor shall have the option to assume Franchisee's lease for the lease location of the Studio, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as Franchisee's lease. No value will be attributed to the value of the Marks or the System or to the assignment of the lease (or sublease) for the premises or the assignment of any other assets used in conjunction with the Studio, and Franchisor will not be required to pay any separate consideration for any such assignment or sublease.

If the Parties cannot agree on fair market value within thirty (30) days of Franchisor's notice of intent to purchase, fair market value shall be determined by an experienced, professional and impartial third-party appraiser without regard to goodwill or going concern value, designated by Franchisor and

acceptable to Franchisee, whose determination shall be final and binding on both Parties. The cost of such appraisal shall be borne equally by Franchisor and Franchisee. If the Parties cannot agree upon an appraiser, one shall be appointed by the American Arbitration Association, upon petition of either Party.

Franchisor shall have the right to withhold from the purchase price funds sufficient to pay all outstanding debts and liabilities of Franchisee and the Studio and to pay such debts and liabilities from such funds.

J. Franchisor and Franchisee agree that Franchisor will suffer compensable damages including, among others, the amount of the Royalty and Fund Contributions it would have received, and for which it bargained in entering into this Agreement, if Franchisee terminates this Agreement without cause or Franchisor terminates this Agreement because of Franchisee's breach (the "Lost Revenue Damages"). Franchisor and Franchisee acknowledge that, because Royalty and Fund Contributions are calculated as a percentage of the Studio's Gross Sales, it will be impossible to calculate Lost Revenue Damages once the Studio ceases operation. To bring certainty to that determination, Franchisor and Franchisee agree that Lost Revenue Damages will equal the net present value of: (1) the lesser of 36 or the number of calendar months remaining on the Term absent the termination, multiplied by (2) the sum of the Royalty and Fund Contribution percentages in effect as of the termination date, multiplied by (3) the average monthly Gross Sales of the Studio during the 24 full calendar months immediately preceding the termination date, minus (4) any cost savings Franchisor experienced as a result of the termination; provided, however, that if (i) as of the termination date, the Studio had not operated a full 24 calendar months, monthly average Gross Sales will equal the highest monthly Gross Sales achieved during the period in which it operated, and (ii) if the termination was based on Franchisee's unapproved closure of the Studio, average monthly Gross Sales would be based on the 24 full calendar months immediately preceding the closure of the Studio.

Franchisor and Franchisee acknowledge and agree that (a) their agreement on the calculation of Lost Revenue Damages is a reasonable determination of actual damages that will be suffered by Franchisor in the event of a termination as described above and is not a penalty, and (b) Lost Revenue Damages represent only lost Royalty and Fund Contributions, and the right to recover such damages is not exclusive of and does not replace any other rights Franchisor has under this Agreement or applicable law if this Agreement is terminated as described above, including the right to seek other damages it suffers as a result of a termination as described above or the events on which such termination was based.

K. Termination, or expiration ~~or non-renewal~~ of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.

**15.4 Franchisor's Rights and Remedies in Addition to Termination.** If Franchisee shall be in default in the performance of any of its obligations or breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, or if Franchisor has issued a notice to Franchisee in exercise of its rights to purchase the Studio under Section 15.3.I above, then, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee, cure such default on Franchisee's behalf and, in its discretion, either directly or through its designee, enter upon and take possession of the Studio, for a period not to exceed 180 days, and thereafter take, in the name of Franchisee, all other actions necessary to effect the provisions of this Agreement. Franchisee agrees that any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Studio. If Franchisor exercises its rights under this Section, then Franchisor is not required to use

Franchisee's employees and reserves the right to designate its own personnel to manage and operate the Studio.

During the period in which Franchisor or its designee operates the Studio under this Section, Franchisee will cooperate with Franchisor and its designees to support the operation of the Studio in compliance with all the System Standards, including making available any and all books, records, and accounts. Franchisee agrees that all funds derived from the operation of the Studio during this period will be held and used solely by Franchisor or its designee, will be used to pay expenses associated with the operation of the Studio (including payment of any fees and other amounts owed by Franchisee to Franchisor under this Agreement and Franchisor's then-current fee for such interim operation of the Studio), and will be accounted for separately from Franchisor's other revenue and expenses.

Franchisee agrees that Franchisor or its designee must exercise only a reasonable degree of care in operating the Studio and is under no duty to take extraordinary measures or, in any way, fund the operations to ensure the Studio's success or continued operations during or after such period. Franchisee agrees that it continues to bear the sole liability for any and all accounts payable, obligations, and/or contracts, including all obligations under the Studio lease and all obligations to its vendors and employees and contractors, unless and until Franchisor expressly assumes them in connection with the purchase of the Studio under Section 15.3.I above. Franchisor may elect to cease such interim operations of the Studio at any time with notice to Franchisee. Franchisor (or its designee) will not be liable to Franchisee or its owners for any debts, losses, or obligations the Studio incurs, or to any of Franchisee's creditors.

Franchisor's decision to operate the Studio on an interim basis, will not affect Franchisor's right to terminate this Agreement under Section 15.1.A(4) above. Franchisee's indemnification obligations set forth under Section 11.2 will continue to apply during any period that Franchisor or its designee operate the Studio.

## 16. RESOLUTION OF DISPUTES

16.1 **Governing Law.** Franchisor and Franchisee agree that all matters relating to arbitration will be governed by the substantive and procedural provisions of the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.), which they acknowledge and agree will supersede any conflicting provisions of any state's laws relating to arbitration. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal laws, this Agreement and any other agreement between Franchisor (or its parents, affiliates, and subsidiaries) and Franchisee (or its parents, affiliates, and subsidiaries, if applicable), and the rights granted and relationships created thereunder, shall be governed by the internal laws of the State of California, without regard to its conflicts of laws rules, except that the provisions regarding competitive activities shall be interpreted and enforced in accordance with the laws of the state in which the Studio is located. The Parties further acknowledge and agree that the adoption of California law in this Section is not intended to circumvent or, in any manner, satisfy any jurisdictional requirements contained in any such laws that are expressly and specifically directed to the offer or sale of franchises or the relationships between franchisors and franchisees.

16.2 **Internal Dispute Resolution.** ~~Franchisee~~ The Parties each agrees that, except as set forth in Section 16.5 below, before it (or any of its ~~owners~~ parents, affiliates, or subsidiaries, or their respective owners, officers, directors, employees, or representatives) initiates an arbitration or litigation against ~~Franchisor, its~~ the other Party (or any of the other Party's parents, affiliates, ~~and~~ or subsidiaries, or their respective owners, officers, directors, employees or representatives), ~~Franchisee~~ the Party initiating arbitration or litigation will provide ~~Franchisor~~ the other Party with written notice of the underlying claim or dispute ~~(the "Dispute")~~ specifying, in detail, the precise nature and grounds of the claim or Dispute. Within thirty (30) days after delivery of such claim or dispute ~~to Franchisor, Franchisor and Franchisee,~~



the Parties will use good faith efforts to discuss and resolve the ~~claim or~~ dispute informally for a reasonable period which shall be no more than sixty (60) days unless mutually extended by the Parties. The Parties must personally participate in the informal dispute resolution conference. The statute of limitations and any arbitration filing fee deadlines shall be tolled while the Parties engage in the internal dispute resolution process described in this Section.

16.3 **Mediation.** Except as provided in Section 16.5 below, the Parties agree to submit any ~~claim or~~ dispute ~~that~~ they are unable to resolve informally, as described in Section 16.2 above, to mediation to be conducted by JAMS using its then-current mediation rules and procedures (see [www.jamsadr.com/mediation](http://www.jamsadr.com/mediation)) and to take place at Franchisor's or, as applicable, Franchisor's successor's or assign's, then-current principal place of business (currently, Irvine, California), or via a videoconferencing platform, if both Parties agree. Each Party will bear its own costs in participating in the mediation, and Franchisor and Franchisee will share JAMS' and the mediator's fees and costs equally. Neither Party will be required to mediate for more than one (1) day.

16.4 **Mandatory Binding Arbitration.** If Franchisor waives the obligation to mediate (as described in Section 16.3) or the informal dispute processes described in Sections 16.2 and 16.3 do not resolve the ~~claim or~~ dispute to the Parties' satisfaction, all controversies, disputes, or claims between Franchisor, or any of its parents, affiliates, and subsidiaries, and its and their respective owners, officers, directors, agents, and employees (the "Franchisor Parties"), on the one hand, and Franchisee, or any of its parents, affiliates, and subsidiaries, and its and their respective owners, guarantors, officers, directors, agents, and employees (the "Franchisee Parties"), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between any of the Franchisor Parties and Franchisee Parties; (2) the relationships between any Franchisor Parties and Franchisee Parties; (3) the scope or validity of this Agreement or any other agreement referenced in clause (1) above or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Franchisee acknowledges is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either Party, to JAMS. If any Party initiates arbitration or files any counterclaim, it must submit a personally-signed verification therewith. The arbitration proceedings will be conducted by one mutually acceptable arbitrator and, except as this Section otherwise provides, according to JAMS' then-current Comprehensive Arbitration Rules & Procedures (see [www.jamsadr.com/rules-comprehensive-arbitration/](http://www.jamsadr.com/rules-comprehensive-arbitration/)) or, if applicable, then-current Mass Arbitration Procedures & Guidelines (see <https://www.jamsadr.com/mass-arbitration-procedures>). If the Parties are unable to agree on an arbitrator, an arbitrator having at least five (5) years' experience in the areas involved will be appointed by JAMS. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of Franchisor's (or its successor's or assign's, as applicable) then-current principal place of business (currently, Irvine, California), or via a videoconferencing platform, if both Parties agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each Party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Franchisor, or its parents, affiliates, and subsidiaries, generic or otherwise invalid, or award any punitive or exemplary damages against any Party to the arbitration proceeding (Franchisor and Franchisee hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any Party to the arbitration proceeding). Except as otherwise stated in this Agreement, the arbitrator shall have no authority to issue any relief on any basis other than on an individual basis.

~~Franchisor and Franchisee will share equally in all fees and costs assessed by JAMS in connection with initiating and conducting the arbitration proceedings, and~~ The Parties agree that each Party ~~agrees to will~~ pay its share of ~~such~~ fees and costs ~~as they become due~~ in accordance with applicable JAMS rules. If a Party fails to timely pay such fees or costs, the other Party may, in its discretion, advance such costs on behalf of the nonpaying Party. ~~At~~ To the extent permitted by applicable law, at the conclusion of the arbitration, the arbitrator shall award to the prevailing Party its fees and costs, including all reasonable experts', attorneys' and other professionals' fees incurred in the proceedings.

In any arbitration proceeding, each Party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each Party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any Party.

The arbitrator shall have full authority to manage any necessary exchange of information among the Parties with a view to achieving an efficient and economical resolution of the dispute. The Parties may only serve reasonable requests for documents, which must be limited to documents upon which a Party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." ~~No interrogatories or requests to admit shall be propounded, unless the Parties later mutually agree to their use.~~

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

~~If any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a particular dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all Parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.~~

In the event any portion of this Section is deemed unenforceable, the remainder of this agreement to arbitrate will be enforceable.

The parties to any mediation or arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law.

**16.5 Other Proceedings (Right to Injunctive Relief).** Nothing in this Agreement, including the provisions of Sections 16.2 through 16.4, bars ~~Franchisor's a Party's~~ right to seek and obtain in any court of competent jurisdiction injunctive or other equitable relief against actual or threatened conduct that it believes is likely to cause loss or damage to its trademarks (including the Marks), its proprietary information, or its systems (including the System), in each case, under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. ~~Franchisee~~ Each Party agrees that ~~Franchisor~~ the other may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. ~~Franchisee~~ The Parties agrees that ~~Franchisor~~ the Party seeking injunctive relief pursuant to this Section will not be required to post a bond to obtain injunctive relief and that ~~Franchisee's~~ the only remedy for a Party if an injunction is entered against it will be the dissolution of that



injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

**16.6 Consent to Jurisdiction.** Subject to the obligation to submit to binding arbitration under Section 16.4 above, Franchisor and Franchisee agree that all controversies, disputes, or claims between them or any Franchisor Parties and Franchisee Parties arising out of or related to this Agreement or any other agreement between a Franchisor Party and a Franchisee Party or their relationships with each other must be commenced exclusively in state or federal court closest to Franchisor's (or its successor's or assign's, as applicable) then-current principal place of business (currently, Irvine, California), and the Parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts.

**16.7 Waiver of Punitive Damages.** ~~Franchisee~~ The Parties hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against ~~Franchisor~~ each other arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, ~~that Franchisee's~~ recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the Term if it is terminated due to Franchisee's default, which the Parties agree and acknowledge Franchisor may claim under this Agreement.

**16.8 WAIVER OF JURY TRIAL.** THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

**16.9 WAIVER OF CLASS ACTIONS.** THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE OPERATIONS OF THE STUDIO, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR OR ~~ITS~~ THEIR RESPECTIVE AFFILIATES, ~~OFFICERS,~~ OWNERS, OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD-PARTY. The Parties expressly waive the right to have any claim or dispute brought, heard, administered, resolved, or arbitrated as a class, collective, coordinated, consolidated, and/or representative action, and neither an arbitrator nor an arbitration provider shall have any authority to hear, arbitrate, or administer any class, collective, coordinated, consolidated, and/or representative action, or to award relief to anyone but the individual in arbitration. The Parties also expressly waive the right to seek, recover, or obtain any non-individual relief. Notwithstanding anything else in this Agreement, this Section does not prevent the Parties from participating in a class-wide, collective, and/or representative settlement of claims. Notwithstanding any other provision of this Agreement, only a court of competent jurisdiction shall have the authority to resolve disputes arising out of or relating to this Section, including, but not limited to, any claim that all or part of this Section is unenforceable, unconscionable, illegal, void, or voidable.

16.10 **Grouped Arbitrations.** To the extent permitted by applicable law and notwithstanding any other provision of this Agreement, to increase efficiency of resolution, in the event 75 or more similar arbitration demands are filed within a 30-day period: (a) the Parties shall cooperate to organize the arbitration demands into randomized groups of no more than 75 demands (plus, to the extent there are fewer than 75 arbitration demands remaining, a final group consisting of the remaining demands); (b) Franchisees' counsel shall organize and present the grouped demands to the arbitration provider in a format as required under the JAMS Mass Arbitration Procedures & Guidelines; (c) JAMS shall assess one set of filing and administrative fees per group and shall assign one arbitrator per group, subject to any applicable disclosure and disqualification procedures available under applicable law; (d) JAMS shall set one initial administrative conference per group; (e) regardless of the grouping described above, the arbitrator shall resolve all arbitrations within a group on an individual basis; (f) the first group of 75 arbitrations shall proceed on an individual basis, while the remaining cases are stayed and applicable statutes of limitations for those cases are tolled; (g) the Parties shall use their best efforts to complete the initial 75 individual arbitrations within 120 days after the initial administrative conference, and shall engage in good-faith mediation following resolution of the initial 75 individual arbitrations; (h) if mediation is unsuccessful, the remaining cases shall proceed on an individual basis in groups of 75 cases (plus, to the extent there are fewer than 75 arbitration demands remaining, a final group consisting of the remaining demands); and (i) no final award from an arbitrator in any one arbitration shall have preclusive effect in any other arbitration. The Parties agree to cooperate in good faith to implement the above grouped approach to administration of the arbitration demands.

If any similar arbitration demands were originally processed as individual arbitration demands before this grouping procedure was commenced, further proceedings, including the assessment of further arbitration filing or administration fees to either Party shall be governed by the procedures set forth in this Section.

16.11 ~~16.10~~-Attorneys' Fees and Costs.

A. ~~If~~To the extent permitted by applicable law, if legal action or arbitration is necessary to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to recover reasonable compensation for preparation, investigation, court costs, arbitration costs (if applicable) and reasonable attorneys' fees, from the non-prevailing Party as fixed by an arbitrator or court of competent jurisdiction.

B. Separate and distinct from the right of a prevailing Party to recover expenses, costs and fees in connection with any legal proceeding or arbitration, the prevailing Party shall also be entitled to receive all expenses, costs and reasonable attorneys' fees incurred in connection with the enforcement of any arbitration award or judgment entered, to the extent permitted by applicable law. Furthermore, the right to recover post-arbitration award and post judgment expenses, costs and attorneys' fees shall be severable and shall survive any award or judgment and shall not be deemed merged into such judgment.

C. Apart from the obligations in Sections ~~16.10~~16.11.A and ~~16.10~~16.11.B, Franchisee agrees and acknowledges that it will be responsible for the legal fees and other costs that Franchisor incurs in connection with certain modifications that Franchisor agrees to make to the Franchise Agreement, including without limitation, modifications made to address the following situations: (i) relocation; or (ii) any other amendment to extend a given performance deadline of Franchisee, modify the Designated Territory awarded hereunder, or otherwise modify, amend or supplement this Agreement in any way at the request of Franchisee or as necessary for Franchisee to avoid this Agreement being in default or subject to termination. Franchisor may set forth flat fee amounts designed to help defray the costs associated with addressing certain of the foregoing situations in the context of this Agreement or

any other agreement with Franchisor, whether in the ~~Manual~~[Learning Management System](#) or otherwise in a writing distributed to System franchisees.

**16.12** ~~16.11~~ **No Withholding of Payments.** Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

~~16.12 **Limitation of Actions.** Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware, or should have become aware after reasonable investigation, of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.~~

**16.13 Third-Party Beneficiaries.** Franchisor's officers, directors, ~~shareholders~~[owners](#), agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Article 16, each having authority to specifically enforce the right to mediate ~~and~~ [arbitrate](#) claims asserted against such person(s) by Franchisee.

## 17. MISCELLANEOUS PROVISIONS

**17.1 Severability.** Each article, section, paragraph, term and provision of this Agreement, or any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held by an arbitrator or by a court of competent jurisdiction to be unenforceable due to any applicable existing or future law or regulation, such portion shall not impair the operation of or have any effect upon, the remaining portions of this Agreement which will remain in full force and effect. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

**17.2 Waiver and Delay.** No failure, refusal or neglect of Franchisor to exercise any right, power, remedy or option reserved to it under this Agreement, or to insist upon strict compliance by Franchisee with any obligation, condition, specification, standard or operating procedure in this Agreement, shall constitute a waiver of any provision of this Agreement and the right of Franchisor to demand exact compliance with this Agreement, or to declare any subsequent breach or default or nullify the effectiveness of any provision of this Agreement. Subsequent acceptance by Franchisor of any payment(s) due [to](#) it under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

**The following provision applies if Franchisee or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:** No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii)

disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17.3 **Franchisor's Discretion.** Except as otherwise specifically referenced herein, all acts, decisions, determinations, specifications, prescriptions, authorizations, approvals, consents and similar acts by Franchisor may be taken or exercised in the sole and absolute discretion of Franchisor, regardless of the impact upon Franchisee. Franchisee acknowledges and agrees that when Franchisor exercises its discretion or judgment, its decisions may be for the benefit of Franchisor or the System and may not be in the best interest of Franchisee as an individual franchise owner.

17.4 **Notices.** All notices which the Parties hereto may be required or permitted to give under this Agreement ~~shall~~must be in writing and ~~shall be personally delivered or~~must be mailed by certified or registered mail, return receipt requested, postage paid, or by reliable overnight delivery service, addressed as follows:

**If to Franchisor:** PB FRANCHISING SPV, LLC  
17877 Von Karman Ave., Suite 100  
Irvine, CA 92614  
Attention: President

**If to Franchisee:** At the Studio's address or, if the Studio has been permanently closed, to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Except for Franchisor's right to send notices to the Studio's address as indicated above, either Party may change its notice address at any time by written notice given to the other Party as herein provided. Notices will be deemed delivered when actually delivered if delivered by hand at the address(es) listed above or otherwise notified by the Parties in accordance with this Section, three (3) business days after postmark by the United States Postal Service if delivered by certified or registered mail, or the next business day after deposit with reliable overnight delivery service if delivered in that manner.

Notwithstanding the above, Franchisor may, at its sole discretion, provide notices required or permitted under this Agreement to Franchisee via electronic mail at Franchisee's designated email address provided on Exhibit 1 hereto. Notices sent via electronic mail will be deemed delivered one (1) business day after transmission.

17.5 **No Recourse Against Nonparty Affiliates.** Franchisee agrees that it will look only to Franchisor to perform under this Agreement. Franchisor's affiliates are not parties to this Agreement and have no obligations under it. Franchisee may not look to Franchisor's affiliates for performance. Franchisee agrees that Franchisor's and its affiliates' members, managers, owners, directors, officers, employees and agents shall not be personally liable or named as a party in any action between Franchisor or its affiliates and Franchisee or its affiliates or their respective owners.

17.6 **Non-Disparagement.** Franchisee agrees that it will not (and to use its best efforts to cause its current and former ~~shareholders, members~~owners, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) (i) make any untrue or derogatory statements concerning Franchisor and its affiliates, as well as their present and former officers, employees, shareholders, directors, agents, attorneys, servants, representatives, successors and assigns; or (ii) undertake any act which would (a) subject the Marks to ridicule, scandal, reproach,

scorn, or indignity, (b) ~~which would~~ negatively impact the goodwill of Franchisor or its affiliates, the Marks, other components of the System, or any other brands owned or controlled by Franchisor or its affiliates, or (c) constitute an act of moral turpitude (including, without limitation, verbal, physical, or sexual harassment towards any other person).

Notwithstanding the foregoing, nothing in this Agreement or any other agreement with Franchisor restricts or prohibits any person from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Securities and Exchange Commission, or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. No person needs the prior authorization of Franchisor to engage in conduct protected by the preceding sentence, and no person needs to notify Franchisor that such person has engaged in such conduct.

**17.7 Security Interest.** Franchisee hereby collaterally assigns to Franchisor the lease for the Authorized Location and grants Franchisor a security interest in all of the assets of the Studio, including but not limited to inventory, accounts, supplies, equipment, contracts, cash derived from the operation of the Studio and sale of other assets, and proceeds and products of all those assets. Franchisee agrees to execute such other documents as Franchisor may reasonably request in order to further document, perfect and record its security interest. If Franchisee defaults in any of its obligations under this Agreement, Franchisor may exercise all rights of a secured creditor granted to Franchisor by law, in addition to Franchisor's other rights under this Agreement and at law. If an approved third-party lender requires that Franchisor subordinate Franchisor's security interest in the assets of the Studio as a condition to lending Franchisee working capital for the construction or operation of the Studio, Franchisor will agree to subordinate pursuant to terms and conditions determined by Franchisor. This Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that Franchisor deems appropriate to protect its interests.

**17.8 Survival.** All of Franchisor's and Franchisee's (and Franchisee's Owners') obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expires. Without limiting the generality of the foregoing, the parties expressly acknowledge that each of the following provisions of this Agreement will survive the Agreement's expiration or termination: Section 10.4 (Information Security); Section 11 (Relationship of the Parties; Indemnification); Section 12 (Confidential Information); Section 13.1.B (Non-Competition Covenants of Franchisee; After the Term of this Agreement); Section 13.2.B (Non-Solicitation Covenants; After the Term of this Agreement); Section 15.3 (Obligations of Franchisee upon Termination; ~~or Expiration~~ ~~or Non-Renewal~~); Section 16 (Resolution of Disputes); Section 17 (Miscellaneous Provisions); Section 18 (Acknowledgements); and Section 19 (Entire Agreement).

## 18. ACKNOWLEDGMENTS

**18.1** THE SUBMISSION OF THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL BECOME EFFECTIVE ONLY UPON THE EXECUTION HEREOF BY THE FRANCHISOR AND THE FRANCHISEE. THE DATE OF EXECUTION BY THE FRANCHISOR SHALL BE CONSIDERED TO BE THE DATE OF EXECUTION OF THIS AGREEMENT.

18.2 THIS AGREEMENT SHALL NOT BE BINDING ON THE FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF THE FRANCHISOR.

18.3 FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT, THE FRANCHISE DISCLOSURE DOCUMENT (“FDD”), AND THE EXHIBITS HERETO CONSTITUTE THE ENTIRE AGREEMENT OF THE PARTIES. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER.

18.4 FRANCHISEE AGREES AND ACKNOWLEDGES THAT FULFILLMENT OF ANY AND ALL OF FRANCHISOR’S OBLIGATIONS WRITTEN IN THIS AGREEMENT OR BASED ON ANY ORAL COMMUNICATIONS WHICH MAY BE RULED TO BE BINDING IN A COURT OF LAW SHALL BE FRANCHISOR’S SOLE RESPONSIBILITY AND NONE OF FRANCHISOR’S AGENTS, REPRESENTATIVES, NOR ANY INDIVIDUALS ASSOCIATED WITH FRANCHISOR SHALL BE PERSONALLY LIABLE TO FRANCHISEE FOR ANY REASON.

## 19. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire and only agreement between the Parties concerning the granting, awarding and licensing of Franchisee as an authorized Pure Barre Studio franchisee at the Studio location, and supersede all prior and contemporaneous agreements. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the Parties other than those set forth herein. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either Party unless mutually agreed to by the Parties and executed by their authorized officers or agents in writing. This Agreement does not alter agreements between Franchisor and Franchisee for other locations. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations Franchisor made in the FDD that Franchisor furnished to Franchisee. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below to be effective as of the Effective Date.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**“FRANCHISEE”**

[if an individual]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
**EFFECTIVE DATE:** \_\_\_\_\_

\_\_\_\_\_  
**[Name], individually**

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
**[Name], a [state/type]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**EXHIBIT 1  
TO  
FRANCHISE AGREEMENT**

1. **Name and Address of Franchisee:**

Franchisee Name: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
Email Address: \_\_\_\_\_

2. **Form of Owner (check and complete one):**

\_\_\_\_ Individual  
\_\_\_\_ Corporation    \_\_\_\_ Limited Liability Company    \_\_\_\_ Partnership  
State Formed: \_\_\_\_\_ Date: \_\_\_\_\_

3. **Owners.** The following identifies the owner that Franchisee has designated as, and that Franchisor approves to be, the Operating Principal and lists the full name of each person who is one of Franchisee's owners, or an owner of one of Franchisee's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	<b><u>Owner's Name</u></b>	<b><u>Type / %-age of Interest</u></b>
<b>Operating Principal:</b>	_____	_____ %
Other Owners:	_____	_____ %
	_____	_____ %

4. **Designated Manager:** \_\_\_\_\_

5. **Authorized Location** (if determined on Effective Date): \_\_\_\_\_  
\_\_\_\_\_

6. **Designated Territory** (if determined on Effective Date): \_\_\_\_\_  
\_\_\_\_\_

7. **Designated Market Area** (if Authorized Location and Designated Territory undetermined as of Effective Date): \_\_\_\_\_  
\_\_\_\_\_

**EXHIBIT 2  
TO  
FRANCHISE AGREEMENT**

**AUTHORIZED LOCATION ADDENDUM**

This Addendum is made to the Franchise Agreement (the “Franchise Agreement”) between PB Franchising SPV, LLC (“Franchisor”), and \_\_\_\_\_ (“Franchisee”), dated \_\_\_\_\_, 20\_\_.

1. **Preservation of Agreement.** Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.
2. **Authorized Location.** The parties hereto agree that the Authorized Location referred to in Section 1.1 of the Franchise Agreement shall be the following:

\_\_\_\_\_.

3. **Designated Territory, if any.** Pursuant to Section 1.2 of the Franchise Agreement, Franchisee’s Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

ACKNOWLEDGED AND ACCEPTED:

**“FRANCHISEE”**

[if an individual]

\_\_\_\_\_  
**[Name], individually**

Sign: \_\_\_\_\_

Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
**[Name], a [state/type]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT 3  
TO  
FRANCHISE AGREEMENT**

**GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT**

For value received, and in consideration for, and as an inducement to PB Franchising SPV, LLC (the “Franchisor”) to execute the Franchise Agreement (the “Franchise Agreement”), dated \_\_\_\_\_, 20\_\_\_\_ (the “Effective Date”), by and between Franchisor and \_\_\_\_\_ or his assignee, if a partnership, corporation or limited liability company is later formed (the “Franchisee”), the undersigned (each a “Guarantor”), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Franchisee of each obligation undertaken by Franchisee under the terms of the Franchise Agreement.

Upon demand by Franchisor, Guarantor will immediately make each payment required of Franchisee under the Franchise Agreement. Guarantor hereby waives any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of Guarantor under this Guarantee, Indemnification and Acknowledgment (the “Guarantee”), Franchisor may, without notice to Guarantor, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor waives notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee and agrees to be bound by any and all such amendments and changes to the Franchise Agreement.

Guarantor hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorneys’ fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment, or any other agreement executed by Franchisee referred to therein.

Guarantor hereby acknowledges and agrees to be individually bound by all obligations and covenants of Franchisee contained in the Franchise Agreement, including those related to non-competition and confidentiality.

If Guarantor is a business entity, retirement or investment account, or trust acknowledges and it agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor’s account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guarantee shall terminate upon the expiration or termination of the Franchise Agreement, except that this Guarantee shall continue in full force and effect with respect to all obligations and liabilities of Franchisee and Guarantor that arise from events that occurred on or before the effective date of such expiration or termination or that are triggered by or survive expiration or termination of the Franchise Agreement. This Guarantee is binding upon each Guarantor and its respective estate, executors, administrators, heirs, beneficiaries, and successors in interest.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to

take against Franchisee, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Franchise Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Franchise Agreement.

The provisions contained in Article 16 of the Franchise Agreement (Resolution of Disputes), including, without limitation, Section 16.1 (Governing Law), Section 16.3 (Mediation), Section 16.4 (Mandatory Binding Arbitration), Section 16.6 (Consent to Jurisdiction), and Section ~~16.10~~16.11 (Attorneys’ Fees and Costs), are incorporated into this Guarantee by reference and shall govern this Guarantee and any disputes between the Guarantors and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses it incurs in connection with enforcing the terms of this Guarantee.

**IN WITNESS WHEREOF**, each of the undersigned has signed this Guarantee as of the Effective Date.

GUARANTORS	
Area Developer (if applicable):  [Name of Developer]  By: _____ Name: _____ Title: _____  Address: _____	
OWNER/GUARANTOR	SPOUSE/GUARANTOR

Name: \_\_\_\_\_

Sign: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail Address: \_\_\_\_\_

Name: \_\_\_\_\_

Sign: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail Address: \_\_\_\_\_

Name: \_\_\_\_\_

Sign: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail Address: \_\_\_\_\_

Name: \_\_\_\_\_

Sign: \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

E-mail Address: \_\_\_\_\_

**EXHIBIT 4  
TO  
FRANCHISE AGREEMENT**

**ADDENDUM TO LEASE**

This Addendum to Lease (this “Addendum”) modifies and supplements that certain lease dated \_\_\_\_\_, 20\_\_\_\_ (the “Lease”), by and between Tenant and Landlord concerning the premises located at \_\_\_\_\_ (the “Premises”)

Landlord and Tenant, intending that PB Franchising SPV, LLC, a Delaware limited liability company, (“Franchisor”) (and its successors and assigns) be a third-party beneficiary of this Addendum, agree as follows:

- (1) Tenant may display the trademarks, service marks and other commercial symbols owned by Franchisor and used to identify the service and/or products offered at the Studio, including the name “Pure Barre,” the Studio design and image developed and owned by Franchisor, as it currently exists and as it may be revised and further developed by Franchisor from time to time, and certain associated logos in accordance with the specifications required by Franchisor, subject only to the provisions of applicable law and in accordance with provisions in the Lease no less favorable than those applied to other tenants of Landlord;
- (2) Tenant shall not, and the Landlord shall not permit Tenant to, sublease or assign all or any part of the Lease or the Premises, or extend the term or renew the Lease, without Franchisor’s prior written consent;
- (3) Landlord shall concurrently provide Franchisor with a copy of any written default notice sent to Tenant and thereupon grant Franchisor the right (but not the obligation) to cure any deficiency or default under the Lease, should Tenant fail to do so, within five (5) days after the expiration of the period in which Tenant may cure the default;
- (4) The Premises shall be used only for the operation of a Pure Barre Studio;
- (5) Tenant may, without Landlord’s consent (but subject to providing Landlord with written notice thereof), at any time assign this Lease or sublease the whole or any part of the Premises to Franchisor or any successor, subsidiary or affiliate of Franchisor;
- (6) In the event of an assignment of the Lease to Franchisor as described in (6) above, Franchisor may further assign this Lease, subject to Landlord’s consent, such consent not to be unreasonably withheld based on the remaining obligations of assignee under the Lease, to a duly authorized franchisee of Franchisor, and thereupon Franchisor shall be released from all further liability under the Lease;
- (7) Franchisor, and its designated agents, will have the right to enter the Premises to make any modifications necessary to protect the Pure Barre brand and franchise system;
- (8) Tenant agrees that Landlord may, upon Franchisor’s request, disclose all reports, information, and data in Landlord’s possession with respect to sales made in, upon, or from the Premises, to Franchisor;
- (9) Until changed by Franchisor, notice to Franchisor shall be sent as follows:

PB Franchising SPV, LLC  
17877 Von Karman Ave, Suite 100  
Irvine, CA 92614  
Attn: Head of Real Estate

- (10) Landlord acknowledges that Tenant’s operations at the Premises are independently owned and operated, and that Tenant alone is responsible for all obligations under the Lease, unless and until,

Franchisor (or its affiliate or designee) expressly assumes such obligations in writing signed by an officer of Franchisor (or its applicable affiliate or designee);

(11) Any lien of Landlord in Tenant's trade fixtures, "trade dress," signage and other property at the Premises is hereby subordinated to Franchisor's interest in such items;

(12) None of the provisions in this Addendum or any rights granted Franchisor hereunder, may be amended absent Franchisor's prior written consent.

AGREED:

TENANT

LANDLORD

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



**EXHIBIT B**  
**STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS**

## STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

### CALIFORNIA

Department of Financial Protection & Innovation  
Commissioner of Financial Protection &  
Innovation  
1 (866) 275-2677

#### *Los Angeles*

320 West 4<sup>th</sup> Street, Suite 750  
Los Angeles, California 90013  
(213) 576-~~7505~~[7500](tel:2135767500)

#### *Sacramento*

2101 Arena Blvd.  
Sacramento, California 95834  
(916) 445-7205

#### *San Diego*

1455 Frazee Road, Suite 315  
San Diego, California 92108  
(619) 610-2093

#### *San Francisco*

One Sansome Street, Ste. 600  
San Francisco, California 94104  
(415) 972-8559

### HAWAII

(state administrator)

Business Registration Division  
Securities Compliance Branch  
Department of Commerce and Consumer Affairs  
P.O. Box 40  
Honolulu, Hawaii 96810  
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the  
Department of Commerce and Consumer Affairs  
Business Registration Division  
Securities Compliance Branch  
335 Merchant Street, Room 203  
Honolulu, Hawaii 96813  
(808) 586-2722

### ILLINOIS

Franchise Bureau  
Office of the Attorney General  
500 South Second Street  
Springfield, Illinois 62706  
(217) 782-4465

### INDIANA

(state administrator)

Indiana Secretary of State  
Securities Division, E-111  
302 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6681

(agent for service of process)

Indiana Secretary of State  
201 State House  
200 West Washington Street  
Indianapolis, Indiana 46204  
(317) 232-6531

## **MARYLAND**

(state administrator)

Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

(agent for service of process)

Maryland Securities Commissioner  
at the Office of the Attorney General  
Securities Division  
200 St. Paul Place  
Baltimore, Maryland 21202-2021  
(410) 576-6360

## **MICHIGAN**

(state administrator)

Michigan Attorney General's Office  
Consumer Protection Division  
Attn: Franchise Section  
G. Mennen Williams Building, 1<sup>st</sup> Floor  
525 West Ottawa Street  
Lansing, Michigan 48909  
(517) 373-7177

(agent for service of process)

Michigan Department of Commerce,  
Corporations and Securities Bureau  
P.O. Box 30054  
6546 Mercantile Way  
Lansing, Michigan 48909

## **MINNESOTA**

(state administrator)

Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

(agent for service of process)

Commissioner of Commerce  
Minnesota Department of Commerce  
85 7th Place East, Suite 280  
St. Paul, Minnesota 55101  
(651) 539-1600

## **NEW YORK**

(state administrator)

Office of the New York State Attorney General  
Investor Protection Bureau  
Franchise Section  
28 Liberty Street, 21<sup>st</sup> Floor  
New York, NY 10005  
(212) 416-8236 Phone  
(212) 416-6042 Fax

(agent for service of process)

Attention: New York Secretary of State  
New York Department of State  
One Commerce Plaza,  
99 Washington Avenue, 6th Floor  
Albany, NY 12231-0001  
(518) 473-2492

## **NORTH DAKOTA**

(state administrator)

North Dakota Securities Department  
600 East Boulevard Avenue  
State Capitol - Fourteenth Floor, Dept. 414  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

(agent for service of process)

Securities Commissioner  
600 East Boulevard Avenue  
State Capitol - Fourteenth Floor, Dept. 414  
Bismarck, North Dakota 58505-0510  
(701) 328-4712

## **OREGON**

Department of Business Services Division of  
Finance & Corporate Securities  
350 Winter Street, NE, Room 410  
Salem, Oregon 97310-3881  
(503) 378-4387

## **RHODE ISLAND**

Department of Business Regulation  
Division of Securities  
John O. Pastore Complex Building 69-1  
1511 Pontiac Avenue  
Cranston, Rhode Island 02920  
(401) 462-9645

## **SOUTH DAKOTA**

Division of Insurance  
Securities Regulation  
124 S. Euclid, Suite 104  
Pierre, South Dakota 57501  
(605) 773-3563

## **VIRGINIA**

(state administrator)

State Corporation Commission  
Division of Securities  
and Retail Franchising  
1300 East Main Street, Ninth Floor  
Richmond, Virginia 23219  
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission  
1300 East Main Street, 1<sup>st</sup> Floor  
Richmond, Virginia 23219  
(804) 371-9733

## **WASHINGTON**

(state administrator)

Department of Financial Institutions  
Securities Division  
P.O. Box 41200  
Olympia, Washington 98504-1200  
(360) 902-8760

(agent for service of process)

Director  
Department of Financial Institutions  
Securities Division  
150 Israel Road, S.W.  
Tumwater, Washington 98501

## **WISCONSIN**

(state administrator)

Securities and Franchise Registration  
Wisconsin Department of Financial Institutions  
4022 Madison Yards Way, North Tower  
Madison, Wisconsin 53705  
(608) 266-1064

(agent for service of process)

Office of the Secretary  
Wisconsin Department of Financial Institutions  
P.O. Box 8861  
Madison, Wisconsin 53708-8861  
(608) 261-9555

**EXHIBIT C**  
**FINANCIAL STATEMENTS**

## INDEPENDENT AUDITOR'S REPORT

To the Member of XPOF Assetco, LLC

### Opinion

We have audited the consolidated financial statements of XPOF Assetco, LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations, changes to member's equity and cash flows for the year ended December 31, 2024 and for the period from March 6, 2023 to December 31, 2023 and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the year ended December 31, 2024 and for the period from March 6, 2023 to December 31, 2023 in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, the Company has significant transactions and relationships with its Member, Xponential Fitness LLC, and its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations. Our opinion is not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

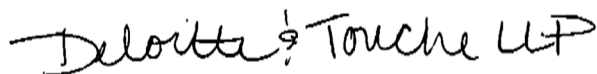
## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

March 14, 2025



**XPOF ASSETCO, LLC**  
**CONSOLIDATED BALANCE SHEETS**  
(amounts in thousands)

	December 31,	
	2024	2023
<b>Assets</b>		
Current Assets:		
Cash and cash equivalents	\$ 8,593	\$ 8,000
Accounts receivable, net	5,874	8
Prepaid expenses and other current assets	136	—
Deferred costs, current portion	3,906	4,065
Total current assets	18,509	12,073
Property and equipment, net	7,898	11,102
Intangible assets, net	86,485	88,881
Deferred costs, net of current portion	36,935	45,350
Other assets	563	—
Total assets	<u>\$ 150,390</u>	<u>\$ 157,406</u>
<b>Liabilities and Member's equity</b>		
Current Liabilities:		
Accrued expenses	\$ 877	722
Deferred revenue, current portion	14,307	9,918
Total current liabilities	15,184	10,640
Deferred revenue, net of current portion	96,065	111,320
Total liabilities	111,249	121,960
Commitments and contingencies (Note 9)		
Member's equity:		
Member contribution	48,542	51,612
Advances to Member, net (Note 7)	(155,034)	(11,690)
Retained earnings (accumulated deficit)	145,633	(4,476)
Total member's equity	39,141	35,446
Total liabilities and member's equity	<u>\$ 150,390</u>	<u>\$ 157,406</u>

See accompanying notes to consolidated financial statements.

**XPOF ASSETCO, LLC**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(amounts in thousands)

	Year Ended December 31, 2024	For the period March 6, 2023 (date of inception) to December 31, 2023
Revenue, net:		
Franchise revenue	\$ 160,877	\$ 521
Franchise marketing fund revenue	31,888	—
Other service revenue	11,789	—
Total revenue, net	204,554	521
Operating costs and expenses:		
Costs of franchise revenue	19,596	221
Selling, general and administrative expenses	45	—
Impairment of assets	2,485	180
Depreciation and amortization	6,605	4,596
Marketing fund expense	25,714	—
Total operating costs and expenses	54,445	4,997
Operating income (loss)	150,109	(4,476)
Net income (loss)	\$ 150,109	\$ (4,476)

See accompanying notes to consolidated financial statements.

**XPOF ASSETCO, LLC**  
**CONSOLIDATED STATEMENTS OF CHANGES TO MEMBER'S EQUITY**  
(amounts in thousands)

	Member Contribution	Advances to Member, net	Retained Earnings (Accumulated Deficit)	Total Member's Equity
<b>Balance at March 6, 2023</b>	\$ —	\$ —	\$ —	\$ —
Member contributions	51,612	—	—	51,612
Advances to Member, net	—	(11,690)	—	(11,690)
Net loss	—	—	(4,476)	(4,476)
<b>Balance at December 31, 2023</b>	51,612	(11,690)	(4,476)	35,446
Member contributions (Note 1)	4,930	—	—	4,930
Distribution to Member	(8,000)	—	—	(8,000)
Advances to Member, net (Note 7)	—	(143,344)	—	(143,344)
Net income	—	—	150,109	150,109
<b>Balance at December 31, 2024</b>	<u>\$ 48,542</u>	<u>\$ (155,034)</u>	<u>\$ 145,633</u>	<u>\$ 39,141</u>

See accompanying notes to consolidated financial statements.

**XPOF ASSETCO, LLC**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(amounts in thousands)

	Year Ended December 31, 2024	For the period March 6, 2023 (date of inception) to December 31, 2023
Cash flows from operating activities:		
Net income (loss)	\$ 150,109	\$ (4,476)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	6,605	4,596
Bad debt expense	29	—
Loss from disposal of assets	232	—
Impairment of assets	2,485	180
Changes in assets and liabilities:		
Accounts receivable	(5,895)	—
Prepaid expenses and other current assets	(136)	—
Deferred costs	10,904	221
Accrued expenses	155	—
Advances to Member, net	(140,813)	—
Deferred revenue	(14,519)	(521)
Other assets	(563)	—
Net cash provided by operating activities	8,593	—
Cash flows from financing activities:		
Member contributions	—	8,000
Member distributions	(8,000)	—
Net cash (used in) provided by financing activities	(8,000)	8,000
Increase in cash and cash equivalents	593	8,000
Cash and cash equivalents, beginning of period	8,000	—
Cash and cash equivalents, end of period	<u>\$ 8,593</u>	<u>\$ 8,000</u>
Noncash investing and financing activity:		
Contributions of assets and liabilities from Member	\$ 4,930	\$ 43,612

See accompanying notes to consolidated financial statements.

## **XPOF ASSETCO, LLC**

### **Notes to Consolidated Financial Statements** (amounts in thousands)

#### **Note 1 – Organization and Description of Business**

XPOF Assetco, LLC (the “Company”), a Delaware limited liability company (LLC), was formed on March 6, 2023. The single member of the Company is Xponential Fitness LLC, a Delaware limited liability company (the “Member”). The Company is the direct parent and sole member of Club Pilates Franchise SPV, LLC; CycleBar Franchising SPV, LLC; Stretch Lab Franchise SPV, LLC; Stride Franchise SPV, LLC; Row House Franchise SPV, LLC; Yoga Six Franchise SPV, LLC; AKT Franchise SPV, LLC; PB Franchising SPV, LLC; Rumble Franchise SPV, LLC and BFT Franchise SPV, LLC, (together “Subsidiaries”) each a Delaware limited liability corporation. The Company was formed in connection with a contemplated reorganization of Xponential Fitness LLC’s structure. The Company, through its brands, licenses its proprietary systems to franchisees who in turn operate studios to promote training and instruction programs to their club members. There were no operations of the Company prior to March 6, 2023.

The Member contributed \$8,000 in cash, \$8,910 in property and equipment and \$90,812 in intangible assets as of March 15, 2023. The majority of the intangible assets contributed consist of trademarks related to Club Pilates, CycleBar and Pure Barre brands. On December 31, 2023, the Member contributed deferred revenue and deferred costs related to franchise agreement contracts with customers of \$96,875 and \$40,765, respectively. As of January 1, 2024, the Member designated the Company as the administrator of the Member’s marketing funds generated prior to December 31, 2023, and transferred all rights to the remaining unspent restricted cash held by the Member for such marketing funds. In addition, on January 1, 2024, the Member transferred the obligation to provide training to the Company for deferred teacher training revenues generated prior to December 31, 2023. This resulted in the contribution of deferred revenue related to teacher training of \$3,653 and \$8,583 representing the amount of marketing fund restricted cash held by the Member as of January 1, 2024. As the Company and the Member are under common control, all of the assets and liabilities were contributed at their respective carrying value as of the contribution date. All assets held by the Company collateralize the existing debt of the Member.

**Basis of presentation** – The Company’s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”).

The Company has numerous transactions with its Member and affiliates. The Company and its Member have a centralized cash management process through the Member, which results in net advances to the Member. The Company relies on resources from the Member and other related parties under common control of the Member or the Member’s parent to support its operations including centralized cash collection and management support functions, as necessary to operate the Company’s franchising business. Accordingly, the consolidated financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations. The Member has committed to continue to provide these services to the Company for the Company’s franchising operations.

**Principles of consolidation** – The Company’s consolidated financial statements include the accounts of its wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation.

**Use of estimates** – The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements. Actual results could differ from these estimates under different assumptions or conditions.

#### **Note 2 – Summary of Significant Accounting Policies**

**Cash and cash equivalents** – The Company considers all highly liquid investments purchased with an original maturity of ninety days or less to be cash equivalents.

## XPOF ASSETCO, LLC

### Notes to Consolidated Financial Statements (amounts in thousands)

**Concentration of credit risk** – The Company holds its cash balances in one financial institution. As the cash balances exceed the amounts covered by the Federal Deposit Insurance Corporation, the excess balances could be at a risk of loss.

**Accounts receivable and allowance for expected credit losses** – Accounts receivable primarily consist of amounts due from franchisees for franchise territory fees, royalties, advertising contributions and training. Receivables are unsecured; however, the franchise agreements provide the Company the right to withdraw funds from the franchisee's bank account or to terminate the franchise for nonpayment. On a periodic basis, the Company evaluates its accounts receivable balance and establishes an allowance for expected credit losses based on a number of factors, including evidence of the franchisee's ability to comply with credit terms, economic conditions and historical receivables. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2024, an allowance for expected credit losses of \$29 was recorded. There were no write-offs of uncollectible amounts during the year ended December 31, 2024. As of December 31, 2023, no allowance for expected credit losses was recorded.

**Property and equipment, net** – Property and equipment includes software and digital platform and are carried at cost less accumulated depreciation. Depreciation is recognized on a straight-line method, based on the following estimated useful lives:

Software and digital platform 3-5 years

Software and digital platform consist primarily of costs associated with web development projects. The Company capitalizes eligible costs to acquire, develop, or modify digital platforms that are incurred subsequent to the preliminary project stage. Depreciation of these assets begins upon the initial usage of the digital platforms.

The cost and accumulated depreciation of assets sold or retired are removed from the accounts and any gain or loss is included in the results of operations during the period of sale or disposal.

**Intangible assets** – Intangible assets consist of indefinite and definitive-lived trademarks and web design and domains.

The Company tests for impairment of trademarks with an indefinite life annually or sooner whenever events or circumstances indicate that trademarks might be impaired. The Company first assesses qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of the trademarks is less than the carrying amount. In the absence of sufficient qualitative factors, trademark impairment is determined utilizing a two-step analysis. The two-step analysis involves comparing the fair value to the carrying value of the trademarks. The Company determines the estimated fair value using a relief from royalty approach. If the carrying amount exceeds the fair value, the Company impairs the trademarks to their fair value. Trademark impairments of \$251 and \$0 were recorded for the periods ended December 31, 2024 and 2023 (See Note 6).

The recoverability of the carrying values of all intangible assets with finite lives is evaluated when events or changes in circumstances indicate an asset's value may be impaired. Impairment testing is based on a review of forecasted undiscounted operating cash flows. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value, which is determined based on discounted future cash flows, through a charge to the consolidated statement of operations. In connection with the wind down of the AKT brand, as discussed in Note 3, the Company determined that the web design and domain intangible assets related to AKT were impaired and recognized an impairment loss of \$1 during the year ended December 31, 2024. Definite-lived intangible asset impairments during the period ended December 31, 2023, related to trademarks of the Row House and Stride brands for which the carrying value was deemed not recoverable in the amount of \$127 and \$53, respectively.

## XPOF ASSETCO, LLC

### Notes to Consolidated Financial Statements (amounts in thousands)

**Revenue recognition** – The Company accounts for revenue in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* (“ASC 606”), which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company’s contracts with customers consist of franchise agreements with franchisees. The Company’s revenues primarily consist of franchise license revenues.

#### ***Franchise revenue*** –

The Company enters into franchise agreements for each franchised studio. The Company’s performance obligation under the franchise license is granting certain rights to access the Company’s intellectual property; all other services the Company provides under the franchise agreement are highly interrelated, not distinct within the contract, and therefore accounted for as a single performance obligation, which is satisfied over the term of each franchise agreement. Those services include initial development, operational training, preopening support and access to the Company’s technology throughout the franchise term. Fees generated related to the franchise license include development fees, royalty fees, marketing fees, technology fees and transfer fees, which are discussed further below. Variable fees are not estimated at contract inception, and are recognized as revenue when invoiced, which occurs monthly. The Company has concluded that its agreements do not contain any financing components.

***Franchise development fee revenue*** – The Company’s franchise agreements typically operate under ten-year terms with the option to renew for up to two additional five-year successor terms. The Company determined the renewal options are neither qualitatively nor quantitatively material and do not represent a material right. Initial franchise fees are non-refundable and are typically collected upon signing of the franchise agreement. Initial franchise fees are recorded as deferred revenue when received and are recognized on a straight-line basis over the franchise life, which the Company has determined to be ten years, as the Company fulfills its promise to grant the franchisee the rights to access and benefit from the Company’s intellectual property and to support and maintain the intellectual property.

The Company may enter into an area development agreement with certain franchisees. Area development agreements are for a territory in which a developer has agreed to develop and operate a certain number of franchise locations over a stipulated period of time. The related territory is unavailable to any other party and is no longer marketed to future franchisees by the Company. Depending on the number of studios purchased under franchise agreements or area development agreements, the initial franchise fee ranges from \$60 (single studio) to \$350 (ten studios) and is paid to the Company when a franchisee signs the area development agreement. Area development fees are initially recorded as deferred revenue. The development fees are allocated to the number of studios purchased under the development agreement. The revenue is recognized on a straight-line basis over the franchise life for each studio under the development agreement. Development fees and franchise fees are generally recognized as revenue upon the termination of the development agreement with the franchisee.

***Franchise royalty fee revenue*** – Royalty revenue represents royalties earned from each of the franchised studios in accordance with the franchise disclosure document and the franchise agreement for use of the brands’ names, processes and procedures. The royalty rate in the franchise agreement is typically 7% of the gross sales of each location operated by each franchisee. Royalties are billed on a monthly basis. The royalties are entirely related to the Company’s performance obligation under the franchise agreement and are billed and recognized as franchisee sales occur.



## XPOF ASSETCO, LLC

### Notes to Consolidated Financial Statements (amounts in thousands)

*Technology fees* – The Company may provide access to third-party or other proprietary technology solutions to the franchisees for a fee. The technology solution may include various software licenses for statistical tracking, scheduling, allowing club members to record their personal workout statistics, music and technology support. The Company bills and recognizes the technology fee as earned each month as the technology solution service is performed.

*Transfer fees* – Transfer fees are paid to the Company when one franchisee transfers a franchise agreement to a different franchisee. Transfer fees are recognized as revenue on a straight-line basis over the term of the new or assumed franchise agreement, unless the original franchise agreement for an existing studio is terminated, in which case the transfer fee is recognized immediately.

*Training revenue* – The Company provides coach training services either through direct training of the coaches who are hired by franchisees or by providing the materials and curriculum directly to the franchisees who utilize the materials to train their hired coaches. Direct training fees are recognized over time as training is provided. Training fees for materials and curriculum are recognized at the point in time of delivery of the materials.

The Company also offers coach training and final coach certification through online classes. Fees received by the Company for online class training are recognized as revenue over time for the 12-month period that the Company is obligated to provide access to the online training content.

#### ***Franchise marketing fund revenue*** –

Franchisees are required to pay marketing fees of 2% of their gross sales. The marketing fees are collected by the Company on a monthly basis and are to be used for the advertising, marketing, market research, product development, public relations programs and materials deemed appropriate to benefit brands. The Company's promise to provide the marketing services funded through the marketing fund is considered a component of the Company's performance obligation to grant the franchise license. The Company bills and recognizes marketing fund fees as revenue each month as gross sales occur. Marketing fund expenses are recorded as incurred, which may not occur in the same period as the recognition of franchise marketing fund revenue.

**Costs of franchise revenue** – Costs of franchise revenue consists of commissions related to the signing of franchise agreements, travel and personnel expenses related to the on-site training provided to the franchisees, and expenses related to the purchase of the technology packages and the related monthly fees. Costs of franchise revenue excludes depreciation and amortization.

**Selling, general and administrative expenses** – The Company's selling, general and administrative expenses primarily consist of bank fees, bad debt expense, gain/loss on disposal of assets and other charges.

**Marketing fund expense** – Marketing fund expenses are recognized as incurred.

**Income taxes** – As a single member LLC, the Company is considered a disregarded entity. As such, the Company itself is typically not subject to an income tax liability as the taxable income or loss of the Company is passed through to the Member. Therefore, no liability for federal income taxes has been included in the financial statements. The Company accounts for uncertain tax positions in accordance with ASC 740. ASC 740 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and provides guidance on various related matters such as derecognition, interest, penalties and required disclosures. As of December 31, 2024, the Company does not have any uncertain tax positions.

**Comprehensive income** – The Company does not have any components of other comprehensive income recorded within the consolidated financial statements and therefore does not separately present a consolidated statement of comprehensive income in the consolidated financial statements.

**Fair value measurements** – ASC 820, Fair Value Measurements and Disclosures, applies to all financial assets and financial liabilities that are measured and reported on a fair value basis and requires disclosures that establishes a framework for measuring fair value and expands disclosure about fair value measurements. ASC 820 establishes a valuation hierarchy for disclosures of the inputs to valuations used to measure fair value.

## XPOF ASSETCO, LLC

### Notes to Consolidated Financial Statements (amounts in thousands)

This hierarchy prioritizes the inputs into three broad levels as follows:

**Level 1** – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date.

**Level 2** – Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates and yield curves), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

**Level 3** – Unobservable inputs that reflect assumptions about what market participants would use in pricing the asset or liability. These inputs would be based on the best information available, including the Company's own data.

#### **Note 3 – Divestitures**

**Divestiture of Stride brand** – On February 13, 2024, the Company and an affiliate of the Member entered into an agreement with a buyer, pursuant to which the Company divested the Stride brand, including the intellectual property, franchise rights and franchise agreements for open studios. The buyer of the Stride brand is a former member of management and shareholder of the Member's parent. The Company received no consideration from the divestiture of the Stride brand and the Member will assist the buyer with transition support including cash payments of approximately \$265 payable over the 12-month period following divestiture. The divestiture allows the Company to better focus and utilize its resources on its other brands. The Company recognized a gain on divestiture of \$323, which was included within selling, general and administrative expenses in the consolidated statements of operations. The divested brand did not represent a strategic shift that has a major effect on the Company's operations and financial results, and, as such, it was not presented as discontinued operations.

**Divestiture of Row House brand** – On May 20, 2024, the Company and an affiliate of the Member entered into an agreement with a buyer, pursuant to which the Company divested the Row House brand, including the intellectual property, franchise rights and franchise agreements for open studios. The Member retained certain liabilities, including liabilities related to known litigation, pre-litigation, and disputes as of the closing of the divestiture. The Company received no consideration from the divestiture of the Row House brand. The divestiture allows the Company to better focus and utilize its resources on its other brands. The Company recognized a loss on divestiture of \$59, which was included within selling, general and administrative expenses in the consolidated statements of operations. The divested brand did not represent a strategic shift that has a major effect on the Company's operations and financial results, and, as such, it was not presented as discontinued operations.

**Wind down of AKT brand franchise operations** – During the year ended December 31, 2024, the Company announced the wind down of AKT franchise operations. As part of the wind down, the Company began terminating franchise agreements with existing AKT studios and signed a licensing agreement with a former franchisee for no consideration received. As a result of the ongoing wind down of the AKT brand, the Company recognized a net gain of \$77 for impairment of intangible assets offset by accelerated recognition of franchise fee revenue and related costs during the year ended December 31, 2024. The wind down of the AKT brand did not represent a strategic shift that has a major effect on the Company's operations and financial results, and, as such, it was not presented as discontinued operations.

#### **Note 4 – Contract Liabilities and Costs from Contracts with Customers**

**Contract liabilities** – Contract liabilities consist of deferred revenue resulting from franchise fees and development fees paid by franchisees, which are recognized over time on a straight-line basis over the franchise agreement term. Also included in the deferred revenue balance are non-refundable prepayments for training revenue. The Company classifies these contract liabilities as either current deferred revenue or non-current deferred revenue in the

# XPOF ASSETCO, LLC

## Notes to Consolidated Financial Statements (amounts in thousands)

consolidated balance sheet based on the anticipated recognition of the revenue. The following table reflects the change in franchise development contract liabilities for the periods ended December 31, 2024 and 2023. Training revenue amounts of \$4,462 and \$0 at December 31, 2024 and 2023, respectively, are excluded from the table as the original expected duration of the contracts is one year or less.

	Amount
Balance at March 6, 2023	\$ —
Contract liabilities contributed by Member	96,875
Revenue recognized that was included in deferred revenue at the beginning of the period	—
Increase, excluding amounts recognized as revenue during the period	24,363
Balance at December 31, 2023	121,238
Revenue recognized that was included in deferred revenue at the beginning of the year	(22,382)
Decrease in deferred revenue due to divestitures	(1,281)
Increase, excluding amounts recognized as revenue during the year	8,334
Balance at December 31, 2024	\$ 105,909

The following table illustrates estimated revenue expected to be recognized in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as of December 31, 2024. The expected future recognition period for deferred franchise development fees related to unopened studios is based on management's best estimate of the beginning of the franchise license term for those studios. The Company elected to not disclose short term contracts, sales and usage-based royalties, marketing fees and any other variable consideration recognized on an "as invoiced" basis.

Contract liabilities to be recognized in revenue in	Amount
2025	\$ 9,845
2026	10,091
2027	10,890
2028	11,572
2029	11,028
Thereafter	52,483
	\$ 105,909

The following table reflects the components of deferred revenue:

	December 31,	
	2024	2023
Franchise and area development fees	\$ 105,909	\$ 121,238
Non-current portion of deferred revenue	96,064	111,320
Current portion of deferred revenue	\$ 9,845	\$ 9,918

**Contract costs** – Contract costs consist of deferred commissions resulting from franchise and area development sales by third-party brokers and sales personnel. The total commission is deferred at the point of a franchise sale. The commissions are evenly split among the number of studios purchased under the development agreement and begin to be amortized when a subsequent franchise agreement is executed. The commissions are recognized on a straight-line basis over the initial ten-year franchise agreement term to align with the recognition of the franchise agreement or area development fees. The Company classifies these deferred contract costs as either current deferred costs or non-current deferred costs in the consolidated balance sheets. The associated expense is classified within costs of franchise

## XPOF ASSETCO, LLC

### Notes to Consolidated Financial Statements (amounts in thousands)

revenue in the consolidated statements of operations. At December 31, 2024 and 2023, there were approximately \$3,814 and \$4,065 of current deferred costs and approximately \$36,935 and \$45,350 of non-current deferred costs, respectively. The Company recognized approximately \$10,904 and \$221 in franchise sales commission expense for the periods ended December 31, 2024 and 2023.

#### Note 5 – Property and Equipment

Property and equipment consisted of the following:

	December 31,	
	2024	2023
Software and digital platform	\$ 13,752	\$ 13,946
Less: accumulated depreciation	(5,854)	(2,844)
Total property and equipment	<u>\$ 7,898</u>	<u>\$ 11,102</u>

Depreciation expense for the periods ended December 31, 2024 and 2023, was \$4,460 and \$2,844, respectively.

During the year ended December 31, 2024, the Company recorded an impairment of \$2,233 related to a software asset for which the Company no longer had established cash flows to support continued recognition of such asset. Property and equipment impairment expenses are included within impairment of assets in the Company's consolidated statements of operations.

#### Note 6 –Intangible Assets

Intangible assets consisted of the following:

		December 31, 2024			December 31, 2023		
	Amortization period (years)	Gross amount	Accumulated amortization	Net amount	Gross amount	Accumulated amortization	Net amount
Trademarks	8.6	\$ 17,824	\$ (3,708)	\$ 14,116	17,824	(1,646)	\$ 16,178
Web design and domain	2	178	(165)	13	179	(83)	96
Total definite-lived intangible assets		18,002	(3,873)	14,129	18,003	(1,729)	16,274
Indefinite-lived intangible assets:							
Trademarks	N/A	72,356	—	72,356	72,607	—	72,607
Total intangible assets		<u>\$ 90,358</u>	<u>\$ (3,873)</u>	<u>\$ 86,485</u>	<u>\$ 90,610</u>	<u>\$ (1,729)</u>	<u>\$ 88,881</u>

The estimated amortization expense of intangible assets is as follows:

Year ending December 31,	
2025	\$ 2,066
2026	2,066
2027	2,064
2028	2,012
2029	1,981
Thereafter	3,940
Total	<u>\$ 14,129</u>

Amortization expense for the periods ended December 31, 2024 and 2023, was \$2,145 and \$1,752, respectively.

## **XPOF ASSETCO, LLC**

### **Notes to Consolidated Financial Statements** (amounts in thousands)

The Company determined that the carrying value of the trademark intangible asset related to the CycleBar reporting unit was in excess of its fair value and recognized an impairment loss of \$251 during the year ended December 31, 2024. The Company determined the estimated fair value using a relief from royalty approach, which is a Level 3 measurement. As this was a partial impairment, the remaining CycleBar trademark intangible asset of \$9,649 is considered to be at a heightened risk of future impairment in the event of significant unfavorable changes in assumptions, including forecasted future cash flows, as well as discount rates and other macroeconomic factors.

#### **Note 7 – Related Party Transactions**

Significant related party transactions consist of net advances to the Member, allocations of expenses from the Member, including commissions paid to employees of the Member related to the sale of franchise and area development agreements, borrowings from, and excess cash transfers to the Member and other related parties under common control of the Member. The Member also holds restricted cash on the Company's behalf which is to be used for future marketing fund expenses. During the periods ended December 31, 2024 and 2023, the net result of the related party transactions with the Member and its affiliates is a net advance of \$155,034 and \$11,690, respectively, and is recorded as a reduction to Member's equity as the Member has no plan to contribute back such amounts to the Company in the foreseeable future.

In addition, the Member has a credit facility that requires collateral. All obligations under the Member's credit facility are secured by substantially all of the tangible and intangible assets of the Company.

#### **Note 8 – Member's Equity**

The capital structure of the Company consists of one class of membership interests (the "Interests"). The Member owns all of the Interests issued and outstanding and is the sole member of the Company and contributed \$8,000 in cash, \$8,910 in property and equipment and \$90,812 in intangible assets as of March 15, 2023 to use in its operations and to satisfy minimum net worth requirements to qualify for large franchisor exemptions available under certain state franchise registration laws.

#### **Note 9 – Contingencies and Litigation**

The Company is subject to normal and routine litigation brought by customers, franchisees, vendors or others. The Company intends to defend itself in any such matters. The Company believes that the ultimate determination of liability in connection with legal claims pending against it, if any, will not have a material adverse effect on its business, annual results of operations, liquidity or financial position; however, it is possible that the Company's business, results of operations, liquidity, or financial condition could be materially affected in a particular future reporting period by the unfavorable resolution of one or more matters or contingencies during such period.

**Other Regulatory Matters** – On April 10, 2023, the Company, the Member and the Member's Parent (collectively the "Defendants") received notice of an investigation from the Commissioner of California's Department of Financial Protection and Innovation ("DFPI") related to the Defendants' compliance with California's Franchise Investment Law. On November 4, 2024, without admission of wrongdoing the Defendants entered into a Consent Order with the DFPI to resolve the matter.

In addition, the Company has received inquiries from other states, including the Office of the Attorney General of the State of New York, the Office of the Attorney General of the State of Maryland, the Washington Department of Financial Institutions, and the Minnesota Department of Commerce regarding the Company's compliance with applicable franchise laws.

#### **Note 10 – Subsequent events**

The Company has evaluated subsequent events through March 14, 2025, which is the date these consolidated financial statements were available to be issued.

**EXHIBIT D**  
**GUARANTY OF PERFORMANCE**

## GUARANTY OF PERFORMANCE

For value received, **XPOF ASSETCO, LLC**, a Delaware limited liability company located at **17877 VON KARMAN AVENUE, SUITE 100, IRVINE, CALIFORNIA 92614** (the “Guarantor”), absolutely and unconditionally guarantees the performance by **PB FRANCHISING SPV, LLC**, a Delaware limited liability company located at **17877 VON KARMAN AVENUE, SUITE 100, IRVINE, CALIFORNIA 92614** (the “Franchisor”), of all of the obligations of Franchisor in accordance with the terms and conditions of the franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2025 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees as amended, modified or extended from time to time. This guaranty continues in full force and effect until all obligations of the Franchisor under its franchise registrations and Franchise Agreements are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive notice of Franchisor’s default. This guaranty is binding on the Guarantor and its successors and assignees.

The Guarantor signs this guaranty at Irvine, California on the 14 day of March, 2025.

### **GUARANTOR:**

#### **XPOF ASSETCO, LLC**

By:   
Name: John Meloun  
Title: Chief Financial Officer



**EXHIBIT E**

**STATEMENT OF PROSPECTIVE FRANCHISEE**

**PB FRANCHISING SPV, LLC  
STATEMENT OF PROSPECTIVE FRANCHISEE**

**[Note: Dates and Answers Must Be Completed  
in the Prospective Franchisee's Own Handwriting.]**

**\*\* If the state franchise registration and disclosure laws of California, Hawaii, Illinois, Indiana, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin apply to you, then you are not required to complete this Statement of Prospective Franchisee. Do not sign this Statement if you are a resident of Maryland or the franchise is to be operated in Maryland. \*\***

**Do not sign this Statement of Prospective Franchisee if you are a resident of Washington or the business that you will operate is located in Washington. This Statement of Prospective Franchisee does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.**

Since the Prospective Franchisee (also called “me,” “our,” “us,” “we” and/or “I” in this document) and PB Franchising SPV, LLC (also called the “Franchisor” or “Pure Barre”) both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

**A. The following dates and information are true and correct:**

- |   |  |
|---|--|
| 1. _____, 20____<br><br><b>Initials</b> _____ | The date on which I/we received a Uniform Franchise Disclosure Document about a Franchise.   |
| 2. _____, 20____<br><br><b>Initials</b> _____ | The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement, <del>Development</del> <u>Multi-Unit</u> Agreement (if appropriate) and all other documents I/we later signed.  |
| 3. _____, 20____<br><br><b>Initials</b> _____ | The earliest date on which I/we signed the Franchise Agreement, <del>Development</del> <u>Multi-Unit</u> Agreement or <u>any</u> other binding document (not including any Letter or other Acknowledgment of Receipt.) |
| 4. _____, 20____<br><br><b>Initials</b> _____ | The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.  |

**B. Representations and Other Matters:**

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, “side deals,” options, rights-of-first-refusal or otherwise of any type (collectively, the “representations”), including, but not limited to, any which expanded upon or were inconsistent with the Disclosure Document, the Franchise Agreement, or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location

and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

\_\_\_\_\_.  
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

**Prospective Franchisee's Initials:** \_\_\_\_\_

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by Franchisor, its affiliates or agents/representatives, nor have I/we relied in any way on any such information, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

**Prospective Franchisee's Initials:** \_\_\_\_\_

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement, ~~Development~~Multi-Unit Agreement (if and as appropriate) or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

\_\_\_\_\_.  
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

**Prospective Franchisee's Initials:** \_\_\_\_\_

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Uniform Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, ~~Development~~Multi-Unit Agreement (if and as appropriate), each written Addendum and any Personal Guarantees.

**Prospective Franchisee's Initials:** \_\_\_\_\_

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a Pure Barre Studio Franchise with existing Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing Pure Barre Studio Franchisees.

**Prospective Franchisee's Initials:** \_\_\_\_\_

6. I confirm that, as advised, I've spoken with past and/or existing Pure Barre Studio Franchisees, and that I made the decision as to which, and how many, Pure Barre Studio Franchisees to speak with.

**Prospective Franchisee's Initials:** \_\_\_\_\_

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, the purchase of a Pure Barre Franchise (or any other) is a speculative investment, an investment beyond that outlined in the Disclosure Document may be required to succeed, there exists no guaranty against possible loss or failure in this or any other business and the most important factors in the success of any Pure Barre Franchise, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

**Prospective Franchisee's Initials:** \_\_\_\_\_

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) immediately inform the Brand President of PB Franchising SPV, LLC (~~513-815-8467~~(949) 346-3000), and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein) is not reliable and that I/we have not relied on it, that no such results can be assured or estimated and that actual results will vary from unit to unit, franchise to franchise, and may vary significantly.

**Prospective Franchisee's Initials:** \_\_\_\_\_

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: \_\_\_\_\_

If the franchised business that you will operate is located in Maryland or if you are a resident of Maryland, the following shall apply:

Any acknowledgments or representations of the franchisee which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

If any California franchisee completes this Statement of Prospective Franchisee, we will destroy, disregard, and will not rely on such Statement of Prospective Franchisee.

This Statement of Prospective Franchisee does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

**PROSPECTIVE FRANCHISEE (Individual)**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

**PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) [Must be accompanied by appropriate personal guarantee(s)]**

\_\_\_\_\_  
Legal Name of Entity

a \_\_\_\_\_  
State of incorporation, formation, etc.

By: \_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

Title: \_\_\_\_\_

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**EXHIBIT G**  
**FORM OF GENERAL RELEASE**

**PB FRANCHISING SPV, LLC  
GENERAL RELEASE OF ALL CLAIMS**

\_\_\_\_\_, (FRANCHISEE”) and \_\_\_\_\_, an individual (“GUARANTOR”) enter into this General Release on \_\_\_\_\_, with reference to the following facts:

1. On \_\_\_\_\_, **PB FRANCHISING SPV, LLC**, a Delaware limited liability company (“**FRANCHISOR**”), and FRANCHISEE entered into a Franchise Agreement (the “**Franchise Agreement**”) to operate a Franchised Business located at \_\_\_\_\_ (the “**Premises**”). GUARANTOR guaranteed FRANCHISEE’s performance under the Franchise Agreement pursuant to a Guarantee and Assumption of Obligations (the “**Guarantee**”). In consideration of FRANCHISOR’S processing and approval of \_\_\_\_\_, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition to such \_\_\_\_\_. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown (collectively “**Damages**”), which arose on or before the date of this General Release, including any Damages with respect to the Franchise Agreement, the Franchised Business, the Premises and the Guarantee. FRANCHISEE waives any right or benefit which FRANCHISEE or GUARANTOR may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code reads as follows:

“Section 1542. Certain claims not affected by general release. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

FRANCHISEE and GUARANTOR acknowledge and agree that notwithstanding anything to the contrary, nothing in this General Release or any other agreement with FRANCHISOR restricts or prohibits any person from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Securities and Exchange Commission, or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. No person needs the prior authorization of FRANCHISOR to engage in conduct protected by the preceding sentence, and no person needs to notify FRANCHISOR that such person has engaged in such conduct.

3. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

4. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

Any general release provided hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any general release provided hereunder shall not apply to any liability under the Minnesota Franchise Act.

Any general release provided hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act, and the rules adopted thereunder.

*[Signature Page Follows]*

**IN WITNESS WHEREOF**, the undersigned have executed this General Release as of the day and year set forth above.

**FRANCHISEE:**

By: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

**GUARANTOR:**

\_\_\_\_\_, **an individual**

**EXHIBIT H**  
**STATE SPECIFIC ADDENDA**

**ADDITIONAL DISCLOSURES FOR THE  
FRANCHISE DISCLOSURE DOCUMENT OF  
PB FRANCHISING SPV, LLC**

The following are additional disclosures for the Franchise Disclosure Document of PB FRANCHISING SPV, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise law applies to you.

**FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA,  
MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND,  
SOUTH DAKOTA, VIRGINIA, OR WISCONSIN.**

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

**CALIFORNIA**

**The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.**

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

2. SECTION 31125 OF THE CALIFORNIA CORPORATION CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

3. OUR WEBSITE, <https://www.xponential.com/franchising>, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT [www.dfpi.ca.gov](http://www.dfpi.ca.gov).

4. Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

5. The following statement is added to the end of Item 3:

Neither we, our parent, predecessor or affiliate nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

6. The following statement is added to the Remarks column of Item 6 for the row entitled **Late Fees:**

The highest rate of interest allowed by California law is 10% annually.

7. The following paragraphs are added at the end of Item 17:

The Franchise Agreement and ~~Area-Development~~Multi-Unit Agreement require you to sign a general release of claims upon renewal or transfer of the Franchise Agreement or ~~Area-Development~~Multi-Unit Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the ~~Area-Development~~Multi-Unit Agreement or Franchise Agreement contain a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement and ~~Area-Development~~Multi-Unit Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and ~~Area-Development~~Multi-Unit Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A Section 101 et seq.).

The Franchise Agreement and ~~Area-Development~~Multi-Unit Agreement require binding arbitration. The arbitration will be conducted at our then current principal place of business (currently Irvine, California) or another location that we designate with the costs being borne as provided in the Franchise Agreement and ~~Area-Development~~Multi-Unit Agreement. Prospective developers and franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement and ~~Area~~



~~Development~~Multi-Unit Agreement restricting venue to a forum outside the State of California.

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices it sets for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

8. The following paragraphs are added at the end of Item 19:

The financial performance representations do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Studio. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

## **HAWAII**

**1. THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.**

**THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.**

**THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**

**2. DO NOT SIGN THE REPRESENTATIONS AND ACKNOWLEDGEMENT QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR STUDIO WILL BE LOCATED IN HAWAII.**

## ILLINOIS

1. The "Summary" section of Item 17.u, entitled **Dispute resolution by arbitration or mediation**, and the "Summary" section of Item 17.v, entitled **Choice of forum**, are supplemented with the following:

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

2. The "Summary" section of Item 17.w, entitled **Choice of law**, is deleted and replaced with the following:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and ~~Area Development~~Multi-Unit Agreement.

3. The following paragraphs are added to the end of Item 17:

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement/~~area development~~multi-unit agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

## MARYLAND

1. The following is added to the end of Item 5 and Item 7:

Pursuant to an order of the Maryland Securities Commissioner, we have posted a Surety Bond in the requested amount. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have opened your Studio. If you have signed ~~an Area Development~~a multi-unit ~~A~~agreement, the Surety Bond will remain in effect until we have completed all of our initial obligation to you under the ~~Area Development~~Multi-Unit Agreement and your first Studio under the ~~Area Development~~Multi-Unit Agreement has opened. A copy of the Surety Bond is on file with the Maryland Securities Commissioner.

2. The following is added to the end of the "Summary" sections of Item 17.c, entitled **Requirements for renewal or extension**, and Item 17.m, entitled **Conditions for franchisor approval of transfer**:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of the "Summary" section of Item 17.h, entitled **"Cause" defined – non-curable defaults:**

The ~~Area-Development~~Multi-Unit Agreement and Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.) but we will enforce it to the extent enforceable.

4. The "Summary" sections of Item 17.v, entitled **Choice of forum**, and 17.w, entitled **Choice of law**, are amended to add the following:

A franchisee may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. The following language is added to the end of the chart in Item 17:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The ~~Area-Development~~Multi-Unit Agreement and Franchise Agreement provide that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

## **MINNESOTA**

1. The disclosure in the Item 6 chart, entitled **Lost Revenue Damages**, is deleted in its entirety.

2. The following language is added to the end of Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

3. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and ~~Area-Development~~Multi-Unit Agreement and 180 days' notice for non-renewal of the Franchise Agreement and ~~Area-Development~~Multi-Unit Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the Area Developer or Franchisee to consent to liquidated damages, termination penalties or

judgment notes. In addition, nothing in the Disclosure Document, ~~Area Development~~Multi-Unit Agreement or Franchise Agreement can abrogate or reduce any of Area Developer's or Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Area Developer's or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by governing law with respect to claims arising under Minn. Rule 2860.4400D.

## **NORTH DAKOTA**

1. The disclosure in the Item 6 chart, entitled **Lost Revenue Damages**, will not be enforced to the extent prohibited by applicable law.

2. The following is added to the "Remarks" section of the Item 6 row entitled **Cost of Enforcement or Defense**:

Sections of the Franchise Disclosure Document requiring you to pay all costs and expenses incurred by us in enforcing the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

3. The following is added to the end of the "Summary" sections of Item 17.c, entitled **Requirements for renewal or extension**, and Item 17.m, entitled **Conditions for franchisor approval of transfer**:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. The following is added to the end of the "Summary" section of Item 17.i, entitled **Franchisee's obligation on termination/non-renewal**:

The requirement to pay damages will not be enforced to the extent prohibited by applicable law.

5. The following is added to the end of the "Summary" section of Item 17.r, entitled **Non-competition covenants after the franchise is terminated or expires**:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

6. The following is added to the end of the "Summary" section of Item 17.u, entitled **Dispute resolution by arbitration or mediation**:

To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

7. The "Summary" section of Item 17.v, entitled **Choice of forum**, is deleted and replaced with the following:

You must sue us in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Irvine, California) except that, subject to the arbitration requirement, and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

8. The "Summary" section of Item 17.w, entitled **Choice of law**, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, and except for the U.S. Trademark Act, the Federal Arbitration Act, other federal laws, and disputes involving non-competition covenants (which are governed by the law of the state in which your Studio is located), California law applies.

## **RHODE ISLAND**

1. The following language is added to the end of the "Summary" sections of Item 17.v, entitled **Choice of forum**, and 17.w, entitled **Choice of law**:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act. To the extent required by applicable law Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act."

## **VIRGINIA**

1. The following language is added to the end of the "Summary" section of Item 17.e, entitled **Termination by franchisor without cause**:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the ~~Franchise-Development~~Multi-Unit Agreement or Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

## **WASHINGTON**

1. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming

reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. **Use of Franchise Brokers.** The franchisor uses the services of franchise brokers to assist it in selling franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. Carefully evaluate any information provided by a franchise broker about a franchise. Do your own investigation by contacting the franchisor's current and former franchisees to ask them about their experience with the franchisor.

3. The following is added to the end of Item 5 and Item 7:

A surety bond in the amount of \$100,00 has been obtained by the Franchisor. The Washington Securities Division has made the issuance of the franchisor's permit contingent upon the Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington Franchisees have (i) received all initial training that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

4. The following is added to the "Remarks" section of the Item 6 row entitled "**Lost Revenue Damages**":

We will allocate the portion of the Lost Revenue Damages received by us attributable to Fund Contributions to the Fund.

5. The following paragraph is added at the end of Item 17:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which

unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The Franchise Disclosure Document does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
~~AREA DEVELOPMENT~~MULTI-UNIT AGREEMENT



**RIDER TO THE PB FRANCHISING SPV, LLC**  
**~~AREA-DEVELOPMENT~~MULTI-UNIT AGREEMENT**  
**FOR USE IN ILLINOIS**

THIS RIDER (this “Rider”) is made and entered into by and between PB FRANCHISING SPV, LLC, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Developer”).

1. **Background.** Franchisor and Developer are parties to that certain ~~Area-Development~~Multi-Unit Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “~~Area-Development~~Multi-Unit Agreement”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the ~~Area-Development~~Multi-Unit Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the ~~Area-Development~~Multi-Unit Agreement. This Rider is annexed to and forms part of the ~~Area-Development~~Multi-Unit Agreement. This Rider is being signed because (a) Developer is domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Studios that Developer develops under the ~~Area-Development~~Multi-Unit Agreement are or will be located in the State of Illinois.

2. **Waiver of Jury Trial; Class Actions.** The following is added to the end of Sections 12.H (**Waiver of Jury Trial**) and 12.I (**Waiver of Class Actions**) of the ~~Area-Development~~Multi-Unit Agreement:

Nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

3. **Limitation of Actions.** The following is added to the end of Section 12.K (**Limitation of Actions**) of the ~~Area-Development~~Multi-Unit Agreement:

However, nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

4. **Illinois Franchise Disclosure Act.** The following language is added to the end of the ~~Area-Development~~Multi-Unit Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in an ~~an-area development~~a multi-unit agreement that designates jurisdiction or venue outside the State of Illinois is void. However, ~~an-area development~~a multi-unit agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Developer's rights upon termination and non-renewal of ~~an area development~~ multi-unit agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the effective date of the ~~Area Development~~ Multi-Unit Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**[NAME OF DEVELOPER]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE PB FRANCHISING SPV, LLC  
~~AREA DEVELOPMENT~~MULTI-UNIT AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Developer**”).

1. **Background.** Franchisor and Developer are parties to that certain ~~Area Development~~Multi-Unit Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “~~Area Development~~Multi-Unit Agreement”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the ~~Area Development~~Multi-Unit Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the ~~Area Development~~Multi-Unit Agreement. This Rider is annexed to and forms part of the ~~Area Development~~Multi-Unit Agreement. This Rider is being signed because (a) Developer is a resident of the State of Maryland; or (b) the Studios that Developer develops under the ~~Area Development~~Multi-Unit Agreement are or will be developed in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **Development Fee.** The following is added to the end of Section 4 (**Development Fee**) of the ~~Development~~Multi-Unit Agreement:

Pursuant to an order of the Maryland Securities Commissioner, we have posted a Surety Bond in the requested amount. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the ~~Area Development~~Multi-Unit Agreement and you have opened your first Studio under the ~~Area Development~~Multi-Unit Agreement. A copy of the Surety Bond is on file with the Maryland Securities Commissioner.

3. **Insolvency.** The following is added to the end of Section 8.A.(1)(b) (**Termination of Franchise by Franchisor**) of the ~~Area Development~~Multi-Unit Agreement:

The provision which provides for termination upon Developer’s bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **Release.** The following is added to the end of Section 9.~~CB~~ (~~Conditions for Approval of Transfer~~) of Interest - By Developer and its Owners of the ~~Multi-Unit~~Multi-Unit Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **Governing Law; Consent to Jurisdiction.** The following is added to the end of Sections 12.A (**Governing Law**) and 12.F (**Consent to Jurisdiction**) of the ~~Area Development~~Multi-Unit Agreement:

; provided, however, Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Maryland law may apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Mediation; Mandatory Binding Arbitration.** The following is added to the end of Sections 12.C (**Mediation**) and 12.D (**Mandatory Binding Arbitration**) of the ~~Area-Development~~Multi-Unit Agreement:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. **Waiver of Jury Trial, Class Actions; Limitation of Actions.** The following is added to the end of Sections 12.H (**Waiver of Jury Trial**), 12.I (**Waiver of Class Actions**) and 12.K (**Limitation of Actions**) of the ~~Area-Development~~Multi-Unit Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

*[SIGNATURE PAGE TO FOLLOW]*

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the ~~Area Development~~ Multi-Unit Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**[NAME OF DEVELOPER]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE PB FRANCHISING SPV, LLC**  
**~~AREA-DEVELOPMENT~~MULTI-UNIT AGREEMENT**  
**FOR USE IN MINNESOTA**

THIS RIDER (this “Rider”) is made and entered into by and between PB FRANCHISING SPV, LLC, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Developer”).

1. **Background.** Franchisor and Developer are parties to that certain ~~Area-Development~~Multi-Unit Agreement dated \_\_\_\_\_, 20\_\_ (the “~~Area-Development~~Multi-Unit Agreement”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the ~~Area-Development~~Multi-Unit Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the ~~Area-Development~~Multi-Unit Agreement. This Rider is annexed to and forms part of the ~~Area-Development~~Multi-Unit Agreement. This Rider is being signed because (a) the Studios that Developer will develop under the ~~Area-Development~~Multi-Unit Agreement will be developed in the State of Minnesota; and/or (b) any of the offering or sales activity relating to the ~~Area-Development~~Multi-Unit Agreement occurred in the State of Minnesota.

2. **Termination.** The following sentence is added to the end of Section 8.A (**Termination of Franchise by Franchisor**) of the ~~Area-Development~~Multi-Unit Agreement:

However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3, 4, and 5, which require (except in certain specified cases) that Developer be given 90 days’ notice of termination (with 60 days to cure) of this Agreement.

3. **Release.** The following is added to the end of Section 9.~~CB~~ (~~Conditions for Approval of Transfer~~) of the Area-Development of Interest - By Developer and its Owners of the Multi-Unit Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **Governing Law.** The following sentence is added to the end of Section 12.A (**Governing Law**) of the ~~Area-Development~~Multi-Unit Agreement:

Nothing in this Agreement will abrogate or reduce any of Developer’s rights under the Minnesota Statutes Chapter 80C or Developer’s right to any procedure, forum or remedies that the laws of the jurisdiction provide.

5. **Other Proceeding (Right to Injunctive Relief).** The following language is added to the end of Section 12.E (**Other Proceeding (Right to Injunctive Relief)**) of the ~~Area-Development~~Multi-Unit Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required to obtain injunctive relief.

6. **Consent to Jurisdiction.** The following sentence is added to the end of Section 12.F (**Consent to Jurisdiction**) of the ~~Area-Development~~Multi-Unit Agreement:

Notwithstanding the foregoing, Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement shall abrogate or reduce any of Developer's rights under Minnesota Statutes chapter 80C or Developer's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

7. **Waiver of Punitive Damages; Jury Trial.** If and then only to the extent required by the Minnesota Franchises Law, Sections 12.G (**Waiver of Punitive Damages**) and 12.H (**Waiver of Jury Trial**) of the ~~Area-Development~~Multi-Unit Agreement are hereby deleted.

8. **Limitation of Actions.** The following is added to the end Section 12.K (**Limitation of Actions**) of the ~~Area-Development~~Multi-Unit Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

*[SIGNATURE PAGE TO FOLLOW]*

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the ~~Area-Development~~Multi-Unit Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**[NAME OF DEVELOPER]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Date: \_\_\_\_\_



**RIDER TO THE PB FRANCHISING SPV, LLC**  
**~~AREA-DEVELOPMENT~~MULTI-UNIT AGREEMENT**  
**FOR USE IN NORTH DAKOTA**

THIS RIDER (this “Rider”) is made and entered into by and between PB FRANCHISING SPV, LLC, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Developer”).

1. **Background.** Franchisor and Developer are parties to that certain ~~Area-Development~~Multi-Unit Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “~~Area-Development~~Multi-Unit Agreement”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the ~~Area-Development~~Multi-Unit Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the ~~Area-Development~~Multi-Unit Agreement. This Rider is annexed to and forms part of the ~~Area-Development~~Multi-Unit Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota; or (b) if Developer is domiciled in the State of North Dakota, the Studio that Developer develops under its ~~Area Development~~Multi-Unit Agreement are or will be operated in the State of North Dakota.

2. **Covenants Regarding Competitive Activities.** The following is added to the end of Section 6.A (**Noncompetition Restrictions**) of the ~~Area-Development~~Multi-Unit Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, Franchisor will enforce the covenants to the maximum extent the law allows.

3. **Release.** The following is added to the end of Section 9.~~CB~~ (~~Conditions for Approval of Transfer~~) of the Area-Development of Interest - By Developer and its Owners of the Multi-Unit Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. **Governing Law.** Section 12.A (**Governing Law**) of the ~~Area-Development~~Multi-Unit Agreement is deleted in its entirety and replaced with the following language:

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and Developer will be governed by the laws of the State of California, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

5. ~~Mediation and~~ **Mandatory Binding Arbitration.** Sections 12.C (**Mediation**) and 12.D (**Mandatory Binding Arbitration**) of the ~~Area-Development~~Multi-Unit Agreement are supplemented by adding the following to the end of each Section:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which Franchisor and Developer mutually agree.

6. **Consent to Jurisdiction.** The following is added to the end of Section 12.F (**Consent to Jurisdiction**) of the ~~Area Development~~Multi-Unit Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, Developer may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **Waiver of Punitive Damages.** The following is added to the end of Section 12.G (**Waiver of Punitive Damages**) of the ~~Area Development~~Multi-Unit Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

8. **Waiver of Jury Trial.** To the extent required by the North Dakota Franchise Investment Law, Section 12. H (**Waiver of Jury Trial**) of the ~~Area Development~~Multi-Unit Agreement is deleted.

9. **Waiver of Class Actions; Limitation of Actions.** The following is added to the end of Sections 12.I (**Waiver of Class Actions**) and 12.K (**Limitation of Actions**) of the ~~Area Development~~Multi-Unit Agreement:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

*[SIGNATURE PAGE TO FOLLOW]*

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the ~~Area-Development~~Multi-Unit Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**[NAME OF DEVELOPER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

**RIDER TO THE PB FRANCHISING SPV, LLC**  
**~~AREA-DEVELOPMENT~~MULTI-UNIT AGREEMENT**  
**FOR USE IN RHODE ISLAND**

THIS RIDER (this “Rider”) is made and entered into by and between PB FRANCHISING SPV, LLC, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“Franchisor”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“Developer”).

1. **Background.** Franchisor and Developer are parties to that certain ~~Area-Development~~Multi-Unit Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “~~Area-Development~~Multi-Unit Agreement”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the ~~Area-Development~~Multi-Unit Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the ~~Area-Development~~Multi-Unit Agreement. This Rider is annexed to and forms part of the ~~Area-Development~~Multi-Unit Agreement. This Rider is being signed because (a) an offer to sell is made or accepted in the State of Rhode Island, or (b) Developer is a resident of the State of Rhode Island and the Studios Developer develops under its ~~Area-Development~~Multi-Unit Agreement are or will be operated in the State of Rhode Island.

2. **Governing Law.** The following is added at the end of Section 12.A (**Governing Law**) of the ~~Area-Development~~Multi-Unit Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

3. **Consent to Jurisdiction.** The following is added at the end of Section 12.F (**Consent to Jurisdiction**) of the ~~Area-Development~~Multi-Unit Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in ~~an area-development~~a multi-unit agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

*[SIGNATURE PAGE TO FOLLOW]*

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the ~~Area-Development~~Multi-Unit Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**[NAME OF DEVELOPER]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE PB FRANCHISING SPV, LLC**  
**TO THE MULTI-UNIT AGREEMENT AND RELATED AGREEMENTS**  
**FOR USE IN WASHINGTON**

**THIS RIDER** is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Developer**”).

**1. Background.** Franchisor and Developer are parties to that certain Multi-Unit Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Multi-Unit Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Agreement. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) Developer is a resident of the State of Washington; or (c) the Studios that Developer develops under the Multi-Unit Agreement are or will be located or operated, wholly or partly, in the State of Washington.

**2. Surety Bond.** A surety bond in the amount of \$100,000 has been obtained by Franchisor. The Washington Securities Division has made the issuance of Franchisor’s permit contingent upon Franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington franchisees have (i) received all pre-opening obligations that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

**3. Enforcement of Covenants.** Subpart (b) of Section 6.B of the Multi-Unit Agreement will not apply to the extent it is inconsistent with RCW 19.100.180(1), RCW 19.100.180(2)(g), and RCW 19.100.220(2).

**4. Indemnification.** The following language is added to the end of Section 7.B of the Multi-Unit Agreement:

Notwithstanding anything to the contrary in this Section 7.B, Developer will not be required to indemnify Franchisor for matters caused by Franchisor’s gross negligence, intentional misconduct, strict liability or fraud.

**5. Cross Default.** Section 8.B of the Multi-Unit Agreement is hereby deleted and replaced, in its entirety, with the following:

**Cross Default.** If there are now, or hereafter shall be, any other agreements in effect between Developer or any of its affiliates and Franchisor (including, without limitation, any Franchise Agreement), a default by Developer or any of its affiliates and/or owners under the terms and conditions of this Agreement or any other such agreement, shall at the option of Franchisor, constitute a default under this Agreement and all such other agreements.

**6. Other Proceedings (Right to Injunctive Relief).** The last sentence of Section 12.E of the Multi-Unit Agreement is deleted in its entirety.

**7. Limitation of Claims.** Section 12.K of the Multi-Unit Agreement will not apply to the is amended and supplemented by adding “or any applicable case law” to the end of the last sentence.

8. **No Recourse Against Nonparty Affiliates.** Nothing in Section 13.E of the Multi-Unit Agreement will release XPOF Assetco, LLC from any liability arising under that certain Guaranty of Performance by XPOF Assetco, LLC dated March 14, 2025.

9. **Entire Agreement.** Section 14 of the Multi-Unit Agreement is amended by removing any reference to “inducements” therein.

10. **Washington Law.** The following paragraphs are added to the end of the Multi-Unit Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee’s earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor’s earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such

provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The Multi-Unit Agreement does not waive any liability Franchisor may have under the Washington Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

*[SIGNATURE PAGE TO FOLLOW]*



IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Multi-Unit Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**[NAME OF DEVELOPER]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Date: \_\_\_\_\_

**THE FOLLOWING PAGES IN THIS EXHIBIT ARE  
STATE-SPECIFIC RIDERS TO THE  
FRANCHISE AGREEMENT**

**RIDER TO THE PB FRANCHISING SPV, LLC  
FRANCHISE AGREEMENT  
FOR USE IN ILLINOIS**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in the State of Illinois, or (b) the offer for the sale of the franchise was made or accepted in the State of Illinois and the Studio that Franchisee operates under its Franchise Agreement is or will be operated in the State of Illinois.

2. **Waiver of Jury Trial; Class Actions.** The following is added to the end of Sections 16.8 (**Waiver of Jury Trial**) and 16.9 (**Waiver of Class Actions**) of the Franchise Agreement:

Nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

3. **Limitation of Actions.** Section 16.12 (**Limitation of Actions**) of the Franchise Agreement is amended by adding the following:

However, nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

4. **Illinois Franchise Disclosure Act.** The following language is added to the end of the Franchise Agreement:

Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Franchisee’s rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**“FRANCHISEE”**

[if an individual]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**[Name], individually**

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
**[Name], a [state/type]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE PB FRANCHISING SPV, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MARYLAND**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Maryland; or (b) the Studio that Franchisee operates under its Franchise Agreement is or will be operated in the State of Maryland; or (c) the offer to sell the franchise was made in the State of Maryland; or (d) the offer to buy the franchise was accepted in the State of Maryland.

2. **Releases.** The following is added to the end of Sections 3.2.C (**Successor Franchise**) and 14.2 (**Conditions for Approval of Transfer**) of the Franchise Agreement:

Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **Initial Franchise Fee.** The following is added to the end of Section 5.1 (**Initial Franchise Fee**) of the Franchise Agreement:

Pursuant to an order of the Maryland Securities Commissioner, we have posted a Surety Bond in the requested amount. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have opened your Studio. A copy of the Surety Bond is on file with the Maryland Securities Commissioner.

4. **Insolvency.** The following is added to the end of Sections 15.1.A(2) and (3) (**Termination of Franchise by Franchisor**) of the Franchise Agreement:

This Section might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

5. **Governing Law; Consent to Jurisdiction.** The following is added to the end of Sections 16.1 (**Governing Law**) and 16.6 (**Consent to Jurisdiction**) of the Franchise Agreement:

; provided, however, Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Mediation; Mandatory Binding Arbitration.** Sections 16.3 (**Mediation**) and 16.4 (**Mandatory Binding Arbitration**) of the Franchise Agreement are supplemented by adding the following to the end of the Section:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. **Waiver of Jury Trial, Class Actions; Limitation of Actions.** The following is added to the end of Sections 16.8 (**Waiver of Jury Trial**), 16.9 (**Waiver of Class Actions**) and 16.12 (**Limitation of Actions**) of the Franchise Agreement:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

8. **Acknowledgments.** Only to the extent that Section 18 (**Acknowledgments**) does not comply with Maryland law, such Section is deleted.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**“FRANCHISEE”**

[if an individual]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**[Name], individually**

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
**[Name], a [state/type]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**RIDER TO THE PB FRANCHISING SPV, LLC  
FRANCHISE AGREEMENT  
FOR USE IN MINNESOTA**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Franchisee is a resident of the State of Minnesota, (b) the Studio that Franchisee will develop under the Franchise Agreement is or will be located in the State of Minnesota; or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in the State of Minnesota.

2. **Releases.** The following is added to the end of Sections 3.2.C (**Successor Franchise**) and 14.2 (**Conditions for Approval of Transfer**) of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **Ownership of Marks.** The following language is added to the end of Section 4.1 (**Ownership of Marks**) of the Franchise Agreement:

Provided Franchisee has complied with all provisions of the Franchise Agreement applicable to the Mark, Franchisor will protect Franchisee’s rights to use the Marks and Franchisor will indemnify Franchisee from any loss, costs or expenses from any claims, suits or demands regarding Franchisee’s use of the Marks in accordance with Minn. Stat. Sec 80C.12 Subd. 1(g).

4. **Interest and Late Charges.** The following language is added to the end of Section 5.11 (**Interest and Late Charges**) of the Franchise Agreement:

Notwithstanding the foregoing, Franchisee and Franchisor acknowledge that under Minnesota Statute 604.113 Franchisee’s penalty for an insufficient funds check will be limited to \$30 per occurrence.

5. **Injunctive Relief.** The following language is added to the end of Section 12.2 (**Injunctive Relief**) of the Franchise Agreement:

Notwithstanding the foregoing, a court will determine if a bond is required to obtain injunctive relief.

6. **Renewal and Termination.** The following is added to the end of Sections 3.2 (**Successor Franchise**) and 15.1 (**Termination of Franchise by Franchisor**) of the Franchise Agreement:

However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

7. **Lost Revenue Damages.** The following language is added to the end of Section 15.3.J (**Obligations of Franchisee Upon Termination, Expiration or Non-Renewal**) of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

8. **Governing Law.** The following sentence is added to the end of Section 16.1 (**Governing Law**) of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of Franchisee's rights under the Minnesota Statutes Chapter 80C or Franchisee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. **Consent to Jurisdiction.** The following sentence is added to the end of Section 16.6 (**Consent to Jurisdiction**) of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement shall abrogate or reduce any of Franchisee's rights under Minnesota Statutes chapter 80C or Franchisee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

10. **Waiver of Punitive Damages; Jury Trial.** If and then only to the extent required by the Minnesota Franchises Law, Sections 16.7 (**Waiver of Punitive Damages**) and 16.8 (**Waiver of Jury Trial**) of the Franchise Agreement are hereby deleted.

11. **Limitation of Actions.** The following is added to the end of Section 16.12 (**Limitation of Actions**) of the Franchise Agreement:

; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**“FRANCHISEE”**

[if an individual]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**[Name], individually**

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
**[Name], a [state/type]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE PB FRANCHISING SPV, LLC  
FRANCHISE AGREEMENT  
FOR USE IN NORTH DAKOTA**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell the franchise was made in North Dakota; or (b) if Franchisee is domiciled in the State of North Dakota or the Studio that Franchisee operates under its Franchise Agreement is or will be operated in the State of North Dakota.

2. **Releases.** The following is added to the end of Sections 3.2.C (**Successor Franchise**) and 14.2 (**Conditions for Approval of Transfer**) of the Franchise Agreement:

Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **Covenants Not to Compete.** The following is added to the end of Article 13 (**Covenants Not to Compete**) of the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, Franchisor will enforce the covenants to the maximum extent the law allows.

4. **Lost Revenue Damages.** The following language is added to the end of Section 15.3.J (**Obligations of Franchisee Upon Termination, Expiration or Non-Renewal**) of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. Accordingly, this Section will not be enforced to the extent prohibited by applicable law.

5. **Governing Law.** Section 16.1 (**Governing Law**) of the Franchise Agreement is deleted in its entirety and replaced with the following language:

Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and Franchisee will be governed by the laws of the State of California, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the

relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

6. **Mediation; Mandatory Binding Arbitration.** Sections 16.3 (**Mediation**) and 16.4 (**Mandatory Binding Arbitration**) of the Franchise Agreement are supplemented by adding the following to the end of the Section:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), mediation or arbitration shall be held at a site to which Franchisor and Franchisee mutually agree.

7. **Consent to Jurisdiction.** Section 16.6 (**Consent to Jurisdiction**) of the Franchise Agreement is supplemented by adding the following to the end of the Section:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, Franchisee may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. **Waiver of Punitive Damages.** The following is added to the end of Section 16.7 (**Waiver of Punitive Damages**) of the Franchise Agreement:

Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

9. **Waiver of Jury Trial.** To the extent required by the North Dakota Franchise Investment Law, Section 16.8 (**Waiver of Jury Trial**) of the Franchise Agreement is deleted.

10. **Waiver of Class Actions; Limitation of Actions.** The following is added to the end of Sections 16.9 (**Waiver of Class Actions**) and 16.12 (**Limitation of Actions**) of the Franchise Agreement:

The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**“FRANCHISEE”**

[if an individual]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**[Name], individually**

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
**[Name], a [state/type]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**RIDER TO THE PB FRANCHISING SPV, LLC  
FRANCHISE AGREEMENT  
FOR USE IN RHODE ISLAND**

**THIS RIDER** (this “**Rider**”) is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island, or (b) Franchisee is a resident of the State of Rhode Island and the Studio that Franchisee develops under its Franchise Agreement is or will be operated in the State of Rhode Island.

2. **Governing Law.** The following is added at the end of Section 16.1 (**Governing Law**) of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.”

3. **Consent to Jurisdiction.** The following is added at the end of Section 16.6 (**Consent to Jurisdiction**) of the Franchise Agreement:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.”

*[SIGNATURE PAGE TO FOLLOW]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**“FRANCHISEE”**

[if an individual]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
**[Name], individually**

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
**[Name], a [state/type]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_



**RIDER TO THE PB FRANCHISING SPV, LLC**  
**TO THE FRANCHISE AGREEMENT**  
**AND RELATED AGREEMENTS**  
**FOR USE IN WASHINGTON**

**THIS RIDER** is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (**“Franchisor”**), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (**“Franchisee”**).

**1. Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the **“Franchise Agreement”**) that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the offer is directed into the State of Washington and is received where it is directed; or (b) Franchisee is a resident of the State of Washington; or (c) the Studio that Franchisee develops under its Franchise Agreement is or will be located or operated, wholly or partly, in the State of Washington.

**2. Surety Bond.** A surety bond in the amount of \$100,000 has been obtained by the franchisor. The Washington Securities Division has made the issuance of the franchisor’s permit contingent upon the franchisor maintaining surety bond coverage acceptable to the Administrator until (a) all Washington franchisees have (i) received all pre-opening obligations that they are entitled to under the franchise agreement or offering circular, and (ii) are open for business; or (b) the Administrator issues written authorization to the contrary.

**3. Site Approval Process.** The following language is deleted from Section 1.2 of the Franchise Agreement:

If Franchisor provides Franchisee with any information regarding a site for the Studio, such information is not a representation or warrant of any kind (express, implied, or collateral) of the site’s suitability for a Studio or any other purpose. Franchisor’s acceptance of Franchisee’s proposed site is not intended to be relied on by Franchisee as an indicator of likely success, but that Franchisor believes the site meets Franchisor’s then-acceptable criteria, which Franchisor has established for Franchisor’s own purposes.

**4. Indemnification.** The following language is added to the end of Section 11.2 of the Franchise Agreement:

Notwithstanding anything to the contrary in this Section 11.2, Franchisee will not be required to indemnify Franchisor for matters caused by Franchisor’s gross negligence, intentional misconduct, strict liability or fraud.

**5. Enforcement of Covenants.** The first sentence of Section 13.3(A) of the Franchise Agreement will not apply to the extent it is inconsistent with RCW 19.100.180(1), RCW 19.100.180(2)(g), and RCW 19.100.220(2).

6. **Death or Disability.** Section 14.3 of the Franchise Agreement is amended and supplemented by adding the following to the end of the Section:

Our right under this Section 14.3 to appoint a manager and commence operating the Studio on behalf of Franchisee or its estate shall expire upon Franchisee's Transfer in accordance with the terms of this Section.

7. **Cross Default.** Section 15.2 of the Franchise Agreement is hereby deleted and replaced, in its entirety, with the following:

**Cross-Default.** If there are now, or hereafter shall be, other franchise agreements or any other agreements in effect between Franchisee or any of its affiliates and Franchisor, a default by Franchisee or any of its affiliates and/or owners under the terms and conditions of this Agreement or any other such agreement, shall at the option of Franchisor, constitute a default under this Agreement and all such other agreements.

8. **Franchisor's Rights and Remedies in Addition to Termination.** Section 15.4(A) of the Franchise Agreement is deleted and replaced with the following:

If Franchisee shall be in material default in the performance of any of its obligations or materially breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee cure such default for the account of and on behalf of Franchisee including entering upon and taking possession of the Studio for a period not to exceed one hundred and eighty (180) consecutive days and taking, in the name of Franchisee, all other actions necessary to effect the provisions of this Agreement and any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable (except with respect to Franchisor's gross negligence or intentional misconduct) in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Studio.

9. **Lost Revenue Damages.** Section 15.4(B) of the Franchise Agreement is amended to provide that any portion of the Lost Revenue Damages Franchisee pays to Franchisor that are attributable to Fund Contributions will be allocated to the Fund.

10. **Other Proceedings (Right to Injunctive Relief).** The last sentence of Section 16.5 of the Franchise Agreement is hereby deleted in its entirety.

11. **Limitation of Actions.** Section 16.12 of the Franchise Agreement is amended and supplemented by adding "or any applicable case law" to the end of the last sentence.

12. **No Recourse Against Nonparty Affiliates.** Nothing in Section 17.5 of the Franchise Agreement will release XPOF Assetco, LLC from any liability arising under that certain Guaranty of Performance by XPOF Assetco, LLC dated March 14, 2025.

13. **Washington Law.** The following paragraphs are added to the end of the Franchise Agreement:

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

The Franchise Agreement does not waive any liability Franchisor may have under the Washington Investment Protection Act, RCW 19.100, and the rules adopted thereunder.

*[SIGNATURE PAGE TO FOLLOW]*

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the effective date of the Franchise Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**“FRANCHISEE”**

[if an individual]

\_\_\_\_\_  
**[Name], individually**  
Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
**[Name], a [state/type]**  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT I**  
**LIST OF CURRENT FRANCHISEES**

# LIST OF OPEN FRANCHISEES AS OF DECEMBER 31, ~~2023~~2024

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
1.	Hayes, Taylor	2415 Moores Mill Road	Auburn	Alabama	36830	334-750-1144	0
2.	<del>Shafer,</del> Whitney Lewis, Madelyn; Helms, Casey	1870 Chace Drive	Birmingham	Alabama	35244	205 982-8366	0
3.	<del>Neal Clark,</del> Mary Rushing, Patti	2620 Montgomery Highway	Dothan	Alabama	36303	334 446-6512	0
4.	Blucher, Becki	22530 US Highway 98, Suite 210	Fairhope	Alabama	36532	251 533-1746	0
5.	Davis, Danielle	2826 18th Street South	Homewood	Alabama	35209	205 870-7279	0
6.	Lewis, Madelyn; Helms, Casey	610 Inverness Corners	Hoover	Alabama	35242	205 991-5224	0
7.	Lee, Angelica	4769 Whitesburg Dr. S	Huntsville	Alabama	35802	256 655-1544	0
8.	Schultz, Joshua & Paula	14 Main Street	Madison	Alabama	35758	256 684-5549	0
9.	Hails Taliancich, Laura	1812 Old Shell Road	Mobile	Alabama	36608	251 345-1180	0
10.	Ford, Rachael	507 Cloverdale Road	Montgomery	Alabama	36106	334-834-7790	0
11.	Walker, Lauryn	1520 McFarland Blvd	Tuscaloosa	Alabama	35406	205 349-0011	0
12.	Grobler, Susanne	3700 Old Seward Highway	Anchorage	Alaska	99503	907 258-8825	0
13.	Maher, Jeff	2055 West Frye Road	Chandler	Arizona	85224	480 855-0525	0
14.	Pacheco, Christine	2556 South Val Vista Drive Ste. 103	Gilbert	Arizona	85295	480 821-1515	0
15.	Murdocca, Gabriella	19420 N. 59th Avenue, Suite H 820	Glendale	Arizona	85308	623 566-8436	0
16.	Murdocca, Gabriella	15560 W Roosevelt Street, unit B103	Goodyear	Arizona	85338	6239326964	0
<del>1</del> <del>7</del> <del>7</del>	<del>Pacheco, Christine</del>	<del>1854 S Val Vista Dr</del>	<del>Mesa</del>	<del>Arizona</del>	<del>85204</del>	<del>480-545-3198</del>	<del>0</del>
<del>17</del> <del>8</del> <del>7</del>	Murdocca, Gabriella	<del>4025</del> 4206 E Chandler Blvd, Suite <del>268</del>	Phoenix	Arizona	<del>85048</del> 85024	480-935-0499	0
<del>18</del> <del>9</del> <del>7</del>	McClellan, Kaitlin	5505 N. 7th St.	Phoenix	Arizona	85014	602 595-7763	0
<del>19</del> <del>0</del> <del>7</del>	Weyand, Marirose	7000 E Mayo Blvd.	Phoenix	Arizona	85054	480 368-8825	0
<del>20</del> <del>1</del> <del>7</del>	McClellan, Kaitlin	4219 E Indian School Rd	Phoenix	Arizona	85018	602 840-6140	0
<del>21</del> <del>2</del> <del>7</del>	Dempsey, Whitney; Dempsey, Matt	10810 N Tatum Blvd, Suite 020	Phoenix	Arizona	85028	480 368-0100	0
22.	McClellan, Kaitlin	10855 N Frank Lloyd Wright	Scottsdale	Arizona	85259	480-208-7255	

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
		<a href="#">Blvd. Suite 104</a>					
<a href="#">23.</a>	<a href="#">Murdocea, Gabriella</a>	<a href="#">13580 N Litchfield Avenue Unit 160</a>	<a href="#">Surprise</a>	<a href="#">Arizona</a>	<a href="#">85379</a>	<a href="#">623-246-8577</a>	
<a href="#">24.</a> <del>3</del> 7	Hooper, Lori	1120 E. Baseline Rd. #103	Tempe	Arizona	85283	480 269-3221	0
<a href="#">25.</a> <del>4</del> 7	Acuna, Briana	7121 North Oracle Road	Tucson	Arizona	85704	520 797-6804	0
<a href="#">26.</a> <del>5</del> 7	Issel, Colleen	3115 N. College Avenue	Fayetteville	Arkansas	72703	479-575-0558	0
<a href="#">27.</a> <del>6</del> 7	Nasr, Abdi	11525 Cantrell Road	Little Rock	Arkansas	72212	501 246-3258	0
<a href="#">28.</a> <del>7</del> 7	Issel, Colleen	2203 S. Promenade Blvd.	Rogers	Arkansas	72758	479-372-6200	0
<a href="#">29.</a> <del>8</del> 7	Nasr, Abdi	5655 East La Palma Avenue	Anaheim Hills	California	92807	714 693-7873	0
<a href="#">2</a> <del>9</del> 7	<del>Wright, Kristen</del>	<del>2055 Center Street</del>	<del>Berkeley</del>	<del>California</del>	<del>94704</del>	<del>510-647-8607</del>	0
30.	<del>Kirby</del> <a href="#">McNamara, Jill</a>	231 S. La Cienega Blvd	Beverly Hills	California	90211	424 204-9722	0
31.	Nasr, Abdi	407 West Imperial Highway	Brea	California	92821	714 592-3232	0
32.	Silberman, Alyssa	1440 Chapin Ave	Burlingame	California	94010	650 342-1950	0
33.	Crespi, Karla ; Mulkey, Christopher	1850 Marron Rd, Suite 104	Carlsbad	California	92008	619-375-0222	0
34.	<del>Kerstner</del> <a href="#">Bennett, Rob Tina</a>	6965 El Camino Real	Carlsbad	California	92009	760 304-1100	0
<a href="#">35.</a>	<a href="#">Bennett, Tina</a>	<a href="#">Carmel Plaza Suite 302(Ocean Ave &amp; Mission St)</a>	<a href="#">Carmel-by-the Sea</a>	<a href="#">California</a>	<a href="#">93921</a>	<a href="#">831-250-3772</a>	
<a href="#">36.</a> <del>5</del> 7	Kerstner, Rob	884 Eastlake Parkway	Chula Vista	California	91914	619 216-6245	0
<a href="#">37.</a> <del>6</del> 7	Grubin, Monica	234 East 17th Street	Costa Mesa	California	92627	949 230-9131	0
<a href="#">38.</a> <del>7</del> 7	Arena, Jennifer	600 Sycamore Valley Road	Danville	California	94526	925-587-6727	2
<a href="#">39.</a> <del>8</del> 7	Chehrezad, Amanda; <a href="#">Asmundson, Sigrid</a> ; <a href="#">McHugh, Tracey</a>	714 2nd Street	Davis	California	95616	530 750-9200	0
<a href="#">40.</a> <del>9</del>	Cantrell, Noel	14062 Limonite Ave., Ste 120	Eastvale	California	92880	909-315-2353	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
41.	Wright, Kristen	4390 Town Center Blvd.	El Dorado Hills	California	95762	916-936-5371	0
42.	Wright, Alex	7127 Elk Grove	Elk Grove	California	95758	916-436-6482	0
43.	Grubin, Monica	7101 Yorktown Avenue	Huntington Beach	California	92648	714 330-9001	0
44.	Grubin, Monica	6791 Quail Hill Parkway	Irvine	California	92603	949 500-5924	0
45.	<a href="#">Garbarino, Genesa</a>	<a href="#">16112 Ventura Blvd</a>	<a href="#">Los Angeles</a>	<a href="#">California</a>	<a href="#">91436</a>	<a href="#">818-208-0379</a>	
46.	Allen, Kayla	11819 Wilshire Boulevard	Los Angeles	California	90025	310 463-7873	0
47.	Reynolds, Alison	8985 Venice Blvd	Los Angeles	California	90034	310 837-7222	0
48.	Chock, Maile	50 University Avenue B-101	Los Gatos	California	95030	408 458-6811	0
49.	Teitelbaum, Kristina	13175 Mindanao Way	Marina Del Rey	California	90292	310 902-8668	0
50.	Falls, Nina; Falls, Jonathan	800 Redwood Highway	Mill Valley	California	94941	415 383-1130	0
51.	Grubin, Monica	28321 Marguerite Parkway	Mission Viejo	California	92691	949 861-1565	0
52.	<del>Wright, Kristen</del> <a href="#">Pujals, Sierra</a> ; <a href="#">Jacobs, Kimberly</a>	<del>3632 Del Aire Plaza</del> <a href="#">135 Gasser Drive</a>	Napa	California	<del>94574</del> <a href="#">94559</a>	707 257-7215	0
53.	Egbert, Brittany	4929 Lankershim Boulevard	North Hollywood	California	91601	818 942-7098	0
54.	Duck, Addie	208 Vintage Way	Novato	California	94945	415-985-2900	0
55.	Cox, Randall	1715 Webster Street	Oakland	California	94612	415-350-2872	2
56.	Parra, David	72-624 El Paseo	Palm Desert	California	92260	760 836-0333	0
57.	Dadlani, Sailesh	267 California Ave	Palo Alto	California	94306	650 798-4048	0



	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>58.</del> <del>6</del> <del>7</del>	Kaur, Jasleen	6754 Bernal Avenue	Pleasanton	California	94566	925 399-1624	0
<del>59.</del> <del>7</del> <del>7</del>	Tehranchi, Shahin & Zohal	8792 19th Street	Rancho Cucamonga	California	91701	909 474-2666	0
<del>60.</del> <del>8</del> <del>7</del>	Nyberg, Katie; Nyberg, Garrett	31441 Santa Margarita Pkwy, Suite H802	Rancho Santa Margarita	California	92688	949 216-0732	0
<del>61.</del> <del>9</del> <del>7</del>	Vale, Wendy	403 North Pacific Coast Highway	Redondo Beach	California	90277	424 247-8686	0
<del>62.</del> <del>0</del> <del>7</del>	Wright, Kristen	10241 Fairway Drive	Roseville	California	95678	916 953-3645	0
<del>6</del> <del>4</del> <del>7</del>	<del>Martinez, Alexandria</del>	<del>12151 Seal Beach Blvd.</del>	<del>Rossmore</del>	<del>California</del>	<del>90740</del>	<del>562 252-3766</del>	0
<del>63.</del> <del>2</del> <del>7</del>	Wright, Kristen	564 Pavilions Lane	Sacramento	California	95825	916 545-0749	0
<del>64.</del> <del>3</del> <del>7</del>	Wright, Kristen	1710 R Street	Sacramento	California	95811	916 838-8448	0
<del>6</del> <del>4</del> <del>7</del>	<del>Kerstner, Rob</del>	<del>5965 Village Way</del>	<del>San Diego</del>	<del>California</del>	<del>92130</del>	<del>858 481 4950</del>	0
65.	<del>Kerstner</del> Bennett, Rob Tina	3650 5th Ave.	San Diego	California	92103	619 296-0200	0
66.	Gabriner, Stephany	3800 24th Street	San Francisco	California	94114	415-797-7336	0
67.	Fike, Lauren	162 West Portal Avenue	San Francisco	California	94127	415 340-3946	0
68.	Vale, Wendy	28134 S. Western Ave., Suite 21	San Pedro	California	90732	424 247-6363	0
69.	Pesavento, Denise; Pesavento, Philip	315 3rd Street	San Rafael	California	94901	415 295-7590	0
70.	Allen, Kayla	201 Wilshire Boulevard	Santa Monica	California	90401	310 395-3927	0
71.	Januleski, Garrett; Botai, Keith	201 West Napa Street	Sonoma	California	95476	707 343-1138	0
72.	Verrette (Selarka), Stephanie	30520 Rancho California Rd Suite 107	Temecula	California	92591	951-758-8536	0
<del>7</del> <del>3</del> <del>7</del>	<del>Martin, Susan</del>	<del>1772 Avenida De Los Arboles, Suite R</del>	<del>Thousand Oaks</del>	<del>California</del>	<del>91360</del>	<del>805 990 9582</del>	0
<del>73.</del> <del>4</del> <del>7</del>	Nyberg, Katie	17245 East 17th Street, Suite C	Tustin	California	92780	714 884-3120	0
<del>74.</del> <del>5</del> <del>7</del>	Quinkert, Stacy	21728 Ventura Blvd	Woodland Hills	California	91364	818 712-0353	0
<del>7</del>							

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>6</del> 7	<del>Ibasco, Mike</del>	<del>535 East Hyman Street</del>	<del>Aspen</del>	<del>Colorado</del>	<del>81611</del>	<del>970 710-1501</del>	<del>0</del>
<del>75</del> <del>7</del> 76	Schwarz, Ryan	24300 E Smoky Hill Road	Aurora	Colorado	80016	303-537-5324	0
<del>76</del> <del>8</del> 77	Bollinger, Jennifer	1750 29th Street	Boulder	Colorado	80301	303 443-3054	0
<del>77</del> <del>9</del> 78	Marinelli, Lanie; Hatch, Doug	62 Founders Way	Castle Rock	Colorado	80108	512 364-9378	0
<del>78</del> <del>0</del> 79	<del>Hill, Griffin</del> <a href="#">Weisenfluh, Daniel</a> ; <a href="#">Weisenfluh, Zandra</a>	13395 Voyager Parkway, Suite 150	Colorado Springs	Colorado	80921	719 374-5445	0
<del>79</del> <del>1</del> 80	Hill, Griffin	5262 N. Nevada Avenue	Colorado Springs	Colorado	80918	719 598-0270	0
<del>80</del> <del>2</del> 81	Sovcik, Jody	3420 West 32nd Avenue	Denver	Colorado	80211	720 366-6070	0
<del>81</del> <del>3</del> 82	Popwell, Connie	201 University Boulevard	Denver	Colorado	80206	720 276-1493	0
<del>82</del> <del>4</del> 83	Boemi, Monica; Boemi, Cassie	7695 E. 29th Pl.	Denver	Colorado	80238	303 997-8054	0
<del>83</del> <del>5</del> 84	Garnsey, Nicole; <a href="#">Garnsey, John</a> "Mac"	216 Main Street	Edwards	Colorado	81632	970 306-1310	0
<del>84</del> <del>6</del> 85	Gonzales, Meghan	2948 Council Tree Avenue	Ft. Collins	Colorado	80525	970 225-8094	0
<del>85</del> <del>7</del> 86	Bordner, Erin	5375 Landmark Place	Greenwood Village	Colorado	80111	303 953-9367	0
<del>86</del> <del>8</del> 87	Baylis, Kristen; <a href="#">Frampton, Pauline</a>	7420 West Alaska Dr.	Lakewood	Colorado	80226	303 928-9849	0
<del>87</del> <del>9</del> 88	Bordner, Erin	7403 West Chatfield Avenue	Littleton	Colorado	80128	303 933-9880	0
<del>88</del> <del>0</del> 89	<del>Bordner, Erin</del> <a href="#">Bleyle, Kari</a> ; <a href="#">Bleyle, Mary</a>	9362 South Colorado Boulevard, Ste D-12	Lone Tree	Colorado	80126	720 542-3736	0
<del>89</del> <del>1</del> 90	Marinelli, Lanie; Hatch, Doug	18901 E. Mainstreet	Parker	Colorado	80134	720 693-9128	0
<del>90</del> <del>2</del> 91	Dale, Stacey; Schuetz, Ayla	11961 Bradburn Boulevard	Westminster	Colorado	80031	720 633-6398	0
<del>91</del>							

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>3</del> 7	Roberts, Elizabeth	110 Albany Turnpike, #924	Canton	Connecticut	6019	860-352-8873	0
<del>92</del> 4 7	Goldschein, Megan	115 Mill Plain Rd	Danbury	Connecticut	6811	9142183706	2
<del>93</del> 5 7	Laboissonniere, Laura	<del>313 Heights</del> 1958 Post Road	Darien	Connecticut	6820	203 309-5690	0
<del>94</del> 6 7	Laboissonniere, Laura	1876 Black Rock Tpke	Fairfield	Connecticut	6825	475 999-8663	0
<del>95</del> 7 7	Roberts, Elizabeth	140 Glastonbury Blvd, #2600	Glastonbury	Connecticut	6003	860 969-0191	0
<del>96</del> 8 7	Allen, Ashley	280 Railroad Avenue	Greenwich	Connecticut	6830	203 489-3500	0
<del>97</del> 9 7	Bratland, Linds	1919 Boston Post Road	Guilford	Connecticut	6437	203 457-5115	0
<del>98</del> 0 0 7	Moscovitch, Kathryn (Katie)	94 Danbury Rd.	Ridgefield	Connecticut	6877	203 403-5500	0
<del>99</del> 0 1 7	Bratland, Linds	903 Hartford Turnpike	Waterford	Connecticut	6385	860 442-1123	0
<del>100</del> 0 2 7	Roberts, Elizabeth	115 Memorial Road	West Hartford	Connecticut	6107	860 206-7194	0
<del>101</del> 0 3 7	Laboissonniere, Laura	291 Post Road East	Westport	Connecticut	6880	203 557-8663	0
<del>102</del> 0 4 7	Davidson, Michelle	407 8th Street SE	Washington	DC	20003	202 847-3708	0
<del>103</del> 0 5 7	Davidson, Michelle	2130 P Street NW	Washington	DC	20037	202 870-1799	0
<del>104</del> 0 6 7	Davidson, Michelle	3308 Wisconsin Avenue NW	Washington DC	DC	20016	202 244-7500	0
<del>105</del> 0 7 7	Loncki, Olivia	3801 Kennett Pike	Greenville	Delaware	19807	302 691-3618	0
<del>106</del>	<del>Davis,</del>	<del>9834 Glades Road</del> 19505	<del>Boca</del>	Florida	<del>33434</del> 331	<del>561-465</del> 786-	2

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>0</del> <del>8</del> 7	<del>Martin</del> Fabano, Caitlin	Biscayne Blvd., Unit #3240	<del>Raton</del> Aventura		80	<del>5994</del> 220-0057	
<del>107</del> <del>0</del> <del>9</del> 7	<del>Boiteaux,</del> <del>Sonja</del> Byrd, Courtney	350 Esplanade Suite	Boca Raton	Florida	33432	561 445-3257	<del>0</del>
<del>108</del> <del>+</del> <del>0</del> 7	Davis, Martin	200 E Woolbright Rd.	Boynton Beach	Florida	33435	561-244-5448	<del>2</del>
<del>109</del> <del>+</del> <del>+</del> 7	Nickolai, Alexandra	6745 Manatee Avenue West	Bradenton	Florida	34209	941 792-8663	<del>0</del>
<del>110</del> <del>+</del> <del>2</del> 7	Nickolai, Alexandra	5275 University Parkway	Bradenton	Florida	34201	941 210-7283	<del>0</del>
<del>111</del> <del>+</del> <del>3</del> 7	<del>O'Brien,</del> <del>Shannon</del> Nickolai, Alexandra	857 E. Bloomingdale Ave.	Brandon	Florida	33511	813 968-1122	<del>0</del>
<del>112</del> <del>+</del> <del>4</del> 7	Spinelli, Nicole	2524 N McMullen Booth Rd	Clearwater	Florida	33761	727 791-8663	<del>0</del>
<del>113</del> <del>+</del> <del>5</del> 7	Malvarez, Sara	900 Hooks St	Clermont	Florida	34714	904-806-6805	<del>0</del>
<del>114</del> <del>+</del> <del>6</del> 7	<del>Singleton,</del> <del>Ashley</del> Fritzeen, Matthew; Fritzeen, Brittany	34940 Emerald Coast Parkway STE. 107	Destin	Florida	32541	850 837-1090	<del>0</del>
<del>115</del> <del>+</del> <del>7</del> 7	Flynn, Shannon	21740 South Tamiami Trail	Estero	Florida	33928	239 789-6900	<del>0</del>
<del>116</del> <del>+</del> <del>8</del> 7	Nicholson, Gabby (Lisa)	1960 East West Parkway	Fleming Island	Florida	32003	904 579-3273	<del>0</del>
<del>117</del> <del>+</del> <del>9</del> 7	Montone, Jenna	13101 Paul J. Doherty Parkway, Suite 220	Fort Myers	Florida	33913	239 560-0277	<del>0</del>
<del>118</del> <del>2</del> <del>0</del> 7	Montone, Jenna	7381 College Parkway	Ft. Myers	Florida	33907	239 240-7777	<del>0</del>
<del>119</del> <del>2</del> <del>+</del>	Gonzalez-Rothi, Elisa	4201 Northwest 16th Boulevard	Gainesville	Florida	32605	352 665-7873	<del>0</del>

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
120	Hickman, Gaby	4828 W Deer Lake Dr	Jacksonville	Florida	32246	904 564-1600	0
121	Lynch, Elizabeth (Liz)	450 S.R. 13 North	Jacksonville	Florida	32259	904 429-7052	0
122	Havener, Hayes	1035 Riverside Avenue	Jacksonville	Florida	32204	904 778-5922	0
123	Havener, Hayes	1615 Hendricks Ave Suite 101	Jacksonville	Florida	32207	904 778-5642	0
124	Thompson, Lacey	1056 N 3rd Street	Jacksonville Beach	Florida	32250	904 504-1150	0
125	<del>Davis,</del> Martin Averso, Danielle; Carrick, Chance	6240 Indiantown Road	Jupiter	Florida	33458	561 277-9215	2
126	Swygert, Allyson	1675 Future Way	Kissimmee	Florida	34747	407-476-4430	
127	Crowley, Brittany; Hughes, Cindy	120 International Parkway	Lake Mary	Florida	32746	407 878-6887	0
128	Jenny Kersey	1314 Town Center Drive S-102	Lakeland	Florida	33803	863-225-1306	0
129	Kidwell, Angie	6555 N. Wickham Rd.	Melbourne	Florida	32940	321 482-1132	0
130	Kitchukova, Kacia	150 NE 32nd St. Ste A1	Miami	Florida	33137	786-877-5032	2
131	Kitchukova, Kacia	205 Altara Ave	Miami	Florida	33146	305 529-0036	2
132	Valigurska, Lenka	1410 Pine Ridge Road	Naples	Florida	34108	239 384-9684	0
133	O'Neil, Aimee	18091 Highwoods Preserve Parkway	New Tampa	Florida	33647	813 866-7873	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Developm ent Rights Under ADA
-							
<del>134</del> 3 5 -	Lambert, Amanda	<del>3333 N Federal Hwy</del> <u>2081 E Oakland Park Blvd</u>	Oakland Park	Florida	33306	954 566-2202	0
<del>135</del> 3 6 -	<del>Tucker, Moana</del> <u>Natalie Beerman; Mallory Borrowman</u>	10775 Narcoossee Rd, Unit 90	Orlando	Florida	32832	407-821-8111	0
<del>136</del> 3 7 -	<del>Tucker, Moana</del> <u>Natalie Beerman; Mallory Borrowman</u>	1430 North Mills Avenue	Orlando	Florida	32803	407 399-3230	0
<del>137</del> 3 8 -	Swygert, Allyson	7339 West Sand Lake Road	Orlando	Florida	32819	407 413-3411	0
<del>138</del> 3 9 -	Gallarelli, Michelle; Gallarelli, Frank	935 Oviedo Blvd	Oviedo	Florida	32765	407 787-3348	0
<del>139</del> 4 0 -	<del>Davis, Martin</del> <u>Averso, Danielle; Carrick, Chance</u>	11290 Legacy Avenue	Palm Beach Gardens	Florida	33410	561 622-7006	2
<del>140</del> 4 1 -	Paulk , Pamela	9482 Buffalo Road	Palmetto	Florida	34221	727-278-6555	0
<del>141</del> 4 2 -	Davis, Martin	14822 Pine Blvd.	Pembroke Pines	Florida	33027	954 544-4998	2
<del>142</del> 4 3 -	Lehman, Catalina	6 Palafox Pl	Pensacola	Florida	32502	850 912-4470	0
<del>143</del> 4 4 -	Matos, Nancy	11349 South Dixie Highway	Pinecrest	Florida	33156	786 713-5905	0
<del>144</del> 4 5 -	Hollister, Jenenne	280 Village Main Street	Ponte Vedra	Florida	32082	904 239-7712	0
<del>145</del> 4 6 -	Singleton, Ashley	174 Watercolor Way, <u>Suite 101</u>	Santa Rosa Beach	Florida	32459	850 231-0147	0
<del>146</del> 4 7 -	Peirce, Lindsay	3800 South Tamiami Trail #16	Sarasota	Florida	34239	941 953-2323	0
<del>147</del>	Loyola, Renee;						

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>4</del> <del>8</del> 7	Loyola, Melvin	1000-7 South Ponce De Leon	St. Augustine	Florida	32084	904 325-9597	0
<del>148</del> 4 <del>9</del> 7	Nickolai, Alexandra	3637 4th Street North	St. Petersburg	Florida	33704	727 823-8663	0
<del>149</del> <del>5</del> 0 7	Clark, Stephanie; Clark, Chris	1594 Governors Square Blvd.	Tallahassee	Florida	32301	850 942-0030	0
<del>150</del> <del>5</del> 4 7	Clark, Stephanie; Clark, Chris	3425 Thomasville Road	Tallahassee	Florida	32309	850 629-4123	0
<del>151</del> <del>5</del> <del>2</del> 7	Owens, Leila	3830 West Neptune Street	Tampa	Florida	33629	813 254-8663	0
<del>152</del> <del>5</del> <del>3</del> 7	<del>O'Brien, Shannon</del> <u>Nickolai, Alexandra</u>	12921 North Dale Mabry Highway	Tampa	Florida	33618	813 968-1122	0
<del>153</del> <del>5</del> 4 7	O'Neil, Aimee	12233 W. Linebaugh Ave.	Tampa	Florida	33626	813 510-3949	0
<del>4</del> <del>5</del> <del>5</del> 7	<del>Smith, Jordan</del>	<del>3130 Little Road,</del>	<del>Trinity</del>	<del>Florida</del>	<del>34655</del>	<del>727-491-7419</del>	0
<del>154</del> <del>5</del> 6 7	Peters, Micah	11924 Forrest Hill Blvd	Wellington	Florida	33414	561 469-7943	0
<del>155</del> <del>5</del> <del>7</del> 7	Davis, Martin	4575 Weston Rd	Weston	Florida	33331	954-237-6878	2
<del>156</del> <del>5</del> <del>8</del> 7	Swygert, Allyson	15835 Shaddock Drive, Unit 140	Winter Garden	Florida	34787	689-999-0437	0
<del>157</del> <del>5</del> <del>9</del> 7	Searce, Chad	3005 Old Alabama Road #430	Alpharetta	Georgia	30022	470 898-4769	0
<del>158</del> <del>6</del> 0 7	Popwell, Connie	191 Alps Road	Athens	Georgia	30606	706 850-4000	0
<del>159</del> <del>6</del> 4	Shoemaker, Vonda	3145 Peachtree Road	Atlanta	Georgia	30305	404 550-8542	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
160	Reape, Erin; Reape, Andy	4300 Paces Ferry Road Southeast	Atlanta	Georgia	30339	770 989-1375	0
161	Gibson, Katharine (Katy Gibson/Bayless)	1402 North Highland Avenue	Atlanta	Georgia	30306	404 883-3882	0
162	McCullough, Janet (Happy)	240 Highland Avenue Northeast	Atlanta	Georgia	30312	404 975-3244	0
163	Spiegel, Sarah	1441 Dresden Drive Northeast	Atlanta	Georgia	30319	404 907-4706	0
164	Warden, Emily	1100 Howell Mill Road	Atlanta	Georgia	30318	404 464-7443	0
165	Shoemaker, Vonda	4920 Roswell Road Northeast	Atlanta	Georgia	30342	404 330-8231	0
166	<del>Demattia, Tanya</del> Dyer, Eliz	2907 Washington Road	Augusta	Georgia	30909	706 667-7300	0
167	Warden, Paige; North, David	1591 Bradley Park Drive	Columbus	Georgia	31904	706 570-8108	0
168	<del>Frame, Lauren</del> Bernita Jennings, Edwina; Jennings, Anthony	410 Peachtree Parkway	Cumming	Georgia	30041	770 889-0735	0
169	Bernita Jennings, Edwina; Jennings, Anthony	3509 Braselton Hwy	Dacula	Georgia	30019	770 889-0735	0
170	Sherman, Hilary	415 Church St	Decatur	Georgia	30030	470 428-2290	0
171	<del>Lane, Julie; Lane, Christine</del> Bernita Jennings, Edwina; Jennings, Anthony	5539 Chamblee Dunwoody Dr.	Dunwoody	Georgia	30338	404 550-0451	0
172	Reape, Erin; Reape, Andy	1615 Ridenour Boulevard Northwest	Kennesaw	Georgia	30152	678 402-1458	0
173							



	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>757</del>	Walden, Jamie	4420 Forsyth Road	Macon	Georgia	31210	478 757-8561	0
<del>174767</del>	Pendleton, Barbara	3600 Dallas Highway	Marietta	Georgia	30064	678 742-7031	0
<del>175777</del>	Searce, Jenna	4880 Lower Roswell Road, Suite 790	Marietta	Georgia	30068	770-283-0278	0
<del>176787</del>	Searce, Chad	13085 Georgia 9	Milton	Georgia	30004	678 333-6548	0
<del>177</del>	<u>Laura Evors; Tyler Evors</u>	<u>47 Arbor Springs Terrace</u>	<u>Newnan</u>	<u>Georgia</u>	<u>30265</u>	<u>470-683-2101</u>	
<del>178797</del>	Bedosky, Ashley	<del>405 City Circle Suite 1620</del> (New Address Pending- 100 North Peachtree Parkway), <u>Suite 15</u>	Peachtree City	Georgia	30269	770 632-8855	0
<del>179800</del>	Barkley, Megan	461 Pooler Parkway	Pooler	Georgia	31322	912 445-1249	0
<del>18081+</del>	Searce, Jenna	1155 Woodstock Road	Roswell	Georgia	30075	470 268-5412	0
<del>181822</del>	Brennan, Caroline	10 Whitaker Street	Savannah	Georgia	31401	912 677-9316	0
<del>182833</del>	Brennan, Caroline	5521 Abercorn Street	Savannah	Georgia	31406	912 665-1129	0
<del>183844</del>	<del>Hayes, Keisha</del> <u>Bernita Jennings, Edwina; Jennings, Anthony</u>	1350 Scenic Highway	Snellville	Georgia	30078	678 825-2189	0
<del>184855</del>	Searce, Chad	1500 Peachtree Industrial Blvd Suite 180	Suwanee	Georgia	30024	678 699-9439	0
<del>185866</del>	Chandler Schindler; Joshua Schindler	114-A Sutherlin Drive Suite 106	Warner Robins	Georgia	31088	4782352903	0
<del>186877</del>	Reape, Erin; Reape, Andy	2295 Towne Lake Parkway	Woodstock	Georgia	30189	678 503-8771	0
<del>187</del>							

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>88</del>	Turner, Gretchen	4211 Waialae Avenue	Kahala	Hawaii	96816	808 476-8500	0
<del>188</del>	Gibson Banducci, Lori	550 S. Broadway	Boise	Idaho	83702	208 841-2311	0
<del>189</del>	<del>Cox,</del> GrantRichardson, Lindsey; Richardson, Kyle	515 N. 4th Street	Coeur d'Alene	Idaho	83814	208 952-4578	0
<del>190</del>	Erwin, Michelle; Erwin, Loren	6700 N Linder Rd	Eagle	Idaho	83646	208 870-4957	0
<del>191</del>	Bryan Esarco	207 S. Randall Rd	Algonquin	Illinois	60102	847-674-1461	0
<del>192</del>	French, Kim	2506 N. Milwaukee Ave.	Chicago	Illinois	60047	312-761-2540	0
<del>193</del>	Molyet, Brittany	1837 W North Ave	Chicago	Illinois	60622	773 486-3580	0
<del>194</del>	Brameus, Aija	6054 <del>-6056</del> N Broadway Street	Chicago	Illinois	60660	312-877-5599	0
<del>195</del>	<u>Molyet, Brittany</u>	<u>1170 West Madison Street</u>	<u>Chicago</u>	<u>Illinois</u>	<u>60607</u>	<u>773 486-3580</u>	
196	Page, Kali; Benz, Kirk; Benz, Gary; Benz, Maggie	1350 North Wells Street	Chicago	Illinois	60610	312 642-2922	0
197	Page, Kali; Benz, Kirk; Benz, Gary; Benz, Maggie	3245 North Ashland Avenue	Chicago	Illinois	60657	773 281-1221	0
198	<del>Beyer,</del> LindseyMolyet, Brittany; Toohey, Jacqueline; Mooney, Monica	5239 S. Harper Avenue	Chicago	Illinois	60615	312 521-0053	0
199	Grimmer, Michelle	1336 S. Michigan Ave.	Chicago	Illinois	60605	312 753-3253	0
200	Brameus, Aija	2309 W. Lawrence Avenue	Chicago	Illinois	60625	773 654-3799	0
201	Molyet, Brittany	319 East Ontario Street	Chicago	Illinois	60611	773 872-8144	0
202	Molyet, Brittany	122 Schiller Street	Elmhurst	Illinois	60126	773 505-6512	0
203	Brameus, Aija	910 Church Street	Evanston	Illinois	60201	847 491-6245	0
204	Saxton, Alicia	500 S Third Street Suite 123	Geneva	Illinois	60134	630 659-8255	0
<del>205</del>	<u>Busch, Ilayna;</u> <u>Heyman, Andrew</u>	<u>2021 Tower Drive</u>	<u>Glenview</u>	<u>Illinois</u>	<u>60026</u>	<u>224-661-3928</u>	
<del>206</del>							

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>205</del>	Wade, Faith Anne	4650 Hoffman Blvd.	Hoffman Estates	Illinois	60192	224-633-9620	0
<del>207</del>	Wade, Faith Anne	<del>20071</del> <u>20771</u> Rand Rd	Kildeer	Illinois	60074	847 550-8355	0
<del>208</del>	<del>Ketonen;</del> <del>Barbara</del> <u>Page, Kali;</u> <u>Benz, Kirk; Benz,</u> <u>Gary; Benz,</u> <u>Maggie</u>	2058 North Halsted Street	Lincoln Park	Illinois	60614	872 206-5154	0
<del>209</del>	Gagovski, Kristy	55 S Main St	Naperville	Illinois	60540	630 922-8803	0
<del>210</del>	Smith, Holly	14932 LaGrange Road	Orland Park	Illinois	60462	708 460-4015	0
<del>211</del>	<u>Molyet, Brittany;</u> <u>Toohey, Jacqueline;</u> French, Kim	110 North Northwest Highway	Park Ridge	Illinois	60068	847 696-7219	0
<del>212</del>	Colsant, Molly	454 Redington Drive, Suite G	South Elgin	Illinois	60123	224-535-8053	0
<del>213</del>	Diol, Sarah	<del>422</del> <u>654</u> Hawthorn Ctr	Vernon Hills	Illinois	60061	224 <del>206</del> <u>715-</u> <del>7053</del> <u>7519</u>	0
<del>214</del>	Salb, Natalie	33 Rice Lake Square	Wheaton	Illinois	60189	630 933-9303	0
<del>215</del>	Gertz, Ashley Paro; Gertz, Aaron; Salas, Jamie	7187 S. Kingery Highway	Willowbrook	Illinois	60527	630 581-5667	0
<del>216</del>	Marlo Miller	7508 Beechwood Centre Road	Avon	Indiana	46123	317-697-2302	0
<del>217</del>	Parsons, Jamie	2894 E. 3rd St.	Bloomington	Indiana	47401	812 345-8962	0
<del>218</del>	Williamson, Lauren	726 Adams Street <del>St.</del> Suite 130	Carmel	Indiana	46032	317 816-1261	0
<del>219</del>	<del>Kuttruff, Dawn</del>	<del>1315</del> <u>North National Rd.</u>	<del>Columbus</del>	<del>Indiana</del>	<del>47201</del>	<del>812-799-6067</del>	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
-							
219	Riedford, Cindy	6501 East Lloyd Expressway	Evansville	Indiana	47715	812 402-0488	0
220	Zirkle, Toby	11581 Geist Pavilion Drive	Fishers	Indiana	46037	317 436-7243	0
221	Reichenbach, Blaire	4716 Illinois Road, Suite 102	Fort Wayne	Indiana	46804	260-267-0658	0
222	Clark, Lisa	1001 N. State Road 135	Greenwood	Indiana	46142	317 474-2405	0
223	<a href="#">Spacey, Gina;</a> <a href="#">Spacey, Brian</a>	<a href="#">8487 Union Chapel Road, Suite 460</a>	<a href="#">Indianapolis</a>	<a href="#">Indiana</a>	<a href="#">46240</a>	<a href="#">317-708-6144</a>	
224 2 3 -	Robertson, Liz	209 W. Michigan Street.	Indianapolis	Indiana	46204	317 503-8049	0
225 2 4 -	Robertson, Liz	6280 N. College Ave.	Indianapolis	Indiana	46220	317 426-2606	0
226 2 5 -	<del>Diekey</del> <a href="#">Murray</a> , Paige	4317 Charlestown Road	New Albany	Indiana	47150	812 725-7394	0
227 2 6 -	Spacey, Gina; Spacey, Brian	17231 Mercantile Boulevard	Noblesville	Indiana	46060	317 349-6802	0
228 2 7 -	Battle, Annie	1124 Angela Blvd.	South Bend	Indiana	46617	574 387-4007	0
229 2 8 -	Kress-Jahnke, Stephanie	324 E. State St.	West Lafayette	Indiana	47906	765 430-1927	0
230 2 9 -	Williamson, Lauren	11145 North Michigan Rd. Suite 150	Zionsville	Indiana	46077	317 504-3066	0
231 3 0 -	Addington, Katie	1450 SW Vintage Parkway Ste 140	Ankeny	Iowa	50023	515 289-2630	0
232 3 1 -	Reddick, Becky	5300 Fountain Drive NE , Suite 112	Cedar Rapids	Iowa	52411	319-383-7236	0
233 3 2 -	Tack, Allyson; Tack, Bryon; Tack, Kristin	12655 University Ave.	Clive	Iowa	50325	515 350-3813	0
234 3 3 -	Amy Bean	3220 Redhawk Street Ste 100	Coralville	Iowa	52241	319-536-3538	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<a href="#">235</a> <del>3</del> 4 7	Barton-Skinner, Carrie	4821 W. 6th St.	Lawrence	Kansas	66049	785 330-5760	0
<a href="#">236</a> <del>3</del> 5 7	Pederson, Bradley	16970 City Center Dr.	Lenexa	Kansas	66219	9137175699	0
<a href="#">237</a> <del>3</del> 6 7	Hilton, Rachel; Hilton, Andrew	11954 Roe Avenue	Overland Park	Kansas	66209	913 954-7954	1
<a href="#">238</a> <del>3</del> 7 7	Hilton, Rachel; Hilton, Andrew	1423 N Webb Rd Suite #119	Wichita	Kansas	67206	316 253-1044	1
<a href="#">239</a> <del>3</del> 8 7	Chaplin, Tracy	3420 Valley Plaza Parkway	Ft. Wright	Kentucky	41017	859 331-8600	0
<a href="#">240</a> <del>3</del> 9 7	Arnold, Amanda; Arnold, Stapleton	867 East High Street	Lexington	Kentucky	40502	859 335-2391	0
<a href="#">241</a> <del>4</del> 0 7	<del>Bowen,</del> <del>Rebecca**</del> <a href="#">Murray,</a> <a href="#">Paige</a>	4285 Summit Plaza Drive	Louisville	Kentucky	40241	502 425-8300	0
<a href="#">242</a> <del>4</del> 1 7	<del>Dutton</del> <a href="#">Byrd,</a> <del>Madison</del> <a href="#">Courtney</a>	1321 Herr Lane	Louisville	Kentucky	40222	502 749-2222	0
<a href="#">243</a> <del>4</del> 2 7	Abell, Erin	2294 Lexington Road	Louisville	Kentucky	40206	502 742-9708	0
<a href="#">244</a> <del>4</del> 3 7	McCrary, Annie	2680 Frederica Street	Owensboro	Kentucky	42301	270 240-4661	0
<a href="#">245</a> <del>4</del> 4 7	Lemoine, Rebecca	3033 Perkins Road	Baton Rouge	Louisiana	70808	225 300-8872	0
<a href="#">246</a> <del>4</del> 5 7	Rafferty, Laura	4243 Ambassador Caffery Pkwy	Lafayette	Louisiana	70508	337 993-2454	0
<a href="#">247</a> <del>4</del> 6 7	Sofio, Aimee	1814 North Causeway Boulevard	Mandeville	Louisiana	70471	985 674-7577	0
<a href="#">248</a> <del>4</del> 7	Conner, Mark	701 Metairie Road	Metairie	Louisiana	70005	504 324-9321	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>249</del> 4 8 7	<del>Conner,</del> <del>Mark**Morse,</del> <del>Julie</del>	4712 Magazine Street	New Orleans	Louisiana	70118	504 342-2208	0
<del>250</del> 4 9 7	<del>Bowman,</del> <del>Leigh**Murray,</del> <del>Brittany; Murray,</del> <del>Austen</del>	5821 Line Avenue	Shreveport	Louisiana	71106	318 588-6903	0
<del>251</del> 5 0 7	Calenda, Jamie	477 Fore Street	Portland	Maine	04101	207 808-8515	0
<del>2</del> 5 4 7	<del>Singleton, Susan</del>	<del>2484 Solomons Island Road</del>	<del>Annapolis</del>	<del>Maryland</del>	<del>21401</del>	<del>410.353.4450</del>	0
252	<del>Dunleavy,</del> <del>Nicholette</del> <del>Khanuka</del> <del>yev, Ron</del>	711 W. 40th Street	Baltimore	Maryland	21211	667 205-1087	0
253	Skonier, Renee	4930 Hampden Lane	Bethesda	Maryland	20814	301 642-2864	0
254	McGuire, Carmel	8801-1 Centre Park Drive	Columbia	Maryland	20781	410 997-0200	0
255	Lyate, Kate	1153 Route 3	Crofton	Maryland	21054	667 307-4956	0
256	Kidwell, Angie	5239 Buckeystown Pike	Frederick	Maryland	21703	240 397-4468	0
257	McKenzie, Sheri	8175 Westside Blvd., Suite B	Fulton	Maryland	20759	2702155097	0
258	Lyate, Kate	18200 Georgia Avenue Ste E	Olney	Maryland	20832	4437660253	0
259	Mufarrij, Angelica	9935 Falls Road	Potomac	Maryland	20854	301 821-2325	0
260	DeNinno, Jill	1601 Rockville Pike, #210B	Rockville	Maryland	20852	301 881-8663	0
261	DeNinno, Jill	402 King Farm Boulevard, <a href="#">Suite 140</a>	Rockville	Maryland	20850	301 366-0534	0
262	McGuire, Carmel	8455 Fenton Street	Silver Spring	Maryland	20910	301 565-2000	0
263	McKenzie, Sheri	1 East Joppa Road, Suite 170	Towson	Maryland	21286	240-247-0050	0
<del>2</del> 6 4 7	<del>Sherman, Lauren</del>	<del>1333 Beacon St.</del>	<del>Boston</del>	<del>Massachusetts</del>	<del>2446</del>	<del>617-232-1242</del>	0
<del>264</del> 6 5 7	Sherman, Lauren	350 Newbury Street	Boston	Massachusetts	2115	617 247-5360	0
<del>265</del> 6 6 7	Croucher, Catie	90 Burlington Mall Road	Burlington	Massachusetts	1803	781 365-1898	0
<del>266</del> 6 7 7	Calenda, Jamie	114 Mt. Auburn Street	Cambridge	Massachusetts	2138	617 354-6000	0
<del>267</del>				Massachusetts			

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>687</del>	Matsunaka, Katie	680 Legacy Place	Dedham	s	2026	781 469-1818	0
<del>268697</del>	Roberts, Elizabeth	432 North Main Street	East Longmeadow	Massachusetts	1028	413 224-1834	0
<del>26977</del>	<del>French-Greenwood,</del> Amanda McKnight, Molly	244 Patriot Place	Foxborough	Massachusetts	2035	508 543-1009	0
<del>270</del>	<a href="#">Roberts, Elizabeth</a>	<a href="#">400 Cochituate Road, Unit #4</a>	<a href="#">Framingham</a>	<a href="#">Massachusetts</a>	<a href="#">01701</a>	<a href="#">978-261-5901</a>	
<del>271</del>	<a href="#">Amanda Barber</a>	<a href="#">1775 Washington Street Unit 740</a>	<a href="#">Hanover</a>	<a href="#">Massachusetts</a>	<a href="#">02339</a>	<a href="#">781-328-9067</a>	
<del>272747</del>	Matsunaka, Katie	18 Shipyard Drive	Hingham	Massachusetts	2043	781 749-0774	0
<del>27372</del>	Roberts, Elizabeth	530 Market Street	Lynnfield	Massachusetts	1940	781 342-5430	0
<del>27473</del>	Roberts, Elizabeth	107 Turnpike Street	N. Andover	Massachusetts	1845	978 655-7361	0
<del>27574</del>	Roberts, Elizabeth	45 Storey Ave.	Newburyport	Massachusetts	1950	978 358-7120	0
<del>27675</del>	Matsunaka, Katie	1300 Centre St.	Newton	Massachusetts	2459	617 332-7873	0
<del>27776</del>	Roberts, Elizabeth	63 King St	Northampton	Massachusetts	1060	413 341-3125	0
<del>27877</del>	Roberts, Elizabeth	10010 D Shops Way	Northborough	Massachusetts	1532	508 466-8152	0
<del>27978</del>	Calenda, Jamie	363 Revolution Drive	Somerville	Massachusetts	2145	617-863-7323	0
<del>28079</del>	Chisholm, Lauren	1016 Paradise Road	Swampscott	Massachusetts	1907	978 414-5632	0
<del>28180</del>	Pike, Lora	53 Bond Street	Watertown	Massachusetts	2472	617-519-0199	+

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
282	Matsunaka, Katie	200 Linden St	Wellesley	Massachusetts	2482	781 235-3355	0
283	Roberts, Elizabeth	80 Beharrell Street	West Concord	Massachusetts	1742	978 341-8574	0
284	Rose, Kim	9 Cornerstone Square	Westford	Massachusetts	1886	978 727-8040	1
285	Roberts, Elizabeth	287 Grove Street, Suite 106	Worcester	Massachusetts	1605	508-304-8878	0
286	Chimney, Erin; Sampson, Greg	3139 Oak Valley Dr.	Ann Arbor	Michigan	48103	734 761-5350	0
287	Issel, Colleen	539 East Liberty Street	Ann Arbor	Michigan	48104	734-369-4711	0
288	Smith, Rachel	34665 Woodward Avenue	Birmingham	Michigan	48009	<del>248-607-947-</del> <del>9166219-</del> <u>2058</u>	0
289	Anderson, Dana	9418 Village Place Boulevard	Brighton	Michigan	48116	810 225-9335	0
290	Benintende, Mary-Liz	3670 Woodward Avenue	Detroit	Michigan	48201	313 315-3111	0
291	Fylan, Amanda	12751 S Saginaw St Suite 700	Grand Blanc	Michigan	48439	810 938-3456	0
292	Kemp, Kiersten	2107 East Beltline Avenue Northeast	Grand Rapids	Michigan	49525	616 361-4466	0
293	Kemp, Kiersten	4533 Ivanrest Ave SW	Grandville	Michigan	49418	616 808-9939	0
294	<del>Glassberg,</del> <del>Sarah</del> <u>Issel, Colleen</u>	75 Kercheval Avenue	Grosse Point	Michigan	48236	313 458-7857	0
295							



	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>947</del>	Wilson, Paige	90 Douglas Avenue	Holland	Michigan	49424	616 377-7253	0
<del>296957</del>	Paradiso, Melissa	7743 Sashabaw Rd.	Independence Township	Michigan	48348	248 707-6400	0
<del>297967</del>	Stockton, Bridget	42972 Grand River Avenue	Novi	Michigan	48375	248 596-0002	0
<del>298977</del>	Baker, Stephanie	3544 Meridian Crossings Drive	Okemos	Michigan	48864	517 347-4772	0
<del>2999887</del>	Braidwood, Lisa	585 Forest Avenue	Plymouth	Michigan	48170	734 335-6104	0
<del>3009997</del>	Lynch, Kennedy	2052 West Centre	Portage	Michigan	49024	410-900-9115	0
<del>3010007</del>	Batchik, Kristin	439 S Main St	Rochester	Michigan	48307	248 842-6516	0
<del>3020117</del>	Goidosik, Ann Marie	30 North Center Road	Saginaw	Michigan	48638	989 793-2673	0
<del>3030227</del>	Batchik, Kristin	13456 24 Mile Road	Shelby Charter Township	Michigan	48315	586 488-1279	0
<del>3040337</del>	Smith, Rachel	6923 Orchard Lake Rd.	West Bloomfield	Michigan	48322	248 562-7206	0
<del>3040447</del>	<del>Farrell, Margo</del>	<del>7101 France Avenue South</del>	<del>Edina</del>	<del>Minnesota</del>	<del>55435</del>	<del>952-928-3000</del>	0
305	Van Heel, Lindsey; Van Heel, Amy; Van Heel, Tyler; Lewis, Kyle	7891 Main Street	Maple Grove	Minnesota	55369	763 432-2475	0
306	Banducci, Andrea	300 South Second Street	Minneapolis	Minnesota	55401	612 513-8338	0
307	Christian, Anna	Physical: 154 5th Street SW LEASE: 501 1st Avenue SW	Rochester	Minnesota	55902	507 322-0212	0
308	Peterson, Katelyn	5620 W. 36th Street	Saint Louis Park	Minnesota	55416	952 378-1586	0
<del>309</del>	<del>Kristina Okeson;</del> <del>Adam Okeson</del>	<del>8160 County Road 42, Suite 500</del>	<del>Savage</del>	<del>Minnesota</del>	<del>55378</del>	<del>612-516-4133</del>	

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<a href="#">310</a> 0 9 7	Banducci, Andrea	1045 Grand Ave	St. Paul	Minnesota	55105	651 333-0508	0
<a href="#">311</a> + 0 7	Hogrefe, Heidi	4500 I-55 North	Jackson	Mississippi	39211	769 251-0486	0
<a href="#">312</a> + + 7	<del>Courson</del> <a href="#">Pulco</a> , <del>Nikki</del> <a href="#">Vicki</a>	5338 Goodman Road	Olive Branch	Mississippi	38654	662 895-7877	0
<a href="#">313</a> + 2 7	Waite, Kelly	265 North Lamar Blvd	Oxford	Mississippi	38655	662 202-7968	0
<a href="#">314</a> + 3 7	John Kaiser	1051 Highland Colony Parkway, Suite A	Ridgeland	Mississippi	39157	601 707-7410	0
<a href="#">315</a> + 4 7	Nickels, Sarah	87-5 Cotton Mill Drive	Starkville	Mississippi	39759	662 268-8084	0
<a href="#">316</a> + 5 7	Laudenheimer, Hannah	163 Turtle Creek Drive, <a href="#">Suite 180</a>	West Hattiesburg	Mississippi	39402	601 909-5713	0
<a href="#">317</a> + 6 7	Walker, Sara	1740 Clarkson Rd	Chesterfield	Missouri	63017	636 591-4499	0
<a href="#">318</a> + 7 7	Dewar, Jenny	3310 Bluff Creek Drive	Columbia	Missouri	65201	573 874-9006	0
<a href="#">319</a> + 8 7	Walker, Sara	11684 Manchester Road	Des Peres	Missouri	63131	314 966-1216	0
<a href="#">320</a> + 9 7	Hilton, Rachel; Hilton, Andrew	515 Nichols Road	Kansas City	Missouri	64112	816-805-2757	+
<a href="#">321</a> 2 0 7	Pederson, Bradley	9205 NE Hwy 152	Kansas City	Missouri	64158	816-945-2296	0
<a href="#">322</a> 2 + 7	Keraus, Michelle	8526 Northwest Prairie View Road	Kansas City	Missouri	64153	816 912-0864	0
<a href="#">323</a> 2 2	Sharp, Erica	8885 Ladue Road	Ladue	Missouri	63124	314 721-9300	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
324	Hilton, Rachel; Hilton, Andrew	910 NW Blue Parkway	Lee's Summit	Missouri	64086	816-874-0550	+
325	Sharp, Erica	4931 Lindell Boulevard	St. Louis	Missouri	63108	314 932-5611	0
326	Bykonen, Amy	1595 Grand Avenue	Billings	Montana	59102	406 534-2883	0
327	Christian, Anna	34 E Mendenhall	Bozeman	Montana	59715	406 577-2918	0
328	Olson, Zoe	812 Toole Ave.	Missoula	Montana	59801	406 529-4944	0
329	Chase, Stephanie	2900 Pine Lake Road	Lincoln	Nebraska	68516	402 904-4841	0
330	<del>Rich, Ashley; Rich, Brandon</del>	<del>2501 South 90th Street</del>	<del>Omaha</del>	<del>Nebraska</del>	<del>68124</del>	<del>402-933-5010</del>	0
331	Hagrman, Emma	577 North 155th Plaza	Omaha	Nebraska	68154	402 916-9692	0
332	Montz, Lauren	725 South Green Valley Parkway	Henderson	Nevada	89052	702 558-4149	0
333	Montz, Lauren	1875 Festival Plaza Drive	Las Vegas	Nevada	89135	702 525-3454	0
334	Maher, Jeff	5110 Mae Anne Avenue	Reno	Nevada	89523	775-527-6484	0
335	Maher, Jeff	748 South Meadows Parkway, Ste A-6	Reno	Nevada	89521	775-527-6484	0
336	Maher, Jeff	2868 Vista Blvd, Suite 118	Sparks	Nevada	89434	775-815-3244	0
337	Boss, Adrienne	79 South River Road	Bedford	New Hampshire	3110	603 218-3817	0
338	Boss, Adrienne	112 Spit Brook Road	Nashua	New Hampshire	3062	603 943-5092	0
339	<del>McNamara, Susan</del> Newell, Maddy; Newell, Bradley	2454 Lafayette Rd. Ste 37	Portsmouth	New Hampshire	3801	603 373-8143	0
340	Madeleine Newell; Bradley Newell	55 Central Street	Salem	New Hampshire	3079	603-362-3709	0
341	Arce, Jacqui	21 Griggstown Road	Belle Mead	New Jersey	8502	908 308-5136	0
342	Butters, Dianne; Butters, Robert;	3150 State Highway Route 22	Branchburg	New Jersey	8876	908 707-2004	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
	<a href="#">Turchi, Janet</a>						
342	Billmeier, Beth	20 West Main Street	Denville	New Jersey	7834	973 664-9000	0
343	Morgan, Monika	905 River Rd	Edgewater	New Jersey	7020	2015009394	0
<del>344</del> 344	<del>Sims, Lori</del>	<del>100 Reaville Ave. Unit 6C</del>	<del>Flemington</del>	<del>New Jersey</del>	<del>8822</del>	<del>908-633-2713</del>	0
<del>345</del> 344	Zane, Noelle	112 Kings Highway East	Haddonfield	New Jersey	8033	856 375-2700	0
<del>346</del> 345	Malanga, Lisa	70 Hudson Street, C2	Hoboken	New Jersey	7030	908-642-4730	+
<del>347</del> 346	Malanga, Lisa	207 Van Vorst Street	Jersey City	New Jersey	7302	908-642-6009	+
<del>348</del> 347	Zaltsman, Alex	519 S. Livingston Ave	Livingston	New Jersey	7039	973 500-6655	0
<del>349</del> 348	Boraie, Susan	357 Route 9 South	Manalapan	New Jersey	7726	732 536-0323	0
<del>350</del> 349	D'Alessio, Molly	351 Millburn Avenue	Millburn	New Jersey	7041	973 379-4537	0
<del>351</del> 350	Vignali, Wendy	650 Bloomfield Avenue	Montclair	New Jersey	7042	862 333-4558	0
<del>352</del> 351	Li, Xuesong	40 Market Street	Morristown	New Jersey	7960	973-434-2688	0
<del>353</del> 352	Gumm, LaRonda	1260 Springfield Avenue	New Providence	New Jersey	7974	908 464-0050	0
<del>354</del> 353	Hay, Alison	141a Kinderkamack Road	Park Ridge	New Jersey	7656	201 746-9288	0
<del>355</del> 354	Arce, Jacqui	31 Hulfish Street	Princeton	New Jersey	8542	609 921-2745	0
<del>356</del> 355	France, Donna; Gross-Licitra,	127 Broad Street	Red Bank	New Jersey	7701	732 842-7873	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
356	Davena; Marianne-Gabriel, Rosemarie						
356	Billmeier, Beth	12 North Village Blvd	Sparta	New Jersey	7871	973 512-4722	0
357	Bernholz, Ellen	<del>708 North Avenue</del> 500 Central Ave.	Westfield	New Jersey	<del>7027</del> 07090	908 232-1332	0
358	Younan, Nancy	319 Franklin Avenue	Wyckoff	New Jersey	7481	201 848-5551	0
359	Cekus, Melissa	6500 Holly Avenue NE, Ste A4	Albuquerque	New Mexico	87113	505 900-3533	0
360	Kuhar, Sara	603 East Main St Unit 18c	Bay Shore	New York	11706	631-518-4140	0
361	Kuhar, Sara	907 Montauk Highway	Bayport	New York	11705	631 823-1220	0
362	Lundberg, Lance	2 Cedar Street	Bronxville	New York	10708	914 337-2978	8
363	Lundberg, Lance	204 Wythe Avenue ( Pending RELO: 201 E 67th St, New York, NY 10065	Brooklyn	New York	11249	718 384-3481	8
364	Lundberg, Lance	178 5th Avenue	Brooklyn	New York	11217	718 623-3300	8
365	Lundberg, Lance	266 Court Street	Brooklyn	New York	11231	347 987-3609	8
366	Wright, Gretchen	7660 Transit Road	Buffalo	New York	14221	716 276-3570	0
367	Kuhar, Sara	6010 Jericho Turnpike	Commack	New York	11725	631 486-8288	0
368	Kuhar, Daniel; Henricksen, Ali; Farrell, Juliana; Digregorio, Julie	232 Route 25A, East	East Setauket	New York	11733	631 675-0477	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<a href="#">369</a> <del>7</del> <del>0</del> <del>7</del>	Koumpourlis, Miriah	191 7th Street	Garden City	New York	11530	516 280-8443	<del>0</del>
<a href="#">370</a> <del>7</del> <del>1</del> <del>7</del>	Lundberg, Lance	345 Main St.	Huntington	New York	11743	631 351-4859	<del>8</del>
<del>3</del> <del>7</del> <del>2</del> <del>7</del>	<del>Simpkins, Josh</del>	<del>579 Troy Schenectady Road #3A</del>	<del>Latham</del>	<del>New York</del>	<del>12110</del>	<del>5183601130</del>	<del>0</del>
<a href="#">371</a> <del>7</del> <del>3</del> <del>7</del>	Lundberg, Lance	46-32 Vernon Blvd	Long Island City	New York	11101	929-367-7493	<del>8</del>
<a href="#">372</a> <del>7</del> <del>4</del> <del>7</del>	Cavalli, Deena	1681 Northern Blvd	Manhasset	New York	11030	516 365-9090	<del>0</del>
<a href="#">373</a> <del>7</del> <del>5</del> <del>7</del>	Houde, Kathryn	385 Route 25A	Miller Place	New York	11764	631 509-3711	<del>0</del>
<a href="#">374</a> <del>7</del> <del>6</del> <del>7</del>	Goldschein, Megan	29 South Moger Avenue	Mt Kisco	New York	10549	914 218-3706	<del>2</del>
<a href="#">375</a> <del>7</del> <del>7</del> <del>7</del>	Lundberg, Lance	39 W 21st St	New York	New York	10010	646-476-4253	<del>8</del>
<a href="#">376</a> <del>7</del> <del>8</del> <del>7</del>	Lundberg, Lance	110 Reade Street	New York	New York	10013	646-988-4333	<del>8</del>
<a href="#">377</a> <del>7</del> <del>9</del> <del>7</del>	McCann, Margo	412 Columbus Avenue	New York	New York	10024	917 965-2175	<del>0</del>
<a href="#">378</a> <del>8</del> <del>0</del> <del>7</del>	Lundberg, Lance	1325B Lexington Avenue	New York	New York	10128	646 484-5447	<del>8</del>
<a href="#">379</a> <del>8</del> <del>1</del> <del>7</del>	Lundberg, Lance	78 5th Avenue	New York	New York	10011	917 675-1528	<del>8</del>
<a href="#">380</a> <del>8</del> <del>2</del> <del>7</del>	Lundberg, Lance	80 Pine Street	New York	New York	10005	212 785-1222	<del>8</del>
<a href="#">381</a> <del>8</del> <del>3</del>	Lundberg, Lance	201 E 67th St #2F	New York	New York	10065	917-409-0831	<del>8</del>

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
382	Lundberg, Lance	1237 2nd Avenue	New York	New York	10065	646 678-4102	8
383	Lundberg, Lance	200 Central Park South	New York	New York	10019	212 265-3943	8
384	Lundberg, Lance	3563 Long Beach Rd	Oceanside	New York	11572	516 766-0465	8
385	Lundberg, Lance	1485 Old Country Road	Plainview	New York	11803	651 888-0499	8
386	Nardozzi, Paul; Nardozzi, Laura	3349 Monroe Ave.	Rochester	New York	14618	585 690-6102	0
387	<u>Lundberg, Lance</u>	<u>14 Rye Ridge Plaza, Suite 227</u>	<u>Rye Brook</u>	<u>New York</u>	<u>10573</u>	<u>914-305-1241</u>	
388	Cocca, Cala	56 Marion Avenue	Saratoga Springs	New York	12866	518 888-2126	0
389	McKie, Cathy	6819 East Genesee St	Syracuse	New York	13066	315 446-5084	0
390	Allen, Ashley	140 Mamaroneck Ave	White Plains	New York	10601	914 266-1664	0
391	Fleishman, Hannah	1865 Hendersonville Road	Asheville	North Carolina	28803	828 274-6595	0
392	de Castro, Catherine	1412 Village Market Place	Cary	North Carolina	27560	919 377-0299	0
393	Megan Jones <del>and</del> Rob Jones	2044 Kildaire Farm Road	Cary	North Carolina	27518	984 200-4036	0
394	Kronenfeld, Sara	608 Meadowmont Village Circle	Chapel Hill	North Carolina	27517	919 537-8305	0
395	Alford, Martha Scott	5810 Highlands Shoppes Drive C4	Charlotte	North Carolina	28269	704 548-7787	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
396	Scott, Cassie	603 Providence Road	Charlotte	North Carolina	28207	980 329-4640	0
397	Jones, Keith; Jones, Jane	8430 Rea Road	Charlotte	North Carolina	28277	704 502-5888	0
398	Kronenfeld, Sara	737 Ninth Street	Durham	North Carolina	27707	919 973-3700	0
399	McGonagill, Haley; McGonagill, Cody	322 Glensford Drive	Fayetteville	North Carolina	28314	910 302-3335	0
400	Cromwell, Christina	1310 Westover Terrace	Greensboro	North Carolina	27408	336 617-6320	0
401	Stone, Jennifer	1570-2A Highwood Blvd.	Greensboro	North Carolina	27410	336 690-0211	0
402	Robinson, Jennifer	420 E Arlington Blvd	Greenville	North Carolina	27858	252 689-6103	0
403	Cekus, Melissa	1231 Eastchester Dr	High Point	North Carolina	27265	336 883-1231	0
404	<del>Neuschaefer, Erin</del> Jones, Rob; Jones, Megan	248 Grand Hill Place	Holly Springs	North Carolina	27540	919 552-9410	0
405	Moscovitch, Kathryn (Katie)	16815 Cranlyn Road	Huntersville	North Carolina	28078	704 997-6041	0
406	Howard, Katie	129 Market Pl Dr	Mooresville	North Carolina	28117	704 360-9901	0
407	<del>McLawhon, Sarah</del> Williams, Jennifer; Ledwith, Suzanne	9660 Falls of Neuse Road	N. Raleigh	North Carolina	27615	919 846-7090	0
408	Mathur, Arpana	9400 Brier Creek Parkway, Suite 104	Raleigh	North Carolina	27617	919-578-4731	0
409	Megan Jones <del>and</del>			North			



	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>410</del>	Rob Jones	4209 Lassiter Mill Road	Raleigh	Carolina	27609	919 615-1548	0
<del>410</del>	West, Lori	1764 Old Morganton Rd.	Southern Pines	North Carolina	28387	910 246-2164	0
<del>411</del>	<u>Thomas McGeough;</u> <u>Stephanie Gelin</u>	<u>535 S White St Suite 2</u>	<u>Wake Forest</u>	<u>North Carolina</u>	<u>27587</u>	<u>910-578-8900</u>	
412	Kessler, Candice	1532 Providence Rd S Suite 230	Waxhaw	North Carolina	28173	704-256-3259	2
413	Lippert, Kate	2030 Stonecrop Drive, Suite 505	Wilmington	North Carolina	28412	910-679-6070	0
414	O'Rourke, Alexandra	909 Inspiration Drive	Wilmington	North Carolina	28405	910 679-8171	0
415	Chavka, Christina; Chavka, Seth	114K Reynolda Village	Winston-Salem	North Carolina	27106	336 602-1473	0
416	Chavka, Christina; Chavka, Seth	"205-P South Stratford Road	Winston-Salem Clemmons	North Carolina	27103	336 749-7222	0
417	Mehlhoff, Julie	1400 43rd Ave. NE. Ste 1404	Bismarck	North Dakota	58503	701 751-0528	0
<del>418</del>	<del>Allmendinger, Nichole</del>	<del>615 2nd Ave N.</del>	<del>Fargo</del>	<del>North Dakota</del>	<del>58102</del>	<del>701-552-0624</del>	0
<del>418</del>	Talion, Lauren; Talion, Brett	3900 Medina Rd.	Akron	Ohio	44333	330 808-6887	0
<del>419</del>	Coticchia, Lori	31100 Pinetree Road	Beachwood	Ohio	44124	216 870-1563	0
<del>420</del>	<del>Dowdell, Lisa</del> <u>Stacia Waffan</u>	<del>8495 Chippewa Road</del> <u>4996 Fulton Drive NW Suite C</u>	<del>Brecksville</del> <u>Canton</u>	Ohio	<del>44141</del> <u>44718</u>	<del>440-736-330-7630</del> <u>238-7714</u>	0
<del>421</del>	<del>Schroeder, Tanya &amp; Jason</del> <u>Wilson, Lindsey; Wilson, Christopher</u>	7494 Beechmont Ave.	Cincinnati	Ohio	45255	<del>513-993-3051</del> <u>513-993-0733</u>	0
<del>422</del>	Rose, Anna	8154 Montgomery Road	Cincinnati	Ohio	45236	513 793-9222	0
<del>423</del>	Croci, Susannah	3083 Madison Road	Cincinnati	Ohio	45209	513 321-5800	0
<del>424</del>	Celek, Sarah	6355 Harrison Avenue	Cincinnati	Ohio	45247	513 832-7034	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>425</del> 2 6 7	Perin, Kelsey	3650 W. Dublin-Granville Rd.	Columbus	Ohio	43235	614 718-3340	0
<del>426</del> 2 7 7	Perin, Kelsey	960 W. Fifth Ave	Columbus	Ohio	43212	614 357-5324	0
<del>427</del> 2 8 7	Issel, Colleen	1513 Gemini Place	Columbus	Ohio	43240	614-396-8053	0
<del>428</del> 2 9 7	Proctor, Janna	62 West Franklin Street	Dayton	Ohio	45459	937 535-2876	0
<del>429</del> 3 0 7	Stewart, Simone	50 West Streetsboro Street	Hudson	Ohio	44236	330 801-5397	0
<del>430</del> 3 1 7	Allen, Cyndy; Osinski, Kelley	5939 Deerfield Blvd.	Mason	Ohio	45040	513 204-1978	0
<del>431</del> 3 2 7	Perin, Kelsey	180 Market Street	New Albany	Ohio	43054	614 600-7138	0
<del>432</del> 3 3 7	<del>Sheahan,</del> <del>Mo**Beaverson,</del> <u>Michelle</u>	128 Louisiana Avenue	Perrysburg	Ohio	43551	419 873-6393	0
<del>433</del> 3 4 7	Gorski, Rachael; <u>Vogel, Jake</u>	19940 Detroit Road	Rocky River	Ohio	44116	440 773-9671	0
<del>434</del> 3 5 7	<del>Sheahan,</del> <del>Mo**Beaverson,</del> <u>Michelle</u>	3157 West Central Avenue	Toledo	Ohio	43606	419 214-0220	0
<del>435</del> 3 6 7	Northgard, Kendra	9037 Union Centre Blvd.	West Chetser	Ohio	45069	513 204-9644	0
<del>436</del> 3 7 7	Dunn, Lori	33576 Detroit Road	Westlake	Ohio	44011	440 773-0259	0
<del>437</del> 3 8 7	Karzmer, Beth	1393 Boardman-Canfield Rd	Youngstown	Ohio	44512	234 254-4150	0
<del>438</del>	Shelton, Stephanie;						

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>439</del>	Dycus, Scott	1380 W. Covell Road	Edmond	Oklahoma	73003	405 519-8593	0
<del>439</del>	Alisauskas, Allison	6463 Avondale Drive	Nichols Hills	Oklahoma	73116	405 696-8299	0
<del>440</del>	Williams, Maddison	1908 24th Street NW, Suite 102	Norman	Oklahoma	73069	405 431-0066	0
<del>441</del>	Taylor, Susan; Clubb, Terrie	12201 S Western Ave C-3	OKC	Oklahoma	73170	405-982-2012	0
<del>442</del>	Woodard, Kelsy	3807 South Peoria Avenue	Tulsa	Oklahoma	74105	918 933-6006	0
<del>443</del>	Harlan, Megan	8921 South Yale Avenue	Tulsa	Oklahoma	74137	918 494-4977	0
<del>444</del>	Stockdale, Amber; George, Holly	12325 SW Horizon Blvd Suite 25	Beaverton	Oregon	97007	971-772-0741	+
<del>445</del>	Littlewood, Michelle	550 SW Industrial Way Suite 170	Bend	Oregon	97702	541-678-5857	0
<del>446</del>	Makin, Randi	11330 NE Evergreen Parkway	Hillsboro	Oregon	97006	971 205-2268	0
<del>447</del>	Stockdale, Amber; George, Holly	101 S State St., Suite 4115	Lake Oswego	Oregon	97034	503-908-5813	+
<del>448</del>	Oji, Linda; <a href="#">Oji, George</a>	3642 SW River Parkway, Suite D	Portland	Oregon	97239	971-249-2106	0
<del>449</del>	Stockdale, Amber; George, Holly	1504 NE Broadway St.	Portland	Oregon	97232	971 202-2696	+
<del>450</del>	<a href="#">Stockdale, Amber; George, Holly</a>	<a href="#">21430 SW Langer Farms Parkway, Suite 150</a>	<a href="#">Sherwood</a>	<a href="#">Oregon</a>	<a href="#">97140</a>	<a href="#">503-610-3635</a>	
451	Sloane, Laura	50 East Wynnewood Rd.	Ardmore	Pennsylvania	19096	484 231-1078	0
452	Zumas, Vivian; <a href="#">Koutsoumbis, Kali</a>	4773 Freemansburg Avenue, Suite D102	Bethlehem	Pennsylvania	18020	484-293-1524	0
<del>453</del>	<a href="#">Wilcox, Alayna;</a>	<a href="#">4000 Washington Road, Suite</a>	<a href="#">Canonsburg</a>	<a href="#">Pennsylvania</a>	<a href="#">15317</a>	<a href="#">724-941-8663</a>	

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
	<a href="#">Smith, Donna</a>	<a href="#">108</a>					
<del>454</del> <del>5</del> <del>3</del> <del>7</del>	Prieto, Kirsten	1745 South Easton Road	Doylestown	Pennsylvania	18901	215 491-7873	0
<del>455</del> <del>5</del> <del>4</del> <del>7</del>	Achee, Elizabeth	1096 Market St.	Dresher	Pennsylvania	19025	215 804-9478	0
<del>456</del> <del>5</del> <del>5</del> <del>7</del>	Byrne, Daniel	127 E. Swedesford Road	Exton	Pennsylvania	19341	484 872-8754	0
<del>457</del> <del>5</del> <del>6</del> <del>7</del>	Sunderland, Kerry	2549 Brindle Drive	Harrisburg	Pennsylvania	17109	717-963-7145	0
<del>458</del> <del>5</del> <del>7</del> <del>7</del>	Deitch, Laura	1500 Gilbert Way	Lancaster	Pennsylvania	17601	717 256-1369	0
<del>459</del> <del>5</del> <del>8</del> <del>7</del>	<del>Deitch</del> <a href="#">Sunderland, Laura</a> <del>Laura</del> <a href="#">Kerry</a>	6455 Carlisle Pike	Mechanicsburg	Pennsylvania	17050	717 678-9264	0
<del>460</del> <del>5</del> <del>9</del> <del>7</del>	DeCarlo, BriAnne	1067 West Baltimore Pike	Media	Pennsylvania	19063	610 257-3400	0
<del>461</del> <del>6</del> <del>0</del> <del>7</del>	<del>Cekus,</del> <del>Melissa</del> <a href="#">Cappelli, Ellen</a>	203 Blue Spruce Way	Murrysville	Pennsylvania	15668	724 519-8571	0
<del>4</del> <del>6</del> <del>1</del> <del>7</del>	<del>Zane, Noelle</del>	<del>834 Chestnut Street</del>	<del>Philadelphia</del>	<del>Pennsylvania</del>	<del>19107</del>	<del>267-930-7162</del>	0
462	Zane, Noelle	1701 Walnut Street	Philadelphia	Pennsylvania	19103	267 234-7825	0
463	Cekus, Melissa	150 8th Street	Pittsburgh	Pennsylvania	15222	4129304840	0
464	Cekus, Melissa	221 Summit Park Drive	Pittsburgh	Pennsylvania	15275	412 494-3320	0
465	<del>Petrina,</del> <del>Danielle</del> <a href="#">Morrison, Emily</a> <del>Emily</del> <a href="#">Morrison, Tom</a>	1121 Freeport Road	Pittsburgh	Pennsylvania	15238	412 408-3335	0
466	Evancie Dellovade, Melissa & Dellovade, Gary	1612 Cochran Road	Pittsburgh	Pennsylvania	15220	412 248-2424	0
467	<del>Diek</del> <a href="#">DeNinno, Laura</a> <del>Laura</del> <a href="#">Jill</a>	5986 Centre Ave.	Pittsburgh	Pennsylvania	15206	412 248-3333	0
<del>4</del> <del>6</del> <del>8</del>	<del>Wileox, Lindsay</del>	<del>4000 Washington Road</del>	<del>Pittsburgh</del>	<del>Pennsylvania</del>	<del>15317</del>	<del>724-941-8663</del>	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Developm ent Rights Under ADA
468	Ruggles, Erin	19 Colonnade Way Suite 107	State College	Pennsylvania	16803	814-810-0781	0
469	Harper, Nina	503 W. Lancaster Avenue	Wayne	Pennsylvania	19087	484 588-2628	0
470	Sidoni, Maria	12091 Perry Highway	Wexford	Pennsylvania	15090	724 719-9191	0
471	Achee, Elizabeth	909 E. Willowgrove Ave. Unit 104	Wyndmoor	Pennsylvania	19038	215 948-9674	0
472	Sweeney, Jaime	2000 Chapel View Boulevard	Cranston	Rhode Island	2920	401 944-0411	0
473	Sweeney, Jaime	613 George Washington Highway	Lincoln	Rhode Island	02818	401 333-4500	0
474	Gould, Annamaria	109 Towne Dr.	Bluffton	South Carolina	29910	843 815-6015	0
475	Hunt, Sarah	1300 Savannah Highway	Charleston	South Carolina	29407	843 732-1749	0
476	Hunt, Sarah	164-C Market Street	Charleston	South Carolina	29401	843 732-1727	0
477	Keen, Henry; <a href="#">Keen, Adell</a> ; <a href="#">Gandy, Kristen</a>	2123 Greene Street, Suite A	Columbia	South Carolina	29205	803 254-0078	0
478	<del>Howe, Paris</del>	<del>733 Stockbridge Dr</del>	<del>Fort Mill</del>	<del>South Carolina</del>	<del>29708</del>	<del>803 431 4907</del>	0
479	Covington, Macy	1922 Augusta St	Greenville	South Carolina	29605	864 982-7346	0
480	Mercer, Kristen	28 Shelter Cove Lane Ste 105	Hilton Head Island	South Carolina	29928	843 785-7888	0
481			South				

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>827</del>	Armbruster, Patti	1133 Oakland Market Road	Mt Pleasant	Carolina	29466	843 609-1905	0
<del>481837</del>	Armbruster, Patti	919 Houston Northcutt Boulevard	Mt. Pleasant	South Carolina	29464	843 327-7274	0
<del>482847</del>	Duval, Amy	11897 South Carolina 707	Murrells Inlet	South Carolina	29576	843 299-0848	0
<del>483857</del>	Covington, Macy	1200 East Main Street	Spartanburg	South Carolina	29307	864 764-1372	0
<del>484867</del>	Moody, Emily	717 Trolley	Summerville	South Carolina	29485	843-900-7094	0
<del>485877</del>	Moore, Christie; Moore, Todd**	330 Franklin Road	Brentwood	Tennessee	37027	615 278-8991	0
<del>486887</del>	Charapata, Amber	214 Manufacturers Road	Chattanooga	Tennessee	37405	423 580-1162	0
<del>487897</del>	Costa, Manoela	1414 Jenkins Road	Chattanooga	Tennessee	37421	423 580-1162	0
<del>488907</del>	Mascarello, Jake	2305 Madison Street Suite F	Clarksville	Tennessee	37043	931-919-2445	0
<del>489917</del>	<del>Puleo,</del> <del>Vicki</del> Winchell, Lauren; Winchell, Christopher	942 W. Poplar Ave, Suite 10	Collierville	Tennessee	38017	901 221-8464	0
<del>490927</del>	<del>Lewis,</del> <del>Jessica</del> Shandoff, Jennifer; Anderson, Anne	158 Front Street, Suite 102	Franklin	Tennessee	37064	615 236-9143	0
<del>491937</del>	Coben, Katie	1556 West McEwen Drive	Franklin	Tennessee	37067	615 472-1669	0
<del>492947</del>	Ross, Ashley	7820 Poplar Avenue	Germantown	Tennessee	38138	901 484-0705	0
<del>493957</del>	Decker, Kady	2101 Bandywood Dr	Green Hills	Tennessee	37215	615 904-4585	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
-							
<del>494</del> 9 6 -	Branch, Ashley	300 Indian Lake Blvd.	Hendersonville	Tennessee	37075	615 431-2097	0
<del>495</del> 9 7 -	Wilson, Sabrena; Wilson, Chad	1370 Union University Drive	Jackson	Tennessee	38305	731 300-7470	0
<del>496</del> 9 8 -	Renner, Rachel; Renner, Ron	105 S. Campbell Station Rd.	Knoxville	Tennessee	37934	865-851-8368	0
<del>497</del> 9 9 -	Renner, Rachel; Renner, Ron	133 South Forest Park Boulevard	Knoxville	Tennessee	37919	865 212-0025	0
<del>498</del> 0 0 -	Ross, Ashley	4700 Spottswood Avenue	Memphis	Tennessee	38117	901 766-1882	0
<del>499</del> 0 1 -	Jones, Lacey	2014 Providence Pkwy	Mount Juliet	Tennessee	37122	615-722-7876	0
<del>500</del> 0 2 -	Trumbower, Brooke	1970 Medical Center Parkway	Murfreesboro	Tennessee	37129	615 203-3129	0
<del>501</del> 0 3 -	Coben, Katie	228 11th Avenue South	Nashville	Tennessee	37203	615 603-8335	0
<del>502</del> 0 4 -	Layton, Sarah Britt	4101 Charlotte Ave Suite 115	Nashville	Tennessee	37209	615 278-0450	0
<del>503</del> 0 5 -	Destefani, Amber; Destefani, Joe	4816 Main Street, Suite J	Spring Hill	Tennessee	37174	615-614-1351	0
<del>504</del> 0 6 -	Shaw, Helen; Shaw, Andrew	5000 Belt Line Road	Addison	Texas	75254	972 661-2876	0
<del>505</del> 0 7 -	Barcelona, Elizabeth	5500 Broadway	Alamo Heights	Texas	78209	210 822-0584	0
<del>506</del> 0 8 -	Vitek, Melissa	972 Village Green Drive	Allen	Texas	75013	214 383-9235	0
<del>507</del>	McLaughlin,						

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>0</del> <del>9</del> -	Michelle	1705 N Collins St, Suite 135	Arlington	Texas	76011	817-805-2147	<del>0</del>
<del>508</del> <del>+</del> <del>0</del> -	Lisa O'Neill	4301 W William Cannon Drive	Austin	Texas	78749	512-920-6966	<del>0</del>
<del>509</del> <del>+</del> <del>+</del> -	Thwing, Rachel	1401 E 6th Street Suite 101	Austin	Texas	78702	512-574-5181	<del>0</del>
<del>510</del> <del>+</del> <del>2</del> -	Thwing, Rachel	11410 Century Oaks Terrace	Austin	Texas	78758	512 574-2344	<del>0</del>
<del>511</del> <del>+</del> <del>3</del> -	Thwing, Rachel	3267 Bee Caves Rd, <a href="#">Suite 120</a>	Austin	Texas	78746	512 574-8644	<del>0</del>
<del>512</del> <del>+</del> <del>4</del> -	<del>Dunn,</del> <del>Rebecca**</del> <a href="#">Vitek,</a> <del>Dee Dee;</del> <a href="#">Vitek,</a> <a href="#">Benjamin</a>	1525 Cypress Creek Road	Cedar Park	Texas	78613	512 599-7979	<del>0</del>
<del>513</del> <del>+</del> <del>5</del> -	Stapp, Colleen; Stapp, Scott	915 William D. Fitch Parkway	College Station	Texas	77845	979 314-3992	<del>0</del>
<del>514</del> <del>+</del> <del>6</del> -	Grubbs, Jenifer	4712 Colleyville Boulevard	Colleyville	Texas	76034	817 893-5016	<del>+</del>
<del>515</del> <del>+</del> <del>7</del> -	Jones, Stephanie <del>and;</del> <a href="#">Jones,</a> Brent	4507 West Davis St. Suite 160	Conroe	Texas	77304	936-344-1366	<del>0</del>
<del>516</del>	<a href="#">Shaw, Helen;</a> <a href="#">Shaw, Andrew</a>	<a href="#">230 N Denton Tap Rd Suite 107</a>	<a href="#">Coppell</a>	<a href="#">Texas</a>	<a href="#">75019</a>	<a href="#">972-221-7873</a>	
<del>517</del> <del>+</del> <del>8</del> -	Lehmann, Brandi	10539 Fry Rd Suite 400	Cypress	Texas	77433	281 246-4105	<del>0</del>
<del>518</del> <del>+</del> <del>9</del> -	Collins, Suzy	6025 Royal Lane	Dallas	Texas	75207	469 930-5755	<del>0</del>
<del>519</del> <del>2</del> <del>0</del> -	Owen, Marissa	3700 McKinney Avenue	Dallas	Texas	75204	214 521-6600	<del>0</del>
<del>520</del> <del>2</del> <del>+</del> -	Owen, Marissa	5919 Greenville Avenue	Dallas	Texas	75206	214 361-2882	<del>0</del>
<del>521</del>		2900 Wind River Ln. Suite					



	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>522</del> <del>522</del> 523	Farr, Jessica	138	Denton	Texas	76210	817 873-8713	0
<del>522</del> <del>522</del> 523	McLean, Jillian; McLean, Matthew	5610 North Desert Blvd.	El Paso	Texas	79912	915 875-0031	0
<del>523</del> <del>523</del> 524	<del>Hatch, Barbie Jo;</del> <del>Hatch, Garrett</del> Salom, Wendy	2601 N. Stanton St.	El Paso	Texas	79902	915 201-2615	0
<del>524</del> <del>524</del> 525	Farr, Jessica	5801 Long Prairie Road	Flower Mound	Texas	75028	972 539-3065	0
<del>525</del> <del>525</del> 526	Hillary Hassell	4736 Bryant Irvin Rd #710	Fort Worth	Texas	76132	682 900-3991	2
<del>526</del> <del>526</del> 527	Grubbs, Jenifer	4560 Heritage Trace Pkwy suite 300	Fort Worth	Texas	76244	817-813-5008	1
<del>527</del> <del>527</del> 528	Cornell, Hillary	3400 West 7th Street	Fort Worth	Texas	76107	817 999-9127	0
<del>528</del> <del>528</del> 529	Hyder, Mala; Hyder, Jason	5570 Farm to Market Road 423	Frisco	Texas	75034	214 469-1147	0
<del>529</del> <del>529</del> 530	Inman, Dalia; Inman, Sam	1015 W University Ave, Suite 507	Georgetown	Texas	78628	512-814-8827	0
<del>530</del> <del>530</del> 531	<u>Rebekah Harper</u>	<u>12020 FM 1960 Rd W #950</u>	<u>Houston</u>	<u>Texas</u>	<u>77065</u>	<u>281-795-5943</u>	
<del>531</del> <del>531</del> 532	Irani , Samar	26435 kuykendahl rd, suite 350	Houston	Texas	77375	8322918556	0
<del>532</del> <del>532</del> 533	Pendleton, Erin	2429 University Boulevard	Houston	Texas	77005	832 804-7456	0
<del>533</del> <del>533</del> 534	<del>Pendleton, Erin</del>	<del>1948 West Gray Street</del>	<del>Houston</del>	<del>Texas</del>	<del>77006</del>	<del>713-524-2690</del>	0
<del>533</del> <del>533</del> 534	Akers, Darby Jarratt	1436 Studewood Street	Houston	Texas	77008	832 831-5071	0
<del>534</del> <del>534</del> 535	Ponce de Leon, Tanya	1379 South Voss Rd.	Houston	Texas	77057	713 784-7873	1
<del>535</del> <del>535</del> 536	Harte, Kasey	10300 Louetta Road	Houston	Texas	77070	832-761-7910	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
67							
53677	McLaughlin, Michelle	6761 North MacArthur Boulevard	Irving	Texas	75039	972-645-0861	0
53738	Jones, Tonia	2717 Commercial Center Blvd Suite D-140	Katy	Texas	77494	281 394-9000	0
53839	Grubbs, Jenifer	1521 Keller Parkway Suite 200	Keller	Texas	76248	817-771-1347	+
53940	Elliott, Cari	4525 Kingwood Drive Ste 140	Kingwood	Texas	77345	832 777-6934	0
54041	Hoff, Kim; Hoff, Danny	2875 E League City Pkwy #700	League City	Texas	77573	281 334-0777	0
54142	Greenlee, Lindsay	4505 98th Street	Lubbock	Texas	79424	806 698-6300	0
54243	Shaw, Helen; Shaw, Andrew	1301 E Debbie Ln	Mansfield	Texas	76063	205-960-4930	0
54344	Vitek, Melissa	6840 Virginia Pkwy	McKinney	Texas	75071	214 592-9471	0
54445	Armstrong, Tracey	3208 N. Loop 250 W.	Midland	Texas	79707	432 214-7323	0
54546	Jensen, Kelly	511 E FM 544	Murphy	Texas	75094	214 991-0947	+
54647	Webb, Brandy	1551 N. Walnut Ave.	New Braunfels	Texas	78130	830 481-1714	0
54748	Cruz, Maria; Cruz, Rodney	2810 Business Center Drive #110	Pearland	Texas	77584	281 406-8889	0
54849	Wahby, Mina	2470 Pearland Parkway	Pearland	Texas	77581	832 779-2629	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<a href="#">549</a> <del>5</del> <del>0</del> <del>7</del>	Barker, Kelly	3450 W Park Blvd., #116	Plano	Texas	75093	972-248-6161	<del>0</del>
<a href="#">550</a> <del>5</del> <del>1</del> <del>7</del>	Vitek, Melissa	1921 N Preston Rd, Suite 130	Prosper	Texas	75078	214 935-1359	<del>0</del>
<a href="#">551</a> <del>5</del> <del>2</del> <del>7</del>	<del>McCallBope,</del> AdrienneAndrea	322 West Campbell Road	Richardson	Texas	75080	469-275-3902	<del>0</del>
<a href="#">552</a> <del>5</del> <del>3</del> <del>7</del>	Dadidakis, Leslie; Dadidakis, Alex	2051 Gattis School Road	Round Rock	Texas	78664	512 803-9343	<del>0</del>
<a href="#">553</a> <del>5</del> <del>4</del> <del>7</del>	Armstrong, Tracey	2609 Johnson Street	San Angelo	Texas	76904	325-500-5056	<del>0</del>
<a href="#">554</a> <del>5</del> <del>5</del> <del>7</del>	Barcelona, Elizabeth	21019 US Hwy 281 N Ste. 33	San Antonio	Texas	78258	210 529-1728	<del>0</del>
<a href="#">555</a> <del>5</del> <del>6</del> <del>7</del>	Barcelona, Elizabeth	11703 Huebner Rd.	San Antonio	Texas	78230	210 388-3507	<del>0</del>
<a href="#">556</a> <del>5</del> <del>7</del> <del>7</del>	Ponce de Leon, Tanya	4857 Sweetwater Boulevard	Sugar Land	Texas	77479	281 201-2420	<del>+</del>
<a href="#">557</a> <del>5</del> <del>8</del> <del>7</del>	Robertson, Heather	1950 Hughes Landing Boulevard	The Woodlands	Texas	77380	832 823-4750	<del>0</del>
<a href="#">558</a> <del>5</del> <del>9</del> <del>7</del>	Robertson, Heather	8000 Research Forest Drive	The Woodlands	Texas	77382	281 298-8997	<del>0</del>
<a href="#">559</a> <del>6</del> <del>0</del> <del>7</del>	Collins, Caitlyn	5100 Old Bullard Rd.	Tyler	Texas	75703	903 630-6154	<del>0</del>
<a href="#">560</a> <del>6</del> <del>1</del> <del>7</del>	Shultz, Audra; Burrus, Coleton	900 Austin Avenue	Waco	Texas	76701	254 339-1085	<del>0</del>
<a href="#">561</a>	<a href="#">Hillary Hassell</a>	<a href="#">243 Willow Bend Drive Suite 101-B</a>	<a href="#">Willow Park</a>	<a href="#">Texas</a>	<a href="#">76008</a>	<a href="#">817-704-3543</a>	
562	Yung, Neal	1708 Uinta Way	Park City	Utah	84098	435 214-7430	<del>0</del>
<del>5</del> <del>6</del> <del>3</del>	<del>Yung, Neal</del>	<del>877 S. 200 West</del>	<del>Salt Lake City</del>	<del>Utah</del>	<del>84101</del>	<del>801-906-8874</del>	<del>0</del>

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Developm ent Rights Under ADA
563	Jensen, Melinda; Osicki, Chris	10489 South State Street	Sandy	Utah	84070	801 999-4139	0
564	Robertson, Abbi	1091 N Bluff Street Suite 308	St. George	Utah	84770	406-579-0518	0
565	Giardino, Andrea	150 Dorset Street	Burlington	Vermont	5403	802 497-2638	0
566	Christianson, Chip	429 John Carlyle Street	Alexandria	Virginia	22314	703 303-8146	0
567	Christianson, Chip	1024 N. Garfield Street	Arlington	Virginia	22201	571 319-0588	0
568	Christianson, Chip	520 12th Street South	Arlington	Virginia	22202	703 553-3500	0
569	Dunleavy, Nichollette	5765 Burke Centre Parkway STE V	Burke	Virginia	22015	703-831-2754	0
570	Bright, Amy Jo	3918 Lenox Avenue	Charlottesville	Virginia	22901	434 245-1119	0
571	Blackman, Brooke; Folkes, Amy; Folkes, Stradford;	733 Eden Way North	Chesapeake	Virginia	23320	757 842-4288	0
572	Harms, Kelly	4201 Ridge Top Road	Fairfax	Virginia	22030	703 591-3270	0
573	Christianson, Chip	2121 North Westmoreland Street	Falls Church	Virginia	22213	703 532-7232	0
574	Salzano, Kim	1460 Central Park Boulevard Suite 102	Fredericksburg	Virginia	22401	540-693-0030	0
575	Palmer, Jasmine; Brassfield, Keith; Uhland, Nancy	13950 Promenade Commons St.	Gainesville	Virginia	20155	571 261-9121	0
576	Portilla, Carlos;						

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>777</del>	Salazar, Myriam	5680 King Centre Drive	Kingstowne	Virginia	22315	703 922-6172	0
<del>577</del> <del>7</del> <del>8</del> <del>7</del>	Records, Haley; Records, Samuel	1089 Edwards Ferry Road Northeast	Leesburg	Virginia	20176	703 777-2206	0
<del>578</del> <del>7</del> <del>9</del> <del>7</del>	Dunleavy, Nichollette	8921 Ox Rd STE 200	Lorton	Virginia	22079	703 551-3444	0
<del>5</del> <del>8</del> <del>0</del> <del>7</del>	<del>Christianson, Chip</del>	<del>6825 Redmond Drive</del>	<del>McLean</del>	<del>Virginia</del>	<del>22101</del>	<del>703 761-2228</del>	0
<del>579</del> <del>8</del> <del>4</del> <del>7</del>	Moncol, Robin	1282 Alverser Plaza	Midlothian	Virginia	23113	804 464-4098	0
<del>580</del> <del>8</del> <del>2</del> <del>7</del>	<del>Wejciechowski,</del> <del>Crystal</del> <del>Harms,</del> <del>Kelly; Harms,</del> <del>Steven</del>	12368 Warwick Blvd. Ste 114	Newport News	Virginia	23606	757 782-4407	0
<del>581</del> <del>8</del> <del>3</del> <del>7</del>	Scobo, Jonathan	320 West 21st Street	Norfolk	Virginia	23517	757 333-7393	0
<del>582</del> <del>8</del> <del>4</del> <del>7</del>	Nims, Sam; Nims, Chris	12975 Highland Crossing Drive	Reston	Virginia	20171	571 287-7221	0
<del>583</del> <del>8</del> <del>5</del> <del>7</del>	Love, Sarah	6235 River Road	Richmond	Virginia	23229	804 477-6036	0
<del>584</del> <del>8</del> <del>6</del> <del>7</del>	Moncol, Robin	4017 Lauderdale Drive	Richmond	Virginia	23233	804 360-9349	0
<del>585</del> <del>8</del> <del>7</del> <del>7</del>	Hartman, John; Hartman, Kara	5036 Keagy Road	Roanoke	Virginia	24018	540 904-7446	0
<del>586</del> <del>8</del> <del>8</del> <del>7</del>	<del>Weinert,</del> <del>Megan</del> <del>Portilla,</del> <del>Carlos; Salazar,</del> <del>Myriam</del>	24570 Dulles Landing Drive	South Riding	Virginia	20166	703 542-5151	0
<del>587</del> <del>8</del> <del>9</del> <del>7</del>	Salzano, Kim	1630 Publix Way, Suite 120	Stafford	Virginia	22554	540-699-0793	0
<del>588</del> <del>9</del> <del>0</del>	Palmer, Jasmine	21435 Epicerie Plaza	Sterling	Virginia	20165	571 313-0228	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Developm ent Rights Under ADA
589 9 +	Dunleavy, Nicholette	218 Maple Avenue West	Vienna	Virginia	22180	703 281-4100	0
590 9 2 +	Scobo, Jonathan	741 First Colonial Road	Virginia Beach	Virginia	23451	757 422-2220	0
591 9 3 +	Emery, Laura	5231 Monticello Ave Ste. B	Williamsburg	Virginia	23188	804-998-8521	0
592 9 4 +	Shea, Chelsea	14463 Potomac Mills Road	Woodbridge	Virginia	22192	703-904-6322	0
593 9 5 +	Wallis, Katie	909 112th Ave NE	Bellevue	Washington	98004	425 462-7474	0
594 9 6 +	Koesterman, Madison	1222 East Pine Street	Capitol Hill	Washington	98122	206 403-1820	0
595	<u>McNamara, KJ</u>	<u>6932 Kimball Drive</u>	<u>Gig Harbor</u>	<u>Washington</u>	<u>98335</u>	<u>253-313-0410</u>	
596 9 7 +	Wallis, Katie	12675 120th Ave NE, Suite 197	Kirkland	Washington	98034	206-830-0735	0
597	<u>Wallis, Katie</u>	<u>19723 Highway 99, Suite B</u>	<u>Lynnwood</u>	<u>Washington</u>	<u>98036</u>	<u>360-526-1884</u>	
598	<u>Wallis, Katie</u>	<u>13218 39th Ave SE, Suite 2</u>	<u>Mill Creek</u>	<u>Washington</u>	<u>98012</u>	<u>425-818-3588</u>	
599 9 8 +	Bavanaka, Swapna	6920 Coal Creek Pkwy SE, Suite 11	Newcastle	Washington	98059	425 658-2323	+
600 9 9 +	McNamara, KJ	4417 S. Meridian Ave.	Puyallup	Washington	98373	253-993-6771	2
601 0 0 +	Bavanaka, Swapna	22526 SE 4th street unit A3	Sammamish	Washington	98074	901-246-3978	+
602 0 1 +	Koesterman, Madison	4689 Martin Luther King Jr. Way Suite 5	Seattle	Washington	98108	206-420-8345	0
603 0 2 +	Casey, Lizelle	16015 Cleveland St	Seattle	Washington	98052	425 658-3915	0
604							

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
<del>603</del>	Hutchinson, Maya	406 NE 71st St	Seattle	Washington	98115	206 420-1667	0
<del>604</del>	Koesterman, Madison	500 Mercer Street, Suite c205	Seattle	Washington	98109	206 535-8910	0
<del>605</del>	Hutchinson, Maya	4600 Union Bay Place NE	Seattle	Washington	98105	206 935-7873	0
<del>607</del>	<a href="#">Meghan Novy;</a> <a href="#">Patricia McMahan</a>	<a href="#">15525 Westminster Way North, Suite D</a>	<a href="#">Shoreline</a>	<a href="#">Washington</a>	<a href="#">98133</a>	<a href="#">206-981-2085</a>	
<del>608</del>	Lyon, Tara	13910 E Indiana Ave	Spokane	Washington	99216	509 315-4920	0
<del>609</del>	<del>Osborne, Angela</del>	<del>3556 Marketplace W</del>	<del>University Place</del>	<del>Washington</del>	<del>98466</del>	<del>253-225-7518</del>	0
<del>609</del>	Vanderhouwen, Cynthia	301 NE 192nd Ave., Suite 203	Vancouver	Washington	98684	360 218-6184	0
<del>610</del>	Vanderhouwen, Cynthia	2410 Columbia House Boulevard	Vancouver	Washington	98661	360 735-7873	0
<del>611</del>	<a href="#">Kristy Buige</a>	<a href="#">3345 University Ave, Suite 8</a>	<a href="#">Morgantown</a>	<a href="#">West Virginia</a>	<a href="#">26505</a>	<a href="#">304-757-5722</a>	
<del>612</del>	Meulemans, Andrea; Baeten, Chad	3825 E Calumet St. Suite 1050	Appleton	Wisconsin	54915	920 460-9552	0
<del>613</del>	Pettit, Jim	2566 Sun Valley Dr.	Delafield	Wisconsin	53018	262 337-9529	0
<del>614</del>	Starr, Alicia	12894 West Bluemound Road	Elm Grove	Wisconsin	53122	414 800-7369	0
<del>615</del>	Mcmillan, Brooke	2300 Lineville Rd, Suite 106.	Green Bay	Wisconsin	54313	920-544-0004	0
<del>616</del>	Mcmillan, Brooke	2621 South Oneida Street	Green Bay	Wisconsin	54304	920 770-5095	0
<del>617</del>	Upham, Ellen	418 East Silver Spring Drive	Whitefish Bay	Wisconsin	53217	414 702-6025	0

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Developm ent Rights Under ADA
-							

~~\*This franchise relocated from Maryland to Virginia.~~

~~\*\*Franchisee has not communicated with us within the last 10 weeks of the issuance date of this Franchise Disclosure Document.~~



**FRANCHISEES THAT HAVE SIGNED FRANCHISE AGREEMENTS BUT ARE NOT YET  
OPEN AS OF DECEMBER 31, 2023**

	Franchisee	City	State	Contact
1.	Hoover, Sara	Mesa	Arizona	shoover@purebarre.com
<del>2.</del>	<del>Murdocea, Gabriella</del>	<del>Surprise</del>	<del>Arizona</del>	<del>gmurdocea@purebarre.com</del>
<del>2, 3.</del>	Caroline Skarwecki	-	California	caroline.skarwecki@purebarre.com
<del>3, 4.</del>	<del>Garbarino, Genesa</del> <a href="#">John Lin</a>	<del>Los Angeles</del> <a href="#">Mountain View</a>	California	<a href="#">genesa.john.garbarino.lin@purebarre.com</a>
<del>4, 5.</del>	Verrette (Selarka), Stephanie	Murrieta	California	stephanie.selarka@purebarre.com
<del>5, 6.</del>	Falls, Nina; Falls, Jonathan	Petaluma	California	nfalls@purebarre.com
<del>6.</del>	<a href="#">Jamie Cramer; Brian Cramer</a>	<a href="#">San Francisco</a>	<a href="#">California</a>	<a href="#">jamie.cramer@purebarre.com</a>
<del>7.</del>	<a href="#">Eskinder Kiros</a>	<a href="#">Sunnyvale</a>	<a href="#">California</a>	<a href="#">eskinder.kiros@purebarre.com</a>
<del>8, 7.</del>	Laboissonniere, Laura	Milford	Connecticut	laural@purebarre.com
<del>9, 8.</del>	Allen, Ashley	Stamford	Connecticut	ashleya@purebarre.com
<del>10, 9.</del>	<del>Fabano, —</del> <a href="#">Caitlin Natalie Beerman; Mallory Borrowman</a>	<del>Aventura</del> <a href="#">Altamonte Springs</a>	Florida	<a href="#">caitlin.fabano.natalie.beerman@purebarre.com</a>
<del>10.</del>	<del>Swygert, Allyson</del>	<del>Kissimmee</del>	<del>Florida</del>	<del>aswygert@purebarre.com</del>
11.	Davis, Martin	Pompano	Florida	martin.davis@clubpilates.com
<del>12.</del>	<a href="#">Jennifer Yzermans</a>	<a href="#">Tampa</a>	<a href="#">Florida</a>	<a href="#">jennifer.yzermans@purebarre.com</a>
<del>13, 12.</del>	Stephanie "Laney" Wilson; Alexander Wilson	West Palm Beach	Florida	alexander.wilson@purebarre.com
<del>14, 13.</del>	<del>Laura Evors; Tyler Evors</del> <a href="#">Grace Chang</a>	<del>Newnan</del> <a href="#">Arlington Heights</a>	<del>Georgia</del> <a href="#">Illinois</a>	<a href="#">tyler.grace.evors.chang@purebarre.com</a>
<del>14.</del>	<del>Spacey, Gina; Spacey, Brian</del>	<del>Indianapolis</del>	<del>Indiana</del>	<del>gina.spacey@purebarre.com</del>
15.	Williamson, Lauren	Westfield	Indiana	lwilliamson@purebarre.com
16.	<del>Abell, Erin</del> <a href="#">Jennifer Knecht; Michael Knecht</a>	<del>Louisville</del> <a href="#">Union</a>	Kentucky	<a href="#">eabell.jennifer.knecht@purebarre.com</a>
17.	<del>Amanda Barber</del> <a href="#">Taterka, Amelia; Taterka, Susan</a>	<del>Hanover</del> <a href="#">Brookline</a>	Massachusetts	<a href="#">amanda.p.davis@gmail.amelia.taterka@purebarre.com</a>
18.	Rose, Kim	Waltham	Massachusetts	kröse@purebarre.com
19.	<del>Kristina Okeson; Adam Okeson</del> <a href="#">Heather Simons</a>	<del>Savage</del> <a href="#">Elkhorn</a>	<del>Minnesota</del> <a href="#">Nebraska</a>	<a href="#">adam.okeson.heather.simons@purebarre.com</a>
<del>20.</del>	<del>Montz, Jared</del>	<del>Las Vegas</del>	<del>Nevada</del>	<del>jmontz@purebarre.com</del>
<del>21.</del>	<del>Montz, Jared</del>	<del>Las Vegas</del>	<del>Nevada</del>	<del>jmontz@purebarre.com</del>
<del>22.</del>	<del>Montz, Jared</del>	<del>Las Vegas</del>	<del>Nevada</del>	<del>jmontz@purebarre.com</del>
<del>20, 23.</del>	Fioretti, Robert	Bayside	New York	rfioretti@purebarre.com
<del>21, 24.</del>	Fioretti, Robert	Brooklyn	New York	rfioretti@purebarre.com
<del>22, 25.</del>	Fioretti, Robert	NY	New York	rfioretti@purebarre.com
<del>23, 26.</del>	<del>Thomas McGeough; Stephanie Gelin</del> <a href="#">Goldschein, Megan</a>	<del>Wake Forest</del> <a href="#">Westchester</a>	<del>North Carolina</del> <a href="#">New York</a>	<a href="#">thomas.mcgeough.mgoldschein@purebarre.com</a>
<del>27.</del>	<del>Stacia Waffan</del>	<del>Canton</del>	<del>Ohio</del>	<del>stacia.smilek@gmail.com</del>
<del>28.</del>	<del>Stockdale, Amber; George, Holly</del>	<del>0</del>	<del>Oregon</del>	<del>hgeorge@purebarre.com</del>

	Franchisee	City	State	Contact
<del>24, 29.</del>	Stockdale, Amber; Stockdale, Uriah	Beaverton	Oregon	astockdale@purebarre.com
<del>30.</del>	<del>Keen, Henry</del>	<del>South Carolina</del>	<del>South Carolina</del>	<del>henry.keen@clubpilates.com</del>
<del>25, 31.</del>	Layton, Sarah Britt	Nolensville	Tennessee	sbrittlayton@purebarre.com
<del>26, 32.</del>	Lutz, Izaura	<del>Fulshear</del> Brookshire	Texas	izaura.lutz@purebarre.com
<del>33.</del>	<del>Rebekah Harper</del>	<del>Houston</del>	<del>Texas</del>	<del>rebekah.harper@purebarre.com</del>
<del>34.</del>	<del>Ponce de Leon, Tanya</del>	<del>Houston</del>	<del>Texas</del>	<del>tponcedeleon@purebarre.com</del>
<del>27, 35.</del>	Jensen, Kelly	Murphy	Texas	kjensen@purebarre.com
<del>28, 36.</del>	Spencer Pettit; Jesse Pettit; Laura Pettit	Highland	Utah	jesse.pettit@purebarre.com
<del>29, 37.</del>	Lydia Foreman; John Foreman	<del>Salt Lake City</del> Holladay	Utah	john.foreman@purebarre.com
<del>30, 38.</del>	<del>McNamara, K.J.</del> Records, Haley; Records, Samuel	<del>Gig Harbor</del> Northern VA	<del>Washington</del> Virginia	<del>kjmenamara</del> haley.records@purebarre.com
<del>31, 39.</del>	<del>Meghan Snider; Patricia McMahan</del> Vanderhouwen, Cynthia	<del>Shoreline</del> Ridgefield	Washington	<del>meghan.snider24@gmail.com</del> cvanderhouwen@purebarre.com
<del>40.</del>	<del>Kristy Buige</del>	<del>Morgantown</del>	<del>West Virginia</del>	<del>kristy@kislergroup.com</del>

**EXHIBIT J**  
**LIST OF FRANCHISEES THAT LEFT THE SYSTEM OR NOT COMMUNICATED**

**LIST OF FRANCHISEES TERMINATED, CANCELED, NOT RENEWED  
OR FRANCHISEES WHO HAVE NOT COMMUNICATED IN PREVIOUS 10-WEEKS**

**AS OF ~~12/31/2023~~12/31/2024**

	Franchisee	City	State	Contact Information	
1.	<del>Caldwell, Ashley</del> <a href="#">Shafer, Whitney</a>	<del>Auburn</del> <a href="#">Birmingham</a>	Alabama	<del>acaldwell</del> <a href="#">wshafer@purebarre.com</a>	Transfer
2.	<del>Coyne, Leslie</del> <a href="#">Neal Clark, Mary</a>	<del>Hoover</del> <a href="#">Dothan</a>	Alabama	<del>LCoyne</del> <a href="#">mnclark@purebarre.com</a>	Transfer
3.	<del>Ford, Rachael</del> <a href="#">Pacheco, Christine</a>	<del>Montgomery</del> <a href="#">Mesa</a>	<del>Alabama</del> <a href="#">Arizona</a>	<del>rford</del> <a href="#">cpacheco@purebarre.com</a>	Ceased Operations - Other
4.	<del>Fleming, Kasey</del> <a href="#">Januleski, Garrett</a> <a href="#">Botai, Keith</a>	<del>Glendale</del> <a href="#">Berkeley</a>	<del>Arizona</del> <a href="#">California</a>	<del>kfleming</del> <a href="#">keith.botai@purebarre.com</a>	<del>Transfer</del> <a href="#">Termination</a>
5.	<del>Maher, Jeff</del>	<del>Phoenix</del>	<del>Arizona</del>	<del>jmaher@purebarre.com</del>	<del>Termination</del>
6.	<del>Fontana, Leigh</del> <a href="#">Wright, Kristen</a>	<del>Fayetteville</del> <a href="#">Berkeley</a>	<del>Arkansas</del> <a href="#">California</a>	<del>lfontana</del> <a href="#">kwright@purebarre.com</a>	Transfer
7.	<del>Fontana, Leigh</del>	<del>Rogers</del>	<del>Arkansas</del>	<del>lfontana@purebarre.com</del>	<del>Transfer</del>
8.	<del>Pavin, Cindy</del>	<del>Camarillo</del>	<del>California</del>	<del>cindy.pavin@rumbleboxinggym.com</del>	<del>Reacquired</del>
9.	<del>Brown, Mitch*</del>	<del>Camarillo</del>	<del>California</del>	<del>m.brown@purebarre.com</del>	<del>Ceased Operations - Other</del>
10.	<del>Battle, Mary-Raines</del> <a href="#">Kerstner, Rob</a>	<del>Carmel-by-the-Sea</del> <a href="#">Carlsbad</a>	California	<del>mrbattle@purebarre-</del> <a href="#">rob.kerstner@yogasix.com</a>	<del>Reacquired</del> <a href="#">Transfer</a>
11.	<del>Brown, Mitch*</del>	<del>Carmel-by-the-Sea</del>	California	<del>mitch.brown@purebarre-</del> <a href="#">cyclebar.com</a>	<del>Ceased Operations - Other</del> <a href="#">Transfer</a>
12.	<del>McCann, Caitlin and Ordinario, Glen</del>	<del>Glendale</del>	<del>California</del>	<del>gordinario@purebarre.com</del>	<del>Reacquired</del>
13.	<del>Workman, Vanessa</del>	<del>Hollywood</del>	<del>California</del>	<del>vanessah@purebarre.com</del>	<del>Ceased Operations - Other</del>
14.	<del>Brown, Mitch*</del>	<del>La Jolla</del>	<del>California</del>	<del>m.brown@purebarre.com</del>	<del>Ceased Operations - Other</del>
15.	<del>McCann, Caitlin and Ordinario, Glen</del>	<del>Los Angeles</del>	<del>California</del>	<del>gordinario@purebarre.com</del>	<del>Reacquired</del>
16.	<del>Brown, Mitch*</del>	<del>Los Angeles</del>	<del>California</del>	<del>m.brown@purebarre.com</del>	<del>Ceased Operations - Other</del>
17.	<del>Castaneda, Mary</del> <a href="#">Wright, Kristen</a>	<del>Palo Alto</del> <a href="#">Napa</a>	California	<del>mcastaneda</del> <a href="#">kwright@purebarre.com</a>	Transfer
18.	<del>McCann, Caitlin and Ordinario, Glen</del>	<del>Pasadena</del>	<del>California</del>	<del>gordinario@purebarre.com</del>	<del>Reacquired</del>
19.	<del>Brown, Mitch*</del> <a href="#">Martinez, Alexandria</a>	<del>Pasadena</del> <a href="#">Rossmore</a>	California	<del>m.brown</del> <a href="#">amartinez@purebarre.com</a>	Ceased Operations - Other
20.		<del>Rancho Santa</del>			

**\*\*If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

	Franchisee	City	State	Contact Information	
9 +	Nyberg, Katie	Margarita	California	knyberg@purebarre.com	Transfer
10 +	Kerstner, Rob	San Clemente Diego	California	rkerstner@purebarre.com	Ceased Operations - Other Termination
11 2 +	Kerstner, Rob	San Diego	California	rkerstner@purebarre.com	Ceased Operations - Other Transfer
12 3 +	Brown Arena, Mitch Jennifer**	San Francisco	California	mitch.brown@cyclebar- jarena@pureb arre.com	Ceased Operations - Other Termination
13 4 +	Shrestha, Sylvia Martin, Susan	Sanoma Thousand Oaks	California	sshrestha smartin@purebarre.com	Transfer Ceased Operations - Other
2 5 +	Redmon, Dwayne	Walnut Creek	California	d.redmon@purebarre.com	Terminated
2 6 +	Long, Corie	Castle Rock	Colorado	corie.kelly@gmail.com	Transfer
2 7 +	Nofsinger, Gail	Denver	Colorado	gnofsinger@purebarre.com	Transfer
14 8 +	Brown Ibasco, Mitch Mike	Denver Aspen	Colorado	m.brown mibasco@purebarre.com	Ceased Operations - Other
2 9 +	Bennett, Amy	Edwards	Colorado	abennett@purebarre.com	Transfer
15 9 +	Russomanno, Briget Hill, Griffin	Parker Colorado Springs	Colorado	brussomanno griffin@purebarre.com	Transfer
16 +	Bollinger, Jennifer Bordner, Erin	Westminster Lone Tree	Colorado	jennifer.Bollinger ebordner@purebarre .com	Transfer
17 2 +	Gardner, Jesse Davis, Martin	Guilford Boca Raton	Connecticut Fl orida	gardner@purebarre- martin.davis@clubp ilates.com	Transfer Termination
18 3 +	Byrd, Courtney O'Brien, Shannon	Boea Raton Brandon	Florida	ebyrd shannon@purebarre.com	Transfer
19 4 +	Brandon Tritt Singleton, Ashley	Orlando Destin	Florida	britt asingleton@purebarre.com	Transfer
20 5 +	Celek Davis, Sarah Martin	St. Augustine Jupiter	Florida	seelek@purebarre- martin.davis@clubp ilates.com	Transfer
21 6 +	McComb, Eleanor (Elle) Tucker, Moana	St. Petersburg Orlando	Florida	ellem tucker@purebarre.com	Transfer
22 7 +	Brandon Tritt Tucker, Moana	Winter Garden Orlando	Florida	britt mtucker@purebarre.com	Transfer
23		Columbus Palm	Georgia Florid	aburns@purebarre- martin.davis@club	

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	Franchisee	City	State	Contact Information	
8 7	<del>Burns</del> <u>Davis, Ashley</u> <del>Martin</del>	<u>Beach Garden</u>	<u>a</u>	<u>pilates.com</u>	Transfer
24 9 7	<del>Mullinax, Lauren</del> <u>O'Brien, Shannon</u>	<del>Dacula</del> <u>Tampa</u>	<del>Georgia</del> <u>Florida</u> <u>a</u>	<del>hframes</del> <u>shannonc@purebarre.com</u>	Transfer
25 0 7	<del>McCullough, Janet (Happy)</del> <u>Smith, Jordan</u>	<del>Druid Hills</del> <u>Trinity</u>	<del>Georgia</del> <u>Florida</u> <u>a</u>	<del>hmc</del> <u>ecullough.Jordan.Smith@purebarre.com</u>	<del>Ceased Operations—</del> <del>Other</del> <u>Termination</u>
26 1 7	<del>Pendleton, Barbara</del> <u>Demattia, Tanya</u>	<del>Marietta</del> <u>Augusta</u>	Georgia	<del>bpendleton@purebarre-</del> <u>tanya.demattia@clubpilates.com</u>	Transfer
27 2 7	<del>Steakley, Jenna</del> <u>Frame, Lauren</u>	<del>Pooler</del> <u>Cumming</u>	Georgia	<del>jsteakley</del> <u>lmullinax@purebarre.com</u>	Transfer
28 3 7	<del>Chandler-Schindler</del> <u>Lane, Julie; Lane, Christine</u>	<del>Warner</del> <del>Robins</del> <u>Dunwoody</u>	Georgia	<del>chandler.schindler</del> <u>jlane@purebarre.com</u>	Transfer
29 4 7	<del>Hughes</del> <u>Hayes, Erin</u> <del>Keisha</del>	<del>Woodstock</del> <u>Snellville</u> <u>ga</u>	Georgia	<del>ehughes</del> <u>Khayes@purebarre.com</u>	Transfer
4 5 7	<del>Keola, Frank</del>	<del>Kihei</del>	<del>Hawaii</del>	<del>fkeola@purebarre.com</del>	<del>Ceased Operations—Other</del>
30 6 7	<del>Deusteh</del> <u>Cox, Chandra</u> <del>Grant</del>	<del>Eagle</del> <u>Coeur d'Alene</u>	Idaho	<del>edeusteh@purebarre-</del> <u>grant.cox@cyclebar.com</u>	Transfer
4 7 7	<del>Sandwich, Hope</del>	<del>Chicago</del>	<del>Illinois</del>	<del>hsandwich@purebarre.com</del>	<del>Transfer</del>
4 8 7	<del>Rothman, Susan</del>	<del>Chicago</del>	<del>Illinois</del>	<del>srothman@purebarre.com</del>	<del>Transfer</del>
4 9 7	<del>Rothman, Susan</del>	<del>Chicago</del>	<del>Illinois</del>	<del>srothman@purebarre.com</del>	<del>Transfer</del>
5 0 7	<del>True, Rachel</del>	<del>Chicago</del>	<del>Illinois</del>	<del>rachelt@purebarre.com</del>	<del>Transfer</del>
31 1 7	<del>Beyer, Lindsay</del>	<del>Chicago</del>	<del>Illinois</del>	<del>LBeyer@purebarre.com</del>	Transfer
32 2 7	<del>Sandwich</del> <u>Brown, Hope</u> <del>Mitch</del>	<del>Chicago</del> <u>Glenview</u>	Illinois	<del>hsandwich@purebarre-</del> <u>mitch.brown@cyclebar.com</u>	Transfer
5 3 7	<del>Diseko, Delane</del>	<del>Chicago</del>	<del>Illinois</del>	<del>ddiseko@purebarre.com</del>	<del>Reacquired</del>
5 4 7	<del>Brown, Mitch*</del>	<del>Chicago</del>	<del>Illinois</del>	<del>m.brown@purebarre.com</del>	<del>Ceased Operations—Other</del>
5 5 7	<del>Molyet, Brittany</del> <del>††</del>	<del>Chicago</del>	<del>Illinois</del>	<del>bmolyet@purebarre.com</del>	<del>Ceased Operations—Other</del>
5					

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	Franchisee	City	State	Contact Information	
6 7 7	<del>Molyet, Brittany</del>	<del>Chicago</del>	<del>Illinois</del>	<del>bmolyet@purebarre.com</del>	<del>Ceased Operations - Other</del>
33 7 7	<del>Rawal, Preeti</del> ; <del>Rawal, Ankit</del> <del>Barbara</del>	<del>Elmhurst</del> <del>Lincoln Park</del>	Illinois	<del>prawal@purebarre.com</del> ; <del>ketonen.bara@gmail.com</del>	Transfer
34 8 7	<del>True</del> <del>Salb, Rachel</del> <del>Natalie</del>	<del>Evanston</del> <del>Wheaton</del>	Illinois	<del>rachelt@purebarre.com</del>	Transfer
5 9 7	<del>Diseko, Delane</del>	<del>Glenview</del>	<del>Illinois</del>	<del>ddiseko@purebarre.com</del>	<del>Reacquired</del>
35 9 7	<del>Brown</del> <del>Kuttruff, Mitch</del> <del>Dawn</del>	<del>Glenview</del> <del>Columbus</del>	<del>Illinois</del> <del>Indian a</del>	<del>m.browndkuttruff@purebarre.com</del>	Ceased Operations - Other
36 1 7	<del>Gertz</del> <del>Bowen, Ashley</del> <del>Paro</del> <del>Rebecca</del>	<del>Willowbrook</del> <del>Louisville</del>	<del>Illinois</del> <del>Kentucky</del>	<del>agertz@purebarre.com</del>	Transfer
37 2 7	<del>(Klimas) Shadley, Theresa</del> <del>Dutton, Madison</del>	<del>Fishers</del> <del>Louisville</del>	<del>Indiana</del> <del>Kentucky</del>	<del>tshadley@purebarre.com</del>	Transfer
38 3 7	<del>Olinger</del> <del>Abell, John</del> <del>Erin*</del>	<del>Indianapolis</del> <del>Louisville</del>	<del>Indiana</del> <del>Kentucky</del>	<del>jolinger@purebarre.com</del>	<del>Transfer</del> <del>Termination</del>
39 4 7	<del>(Klimas) Shadley, Theresa</del> <del>Conner, Mark</del>	<del>Noblesville</del> <del>New Orleans</del>	<del>Indiana</del> <del>Louisiana</del>	<del>tshadley@purebarre.com</del>	Transfer
40 5 7	<del>Nicholson, Kelsey</del> <del>Bowman, Leigh</del>	<del>Overland Park</del> <del>Shreveport</del>	<del>Kansas</del> <del>Louisiana</del>	<del>knicholson@purebarre.com</del>	Transfer
6 6 7	Newman, Kelly; Gray, Lori	Ft. Wright	Kentucky	kelly.dicken-newman@stretchlab.com	Transfer
41 7 7	<del>Arnold, Amanda</del> <del>Singleton, Susan</del>	<del>Lexington</del> <del>Annapolis</del>	<del>Kentucky</del> <del>Maryland</del>	<del>aarnold@purebarre.com</del>	<del>Transfer</del> <del>Ceased Operations - Other</del>
42 8 7	<del>Conner, Mark</del> <del>Dunleavy, Nicholette</del>	<del>Mandeville</del> <del>Baltimore</del>	<del>Louisiana</del> <del>Maryland</del>	<del>mconner@purebarre.com</del> ; <del>nicholette.dunleavy@therowhouse.com</del>	Transfer
6 9 7	McNeil, Erin	Potomac	Maryland	emeneill@purebarre.com	Transfer
43 9 7	Sherman, Lauren	<del>Cambridge</del> <del>Boston</del>	Massachusetts	laurens@purebarre.com	<del>Transfer</del> <del>Termination</del>
7 1 7	McNamara, Anne	Newburyport	Massachusetts	anne.menamara@clubpilates.com	Transfer
44 2 7	<del>Roberts, Elizabeth</del> <del>Pike, Lora*</del>	<del>Framingham</del> <del>Boston</del>	Massachusetts	<del>eroberts@purebarre.com</del>	<del>Ceased Operations - Other</del> <del>Termination</del>
45 3 7	<del>Betcher, Katie</del> <del>French-Greenwood, Amanda</del>	<del>Birmingham</del> <del>Foxborough</del>	<del>Michigan</del> <del>Massachusetts</del>	<del>kbetcher@purebarre.com</del>	Transfer
46					

**\*\***If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

	Franchisee	City	State	Contact Information	
4 7	<del>Weyand, Allison</del> <a href="#">Glassberg, Sarah</a>	<del>Detroit</del> <a href="#">Grosse Pointe</a>	Michigan	<del>aweyand</del> <a href="#">sglassberg@purebarre.com</a>	Transfer
47 5 7	<del>Glass</del> <a href="#">Farrell, Devon</a> <a href="#">Margo</a>	<del>Okemos</del> <a href="#">Edina</a>	<del>Michigan</del> <a href="#">Minnesota</a>	<del>dglass</del> <a href="#">mfarrell@purebarre.com</a>	<del>Transfer</del> <a href="#">Termination</a>
7 6 7	<del>Batehik, Kristin</del>	<del>Rochester</del>	<del>Michigan</del>	<del>lmitzel@purebarre.com</del>	<del>Transfer</del>
7 7 7	<del>Karen Williams &amp; Jamison Williams</del>	<del>Shelby Charter Township</del>	<del>Michigan</del>	<del>kbwilliams@me.com</del>	<del>Transfer</del>
48 8 7	<del>Brown, Mitch*</del> <a href="#">Rich, Ashley; Rich, Brandon</a>	<del>Apple Valley</del> <a href="#">Omaha</a>	<del>Minnesota</del> <a href="#">Nebraska</a>	<del>m.brown</del> <a href="#">arich@purebarre.com</a>	<del>Ceased Operations—Other</del> <a href="#">Termination</a>
49 9 7	<del>Brown</del> <a href="#">Montz, Mitch</a> <a href="#">Jared**</a>	<del>Arden Hills</del> <a href="#">Las Vegas</a>	<del>Minnesota</del> <a href="#">Nevada</a>	<del>m.brown</del> <a href="#">jmontz@purebarre.com</a>	<del>Ceased Operations—Other</del> <a href="#">Termination</a>
8 0 7	<del>Brown, Mitch*</del>	<del>Blaine</del>	<del>Minnesota</del>	<del>m.brown@purebarre.com</del>	<del>Ceased Operations—Other</del>
8 4 7	<del>Brown, Mitch*</del>	<del>Eagan</del>	<del>Minnesota</del>	<del>m.brown@purebarre.com</del>	<del>Ceased Operations—Other</del>
8 2 7	<del>Brown, Mitch*</del>	<del>Eden Prairie</del>	<del>Minnesota</del>	<del>m.brown@purebarre.com</del>	<del>Ceased Operations—Other</del>
8 3 7	<del>Brown, Mitch*</del>	<del>Woodbury</del>	<del>Minnesota</del>	<del>m.brown@purebarre.com</del>	<del>Ceased Operations—Other</del>
50 4 7	<del>Price, Brittany</del> <a href="#">McNamara, Susan</a>	<del>West Hattiesburg</del> <a href="#">Portsmouth</a>	<del>Mississippi</del> <a href="#">New Hampshire</a>	<del>bprices</del> <a href="#">mcmamara@purebarre.com</a>	Transfer
51 5 7	<del>Orf</del> <a href="#">Sims, Hannah</a> <a href="#">Lori</a>	<del>Columbia</del> <a href="#">Flemington</a>	<del>Missouri</del> <a href="#">New Jersey</a>	<del>horf</del> <a href="#">lori.sims@purebarre.com</a>	<del>Transfer</del> <a href="#">Termination</a>
52 6 7	<del>Williams</del> <a href="#">Simpkins, Ellie</a> <a href="#">Josh</a>	<del>Ladue</del> <a href="#">Latham</a>	<del>Missouri</del> <a href="#">New York</a>	<del>elliew</del> <a href="#">jsimpkins@purebarre.com</a>	<del>Transfer</del> <a href="#">Termination</a>
8 7 7	<del>Williams, Ellie</del>	<del>St. Louis</del>	<del>Missouri</del>	<del>elliew@purebarre.com</del>	<del>Transfer</del>
8 8 7	<del>Bell, Jessica</del>	<del>Sparks</del>	<del>Nevada</del>	<del>jbell@purebarre.com</del>	<del>Transfer</del>
8 9 7	<del>Lamparello, Samantha D'Alessio; Molly Lamparello, Joni</del>	<del>Flemington</del>	<del>New Jersey</del>	<del>slamparello@purebarre.com</del>	<del>Transfer</del>
9 0 7	<del>Brown, Mitch*</del>	<del>Florham Park</del>	<del>New Jersey</del>	<del>mitch.brown@cyclebar.com</del>	<del>Ceased Operations—Other</del>
53 4 7	<del>Colman, Melanie</del> <a href="#">Lundberg, Lance*</a>	<del>Millburn</del> <a href="#">Westchester</a>	<del>New Jersey</del> <a href="#">New York</a>	<del>meolman</del> <a href="#">lance.lundberg@purebarre.com</a>	Transfer
54		<del>Red Bank</del> <a href="#">Holly</a>	<del>New</del>	<del>meolman</del> <a href="#">erin.neuschaefer@purebarre.com</a>	

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	Franchisee	City	State	Contact Information	
2 7	<del>Colman, Melanie</del> <a href="#">Neuschaefer, Erin</a>	<a href="#">Springs</a>	<del>Jersey</del> <a href="#">North Carolina</a>	com	Transfer
9 3 7	<del>Flynn, Beth</del>	<del>Spring Lake</del>	<del>New Jersey</del>	<del>bethf@purebarre.com</del>	<del>Ceased Operations — Other</del>
55 4 7	<del>Hay, Alison</del> <a href="#">McLawhon, Sarah</a>	<del>Wyckoff</del> <a href="#">N. Raleigh</a>	<del>New Jersey</del> <a href="#">North Carolina</a>	<del>ahaysmclawhon@purebarre.com</del>	Transfer
9 5 7	<del>Meghan Starr</del>	<del>Bronxville</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
9 6 7	<del>Meghan Starr</del>	<del>Brooklyn</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
9 7 7	<del>Meghan Starr</del>	<del>Brooklyn</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
9 8 7	<del>Meghan Starr</del>	<del>Brooklyn</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
9 9 7	<del>Meghan Starr</del>	<del>Huntington</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
1 0 0 7	<del>Meghan Starr</del>	<del>Long Island City</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
1 0 1 7	<del>Meghan Starr</del>	<del>New York</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
1 0 2 7	<del>Meghan Starr</del>	<del>New York</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
1 0 3 7	<del>Meghan Starr</del>	<del>New York</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
1 0 4 7	<del>Meghan Starr</del>	<del>New York</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
1 0 5 7	<del>Meghan Starr</del>	<del>New York</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
1 0 6 7	<del>Meghan Starr</del>	<del>New York</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
1 0 7 7	<del>Meghan Starr</del>	<del>New York</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>

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	Franchisee	City	State	Contact Information	
48	<del>Meghan Starr</del>	<del>New York</del>	<del>New York</del>	<del>mstarr@pbmetrolle.com</del>	<del>Transfer</del>
56	<del>Hamlin, Katharine</del> <del>Nichole</del>	<del>New York</del> <del>Fargo</del>	<del>New York</del> <del>North Dakota</del>	<del>khamlinnallmendinger@purebarre.com</del>	Ceased Operations - Other
57	<del>Simpkins Dowdell, Josh</del> <del>Lisa</del>	<del>Nickayuna</del> <del>Brecksville</del>	<del>New York</del> <del>Ohio</del>	<del>jsimpkinsldowdell@purebarre.com</del>	Ceased Operations - Other
58	<del>Meghan Starr</del> <del>Schroeder, Tanya &amp; Jason</del>	<del>Oceanside</del> <del>Cincinnati</del>	<del>New York</del> <del>Ohio</del>	<del>mstarr@pbmetrolle-tanya.schroeder@clubpilates.com</del>	Transfer
59	<del>Meghan Starr</del> <del>Sheahan, Mo</del>	<del>Plainview</del> <del>Perrysburg</del>	<del>New York</del> <del>Ohio</del>	<del>mstarr@pbmetrollemsheahan@purebarre.com</del>	Transfer
60	<del>Christianson</del> <del>Sheahan, Chip</del> <del>Mo</del>	<del>Charlotte</del> <del>Toledo</del>	<del>North Carolina</del> <del>Ohio</del>	<del>echristiansonmsheahan@purebarre.com</del>	<del>Ceased Operations - Other</del> <del>Transfer</del>
61	<del>Harrell, Amanda</del> <del>Stockdale, Amber; George, Holly*</del>	<del>Fayetteville</del>	<del>North Carolina</del> <del>Oregon</del>	<del>aharrellhgeorge@purebarre.com</del>	<del>Transfer</del> <del>Termination</del>
62	<del>Talton, Lauren</del> <del>Makin, Chad*</del>	<del>Akron</del> <del>Beaverton</del>	<del>Ohio</del> <del>Oregon</del>	<del>ltaltoncmakin@purebarre.com</del>	<del>Transfer</del> <del>Termination</del>
63	<del>Sohns, Heather</del> <del>Wilcox, Lindsay</del>	<del>Mason</del> <del>Canonsburg</del>	<del>Ohio</del> <del>Pennsylvania</del>	<del>hsohnslwilcox@purebarre.com</del>	Transfer
64	<del>Moerlein</del> <del>Deitch, Laura</del>	<del>West Chester</del> <del>Mechanicsburg</del>	<del>Ohio</del> <del>Pennsylvania</del>	<del>lmoerleindeitch@purebarre.com</del>	Transfer
65	<del>Sharp</del> <del>Cekus, Katy</del> <del>Melissa</del>	<del>Nichols Hills</del> <del>Murrysville</del>	<del>Oklahoma</del> <del>Pennsylvania</del>	<del>lsharpmcekus@purebarre.com</del>	Transfer
66	<del>Stockdale, Amber; George, Holly</del> <del>Zane, Noelle</del>	<del>Sherwood</del> <del>Philadelphia</del>	<del>Oregon</del> <del>Pennsylvania</del>	<del>astockdalenzane@purebarre.com</del>	Ceased Operations - Other
67	<del>Covington, Maey</del> <del>Petrina, Danielle</del>	<del>Greenville</del> <del>Pittsburgh</del>	<del>South Carolina</del> <del>Pennsylvania</del>	<del>meovingtondaniellep@purebarre.com</del>	<del>Ceased Operations - Other</del> <del>Transfer</del>
68	<del>Tiller Stone, Kelsey</del> <del>Dick, Laura</del>	<del>Murrells Inlet</del> <del>Pittsburgh</del>	<del>South Carolina</del> <del>Pennsylvania</del>	<del>ltillerlaura@purebarre.com</del>	Transfer

**\*\***If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

	Franchisee	City	State	Contact Information	
69 2 2 7	<del>Charapata</del> Howe, Amber <del>Paris</del>	<del>Chattanooga</del> Fort Mill	<del>Tennessee</del> South Carolina	<del>amber.charapata</del> phowe@purebarre.com	<del>Transfer</del> Ceased Operations - Other
70 2 3 7	<del>Christianson, Chip</del> Battle, Mary Raines	<del>Jackson</del> Brentwood	Tennessee	<del>eechristianson</del> mrbattle@purebarre.com	Transfer
71 2 4 7	<del>Plummer</del> Luftman, Lauren <del>Pulco, Vicki</del>	<del>Knoxville</del> Collierville	Tennessee	<del>laurenluftman</del> vpulco@purebarre.com	Transfer
72 2 5 7	<del>Luftman, Mauren; Hutto, Mackenzie</del> Lewis, Jessica	<del>Knoxville</del> Franklin	Tennessee	<del>mhutto</del> jlewis@purebarre.com	Transfer
73 2 6 7	<del>Webb</del> Dunn, Brandy <del>Rebecca</del>	<del>Alamo Heights</del> Cedar Park	Texas	<del>bwebb</del> rdunn@purebarre.com	Transfer
74 2 7 7	<del>Sweet, Jennifer</del> Hatch, Barbie Jo; Hatch, Garrett	<del>Austin</del> El Paso	Texas	<del>jsweet</del> garrett.hatch@purebarre.com	<del>Ceased Operations - Other</del> Transfer
75 2 8 7	<del>Brown, Mitch</del> Pendleton, Erin	<del>Coppell</del> Houston	Texas	<del>mcrin.brown</del> pendleton@purebarre.com	Ceased Operations - Other
76 2 9 7	<del>Zimmerman, Elysia</del> Ponce de Leon, Tanya*	<del>Denton</del> Houston	Texas	<del>ezimmerman</del> tponcedeleon@purebarre.com	<del>Transfer</del> Termination
77 3 0 7	<del>Joey</del> Hass <del>McCall, Adrienne</del>	<del>El Paso</del> Richardson	Texas	<del>jhass</del> amccall@purebarre.com	Transfer
1 3 4 7	<del>Casey</del> Gregersen	<del>Pearland</del>	<del>Texas</del>	<del>egregersen</del> @purebarre.com	<del>Transfer</del>
78 3 2 7	<del>Barker</del> Yung, Kelly <del>Neal</del>	<del>Plano</del> Salt Lake City	<del>Texas</del> Utah	<del>kbarker</del> nyung@purebarre.com	Ceased Operations - Other
1 3 3 7	<del>Grubbs, Jenifer; Holman, Jessica</del>	<del>Round Rock</del>	<del>Texas</del>	<del>jgrubbs</del> @purebarre.com	<del>Transfer</del>
1 3 4 7	<del>Krantz, Laura</del>	<del>San Marcos</del>	<del>Texas</del>	<del>lkrantz</del> @purebarre.com	<del>Reacquired</del>
1 3 5 7	<del>Lowder, Virginia (Ginnie)</del>	<del>Waco</del>	<del>Texas</del>	<del>vlowder</del> @purebarre.com	<del>Transfer</del>

**\*\*If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

	Franchisee	City	State	Contact Information	
1 3 6 7	Miller, Courtney	Ashburn	Virginia	emiller@purebarre.com	Reacquired
79 3 7 7	BrownChristianson, Mitch*Chip	AshburnMcLean	Virginia	m.browncchristianson@purebarre.com	Ceased Operations - Other
80 3 8 7	Wojciechowski, Crystal	ChesapeakeNewport News	Virginia	cwojciechowski@purebarre.com	Transfer
81 3 9 7	McGillWeinert, JennaMegan	KingstowneSouth Riding	Virginia	jmcgillmweinert@purebarre.com	Transfer
82 4 0 7	Jebsen, LaurenBrown, Mitch	LeesburgWilliamsburg	Virginia	ljebsen@purebarre.mitch.brown@cyclebar.com	Transfer
1 4 1 7	Sides, Brooke	Reston	Virginia	bsides@purebarre.com	Transfer
1 4 2 7	Carroll, Amy; Carroll, Lee	Sterling	Virginia	amy.carroll@purebarre.com	Transfer
1 4 3 7	Winslow, Elizabeth	Williamsburg	Virginia	Elizabeth.winslow@purebarre.com	Reacquired
1 4 4 7	Brown, Mitch	Lynnwood	Washington	m.brown@purebarre.com	Ceased Operations - Other
83 4 5 7	Brown, Mitch	Lynnwood	Washington	mitch.brown@purebarrecyclebar.com	Transfer
84 4 6 7	Brown, Mitch	Mill Creek	Washington	mitch.brown@purebarrecyclebar.com	Ceased Operations - Other Transfer
85 4 7 7	Lowe, LeslieOsborne, Angela	SpokaneUniversity Place	Washington	Howeaosborne@purebarre.com	Transfer
86 4 8 7	RuschMcNamara, MarileeKJ	Oak CreekUniversity Place	WisconsinWashington	mruschkimcnamara@purebarre.com	Ceased Operations - Other

\* Franchise Agreement was signed, but location was transferred prior to opening.

\*\* This former franchisee had 2 Franchisee Agreements terminated before opening.

\*\*\* This former franchisee had 3 Franchisee Agreements terminated before opening.

\*\*If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

~~\*Studio opened and closed in 2023.~~

~~‡Ceased operations as of December 31, 2023 but has since reopened~~

~~‡‡Ceased operations as of December 31, 2023 but anticipate reopening in 2024~~

~~‡‡‡Ceased operations as of December 31, 2023 but was transferred and has since reopened~~

~~\*\*~~If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**THESE FRANCHISEES HAVE NOT COMMUNICATED WITH US IN THE 10 WEEKS PRIOR TO THE ISSUANCE OF THIS DISCLOSURE DOCUMENT**

	Franchisee	City	State	Contact Information
1	Demattia, Tanya	Augusta	Georgia	tanya.demattia@clubpilates.com
2	Frame, Lauren	Cumming	Georgia	lmullinax@purebarre.com
3	Bowen, Rebecca	Louisville	Kentucky	rbowen@purebarre.com
4	Conner, Mark	New Orleans	Louisiana	mconner@purebarre.com
5	Bowman, Leigh	Shreveport	Louisiana	lbowman@purebarre.com
6	Neuschaefer, Erin	Holly Springs	North Carolina	erin.neuschaefer@purebarre.com
7	Sheahan, Mo	Perrysburg	Ohio	msheahan@purebarre.com
8	Sheahan, Mo	Toledo	Ohio	msheahan@purebarre.com
9	Battle, Mary Raines	Brentwood	Tennessee	mrbattle@purebarre.com
10	Dunn, Rebecca	Cedar Park	Texas	rdunn@purebarre.com

**\*\***If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

**EXHIBIT K**

**FORM OF ~~AREA DEVELOPMENT~~MULTI-UNIT AGREEMENT**

PB FRANCHISING SPV, LLC

~~AREA DEVELOPMENT~~ MULTI-UNIT AGREEMENT

DEVELOPER

\_\_\_\_\_

\_\_\_\_\_  
DATE OF AGREEMENT



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## **EXHIBITS**

<b>EXHIBIT A</b>	OWNERSHIP INTERESTS; DEVELOPMENT AREA; DEVELOPMENT SCHEDULE; AND OTHER AGREEMENT TERMS
<b>EXHIBIT B</b>	GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGMENT

**PB FRANCHISING SPV, LLC**  
**~~AREA DEVELOPMENT~~MULTI-UNIT AGREEMENT**

This ~~Area Development~~Multi-Unit Agreement (this “Agreement”) is made effective as of the Effective Date by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“Franchisor”), and the person or entity identified as the “Developer” in the signature blocks below (“Developer,” and together with Franchisor, the “Parties”). The Effective Date is the date Franchisor signs this Agreement as shown beneath its signature hereto.

**RECITALS:**

WHEREAS, Franchisor owns, administers and grants franchises for a system of fitness studios (the “Studios”) that are currently identified by and use the trademark “Pure Barre” and other related trademarks and service marks designated from time to time by Franchisor (the “Marks”), that reflect distinctive interior design and display procedures, and color scheme and décor (the “Trade Dress”), and that use certain of Franchisor’s certain intellectual property including trade secrets, copyrights, confidential and proprietary information, and designated training and exercise methods and know-how, fitness equipment, furniture and fixtures, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, and personnel management systems (together with the Marks and Trade Dress, the “System”). Studios offer specialized instruction and related services that Franchisor authorizes from time to time and offer and sell certain merchandise and other products Franchisor authorizes for sale from time to time.

WHEREAS, based on Developer’s own investigation and diligence, Developer has requested that Franchisor grant Developer the right to acquire multiple franchises (each a “Franchise”) for the development and operation of Studios (the “Development Rights”) in a defined geographic area (the “Development Area”) pursuant to an agreed upon schedule (the “Development Schedule”) set forth in this Agreement and, to support Developer’s request, Developer and, if applicable, its owners have provided Franchisor with certain information about its and their background, experience, skills, financial condition and resources (collectively, the “Application Materials”). In reliance on, among other things, the Application Materials, Franchisor is willing to grant Developer the Development Rights on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of and reliance on the foregoing Recitals (which are incorporated herein by reference), the agreements described below, and other valuable consideration, receipt and sufficiency of which are acknowledged, the Parties agree as follows:

**1. OWNERSHIP; PRINCIPALS**

If Developer is not a natural person (a “Business Entity”), Developer agrees, represents and warrants to Franchisor that: (1) it was validly formed and will maintain, throughout the Term (defined in Section 2.A below), its existence and good standing under the laws of the state of its formation and qualified to do business in the jurisdictions covered by the Development Area; (2) Exhibit A to this Agreement describes all of Developer’s owners and their interests in Developer as of the Effective Date; (3) each of Developer’s owners that has at least 10% direct or indirect ownership interest in Developer, and their spouse, will sign and deliver to Franchisor its then-standard form of Guarantee, Indemnification, and Acknowledgment (the “Guaranty”), the current form of which is attached as Exhibit B hereto; (4) the only business Developer will own or operate during the Term will be the exercise of the rights granted to it under this Agreement and any other agreement between it and Franchisor or its successors and assigns;

and (5) at Franchisor's request, Developer will furnish Franchisor true and correct copies of all documents regarding Developer's formation, existence, standing, and governance.

## 2. GRANT OF DEVELOPMENT RIGHTS

**A. Grant and Term.** Franchisor grants Developer the Development Rights, which must be exercised in strict compliance with this Agreement. The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, continuing through the earlier of (1) the date on which the last Studio, which is required to ~~be opened~~ have conducted its Soft Opening (as defined in Section 2.C below) in order to satisfy the Development Schedule, ~~opens for regular business~~ conducts its Soft Opening pursuant to an executed Franchise Agreement, or (2) the last day of the last Development Period (defined in Section 2.C) (collectively, the "Term"). Developer accepts the grant of the Development Rights and agrees to, at all times, faithfully, honestly, and diligently perform its obligations under this Agreement and fully exploit the Development Rights during the Term and throughout the entire Development Area. Developer may not subcontract or delegate to any third parties any of its rights or obligations under this Agreement.

**B. Development Area; Reservation Of Rights.** The Development Rights may only be exercised for Studios to be located in the Development Area identified on Exhibit A hereto. As long as Developer is in compliance with this Agreement and except with respect to Non-Traditional Locations (defined below), Franchisor will not, during the Term, (1) operate, or grant the right to anyone else to operate, a Studio within the Development Area, or (2) grant Development Rights to anyone else to develop Studios within the Development Area. A "Non-Traditional Location" is (a) any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, "big box" gyms and/or fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, hotels, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations).

For the avoidance of doubt, Franchisor reserves for itself and its affiliates all rights not expressly granted to Developer in this Agreement and the right to do all things that Franchisor does not expressly agree in this Agreement not to do, in each case, without regard to proximity to the Development Area and without any compensation to Developer, and on such terms and conditions as Franchisor deems appropriate. Without limitation, Franchisor and its affiliates may, themselves or through authorized third parties (and Developer is not granted the right to): (a) open and operate, and license third parties the right to open or operate, Studios utilizing the Marks and System outside the Development Area; (b) market, offer and sell products and services similar to those offered by Studios (such as private label products that Franchisor may develop and training programs) under a different trademark or trademarks at any location, both within or outside the Development Area; (c) use the Marks and other aspects of the System, as well as any other marks Franchisor may designate, to distribute products and services through alternate channels of distribution, including without limitation, via the Internet and other e-commerce channels, catalog sales, direct mail or wholesale, anywhere either within or outside the Development Area; (d) acquire, or be acquired by, or merge with, any company, including a company operating or licensing one or more businesses offering products or services similar to those offered by any Studio located within or outside the Development Area, and subsequently operate (or license a third-party the right to operate) these businesses and allow them to incorporate certain elements of the System (excluding the Marks and Trade Dress) regardless of location; (e) develop or become associated with and engage in other businesses, including other fitness concepts and systems, and/or award franchises under such other concepts for locations anywhere, including inside and outside of the Development Area; (f) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not

expressly prohibited by this Agreement; and (g) open and operate, or license third parties the right to open or operate, Studios at Non-Traditional Locations both within and outside the Development Area.

**C. Development Schedule.** The Development Schedule is set forth on Exhibit A hereto. Each period described in the Development Schedule is a “Development Period.” Developer (or its approved affiliate) must ~~open~~conduct its Soft Opening and operate Studios in the Development Area, each pursuant to a written franchise agreement and related agreements signed by Franchisor and a franchisee (each a “Franchise Agreement”), as necessary to satisfy the requirements of each Development Period, but Developer shall not be required to open, in total, more than the cumulative number of Studios shown for the last Development Period. To determine whether a Studio has conducted its Soft Opening for purposes of the Development Schedule, “Soft Opening” means that the respective Studio’s doors are open to the general public for participating in regular classes in the physical premises of the Studio. The Development Schedule is not a representation (express or implied) by Franchisor that the Development Area can support, or that there are or will be sufficient sites for, the number of Studios specified in the Development Schedule or during any particular Development Period. Franchisor is relying on Developer’s knowledge and expertise of the Development Area and Developer’s representation that it has conducted its own independent investigation and has determined that it can satisfy the development obligations under each Development Period of the Development Schedule.

Notwithstanding anything contained in this Section, Franchisor will provide Developer with a one-time reasonable extension of time not to exceed 90 days to comply with its development obligations in any one of the Development Period as set forth in the Development Schedule (see Exhibit A), provided: (i) Developer has already executed a lease for, or otherwise obtained, a Site (defined in Section 2.D below) that Franchisor approves for any Studio(s) it is required to ~~open~~conduct its Soft Opening and operate during that Development Period; and (ii) Developer notifies Franchisor of its need for such an extension no less than 30 days prior to expiration of that Development Period. The Parties agree and acknowledge that Franchisor’s grant of this one-time extension under this Section will not extend, modify or otherwise affect the expiration of any of Developer’s subsequent Development Periods or subsequent development obligations.

**D. Locating Sites for Studios.** Despite any assistance Franchisor may provide, Developer is entirely responsible to locate and present to Franchisor proposed sites for Studios in the Development Area as necessary to comply with the Development Schedule (each a “Site”). Developer agrees to give Franchisor all information and materials it requests to assess each proposed Site as well as Developer’s and its proposed affiliate’s financial and operational ability to develop and operate a Studio at the proposed Site. Franchisor has the absolute right to reject any site or any affiliate (a) that does not meet Franchisor’s criteria or (b) if Developer or its affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement or operating its or their Studios in compliance with the mandatory specifications, standards, operating procedures and rules that Franchisor periodically prescribes for operating Studios. Franchisor agrees to use its reasonable efforts to review and evaluate the proposed Sites within 30 days after it receives all requested information and materials. If Franchisor accepts a proposed Site, Developer (or its approved affiliate) must timely sign a separate Franchise Agreement for the Site as described in Section 2.E below.

**E. Execution of Franchise Agreements.** Simultaneously with the execution of this Agreement, Developer (or its approved affiliate) must sign and deliver to Franchisor a Franchise Agreement and related documents representing the first Franchise that Developer is obligated to acquire under this Agreement. Developer (or its approved affiliate) must thereafter ~~open~~conduct its Soft Opening and operate a Studio according to the terms of that Franchise Agreement. Thereafter, once Franchisor has accepted a Site, and prior to signing a lease or otherwise securing possession of the Site, Developer (or its approved affiliate) must sign Franchisor’s then-current form of Franchise Agreement (including, without

limitation, all exhibits and attachments thereto) and related documents, the terms of which, ~~with the exceptions provided hereunder,~~ may differ substantially from the terms contained in the form of Franchise Agreement that Franchisor is using to grant Franchises on the Effective Date, ~~except that the percentage of Gross Sales on which Royalty Fees is calculated will be the same as expressed in the first;~~ provided, however, the Initial Franchise Fee that will be owed under each subsequent Franchise Agreement signed concurrently with the execution of this Agreement will be same amount as provided herein, unless reduced by Franchisor at its discretion. Each Franchise Agreement will govern the development and operation of the Studio at the accepted Site identified therein. Franchisor may refuse to issue and enter into a Franchise Agreement if (a) in its sole discretion, it has not approved Developer's proposed affiliate, (b) Developer has not established to Franchisor's satisfaction that it has the operational and financial capacity to develop and operate the proposed Studio, (c) Developer and its affiliates are not then in compliance with any agreements to which they are a party with Franchisor or its affiliates, (d) Developer or its affiliates have failed to pay any amounts owed to Franchisor or its affiliates during the preceding 12 months, or (e) Developer or its approved affiliates and their respective owners fail to sign and return to Franchisor the Franchise Agreement and all ancillary agreements and required fees within 15 days following Franchisor's delivery of the execution of copy of the Franchise Agreement to Developer or its approved affiliate.

Expiration or termination of this Agreement does not impact the continued existence of any Franchise Agreements that are, as of such time, already fully executed unless, in the case of termination, the grounds for termination are also bases for termination under the Franchise Agreements and such Franchise Agreements are expressly terminated.

### 3. STUDIO CLOSINGS

If, with Franchisor's permission, Developer (or its approved affiliate) permanently closes any of its Studios, the closed Studio will count toward satisfaction of the Development Schedule only if (a) as of the end of the Development Period in which the Studio closes, Developer and its affiliates are otherwise in compliance with this Agreement, all Franchise Agreements executed pursuant to this Agreement, and all other agreements with Franchisor or its affiliates, and (b) within nine (9) months after Franchisor grants its permission for the closed Studio to close, Developer (or its approved affiliate) develops and commences operation of a replacement Studio in compliance with an applicable Franchise Agreement. If, during the Term, Developer transfers a Studio in accordance with the transferred Studio's Franchise Agreement, the transferred Studio shall continue to be counted in determining Developer's compliance with the Development Schedule so long as it continues to be operated as a Studio. If, at any time, the transferred Studio ceases to be operated as a Studio, it will not count toward satisfaction of the Development Schedule.

### 4. DEVELOPMENT FEE

Concurrently with the execution of this Agreement, Developer must pay to Franchisor a nonrecurring and non-refundable ~~area~~ development fee equal to the amount shown on Exhibit A hereto (the "Development Fee"). The Development Fee is deemed fully earned by Franchisor upon execution of this Agreement in consideration of lost development opportunities and is nonrefundable under any circumstances. For each Franchisor will credit the Development Fee, in \$10,000 increments, toward payment of the Initial Franchise Fee due under the second and each subsequent Franchise Agreement applicable to the Studios Developer is required to open in satisfaction of the Development Schedule; Developer shall not be required to pay the initial franchise fee under each Franchise Agreement so long as Developer and its affiliates are in compliance with this Agreement and all other agreements with us,



~~including each Franchise Agreement signed pursuant to this Agreement, until the aggregate amount of these credits equals the Development Fee.~~

## 5. NO LICENSE TO THE MARKS

Notwithstanding any provision to the contrary under this Agreement, this Agreement does not grant Developer (or any of its affiliates) any right to use the Marks. The right to use the Marks is granted only under Franchise Agreements. Developer (and its affiliates) may not use any Mark as part of any corporate or trade name or as its (or their) primary business name or with any prefix, suffix or other modifying words, terms, designs, symbols or in any modified forms.

## 6. COVENANTS REGARDING COMPETITIVE ACTIVITIES

**A. Noncompetition Restrictions.** Developer acknowledges that, under each Franchise Agreement executed pursuant to this Agreement, the Restricted Parties (as defined in the Franchise Agreements) are subject to certain restrictions and covenants regarding activities which are deemed competitive with those of Franchisor, including restrictions regarding Competing Businesses, as that term is defined in the Franchise Agreement (the “Noncompetition Restrictions”). Developer acknowledges and agrees that it and its owners are subject to, and will comply with, all of the Noncompetition Restrictions described in the Franchise Agreements, each of which is adopted herein as though copied in its entirety. Developer further agrees that, in addition to any obligations with respect to Noncompetition Restrictions under the Franchise Agreements, for two (2) years after the expiration or sooner termination of this Agreement, or if applicable, after Developer or an owner of Developer has assigned its interest in this Agreement or in Developer (as applicable), the Restricted Parties or the transferring owner (as applicable) shall not own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, provide services to, or have any interest in or involvement with, any other Competing Business: (a) within the Development Area; (b) within 10 miles outside the boundaries of the Development Area, or (c) within a 10-mile radius of any Studio that is open, under lease or otherwise under development as of the date this Agreement expires or is terminated or, if applicable, as to a transferring owner, the date of such transfer.

**B. Enforcement of Covenants.** Developer agrees that: (a) the restrictions contained and described in this Article 6 are reasonable and necessary to protect the legitimate interests of the System and Franchisor, (b) the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 6, and (c) Developer’s or any Restricted Party’s violation of the terms of this Article 6 will cause irreparable injury to Franchisor for which no adequate remedy at law is available and that Franchisor shall be entitled, without bond (which requirement is hereby waived), to preliminary and permanent injunctive relief and damages, as well as an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor shall be entitled. Developer shall pay all costs and expenses, including, without limitation, reasonable attorneys’ fees, incurred by Franchisor in connection with the enforcement of this Article 6. If Developer or a Restricted Party violates any post-term or post-transfer restriction described in this Article 6, the restrictions contained herein shall remain in effect until two (2) years after Developer or such Restricted Party begins to comply with those restrictions. If Developer contests the enforcement of this Article 6 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 6 is delayed. Courts are authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue solely to the extent necessary to render it enforceable and/or reasonable and to

enforce the provision so revised. Franchisor may, in its discretion and upon written notice, reduce the scope of any covenant not to compete, or any portion thereof, without Developer's consent.

## 7. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

**A. Independent Contractor.** The only relationship between Franchisor and Developer created by this Agreement is that of independent contractor. The business conducted by Developer is completely separate and apart from any business that may be operated by Franchisor and nothing in this Agreement shall create a fiduciary relationship between them or constitute either Party as agent, legal representative, subsidiary, joint venturer, partner, employee, servant or fiduciary of the other Party for any purpose whatsoever. Developer is not an affiliate of Franchisor, and neither Party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other Party. Neither Party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either Party that would create an implied or apparent agency or other similar relationship by and between the Parties.

**B. Indemnification.** Developer agrees to indemnify, defend and hold Franchisor, its owners, affiliates, successors and assigns, and the directors, officers, owners, managers, employees, servants, and agents of each (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees that arise out of or are otherwise related to Developer's or an Indemnitee's (a) breach or attempted breach of, or misrepresentation under, this Agreement or in connection with the exercise of the Development Rights in any manner other than as authorized herein; (b) ownership, construction, development, management, or operation of any Studios that Developer or its affiliates own, including, without limitation, Developer's or an Indemnitee's employment practices; (c) gross negligence or intentional misconduct; and/or (d) alleging Developer's or its representatives' violation of Applicable Laws as set forth in Section 13.D below. Notwithstanding the foregoing, any Indemnitee may choose to engage counsel and defend against any such claim and may require immediate reimbursement from the Developer of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. Indemnitees need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against Developer under this Section. Any Indemnitee's failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that person may recover from Developer under this Section.

## 8. TERMINATION

**A. Termination of Franchise by Franchisor.** Franchisor may terminate this Agreement for any of the following reasons:

(1) *Termination Without Cure Opportunity.* Franchisor may terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure, effective immediately upon delivery of written notice, if:

(a) Developer has made any material misrepresentation or omission in the Application Materials or otherwise in connection with applying for the Development Rights or in acquiring the rights granted under any other agreement between Developer or its affiliates and Franchisor or any of Franchisor's affiliates;



(b) Developer experiences any of the following events: (i) it admits its inability, or is unable, to pay its debts as they become due or perform its obligations under this Agreement, (ii) it makes an assignment for the benefit of creditors, (iii) it files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against it, (iv) a receiver is appointed for its business, (v) a final judgment against it remains unsatisfied or of record for at least 30 days, or (vi) it is dissolved or liquidated;

(c) Developer fails to satisfy any requirement under the Development Schedule;

(d) Developer or any of its principal officers, directors, partners, managing members or owners who have signed a Guaranty~~ee~~ is convicted of or pleads no contest to a felony or other crime or offense that, in Franchisor's reasonable opinion, adversely affects the reputation of the System or the goodwill associated with the Marks;

(e) Developer falsifies any financial reports, records, or other information required to be provided by Developer to Franchisor under this Agreement;

(f) A Restricted Party fails to comply with the Noncompetition Restrictions set forth in Article 6 herein;

(g) Developer or its owners make an unauthorized direct or indirect Transfer or attempted or purported Transfer; or

(h) Developer commits or suffers a default of: (i) a provision of this Agreement within six (6) months following a previous violation of the same provision, or (ii) its obligations under this Agreement on three (3) or more separate occasions within any 12-consecutive-month period, in either case regardless of whether Franchisor notifies Developer of the defaults or the defaults are subsequently cured.

(2) *Termination with Cure Opportunity.* Franchisor may terminate this Agreement and all rights granted hereunder, effective immediately on delivery of written notice, if:

(a) Developer fails to obtain Franchisor's prior written approval or consent any time such approval or consent is required by this Agreement, fails to comply with any provision of this Agreement in respect of which Franchisor is not authorized, under Section 8.A(1) above, to terminate immediately, or fails to act in good faith in carrying out the terms of this Agreement and, in any case, does not correct such failure within 30 days after delivery of Franchisor's written notice of such failure; or

(b) Developer or its affiliates fail to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement and does not correct such failure within 10 days after delivery of Franchisor's written notice.

**B. Cross-Default.** If there are now, or hereafter shall be, any other agreements in effect between Developer or any of its affiliates and Franchisor or any of its affiliates (including, without limitation, any Franchise Agreement), a default by Developer or any of its affiliates and/or owners under the terms and conditions of this Agreement or any other such agreement, shall at the option of Franchisor, constitute a default under this Agreement and all such other agreements.

**C. Obligations of Developer upon Termination or Expiration.** Immediately upon termination or expiration of this Agreement for any reason:

(1) All rights and privileges granted by Franchisor to Developer shall immediately cease and be null and void and of no further force and effect, and all such rights and privileges shall immediately revert to Franchisor; and

(2) Developer and the Restricted Parties shall comply with the Noncompetition Restrictions set forth in Article 6 of this Agreement and all other obligations that are triggered by or, either expressly or by their nature, are intended to survive the termination or expiration of this Agreement.

Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Developer, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.

## **9. TRANSFER OF INTEREST**

**A. By Franchisor.** Franchisor shall have the right, in its discretion, without the need for Developer's consent, to transfer, assign or delegate all or any part of its rights or obligations herein.

**B. By Developer and its Owners.** ~~Franchisor is granting the Development Rights based on its assessment of the unique characteristics and capabilities of Developer and its owners to satisfy their obligations under this Agreement. All rights and interests of Developer arising from~~ Developer's rights and duties under this Agreement are personal to Developer. ~~Except as otherwise provided in this Article 9, Developer and its owners may not, without Franchisor's prior written consent, and Franchisor has granted Developer the Development Rights in reliance upon Franchisor's assessment of Developer's (or its owners') individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Accordingly, Developer may not~~ voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, pledge or encumber this Agreement (or any direct or indirect interest in this Agreement), the Development Rights, or any direct or indirect ownership interest in Developer (each a "Transfer"). Any purported Transfer not conducted in accordance with this Article 9 shall be null and void.

~~**C. Conditions for Approval of Transfer.** Developer must provide Franchisor with all information or documents that Franchisor requests about the proposed Transfer, the transferee, and its owners. Franchisor will not unreasonably withhold its approval of a proposed Transfer, but Developer agrees that the failure to satisfy any of the following conditions shall be a reasonable basis for Franchisor to withhold or otherwise condition its consent to a proposed Transfer: (1) the Developer must not be in default of the Development Schedule, (2) the prospective transferee, in Franchisor's reasonable judgment, must be of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable to Franchisor (taking into consideration its then current standards for Developers and any special resources required to comply with the obligations under this Agreement); (3) Developer must pay Franchisor a transfer fee of \$10,000 (except in those cases set forth at the end of this Section where only an administrative fee is charged), as well as any applicable broker fees due in connection with the transaction; (4) Developer and its related parties must, pursuant to a form provided by Franchisor, provide a general release of all claims against Franchisor and its related parties; (5) the proposed transferor and transferee and their respective owners must execute Franchisor's form of consent to transfer pursuant to which, among other things and at Franchisor's option, either (i) transferee agrees to execute Franchisor's then current form of area~~

~~development agreement that will then govern the balance of the Term, or (ii) this Agreement is assigned to and assumed by the proposed transferee; (6) all monies owed, however arising, by Developer or its affiliates to Franchisor, its affiliates, and all suppliers must be paid; (7) there must not be an outstanding default of any provision of this Agreement or of any other agreement between Developer or its affiliates and Franchisor or its affiliates; and (8) at Franchisor's discretion, the Transfer of this Agreement must not be made separate and apart from the Transfer to the same transferee of all Franchise Agreements that were signed pursuant to this Agreement. If Developer is a natural person, instead of a transfer fee, as provided in clause (3) above, Developer shall pay, when requesting Franchisor's consent, an administrative fee of \$500 if the proposed Transfer is to an entity that is wholly owned by Developer or \$1,500 if the proposed Transfer is to a member of Developer's immediate family.~~

~~**D. Right of First Refusal.** If Developer or any of its owners desire to engage in a Transfer, they must receive a written bona fide offer from a third party, then promptly notify Franchisor in writing and send Franchisor an executed copy of the offer. Franchisor shall have the right and option, exercisable within 30 days after actual receipt of such notification and all information regarding the proposed Transfer requested by Franchisor, including copies of any signed contracts related to the proposed Transfer, to purchase the interests described in the written offer. Closing on the purchase must occur within 60 days from the date of notice by Franchisor to the Developer of Franchisor's election to purchase. If Franchisor elects not to accept the offer within the 30 day period, Developer must, subject to Section 9.C above, complete the Transfer described in the written offer within 60 days after the date on which Franchisor declines or is no longer entitled to elect to purchase the interests. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section shall not constitute a waiver of any other provision of this Agreement. If the offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Franchisor may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly traded securities, including its own, or intangible benefits similar to those being offered. If the Parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the offer, then such amount shall be determined by an independent appraiser designated by Franchisor, and his determination shall be binding.~~

## **10. DEVELOPER'S RECORDS AND REPORTS**

Developer must keep accurate records concerning all transactions and written communications between Franchisor and Developer relating to its activities under this Agreement. Franchisor's duly authorized representative has the right, following reasonable notice, at all reasonable hours of the day to examine all Developer's records with respect to the subject matter of this Agreement, and has full and free access to records for that purpose and for the purpose of making extracts. All records must be kept available for at least three (3) years after preparation. Developer must furnish to Franchisor monthly written reports regarding Developer's progress on its compliance with the Development Schedule and in satisfaction of its other obligations under this Agreement.

## **11. NOTICES AND PAYMENTS**

All notices which the Parties hereto may be required or permitted to give under this Agreement ~~shall~~must be in writing and ~~shall be personally~~must be delivered or mailed by certified or registered mail, return receipt requested, postage paid, or by reliable overnight delivery service. Notices sent to Franchisor must be delivered to the address shown n in the opening paragraph of this Agreement, attention: Brand President. Notices sent to Developer must be delivered to the address shown on Exhibit A hereto, to the attention of the person indicated on Exhibit A. Either Party may change its notice address at any time by written notice given to the other Party as herein provided. Notices will be deemed delivered

when actually delivered if delivered by hand, three (3) business days after postmark by the United States Postal Service if delivered by certified or registered mail, or the next business day after deposit with reliable overnight delivery service if delivered in that manner.

Notwithstanding the above, Franchisor may, at its sole discretion, provide notices required or permitted under this Agreement to Developer via electronic mail at Developer's designated email address provided on Exhibit A hereto. Notices sent via electronic mail will be deemed delivered one (1) business day after transmission.

## 12. **RESOLUTION OF DISPUTES**

**A. Governing Law.** Franchisor and Developer agree that all matters relating to arbitration will be governed by the substantive and procedural provisions of the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.), which they acknowledge and agree will supersede any conflicting provisions of any state's laws relating to arbitration. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal laws, this Agreement and any other agreement between Franchisor (or its parents, affiliates, and subsidiaries) and Developer (or its parents, affiliates, and subsidiaries, if applicable), and the rights granted and relationships created thereunder, shall be governed by the internal laws of the State of California, without regard to its conflicts of laws rules, except that the provisions regarding competitive activities shall be interpreted and enforced in accordance with the laws of the state in which the Development Area is located. The Parties further acknowledge and agree that the adoption of California law in this Section is not intended to circumvent or, in any manner, satisfy any jurisdictional requirements contained in any such laws that are expressly and specifically directed to the offer or sale of franchises or the relationships between franchisors and franchisees.

**B. Internal Dispute Resolution.** ~~Developer~~The Parties each agrees that, except as set forth in Section 12.E below, before it (or any of its ~~owners~~parents, affiliates, or subsidiaries, or their respective owners, officers, directors, employees, or representatives) initiates an arbitration or litigation against ~~Franchisor, its~~the other Party (or any of the other Party's parents, affiliates, ~~and~~or subsidiaries, or their respective owners, officers, directors, employees or representatives), ~~Developer~~the Party initiating arbitration or litigation will provide ~~Franchisor~~the other Party with written notice of the underlying claim or dispute (~~the "Dispute"~~) specifying, in detail, the precise nature and grounds of the claim or Dispute. Within thirty (30) days after delivery of such claim or dispute ~~to Franchisor, Franchisor and Developer,~~the Parties will use good faith efforts to discuss and resolve the claim or Dispute informally for a reasonable period which shall be no more than sixty (60) days unless mutually extended by the Parties. ~~This Section shall survive termination or expiration of this Agreement.~~The Parties must personally participate in the informal dispute resolution conference. The statute of limitations and any arbitration filing fee deadlines shall be tolled while the Parties engage in the internal dispute resolution process described in this Section.

**C. Mediation.** Except as provided in Section 12.E below, the Parties agree to submit any claim or Dispute that they are unable to resolve informally, as described in Section 12.B above, to mediation to be conducted by JAMS using its then-current mediation rules and procedures (see [www.jamsadr.com/mediation](http://www.jamsadr.com/mediation)) and to take place at Franchisor's or, as applicable, Franchisor's successor's or assign's, then-current principal place of business (currently, Irvine, California) or via a videoconferencing platform, if both Parties agree. Each Party will bear its own costs in participating in the mediation, and Franchisor and Developer will share JAMS' and the mediator's fees and costs equally. Neither Party will be required to mediate for more than one (1) day.

**D. Mandatory Binding Arbitration.** If Franchisor waives the obligation to mediate (as described in Section 12.C) or the informal dispute processes described in Sections 12.B and 12.C do not resolve the ~~claim or~~ dispute to the Parties' satisfaction, all controversies, disputes, or claims between Franchisor, or any of its parents, affiliates, and subsidiaries, and its and their respective owners, officers, directors, agents, and employees (the "Franchisor Parties"), on the one hand, and Developer, or any of its parents, affiliates, and subsidiaries, and its and their respective owners, guarantors, officers, directors, agents, and employees (the "Developer Parties"), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between any of the Franchisor Parties and Developer Parties; (2) the relationships between any Franchisor Parties and Developer Parties; (3) the scope or validity of this Agreement or any other agreement referenced in clause (1) above or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Developer acknowledges is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either Party, to JAMS. If any Party initiates arbitration or files any counterclaim, it must submit a personally-signed verification therewith. The arbitration proceedings will be conducted by one mutually acceptable arbitrator and, except as this Section otherwise provides, according to JAMS' then-current Comprehensive Arbitration Rules & Procedures (see [www.jamsadr.com/rules-comprehensive-arbitration/](http://www.jamsadr.com/rules-comprehensive-arbitration/)) or, if applicable, then-current Mass Arbitration Procedures & Guidelines (see <https://www.jamsadr.com/mass-arbitration-procedures>). If the Parties are unable to agree on an arbitrator, an arbitrator having at least five (5) years' experience in the areas involved will be appointed by JAMS. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of Franchisor's (or its successor's or assign's, as applicable) then-current principal place of business (currently, Irvine, California), or via a videoconferencing platform, if both Parties agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each Party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Franchisor, or its parents, affiliates, and subsidiaries, generic or otherwise invalid, or award any punitive or exemplary damages against any Party to the arbitration proceeding (Franchisor and Developer hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any Party to the arbitration proceeding). Except as otherwise stated in this Agreement, the arbitrator shall have no authority to issue any relief on any basis other than an individual basis.

~~Franchisor and Developer will share equally in all fees and costs assessed by JAMS in connection with initiating and conducting the arbitration proceedings, and~~ The Parties agree that each Party ~~agrees to will~~ pay its share of ~~such~~ fees and costs ~~as they become due~~ in accordance with applicable JAMS rules. If a Party fails to timely pay such fees or costs, the other Party may, in its discretion, advance such costs on behalf of the nonpaying Party. ~~At~~ To the extent permitted by applicable law, at the conclusion of the arbitration, the arbitrator shall award to the prevailing Party its fees and costs, including all reasonable experts', attorneys' and other professionals' fees incurred in the proceedings.

In any arbitration proceeding, each Party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each Party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required



will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any Party.

The arbitrator shall have full authority to manage any necessary exchange of information among the Parties with a view to achieving an efficient and economical resolution of the dispute. The Parties may only serve reasonable requests for documents, which must be limited to documents upon which a Party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." ~~No interrogatories or requests to admit shall be propounded, unless the Parties later mutually agree to their use.~~

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

~~If any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a particular dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all Parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.~~

In the event any portion of this Section is deemed unenforceable, the remainder of this agreement to arbitrate will be enforceable.

The parties to any mediation or arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law.

**E. Other Proceedings (Right to Injunctive Relief).** Nothing in this Agreement, including the provisions of Sections 12.B through 12.D, bars ~~Franchisor's~~ a Party's right to seek and obtain in any court of competent jurisdiction injunctive or other equitable relief against actual or threatened conduct that it believes is likely to cause loss or damage to its trademarks (including the Marks), its proprietary information, or its systems (including the System), in each case, under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. ~~Developer~~ Each Party agrees that ~~Franchisor~~ the other may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. ~~Franchise~~ The Parties agrees that ~~Franchisor~~ the Party seeking injunctive relief pursuant to this Section will not be required to post a bond to obtain injunctive relief and that ~~Developer's~~ the only remedy for a Party if an injunction is entered against it will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

**F. Consent to Jurisdiction.** Subject to the obligation to submit to binding arbitration under Section 12.D above, Franchisor and Developer agree that all controversies, disputes, or claims between them or any Franchisor Parties and Developer Parties arising out of or related to this Agreement or any other agreement between a Franchisor Party and a Developer Party or their relationships with each other must be commenced exclusively in state or federal court closest to Franchisor's (or its successor's or assign's, as applicable) then-current principal place of business (currently, Irvine, California), and the Parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. **Waiver of Punitive Damages.** ~~Developer~~ The Parties hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental,

indirect, special or consequential damages (including, without limitation, lost profits) against ~~Franchisor~~each other arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, ~~that Developer's~~ recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the Term if it is terminated due to Developer's default, which the Parties agree and acknowledge Franchisor may claim under this Agreement.

**H. WAIVER OF JURY TRIAL.** ~~FRANCHISOR AND DEVELOPER~~THE PARTIES HEREBY AGREE TO WAIVE THEIR RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS AND/OR ANY GOODS OR SERVICES.

**I. WAIVER OF CLASS ACTIONS.** ~~FRANCHISOR AND DEVELOPER~~THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE DEVELOPMENT RIGHTS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR ~~ITS~~ THEIR RESPECTIVE AFFILIATES, OFFICERS, OWNERS, OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD-PARTY. The Parties expressly waive the right to have any claim or dispute brought, heard, administered, resolved, or arbitrated as a class, collective, coordinated, consolidated, and/or representative action, and neither an arbitrator nor an arbitration provider shall have any authority to hear, arbitrate, or administer any class, collective, coordinated, consolidated, and/or representative action, or to award relief to anyone but the individual in arbitration. The Parties also expressly waive the right to seek, recover, or obtain any non-individual relief. Notwithstanding anything else in this Agreement, this Section does not prevent the Parties from participating in a classwide, collective, and/or representative settlement of claims. Notwithstanding any other provision of this Agreement, only a court of competent jurisdiction shall have the authority to resolve disputes arising out of or relating to this Section, including, but not limited to, any claim that all or part of this Section is unenforceable, unconscionable, illegal, void, or voidable.

**J. Grouped Arbitrations.** To the extent permitted by applicable law and notwithstanding any other provision of this Agreement, to increase efficiency of resolution, in the event 75 or more similar arbitration demands are filed within a 30-day period: (a) the Parties shall cooperate to organize the arbitration demands into randomized groups of no more than 75 demands (plus, to the extent there are fewer than 75 arbitration demands remaining, a final group consisting of the remaining demands); (b) Developers' counsel shall organize and present the grouped demands to the arbitration provider in a format as required under the JAMS Mass Arbitration Procedures & Guidelines; (c) JAMS shall assess one set of filing and administrative fees per group and shall assign one arbitrator per group, subject to any applicable disclosure and disqualification procedures available under applicable law; (d) JAMS shall set one initial administrative conference per group; (e) regardless of the grouping described above, the arbitrator shall resolve all arbitrations within a group on an individual basis; (f) the first group of 75 arbitrations shall proceed on an individual basis, while the remaining cases are stayed and applicable statutes of limitations for those cases are tolled; (g) the Parties shall use their best efforts to complete the

initial 75 individual arbitrations within 120 days after the initial administrative conference, and shall engage in good-faith mediation following resolution of the initial 75 individual arbitrations; (h) if mediation is unsuccessful, the remaining cases shall proceed on an individual basis in groups of 75 cases (plus, to the extent there are fewer than 75 arbitration demands remaining, a final group consisting of the remaining demands); and (i) no final award from an arbitrator in any one arbitration shall have preclusive effect in any other arbitration. The Parties agree to cooperate in good faith to implement the above grouped approach to administration of the arbitration demands.

If any similar arbitration demands were originally processed as individual arbitration demands before this grouping procedure was commenced, further proceedings, including the assessment of further arbitration filing or administration fees to either Party shall be governed by the procedures set forth in this Section.

**K.** ~~**J. Attorneys' Fees and Costs.**~~ ~~The~~

(1) To the extent permitted by applicable law, if legal action or arbitration is necessary to enforce the terms and conditions of this Agreement, the prevailing Party ~~in any action described in this Article 12~~ shall be entitled to recover reasonable compensation for preparation, investigation, court costs, arbitration costs (if applicable) and reasonable attorneys' ~~and other professionals'~~ fees ~~(collectively, "Costs")~~, from the non-prevailing Party as fixed by an arbitrator or court of competent jurisdiction.

(2) Separate and distinct from the right of a prevailing Party to recover expenses, costs pursuant to this and fees in Section 12.1 ~~with any legal proceeding or arbitration~~, the prevailing Party shall also be entitled to receive all expenses, costs related to and reasonable attorneys' fees incurred in connection with the enforcement of any arbitration award or judgment entered, to the extent permitted by applicable law. Furthermore, the right to recover post-arbitration award and post judgment expenses, costs and attorneys' fees shall be severable and shall survive any award or judgment and shall not be deemed merged into such judgment.

~~**K. Limitation of Actions.** Developer agrees that no legal action or claim arising out of or under this Agreement may be asserted by Developer against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Developer becomes aware, or should have become aware after reasonable investigation, of facts or circumstances reasonably indicating that Developer may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set off. Developer hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.~~

**L. Third Party Beneficiaries.** Franchisor's officers, directors, owners, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Article 12, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by Developer.



### 13. MISCELLANEOUS PROVISIONS

A. **Severability.** Each article, section, paragraph, term and provision of this Agreement, or any portion thereof, shall be considered severable and if, for any reason, any such ~~provision~~portion of this Agreement is held by an arbitrator or by a court of competent jurisdiction to be unenforceable due to any applicable existing or future law or regulation, such portion shall not impair the operation of or have any effect upon, the remaining portions of this Agreement which will remain in full force and effect. No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

B. **Waiver and Delay.** No failure, refusal or neglect of Franchisor to exercise any right, power, remedy or option reserved to it under this Agreement, or to insist upon strict compliance by Developer with any obligation, condition, specification, standard or operating procedure in this Agreement, shall constitute a waiver of any provision of this Agreement and the right of Franchisor to demand exact compliance with this Agreement, or to declare any subsequent breach or default or nullify the effectiveness of any provision of this Agreement. Subsequent acceptance by Franchisor of any payment(s) owed to it under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Agreement.

**The following provision applies if Developer or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin:** No statement, questionnaire, or acknowledgement signed or agreed to by a Developer in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

C. **Franchisor's Discretion.** Except as otherwise specifically referenced herein, all acts, decisions, determinations, specifications, prescriptions, authorizations, approvals, consents and similar acts by Franchisor may be taken or exercised in the sole and absolute discretion of Franchisor, regardless of the impact upon Developer. Developer acknowledges and agrees that when Franchisor exercises its discretion or judgment, its decisions may be for the benefit of Franchisor or the System and may not be in the best interest of Developer as an individual area developer.

D. **Developer's Responsibility.** It is Developer's sole responsibility to conduct its business hereunder in compliance with all applicable federal, state and local laws and regulations ("Applicable Laws"). Developer acknowledges that nothing in this Agreement shall, or may be construed to, create any type of employer or joint employer relationship between (a) Developer or any of Developer's personnel, and (b) Franchisor in any matter.

E. **No Recourse Against Nonparty Affiliates.** Developer agrees that it will look only to Franchisor to perform under this Agreement. Franchisor's affiliates are not parties to this Agreement and have no obligations under it. Developer may not look to Franchisor's affiliates for performance. Developer agrees that Franchisor's and its affiliates' members, managers, owners, directors, officers, employees and agents shall not be personally liable or named as a party in any action between Franchisor or its affiliates and Developer or its affiliates or their respective owners.

**F. Non-Disparagement.** Developer agrees that it will not (and will use its best efforts to cause its current and former owners, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) (i) make any untrue or derogatory statements concerning Franchisor and its affiliates, as well as their present and former officers, employees, shareholders, directors, agents, attorneys, servants, representatives, successors and assigns; or (ii) undertake any act which would (a) subject the Marks to ridicule, scandal, reproach, scorn, or indignity, (b) negatively impact the goodwill of Franchisor or its affiliates, the Marks, other components of the System, or any other brands owned or controlled by Franchisor or its affiliates, or (c) constitute an act of moral turpitude (including, without limitation, verbal, physical, or sexual harassment towards any other person).

Notwithstanding the foregoing, nothing in this Agreement or any other agreement with Franchisor restricts or prohibits any person from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Securities and Exchange Commission, or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. No person needs the prior authorization of Franchisor to engage in conduct protected by the preceding sentence, and no person needs to notify Franchisor that such person has engaged in such conduct.

#### 14. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire and only agreement between the Parties concerning the granting and awarding the Development Rights granted hereunder, and supersede all prior and contemporaneous agreements. ~~There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the Parties other than those set forth herein.~~ Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either Party unless mutually agreed to by the Parties and executed by their authorized officers or agents in writing. This Agreement does not alter other agreements between Franchisor or its affiliates and Developer or its affiliates. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Developer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

*[Signature Page Follows]*

[signature page to ~~Area Development~~Multi-Unit Agreement]

**IN WITNESS WHEREOF**, the ~~p~~Parties have executed this Agreement on the dates set forth below to be effective as of the Effective Date.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**[NAME OF DEVELOPER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**EFFECTIVE DATE:** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Capacity: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT A**  
**TO**  
**~~AREA DEVELOPMENT~~MULTI-UNIT AGREEMENT**

1. **Name and Address of Developer:**

Developer Name: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_  
Email Address: \_\_\_\_\_  
\_\_\_\_\_

2. **Form of Owner (check and complete one):**

\_\_\_ Individual  
  
\_\_\_ Corporation    \_\_\_ Limited Liability Company    \_\_\_ Partnership  
  
State Formed: \_\_\_\_\_ Date: \_\_\_\_\_

3. **Owners.** The following identifies the owner that Developer has designated as, and that Franchisor approves to be, the Operating Principal and lists the full name of each person who is one of Developer's owners, or an owner of one of Developer's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

<u>Owner's Name</u>	<u>Type / %-age of Interest</u>
Operating Principal: _____	_____ %
Other Owners: _____	_____ %
_____	_____ %

4. The **Development Fee** is \_\_\_\_\_

5. The **Development Area** is comprised of: \_\_\_\_\_, as depicted on the map attached to this Exhibit. If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of the ~~Development~~Multi-Unit Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

6. The **Development Schedule** is as follows:

Expiration of Development Period	Number of New Studios to <del>be Opened</del> <u>Conduct a Soft Opening</u> During the Development Period*	<u>Cumulative</u> Number of Studios <del>Open</del> <u>Operating</u> as of the End of the Development Period*

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\* As previously indicated, “Soft Opening” shall mean that the respective Studio’s doors are open to the general public for participating in regular classes in the physical premises of the Studio.

7. **Additional Terms or Modifications to This Agreement** (which terms, if any, will control any inconsistencies between the following and the terms in the body of this Agreement):

[insert as applicable]

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

**[NAME OF DEVELOPER]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Capacity: \_\_\_\_\_  
Date: \_\_\_\_\_

### **MAP OF DEVELOPMENT AREA**

**EXHIBIT B TO ~~Area Development~~Multi-Unit AGREEMENT**  
**GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT**

For value received, and in consideration for, and as an inducement to PB Franchising SPV, LLC (the “Franchisor”) to execute the ~~Area Development~~Multi-Unit Agreement (the “~~Development~~Multi-Unit Agreement”), dated \_\_\_\_\_, 20\_\_ (the “Effective Date”), by and between Franchisor and \_\_\_\_\_ or his assignee, if a partnership, corporation or limited liability company is later formed (the “Developer”), the undersigned (each a “Guarantor”), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Developer of each obligation undertaken by Developer under the terms of the ~~Development~~Multi-Unit Agreement.

Upon demand by Franchisor, Guarantor will immediately make each payment required of Developer under the ~~Development~~Multi-Unit Agreement. Guarantor hereby waives any right to require Franchisor to: (a) proceed against Developer for any payment required under the ~~Development~~Multi-Unit Agreement; (b) proceed against or exhaust any security from Developer; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer. Without affecting the obligations of Guarantor under this Guarantee, Indemnification and Acknowledgment (the “Guarantee”), Franchisor may, without notice to Guarantor, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust or compromise any claims against Developer.

Guarantor waives notice of amendment of the ~~Development~~Multi-Unit Agreement and notice of demand for payment by Developer and agrees to be bound by any and all such amendments and changes to the ~~Development~~Multi-Unit Agreement.

Guarantor hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorneys’ fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the ~~Development~~Multi-Unit Agreement, any amendment, or any other agreement executed by Developer referred to therein.

Guarantor hereby acknowledges and agrees to be individually bound by all obligations and covenants of Developer contained in the ~~Development~~Multi-Unit Agreement, including those related to non-competition.

If Guarantor is a business entity, retirement or investment account, or trust acknowledges and it agrees that if Developer (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor’s account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guarantee shall terminate upon the expiration or termination of the ~~Development~~Multi-Unit Agreement, except that this Guarantee shall continue in full force and effect with respect to all obligations and liabilities of Developer and Guarantor that arise from events that occurred on or before the effective date of such expiration or termination or that are triggered by or survive expiration or termination of the ~~Development~~Multi-Unit Agreement. This Guarantee is binding upon each Guarantor and its respective estate, executors, administrators, heirs, beneficiaries, and successors in interest.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Developer, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the ~~Development~~Multi-Unit Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the ~~Development~~Multi-Unit Agreement.

The provisions contained in Article 12 of the ~~Development~~Multi-Unit Agreement (Resolution of Disputes), including without limitation, Section 12.A (Governing Law), Section 12.C (Mediation), Section 12.D (Mandatory Binding Arbitration), Section 12.F (Consent to Jurisdiction), and Section 12.~~JK~~ (Attorneys' Fees and Costs), are incorporated into this Guarantee by reference and shall govern this Guarantee and any disputes between the Guarantors and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses it incurs in connection with enforcing the terms of this Guarantee.

**IN WITNESS WHEREOF**, each of the undersigned has signed this Guarantee as of the Effective Date.

GUARANTOR(S)	SPOUSE(S)
Name: _____ Sign: _____ Address: _____ _____ _____ <u>Email Address:</u> _____	Name: _____ Sign: _____ Address: _____ _____ _____ <u>Email Address:</u> _____
Name: _____ Sign: _____ Address: _____ _____ _____ <u>Email Address:</u> _____	Name: _____ Sign: _____ Address: _____ _____ _____ <u>Email Address:</u> _____

**EXHIBIT L-1**

**FRANCHISE AGREEMENT SOURCING FEE ADDENDUM**



**EXHIBIT L-1**  
**FRANCHISE AGREEMENT SOURCING FEE ADDENDUM**  
**(PURE BARRE)**

**THIS SOURCING FEE ADDENDUM** (this “**Sourcing Fee Addendum**”) is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Franchisee**”).

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Franchise Agreement**”) that has been signed concurrently with the signing of this Sourcing Fee Addendum. This Sourcing Fee Addendum supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Sourcing Fee Addendum have the meanings as defined in the Franchise Agreement. This Sourcing Fee Addendum is annexed to and forms part of the Franchise Agreement.

2. **Sourcing Fee.** Franchisee (and/or its affiliate(s)) currently operates an existing Pure Barre Studio, and in connection with the grant of the Franchise under the Franchise Agreement, a commission is owed to a third-party franchise broker based on a previously-made introduction to Franchisor or its affiliates. Accordingly, Franchisee agrees to pay, on its execution of the Franchise Agreement, a non-refundable sourcing fee in the amount of \$28,000 (which shall be paid in addition to the Initial Franchise Fee due under the Franchise Agreement).

**IN WITNESS WHEREOF**, the parties have executed and delivered this Sourcing Fee Addendum to be effective as of the Effective Date of the Franchise Agreement.

**PB FRANCHISING SPV, LLC**,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**“FRANCHISEE”**

[if an individual]

\_\_\_\_\_  
[Name], individually

Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]

\_\_\_\_\_  
[Name], a [state/type]

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**EXHIBIT L-2**

**MULTI-UNIT AGREEMENT SOURCING FEE ADDENDUM**

**EXHIBIT L-2**  
**MULTI-UNIT AGREEMENT SOURCING FEE ADDENDUM**  
**(PURE BARRE)**

**THIS SOURCING FEE ADDENDUM** (this “**Sourcing Fee Addendum**”) is made and entered into by and between **PB FRANCHISING SPV, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Ave., Suite 100 Irvine, CA 92614 (“**Franchisor**”), and \_\_\_\_\_, whose principal business address is \_\_\_\_\_ (“**Developer**”).

1. **Background.** Developer and Franchisor are parties to that certain Multi-Unit Agreement dated \_\_\_\_\_, 20\_\_\_\_ (the “**Multi-Unit Agreement**”) that has been signed concurrently with the signing of this Sourcing Fee Addendum. This Sourcing Fee Addendum supersedes any inconsistent or conflicting provisions of the Multi-Unit Agreement. Terms not otherwise defined in this Sourcing Fee Addendum have the meanings as defined in the Multi-Unit Agreement. This Sourcing Fee Addendum is annexed to and forms part of the Multi-Unit Agreement.

2. **Sourcing Fee.** Developer (and/or its affiliate(s)) currently operates an existing Pure Barre Studio, and in connection with the grant of the Development Rights under the Multi-Unit Agreement, a commission is owed to a third-party franchise broker based on a previously-made introduction to Franchisor or its affiliates. Accordingly, Developer agrees to pay, on its execution of the Multi-Unit Agreement, a non-refundable sourcing fee in the amount as follows (check as applicable):

- ☐ If Developer is acquiring Development Rights a Multi-Unit Agreement for the right to open two (2) additional Pure Barre Studios, then the sourcing fee will be \$40,000 (which is due in addition to the Development Fee).
- ☐ If Developer is acquiring Development Rights a Multi-Unit Agreement for the right to open three (3) additional Pure Barre Studios, then the sourcing fee will be \$50,000 (which is due in addition to the Development Fee).
- ☐ If Developer is acquiring Development Rights a Multi-Unit Agreement for the right to open six (6) additional Pure Barre Studios, then the sourcing fee will be \$84,000 (which is due in addition to the Development Fee).
- ☐ If Developer is acquiring Development Rights a Multi-Unit Agreement for the right to open ten (10) additional Pure Barre Studios, then the sourcing fee will be \$120,000 (which is due in addition to the Development Fee).

*[Signature Page to Follow]*

**IN WITNESS WHEREOF**, the parties have executed and delivered this Sourcing Fee Addendum to be effective as of the Effective Date of the Multi-Unit Agreement.

**PB FRANCHISING SPV, LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**“DEVELOPER”**

[if an individual]  
\_\_\_\_\_  
**[Name], individually**  
  
Sign: \_\_\_\_\_  
Date: \_\_\_\_\_

[if a legal entity]  
\_\_\_\_\_  
**[Name], a [state/type]**  
  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

### State Effective Dates

The following states have franchise laws that require that the Franchise 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 document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

California	<del>April 15, 2024</del> <a href="#">Pending</a>
Hawaii	<del>April 6, 2024</del> <a href="#">_____</a>
Illinois	Exempt
Indiana	<del>April 2, 2024</del> <a href="#">Pending</a>
Maryland	<del>April 16, 2024</del> <a href="#">Pending</a>
Michigan	<del>March 30, 2024</del> <a href="#">Pending</a>
Minnesota	<del>May 28, 2024</del> <a href="#">Pending</a>
New York	<del>Exempt</del> <a href="#">Pending</a>
North Dakota	<del>April 26, 2024</del> <a href="#">Pending</a>
Rhode Island	<del>April 6, 2024</del> <a href="#">Pending</a>
South Dakota	<del>March 30, 2024</del> <a href="#">Pending</a>
Virginia	Exemption <a href="#">on Pending</a>
<a href="#">Washington</a>	<a href="#">Pending</a>
Wisconsin	March <del>30</del> <a href="#">14</a> , <del>2024</del> <a href="#">2025</a>

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

**EXHIBIT ~~L~~M**  
**RECEIPTS**

**RECEIPT  
(OUR COPY)**

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If PB Franchising SPV, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, PB Franchising SPV, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If PB Franchising SPV, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

Issuance Date: March ~~30~~14, ~~2024~~2025

The franchisor is PB Franchising SPV, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 and at ~~(513)949~~ 815-8467346-3000. The franchise seller for this offering is:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<u>Katelyn</u>	17877 Von Karman Avenue,	17877 Von Karman Avenue,	17877 Von Karman Avenue,
<u>DiGiorgio</u>	Suite 100	Suite 100	Suite 100
17877 Von Karman Avenue,	Irvine, California 92614	Irvine, California 92614	Irvine, California 92614
Suite 100	<del>(513)949</del> <u>815-8467346-3000</u>	<del>(513)949</del> <u>815-8467346-3000</u>	<del>(513)949</del> <u>815-8467346-3000</u>
Irvine, California 92614			
<del>(513)949</del> <u>815-8467346-3000</u>			

See Exhibit B for PB Franchising SPV, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated March ~~30~~14, ~~2024~~2025, that included the following Exhibits:

Exhibit A	Form of Franchise Agreement and Exhibits	Exhibit <del>GH</del>	<del>Form of General Release</del> <u>State Specific Addenda</u>
Exhibit B	List of State Agents for Service of Process and State Administrators	Exhibit <del>HI</del>	<del>State Specific Addenda</del> <u>List of Franchisees</u>
Exhibit C	Financial Statements	Exhibit <del>IJ</del>	List of <del>Current</del> Franchisees <u>That Left System</u>
Exhibit D	Guaranty of Performance	Exhibit <del>JK</del>	<del>List of Franchisees That Left System</del> <u>Form of Multi-Unit Agreement</u>
Exhibit E	Statement of Prospective Franchisee	Exhibit <del>KL-1</del>	Form of <del>Area Development</del> <u>Sourcing Fee Addendum (Franchise Agreement)</u>
Exhibit F	Table of Contents of Manual	Exhibit <del>L-2</del>	<del>Receipts</del> <u>Form of Sourcing Fee Addendum (Multi-Unit Agreement)</u>
<u>Exhibit G</u>	<u>Form of General Release</u>	<u>Exhibit M</u>	<u>Receipts</u>

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email to PB Franchising SPV, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, California 92614. Email: salesinfo@xponential.com.

## RECEIPT (YOUR COPY)

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If PB Franchising SPV, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, PB Franchising SPV, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, we must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Under Michigan law, we must give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If PB Franchising SPV, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B

Issuance Date: March ~~30~~14, ~~2024~~2025

The franchisor is PB Franchising SPV, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 and at (~~513~~949) ~~815-8467346-3000~~. The franchise seller for this offering is:

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<del>_____</del> <u>Katelyn</u> <u>DiGiorgio</u> 17877 Von Karman Avenue, Suite 100 Irvine, California 92614 ( <del>513</del> <u>949</u> ) <del>815-8467346-3000</del>	17877 Von Karman Avenue, Suite 100 Irvine, California 92614 ( <del>513</del> <u>949</u> ) <del>815-8467346-3000</del>	17877 Von Karman Avenue, Suite 100 Irvine, California 92614 ( <del>513</del> <u>949</u> ) <del>815-8467346-3000</del>	17877 Von Karman Avenue, Suite 100 Irvine, California 92614 ( <del>513</del> <u>949</u> ) <del>815-8467346-3000</del>

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Exhibit E	Statement of Prospective Franchisee	Exhibit <del>KL-1</del>	Form of <del>Area Development</del> <u>Sourcing Fee Addendum (Franchise Agreement)</u>
Exhibit F	Table of Contents of Manual	Exhibit <del>L-2</del>	<del>Receipts</del> <u>Form of Sourcing Fee Addendum (Multi-Unit Agreement)</u>
<u>Exhibit G</u>	<u>Form of General Release</u>	<u>Exhibit M</u>	<u>Receipts</u>

_____ Date	_____ Signature	_____ Printed Name
_____ Date	_____ Signature	_____ Printed Name



Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email to PB Franchising SPV, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, California 92614. Email: [salesinfo@xponential.com](mailto:salesinfo@xponential.com).