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Department of
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FRANCHISE DISCLOSURE DOCUMENT

PB Franchising, LLC
a Delaware limited liability company
3001 Brighton Blvd., Suite 269
Denver, Colorado 80216
(720) 575-6056
www.purebarre.com

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

The total investment necessary to begin operation of a Pure Barre studio is $168,100 to $300,700. This includes $51,300 to $55,900 that must be paid to the franchisor or its affiliates.

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

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosure in different formats, contact Griff Long at 3001 Brighton Blvd., Suite 269, Denver, Colorado 80216 and (646) 656-1302.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract(s) carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "*A Consumer's Guide to Buying a Franchise*," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877- FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: March 31, 2017, as amended November 7, 2017

STATE COVER PAGE

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in Exhibit F for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS IN ORDER TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT IN ORDER TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT REQUIRE YOU TO RESOLVE DISPUTES WITH US BY ARBITRATION OR LITIGATION ONLY IN OR WITHIN 50 MILES OF WHERE OUR PRINCIPAL PLACE OF BUSINESS IS THEN LOCATED (CURRENTLY DENVER, COLORADO). OUT-OF-STATE ARBITRATION OR LITIGATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST YOU MORE TO ARBITRATE OR LITIGATE WITH US IN OR WITHIN 50 MILES OF WHERE OUR PRINCIPAL PLACE OF BUSINESS IS THEN LOCATED THAN IN YOUR OWN STATE.

2. THE FRANCHISE AGREEMENT AND MULTI-UNIT DEVELOPMENT AGREEMENT STATE THAT COLORADO LAW GOVERNS THE AGREEMENTS, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.

3. YOU MUST MAINTAIN MINIMUM SALES PERFORMANCE LEVELS. YOUR INABILITY TO MAINTAIN THESE LEVELS MAY RESULT IN LOSS OF ANY TERRITORIAL RIGHT YOU ARE GRANTED, TERMINATION OF YOUR FRANCHISE AND LOSS OF YOUR INVESTMENT.

4. YOUR SPOUSE, WHO HAS NO OWNERSHIP INTEREST IN THE BUSINESS, IS REQUIRED TO SIGN A DOCUMENT THAT ACKNOWLEDGES YOU HAVE GIVEN A PERSONAL GUARANTEE FOR YOUR FINANCIAL OBLIGATIONS UNDER THE FRANCHISE AGREEMENT. THIS GUARANTEE WILL PLACE YOUR AND YOUR SPOUSE'S MARITAL ASSETS, PERHAPS INCLUDING YOUR HOUSE, AT RISK IF YOUR FRANCHISE FAILS.

5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

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

STATE EFFECTIVE DATES

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

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

California	April 5, 2017, as amended
Hawaii	Pending
Illinois	April 3, 2017, as amended November 8, 2017
Indiana	March 31, 2017, as amended November 7, 2017
Maryland	September 22, 2017, as amended
Michigan	March 31, 2017, as amended November 7, 2017
Minnesota	May 1, 2017, as amended
New York	April 27, 2017, as amended
North Dakota	April 6, 2017, as amended
Rhode Island	April 2, 2017, as amended
South Dakota	April 3, 2017, as amended November 7, 2017
Virginia	April 12, 2017, as amended
Washington	April 15, 2017, as amended
Wisconsin	March 31, 2017, as amended November 7, 2017

In all other states that do not require registration, the effective date of this disclosure document is the issuance date of March 31, 2017, as amended November 7, 2017.

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 before 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 this failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure this 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 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 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, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: 517-373-7117

Note: Despite subparagraph (f) above, we intend, and we and you agree to fully enforce the arbitration provisions of the Multi-Unit Development Agreement and the Franchise Agreement. We believe that paragraph (f) is unconstitutional and cannot preclude us from enforcing these arbitration provisions. You acknowledge that we will seek to enforce this section as written.

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Applicable state law may require additional disclosures related to the information contained in this disclosure document. These additional disclosures, if any, appear in Exhibit G.

ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify this disclosure document, "we" or "us" means PB Franchising, LLC, the franchisor. "You" means the person or a legal entity, such as a corporation, partnership, limited liability company or other business entity, who is buying the franchise. The franchise you would acquire is referred to as your "Studio."

Our Business

We conduct business under the name Pure Barre. Our principal business address is 3001 Brighton Blvd., Suite 269, Denver, Colorado 80216. We are a Delaware limited liability company, formed on September 20, 2012. We are a wholly owned subsidiary of Pure Barre, LLC (f/k/a PB Holdco, LLC) ("Parent"). Franchising under the name "Pure Barre" is the only business activity we conduct. We have no prior business activities. We do not operate businesses of the type being franchised, but our affiliates do.

On October 11, 2012 (the "Closing Date"), under the terms of an Asset Purchase Agreement, Parent purchased from Pure Barre Franchising, LLC ("Predecessor"), Pure Barre IP, LLC ("Predecessor's Licensor"), Pure Barre Product, LLC ("Predecessor's Product Affiliate") and the individual owner of each of the foregoing entities substantially all of the assets of the Pure Barre franchise system, including all franchise agreements, trademarks, service marks and other intellectual property that comprise the Pure Barre franchise system and the Pure Barre brand (the "Transaction"). As part of the Transaction, Parent received ownership of the trademarks and service marks associated with the Pure Barre brand, contributed to us all of the franchise agreements for the operation of franchised Pure Barre studios, and licensed us to use and sublicense the use of the trademarks and services marks associated with the Pure Barre brand. As a result, we became the franchisor of the Pure Barre franchise system and we now offer and sell franchises for the operation of Pure Barre studios. We have offered franchises for Pure Barre studios since the Closing Date.

Our agents for service of process and their principal business addresses are identified in Exhibit F.

Predecessor and Predecessor's Affiliates

Predecessor offered franchises for Pure Barre studios from 2009 through the Closing Date. Predecessor conducted business under its corporate name and under the name "Pure Barre." Predecessor did not operate or offer franchises in any other line of business. Before the Transaction, Predecessor's Licensor owned the intellectual property associated with the Pure Barre concept including trademarks, service marks, commercial symbols and logotypes, which it licensed to Predecessor for Predecessor's use in franchising the Pure Barre concept. During portions of 2008 and 2009 and before Predecessor began offering franchises for the Pure Barre concept, Pure Barre Licensing, LLC ("Predecessor's Affiliate") signed license agreements with 9 licensees which granted them the right to operate Pure Barre studios. Subsequently in 2009, Predecessor began operation of the franchise system and sold franchises for the right to operate a Pure Barre franchised studio and some of the previously granted licensees converted their license

into a franchise and signed a franchise agreement with the Predecessor. Of the original licensees, one continues to operate its Pure Barre studio under its original license agreements, which was assigned by Predecessor's Affiliate to Predecessor before the Transaction and which was later assigned to us as part of the Transaction. The principal business address for Predecessor, Predecessor's Affiliate, Predecessor's Product Affiliate, and Predecessor's Licensor was 2650 18th Street, Denver, Colorado 80211.

Parent Company and Affiliates

We are a wholly owned subsidiary of Parent, a Delaware limited liability company. Our affiliate, PB Product, LLC, a Delaware limited liability company ("PB Product"), sources and distributes Pure Barre merchandise for sale to franchisees for resale and directly to customers through the Pure Barre website and other channels of distribution. Our affiliate, PB OpCo, LLC ("PB OpCo"), a Delaware limited liability company formed on April 15, 2013, operates Pure Barre Studios and provides construction management and development services in connection with the development of the Pure Barre Studios that our franchisees commit to developing and opening under a Multi-Unit Development Agreement (described below). The principal business address for Parent, PB Product, and PB OpCo is the same as ours. Parent, PB Product, and PB OpCo do not directly offer franchises in any line of business and do not otherwise conduct businesses of the type offered to you in this disclosure document.

On May 1, 2015, under the terms of a Unit Purchase Agreement, Barre Midco, LLC, a Delaware limited liability company, became the owner of Parent. The parent of Barre Midco, LLC, is Barre Holdco, LLC, a Delaware limited liability company; the parent of Barre Holdco, LLC, is CP Barre Holdings, Inc., a Delaware corporation; the parent of CP Barre Holdings, Inc., is FTNS Brands, LLC (formerly known as Fit Holdings, LLC), a Delaware limited liability company; the parent of FTNS Brands, LLC, is Boutique Fitness Holdings, LLC, a Delaware limited liability company; the parents of Boutique Fitness Holdings, LLC, are (i) Catterton Partners VII, L.P., a Delaware limited partnership, (ii) Catterton Partners VII Offshore, L.P., an exempted limited partnership formed under the laws of the Cayman Islands, and (iii) Catterton Partners VII Special Purpose, L.P., an exempted limited partnership formed under the laws of the Cayman Islands. The principal business address for all of the entities referenced in this paragraph is 599 West Putnam Avenue, Greenwich, Connecticut 06830. None of the entities described in this paragraph directly offers franchises in any line of business, but certain of their affiliates offer or have offered franchises for other concepts as follows:

Other Franchises Offered by Affiliates of Our Parent

The following affiliates of our parent offer franchises for other lines of business. None has ever operated or offered franchises for Pure Barre Studios.

> Noodles & Company and its predecessors have, since May 2003, offered franchises for specialty quick-service restaurants that feature pasta-based menu items. Its principal place of business is 520 Zang Street, Suite D, Broomfield, CO 80021. As of December 31, 2016, there were 75 franchised Noodles & Company restaurants in operation in the United States.

Cheddar's Casual Cafe, Inc. has, since 1984, offered franchises for full-service restaurants that operate under the "Cheddar's®" trademark and that offer a variety of food and beverages, including alcohol. Its principal business address is 2900 Ranch Trail, Irving, TX 75063. As of December 31, 2016, there were 70 franchised Cheddar's restaurants in operation in the United States. In 2008, it sold a concept called Fish Daddy's Grill House, for which it had, until that time, sold franchises.

Edible Brands, LLC and its predecessors have, since 2001, sold franchises for stores that produce, deliver, retail, and ship fruit bouquets, chocolate dipped fruit, and related products under the name Edible Arrangements. Its principal business address is 95 Barnes Road, Wallingford, Connecticut 06492. As of December 31, 2016, there were 1,207 franchised Edible locations in the U.S. and Canada and 52 locations in other countries.

CorePower Yoga Franchising, LLC ("CPYF"), has, since 2006, offered franchises for studios that offer yoga and related exercise instruction and courses, yoga teacher training programs, internet-based yoga instruction and related exercise materials, off-site retreats, nutritional workshops, related activities and the sale of related products under the CorePower Yoga® name. Its principal business address is 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216. As of December 31, 2016, there were 40 franchised CorePower Yoga studios in operation in the United States.

Ideal Image Development Corporation has, since 2004, offered franchises for "Ideal Image" brand health and cosmetic treatment centers offering removal or reduction of hair and other cosmetic or health related services, using laser and other technologies. Its principal business address is One Urban Center, 4830 W. Kennedy Blvd., Suite 440, Tampa, Florida 33609. As of December 31, 2016, there were 17 franchised Ideal Image centers in operation in the United States.

Pure Barre's Business and Franchises Offered

As a franchisee, you would be in the business of operating an exercise and workout studio, which will offer an exercise program that provides a total body workout by trained instructors in a classroom setting. The program includes techniques and methods that are proprietary to Parent and 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. The franchises operate under the name "Pure Barre" and other trademarks, service marks, logos, and commercial symbols we periodically authorize (the "Marks"). To acquire a franchise, you must enter into a Franchise Agreement (the "Franchise Agreement"), which is attached as Exhibit A to this disclosure document. The Franchise Agreement, along with our franchisee policy manuals (the "Manuals"), which we may modify as we see fit, govern the development and operation of your Studio.

We may, in our discretion, offer you the right to enter into a Multi-Unit Development Agreement (also sometimes known as an "Area Development Agreement") (the "Multi-Unit Development Agreement"), under which you would agree to acquire a specified number of franchises and open, according to a specified schedule (the "Development Schedule"), a corresponding number

of Pure Barre Studios, each under a separate Franchise Agreement, within a specifically described geographic territory (the "Development Area"). The form of Multi-Unit Development Agreement you would sign, if we were to make that opportunity available to you, is attached as Exhibit B to this disclosure document. For each Pure Barre Studio you develop, you must sign our then-current form of Franchise Agreement, which may be different than the form we were using when you signed the Multi-Unit Development Agreement.

As a franchisee, you must maintain at all times sufficient working capital and liquidity (i.e., cash and cash equivalents) to develop and operate your Studio without interruption. We reserve the right to establish minimum levels of liquidity and working capital reserves, and you will be required to comply with these minimum requirements.

Competition

The general market for exercise studios is well-developed. Our target customer base is young to middle-aged women who are interested in physical fitness and increased strength and flexibility, and are capable of participating in moderate to strenuous exercise. Your competition would include the general physical fitness industry including health clubs, gymnasiums, yoga and Pilates studios, and other fitness and workout programs as well as other exercise studios that incorporate a ballet barre in their programs. The market for our services is year-round, but it will fluctuate to some degree depending on the time of year.

Depending on the jurisdiction, this industry can be subject to specific laws, regulations, and licensing requirements, including those under business and professional licenses, facility use, the terms of agreements with customers, the terms of agreements with employees, health, safety, and welfare, sanitation, smoking, access by disabled persons, fire safety and emergency preparedness, taxes and fees, privacy, and advertisements and representations to the public. Certain states and local governments have laws relating specifically to health and fitness clubs, such as laws requiring certain medical equipment (such as automated external defibrillators) be on site at the club and requiring bonds to be purchased and/or escrows to be established to protect consumers who prepay for memberships. You should investigate the laws and regulations that apply in your area, and you may want to obtain a complete copy of your state's and other applicable statutes and regulations and discuss them with your attorney.

ITEM 2. BUSINESS EXPERIENCE

Jaime Wall, Executive Chairwoman

Ms. Wall has been our Executive Chairwoman since September 2016. From September 2016 to January 2, 2017, Ms. Wall served as our Interim Chief Executive Officer. From September 2012 to April 2015, Ms. Wall was a Manager for us and our Parent. Since July 2010, Ms. Wall has been a Managing Director of the private equity firm of WJ Partners (her employer) based in Spartanburg, South Carolina. Ms. Wall serves in her present capacities in Spartanburg, South Carolina.

David A. Keil, Chief Executive Officer

Mr. Keil has been Chief Executive Officer for us, our Parent, PB Product, and PB OpCo since January 3, 2017. Since March 2016, Mr. Keil has been Principal for K5 Advisors, LLC, in Milton, Georgia. From April 2015 to March 2016, Mr. Keil was Chief Executive Officer of The Honey Baked Ham Company, LLC, located in Alpharetta, Georgia. From August 2004 to April 2015, Mr. Keil served in various roles with Ecolab in St. Paul, Minnesota, most recently as Vice President of Enterprise Excellence.

Carrie Dorr, Chief Barre Officer

Ms. Dorr is the founder of the Pure Barre concept and since December 15, 2016, she has been our Chief Barre Officer. From January 2015 to August 2015, she was on sabbatical. In August 2015, Ms. Dorr founded, and since that time has served on the board of directors of, Soul Day Foundation, a 501(c)(3) organization based in Denver, Colorado. From October 2012 to December 2014, Ms. Dorr served as our Chief Concept Officer. From its formation in 2006 to October 2012, Ms. Dorr was the Managing Member of Predecessor's Affiliate. From its formation in 2009 to October 2012, Ms. Dorr was the Managing Member of Predecessor.

Andy Wright, Chief Financial Officer

Mr. Wright has been Chief Financial Officer for us, our Parent, PB Product, and PB OpCo since March 2013. From February 2006 to March 2013, Mr. Wright was the Director of Finance for OTO Development in Spartanburg, South Carolina. Mr. Wright serves in his present capacities in Spartanburg, South Carolina. We anticipate that Mr. Wright's employment with us and our affiliates will end in late November 2017.

Griff Long, Chief Operating Officer

Mr. Long has been Chief Operating Officer for us, our Parent, PB Product, and PB OpCo since February 2017. From July 2016 to January 2017, he was Senior Vice President for SoulCycle in New York, New York. From March 2012 to July 2016, he was Vice President for Equinox in Dallas, Texas.

John Kersh, Chief Development Officer

Mr. Kersh has been our Chief Development Officer since March 2017. From July 2009 to February 2017, he was Vice President of International Development for Self Esteem Brands, LLC, in Woodbury, Minnesota.

Valerie R. Hudson, Vice President of Merchandising

Ms. Hudson has been Vice President of Merchandising for us, our Parent, PB Product, and PB OpCo since May 2016. From October 2014 to February 2016, she was Global Category Director for Oakley in Foothill Ranch, California. From November 2011 to September 2014, she was Merchandising Director for Nike in Beaverton, Oregon.

Julia Barclay, Vice President of Strategy and Business Development

Ms. Barclay has been our Vice President of Strategy and Business Development since September 2017. From August 2016 to September 2017, she was our Director of Strategy. From July 2015 to August 2016, she was Director of Operations Innovation for DaVita in Denver, Colorado. From May 2012 to June 2015, Ms. Barclay served in various roles for McKinsey & Co. in both Atlanta, Georgia, and Charlotte, North Carolina (Engagement Manager from June 2014 to June 2015; Associate from June 2013 to June 2014; and Summer Associate from May 2012 to August 2012). Ms. Barclay was on sabbatical from August 2012 to June 2013.

Mike Kormelink, Vice President of Real Estate Design & Construction

Mr. Kormelink has been our Vice President of Real Estate Design & Construction since March 2017. From May 2013 to March 2017, he served in various other roles for us (Director of Real Estate from January 2014 to March 2017; Real Estate Manager from May 2013 to January 2014). From June 2007 to May 2013, Mr. Kormelink served in various roles for Save-A-Lot in Earth City, Missouri (Real Estate Manager from January 2008 to May 2013; Site Location Analyst from June 2007 to January 2008).

Unless otherwise specified, the individuals listed above are employed by Parent and serve in their present capacities in Denver, Colorado.

ITEM 3. LITIGATION

On July 9, 2009, Carrie Rezabek Dorr and Pure Barre Licensing, LLC entered into a stipulated desist and refrain order with the California Department of Corporations, captioned "The California Corporations Commissioner v. Pure Barre Licensing, L.L.C. and Carrie Rezabek" before the Department of Corporations of the State of California, arising out of certain franchise agreements entered into by Predecessor's Affiliate with its California franchisees. Under the terms of the stipulated order, the respondents agreed to pay an administrative penalty of three thousand dollars and not to engage in any franchise sales before registration of a franchise offering with the state.

Other than this action, no litigation is required to be disclosed in this Item.

ITEM 4. BANKRUPTCY

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

ITEM 5. INITIAL FEES

Initial Franchise Fee

The Initial Fee for a Pure Barre franchise is $46,500 and is due in-full upon signing the Franchise Agreement.

If you are signing a Franchise Agreement for an existing Pure Barre studio that you are buying from another franchisee, we will not charge an Initial Fee, but you, as the buyer, are obligated to pay our then-current training fee (currently $950 per person, but increasing to $1,050 per person in July 2017 and to $1,250 per person in October 2017) to receive required training from us. We may occasionally waive this training fee if you, as the buyer, have previously completed initial training to our satisfaction.

In the fiscal year ended December 31, 2016, we charged certain franchisees a reduced franchise fee of $44,000, and we agreed to accept a fee of $2,500 in lieu of an initial franchise fee for a franchisee that previously operated a Pure Barre Studio pursuant to a license agreement.

Development Fee

If we elect to sign a Multi-Unit Development Agreement with you, you would pay us a multi-unit development fee ("Development Fee") equal to $20,000 multiplied by the number of Pure Barre Studios you agree to develop. A typical Multi-Unit Development Agreement would require the development of 2 to 7 Pure Barre Studios (a "Typical Development Deal"), depending on the size of the Development Area, requiring payment of a Development Fee ranging from $40,000 to $140,000 ($20,000 times the number of Studios required to be developed). We credit the Development Fee, in $20,000 increments, toward the initial franchise fee that is due as Franchise Agreements are signed until the aggregate amount of these credits equals the Development Fee. A Typical Development Deal would require that all Studios be opened within 1 to 2 years after signing the Multi-Unit Development Agreement. We will fully earn the Development Fee when you pay it, and you must pay us the fees in one lump sum.

Development Services Fee

Under the Multi-Unit Development Agreement, you may request that our affiliate, PB OpCo, execute an agreement with you pursuant to which it will develop each Pure Barre Studio for you, including providing site location, construction management, and coordinating the acquisition of furniture, fixtures, equipment and opening inventory. If PB OpCo agrees to perform those services for you, it and you will execute a Development Services Agreement, the form of which is attached to the Multi-Unit Development Agreement as Attachment C. Under the Development Services Agreement, you will be required to pay PB OpCo, in a lump sum, a $25,000 development services fee when you sign each of the Franchise Agreements. In a Typical Development Deal (2 to 7 Studios), the total development services fees would range from $50,000 to $175,000.

Other Initial Payments

Branded Equipment. After signing the Franchise Agreement, but before opening your Studio, you must purchase from PB Product a minimum opening inventory of Pure Barre-branded exercise and related equipment, which will cost approximately $1,800 to $1,900, payable in a lump sum, depending on the quantity you purchase.

Branded Merchandise. You must also purchase from PB Product other Pure Barre-branded merchandise to sell from your Studio, such as DVDs, apparel, and accessories, which will cost approximately $3,000, payable in a lump sum, depending on the quantity you purchase.

Preopening Assistance. Depending on our evaluation of your readiness to open your Studio, we may require you to allow us (or our affiliates) to provide you: pre-sales assistance (for instance, if you fail to meet specified pre-opening membership goals); pre-opening call center services (for instance, to provide assistance in lead generation and follow up with respect to membership sales); and/or preopening training assistance which will typically occur at your Studio (for instance, to help your trainers satisfy their "test out" requirements). This assistance will be approximately $2,500 to $4,500 depending on the assistance that we (or our affiliate) provide you.

Initial Training Fee for More than Six People. Our initial training program is available for no additional charge for up to 6 people. If you wish to send more than 6 people to our initial training program, you will be obligated to pay our then-current training fee (currently $950 per person, but increasing to $1,050 per person in July 2017 and to $1,250 per person in October 2017).

All fees and other amounts you pay to us prior to opening your Studio are uniformly assessed, are payable in a lump sum, and are non-refundable. If an existing franchisee refers a prospective franchisee to us who ultimately purchases a Pure Barre Studio, we may pay the referring franchisee a referral fee in an amount we determine. We may discontinue this referral program at any time.

ITEM 6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	7% of Gross Sales, but after the first full calendar month of operation, the greater of 7% of Gross Sales or $1,000 per month	Currently, the 15th of each calendar month for Gross Sales during the prior month, but subject to change (Note 1)	(Note 2)

Type of Fee	Amount	Due Date	Remarks
Vendor Payments	We do not currently charge this fee. We estimate that this fee will range between $50 to $100 per month if implemented.	Monthly	We may negotiate national agreements with vendors (for example music-licensing companies) and elect to collect payment from you then pay the particular vendor directly. We reserve the right to retain an administrative fee from any payments we collect from you and pay to a vendor.
Proprietary Software Fee	We do not currently charge this fee. We estimate that this fee will range between $150 to $250 per month if implemented.	Monthly	For proprietary software or technology we or our affiliates develop and license to you, or third-party software that we acquire a license and sublicense to you.
Technology Fee	We do not currently charge this fee. We estimate that this fee will range between $150 to $300 per month if implemented.	Recurring (if established, likely monthly or weekly)	We may require you to pay us a recurring technology fee for your use of any of required software or hardware.
Advertising Fee (Note 3)	Currently 1% of Gross Sales	Currently, the 15th of each calendar month for Gross Sales during the prior month, but subject to change (Note 1)	
Local Advertising Expenses (Note 3)	Currently the greater of 1% of Gross Sales for preceding month or $150	Must spend each calendar month based on Gross Sales made in prior month	This is the minimum amount which you must spend every month on local advertising, marketing and promotion within the area reasonably surrounding your location. If you fail to make these required monthly expenditures, you must contribute the amount you failed to spend to the Ad Program.

Type of Fee	Amount	Due Date	Remarks
Ad Co-op (Note 3)	We do not currently charge this fee, but we reserve the right to charge 1% of Gross Sales.	If established, the 15th of each calendar month for Gross Sales during the prior month, but subject to change (Note 1)	Your contributions to the Ad Co-op will not count toward your local advertising expenses.
Relocation Fee	$1,500	When you propose a new location for your Studio	You may not change your Location without our prior written consent.
Subsequent Training	$350-$1,250 per training session	Before training session	Initial training is provided to up to 6 individuals at no charge. Subsequent training fees are only for training provided after your Studio opens for business, will be based on the type of training provided, and are subject to change.
Customer Assistance Fee	Our costs plus $50	As incurred	Should you be unable to resolve a customer's complaint or if the customer contacts us or our affiliate directly, we (or our affiliate) may assist the customer and you must reimburse us for our (or our affiliate's) direct costs in providing assistance and pay us a customer assistance fee.
Call Center Fee	We do not currently charge this fee. However, we estimate that this fee will range between $75 to $100 per month if implemented.	As incurred	We may, in our discretion, require you to use the services of a call center to help generate customer leads, to field phone calls and other communications from customers and potential customers, and for any other purposes we deem necessary or desirable. We or our affiliates may provide this service and you will pay us a fee for such services.

Type of Fee	Amount	Due Date	Remarks
Supplier Testing Fee	Estimated to be between $100 and $500	As incurred	If you ask us to evaluate a proposed supplier, and we incur any non-trivial cost (such as to examine a sample of that supplier's products), we reserve the right to require you to reimburse us for those costs.
Annual Convention	We do not currently charge this fee. We estimate that this fee will range from $0 to $500 per attendee if implemented.	Before convention	We may charge you a fee to attend our annual convention. The amount of the fee will depend on the amount of our direct and administrative costs of providing the program and materials to franchisees. We may not hold a convention every year.
Annual Convention No-Show Fee	We do not currently charge this fee. We estimate that this fee will range from $1,000 to $2,000 per attendee if implemented.	After convention	If you (or a required representative) fail to attend a mandatory Annual Convention, we reserve the right to charge you a non-attendance fee in an amount we determine to be the costs attributed to your failure to attend.
Nonsufficient Funds Fee	$50	Immediately when assessed	If you write us a check that is returned, cancelled or dishonored, or if we debit your bank account and your account has insufficient funds or is inaccessible, you must pay us a nonsufficient funds fee.

Type of Fee	Amount	Due Date	Remarks
Late Fee/Interest/ Declined Payment Fee	Late Fee of $100 for each failure to pay when due; interest of the lesser of 12% or the highest rate allowed by law on all past due amounts; declined payment fee of any amount charged to us in connection with decline of electronic funds transfer, credit card payment, NSF (bounced) check, or other form of payment	Immediately when assessed	For each instance in which you fail to make a payment when originally due
Non-Compliance Charge	Increase in your Royalty by 1% of Gross Sales	As incurred	Due only if you fail to comply with your obligations under the Franchise Agreement and only for so long as you remain non-compliant. Payable in the same manner as your Royalty during the time the deficiency exists.
Website Maintenance Fee	We do not currently charge this fee. We estimate that this fee will be $50 per month if implemented.	Monthly	You must provide required information and updates. If you are in default of the Franchise Agreement, your website may be removed until defaults are cured.
State and Local Taxes	Variable	When assessed (if assessed)	If we are assessed state or local sales, use, property, or similar taxes based on your Gross Sales or on our receipt of fees from your (but excluding our ordinary income taxes or receipts taxes for fees due to it), then you will pay those taxes to us or the taxing authority.
Renewal Fee	$5,000	Upon signing renewal agreement	

Type of Fee	Amount	Due Date	Remarks
Audit	Variable	Upon completion of audit, if applicable	If we audit your finances, and the audit was triggered by your failure to submit required reports or the audit reveals an understatement of Gross Sales of 3% or more, then you will reimburse us for the costs of the audit.
Transfer Fee -- Franchise Agreement	25% of then-current initial franchise fee	Before effective date of transfer	
Transfer Fee – Multi-Unit Development Agreement	The greater of 5% of the purchase price or $25,000, plus applicable goods and services taxes	Before effective date of transfer	(Note 4)
Transfer Review Fee Multi-Unit Development Agreement	A maximum amount of $3,000 plus disbursements and applicable taxes	$1,500 when you give us the transferee application (see Note 4) with the balance due before the effective date of the transfer	For our expenses incurred in connection with the transfer, whether or not such transfer.
Costs and Attorneys' Fees	Will vary under the circumstances	As incurred or as dictated by the court, if a legal proceeding is initiated	Due if we have to enforce the agreement or if we prevail in any litigation or arbitration involving the Franchise Agreement or Multi-Unit Development Agreement.
Indemnity- related fees and costs	Variable	As incurred	Under the Franchise Agreement and Multi-Unit Development Agreement, you must defend and hold harmless us and our affiliates for any legal claims brought as a result of the acts and omissions of you and your employees and agents.

Type of Fee	Amount	Due Date	Remarks
Liquidated Damages	An amount equal to the net present value of the Royalties, Advertising Fees, and Ad Co-op fees that would have become due following termination of the Franchise Agreement for the period the Franchise Agreement would have remained in effect but for your default.	Upon termination of the Franchise Agreement	You will be required to pay us this fee if we terminate the Franchise Agreement based on your default or if you terminate the Franchise Agreement without cause. Royalties, Advertising Fees, and Ad Co-op fees will be calculated by multiplying (1) the number of calendar months in the Measurement Period by (2) the aggregate of the Royalties, Advertising Fees, and Ad Co-op payment percentages by (3) the greater of (i) $1,167 or (ii) the average monthly Gross Sales of the Studio during the 12 full calendar months immediately preceding the termination date. If you have not operated your Studio for at least 12 months preceding the termination date, Royalties, Advertising Fees, and Ad Co-op fees for purposes of clause (ii) will be calculated based on the average monthly Gross Sales of all Pure Barre Studios during our last fiscal year. This fee is in addition to, and not in lieu of any other damages we sustain as a result of the termination.
Interim Management Fee	Variable	As incurred	At any time after the death or incapacity and before the appointment (if any) of an approved Operations Manager, we may appoint an interim manager, which may include us or our affiliate, to operate your Studio. You will compensate the interim manager at a rate we reasonably determine, and the interim manager will be considered your agent.
Management Fee	10% of Gross Sales plus costs and expenses	As incurred	(Note 5)

Notes:

1. Upon notice to you, we may modify the date and/or increase the frequency upon which you must pay us the Royalty, the Advertising Fee, and the Ad Co-op contribution (collectively, the "Continuing Payments") (such as by making these Continuing Payments due weekly based on Gross Sales of your Studio during the prior week) and you will thereafter pay us these Continuing Payments according to any modified schedule that we establish.

2. "Gross Sales" means all revenue attributable to the operation of your Studio (whether or not in compliance with the Franchise Agreement) based on the gross (undiscounted) price of all products and services sold at or through your Studio and all other revenue sources, whether for cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds you in good faith give to your customers. Gift certificate, gift card and similar program payments will be included in Gross Sales as and in accordance with the policies set forth in our Operations Manuals from time to time. Gross Sales also include all insurance proceeds you receive for loss of business due to a casualty to or similar event at your Studio.

By entering into a Franchise Agreement, you pledge to generate, after the first full calendar month of operation, a minimum amount of Royalties during each rolling 12-month period of the term of the Franchise Agreement (the "Minimum Cumulative Royalty"). If you sign a single-unit Franchise Agreement, the Minimum Cumulative Royalty will be $14,000. If you sign a Franchise Agreement in connection with a Multi-Unit Development Agreement, you must sign an amendment to the Franchise Agreement (which is attached to the Multi-Unit Development Agreement as Attachment D) under which the Minimum Cumulative Royalty will be (i) $15,750 as of the end of the 12th month of operation (based entirely on annualized Gross Sales during the second 6 months of operation), (ii) $17,500 as of the end of the 18th month of operation for the trailing 12-month period, and (iii) $22,750 as of the end of the 24th month of operation, and for each 6-month period thereafter, for the trailing 12-month period. If you fail to generate the required Minimum Cumulative Royalty during each rolling 12-month period of the term of the Franchise Agreement starting on the 13th month following the opening of your Studio, then we may terminate the Franchise Agreement, except that you are given the right to cure the first time (and only the first time) you fail to generate the Minimum Cumulative Royalty by paying the difference between the amount of Royalties paid during the applicable rolling 12-month period and the Minimum Cumulative Royalty within 30 days after the end of the applicable rolling 12-month period. Any subsequent failure to generate the Minimum Cumulative Royalty threshold is not curable.

3. We reserve the right at any time, upon notice to you, to increase the amount of (i) Ad Fees you must contribute to the Ad Program, (ii) your local advertising expenses, and (iii) Ad Co-op contributions. However, you will not be required to contribute to these ad funds, in the aggregate, more than 5% of your Studio's Gross Sales, unless you and the other members of your applicable Ad Co-op vote to increase contributions to the Ad Co-op.

4. Before approving a transfer, you must submit a written application to us requesting our consent. The application must contain information relating to the proposed transferee's qualifications and finances. The proposed transferee must successfully complete to our satisfaction any training we deem necessary. Before the transferee begins training, you must deliver $2,500 to us, which amount will be non-refundable, except that if the transfer is successfully completed, the entire amount will be credited against the transfer fee.

5. We may assume management of your Studio, if: (1) you abandon or fail to actively operate your Studio; (2) you fail to comply with any provision of the Franchise Agreement or any system standard and do not cure the failure within the specified time period; or (3) the Franchise Agreement expires or is terminated and we are deciding whether to exercise our option to purchase your Studio.

Unless otherwise indicated, all fees are payable only to us for our account, and we intend to impose them uniformly. All fees are nonrefundable. You must pay us the Royalty, Ad Fee, and all other monthly or regularly recurring fees by electronic funds transfer or other form of payment acceptable to us. You must sign all banking forms, documents, and any other agreements, and you must take all other actions necessary, to facilitate electronic funds transfer payments to us. You must authorize us to debit your account for any amounts due to us or our affiliates by electronic funds transfer. We also reserve the right to provide credit card processing for your Studio. If we do so, we will, on a periodic basis (initially weekly), remit an electronic payment to your designated bank account in an amount equal to the credit card charges processed on your behalf, less any fees imposed by the credit card processor on your transactions, and any other amounts due to us under your franchise agreement. If the proceeds from credit card transactions are less than the amounts due us, you will be responsible for paying us the deficit.

ITEM 7. ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

(FRANCHISE AGREEMENT)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Fee	$46,500	Wire Transfer	Upon signing Franchise Agreement	Us
Grand Opening (Note 1)	$2,500 – $5,000	As required by vendors	For grand opening event, as incurred.	Vendors

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Training Expenses and Preopening Assistance (Note 2)	$6,000 – $10,000	Wire transfer and as required by vendors	As incurred	Us, Vendors and employees
Construction, Remodeling, Leasehold Improvements, and Decorating Costs (Note 3)	$80,000 – $165,000	As required by vendors	As required by vendors	Vendors
Fixtures, Furnishings, Equipment, and Signs (Note 4)	$15,100 - $30,700	Wire transfer and as required by vendors	Upon purchase and as required by vendors	Our affiliate and other vendors
Initial Inventory and Supplies (Note 5)	$5,000 – $13,500	Wire transfer and as required by vendors	Upon purchase and as required by vendors	Our affiliate and other vendors
Security Deposits, Utility Deposits, Business Licenses, and Other Prepaid Expenses (Note 6)	$2,000 – $10,000	As required by vendors and licensing agencies	As required by vendors and licensing agencies	Vendors and licensing agencies
Insurance Premiums (Note 7)	$1,000 – $5,000	As required by vendors	As required by vendors	Vendors
Additional Funds – 3 months (Note 8)	$10,000 – $15,000	Variable	Variable	Vendors
Total	$168,100 – $300,700			

Notes:

1. Grand Opening: You must spend a minimum of $2,500 to promote and host a grand opening event. However, your expenses in promoting and hosting this event may exceed $2,500.

2. Training Expenses and Preopening Assistance: These are estimated costs (for example, any costs of travel and accommodations for yourself and your employees) that you might incur

for you and your employees to attend the initial training program. If you wish to send more than 6 people to our initial training program, you will be obligated to pay our then-current training fee (currently $950 per person, but increasing to $1,050 per person in July 2017 and to $1,250 per person in October 2017). These additional fees are not reflected in the estimated costs above, but you should consider these additional fees if you wish to send more than 6 people to initial training. In addition, depending on our evaluation of your readiness to open your Studio, we may require you to allow us (or our affiliates) to provide you: pre-sales assistance (for instance, if you fail to meet specified pre-opening membership goals); pre-opening call center services (for instance, to provide assistance in lead generation and follow up with respect to membership sales); and/or preopening training assistance which will typically occur at your Studio (for instance, to help your trainers satisfy their "test out" requirements). This assistance will be up to $4,500 depending on the assistance that we (or our affiliate) provide you. If we determine that you do not require any of this type of preopening assistance, you will not pay us anything toward these services.

3. Construction, Remodeling, Leasehold Improvements, and Decorating Costs: Pure Barre Studios are typically between 1,300 and 1,700 square feet. This figure represents our estimate of your cost to build-out and decorate your Studio to our standards. This amount may vary depending on the location, size, and condition of your Studio. Our experience is that, if you are developing a Studio in one of the boroughs that comprise New York City, this item can be as high as $505,000 because of higher labor and logistics costs and other factors. Your actual costs for this item may be reduced by contributions or reimbursements agreed to by the landlord. Our affiliates have been able to negotiate tenant improvement concessions in some cases of up to $50 per square foot. The landlord's willingness to provide tenant improvements will vary, usually based on factors such as the condition of the premises, the financial condition of the tenant, and the length of the term of the lease. Where a landlord agrees to provide or reimburse for tenant improvements, it might insist that the tenant reimburse any unamortized tenant improvement dollars if the lease is terminated prior to the end of the term.

We are unable to estimate with any precision the costs of leasing or purchasing real estate because of the wide variation from region to region and between urban and rural areas. A new lease will vary in rental amounts, lease terms, amount of space, tenant improvements, security deposit and advance rental required, and the cost of purchasing real estate is extremely site-dependent. Location is a major factor in the amount of rent required, as are the age and quality of the building, visibility and access to traffic arteries, the proximity to residential areas, retail areas, and other commercials areas of interest, local demographics, real estate related taxes in the jurisdiction, brokerage commissions, the length of the lease, and other factors. You may want to contact a commercial real estate broker to discuss the costs associated with acquiring real estate in your area. Pure Barre studios are generally located in retail shopping centers or street front retail areas.

4. Fixtures, Furnishings, Equipment, and Signs: This includes at least 25 each of Pure Barre-branded floor mats, exercise balls and exercise tubes, all of which you must purchase from PB Product. Interior and exterior signs, the ballet barre, lighting package, stereo system and microphone must be purchased from our approved vendor before opening. You may decide to purchase more equipment from us depending on your anticipated number of clients. Total

expenditures in this category also includes weights, a computer (which we estimate to cost between $750 to $1,500), a telephone and wall mirrors, which you may purchase from a vendor of your choosing, as long as those products comply with our specifications. This amount may vary depending on the location, size, and condition of your Studio.

5. Initial Inventory and Supplies: This includes an initial stock of retail Pure Barre-branded merchandise, such as DVDs, apparel, and accessories, which you must purchase from our affiliate before opening at a cost of approximately $3,000, which is non-refundable. The total amount of the investment also includes your office supplies purchased directly from office supply vendors and web-based business management and point-of-sale software and merchant account, which you must obtain directly from our designated vendor. This vendor charges a monthly subscription fee of $100 to $150, depending on the number of users. You are permitted, but not required, to order other approved retail items for sale to customers from other approved vendors, and any associated costs are reflected above.

6. Security and Utility Deposits, Business Licenses, and other Prepaid Expenses: This figure represents our estimate for security or utility deposits, to obtain all necessary business licenses, and for any other prepaid expenses when establishing your franchise. The fees you pay may be more or less than this estimate depending on your location and the terms of service to which you subscribe. We have not investigated every jurisdiction for the fees that may be required in this section; however, our estimate is based on the prior experience of our affiliates and other franchisees. Our experience is that, if you are developing a Studio in one of the boroughs that comprise New York City, this item can be as high as $58,000 because of higher labor and logistics costs and other factors.

7. Insurance Premiums: The price of insurance coverage has varied widely in recent years. We currently require commercial general liability, automobile liability, workers' compensation and employers' liability, and umbrella liability coverage, and we are permitted to change the required coverages upon notice to you. The specific minimum amounts of these required coverages is disclosed in Item 8. You should obtain a price quotation from your insurance agent or broker (or state agencies as applicable in the case of worker's compensation and employer's liability coverage), and rely solely on that estimate in planning to enter into the Franchise Agreement. Our experience is that, if you are developing a Studio in one of the boroughs that comprise New York City, this item can be as high as $10,000.

8. Additional Funds: Based on the operating history of our existing franchisees, we estimate these amounts will be required to cover your initial startup expenses such as payroll, utilities, additional inventory, music licensing, and other operating costs for the first three months after opening.

These figures are estimates, and we cannot guarantee that you will not have additional expenses beyond these amounts when starting the business. Your costs will depend on factors such as: how much you follow our methods and procedures, your management skill, experience and business acumen, local economic conditions, the local market for this industry, the prevailing wage rate in your area (including any minimum wage rate in your area that exceeds the federal minimum wage), the degree and quality of competition, and the sales level you reach during the initial period. This category does not include royalties or other periodic fees you pay to us, nor

does it include real estate expenses (See Note 3 above), your salary, living expenses, or debt payments incurred during the startup phase. This category does include essential items and services purchased from us, or from related companies or vendors. See Items 6 and 8 for additional information. Unless otherwise noted, all payments are non-refundable or are refundable only under any agreement between you and the vendor or supplier to whom you have made the payment.

YOUR ESTIMATED INITIAL INVESTMENT

(MULTI-UNIT DEVELOPMENT AGREEMENT)

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is to Be Made
Development Fee (Note 1)	$40,000 to $140,000	Wire Transfer	When you sign the Multi-Unit Development Agreement.	Us
Development Services Fee (Note 2)	$0 to $175,000	Wire Transfer	When you sign the Franchise Agreements required under the Multi-Unit Development Agreement	Our Affiliate
Total Estimated Initial Investment	$40,000 to $315,000			

Notes:

1. 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 $20,000 times the number of Studios that you agree to open. For example, if you agree to open two Studios, the Development Fee would be $40,000; if you agree to open seven Studios, the Development Fee would be $20,000 × 7, or $140,000. We apply this fee, in $20,000 increments, toward the Initial Franchise Fee due under each Franchise Agreement signed in accordance with the Multi-Unit Development Agreement.

2. Payable only if you and PB OpCo elect to enter into a Development Services Agreement, in which case, you will be required to pay PB OpCo a $25,000 development services fee when you sign each of the Franchise Agreements. The low estimate shown in the table assumes that you have not requested PB OpCo to provide the development services for any restaurants and the

high estimate assumes you have requested the development services for 7 restaurants. This fee is uniform and non-refundable.

We make no representation that your costs will come within the ranges estimated and cannot guarantee that you will not incur additional expenses entering into a Multi-Unit Development Agreement. This amount is in addition to the fees and expenses you will incur in opening each Pure Barre Studio you commit to develop under the Multi-Unit Development Agreement.

Unless otherwise noted, all payments are non-refundable or are refundable only under any agreement between you and the vendor or supplier to whom you have made the payment.

ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

As a franchisee, you will be required to purchase or lease certain goods or services from suppliers or vendors that we designate, or from us or an affiliate of ours. In other instances, you will be free to select a vendor or supplier, but the goods or services you purchase must comply with specifications that we establish. These obligations may be imposed by the Franchise Agreement, by the Manuals, or by our normal practice. The following goods and services fall into one or both of these categories (required specifications or required source): Training, Pure Barre-branded merchandise and exercise equipment, architectural design, fixtures and furnishings, retail fixtures, lighting, signage, non-branded exercise equipment, credit card processing, stereo system and accessories, insurance, call center services, safety equipment (including an automated external defibrillator), and certain computer software.

PB Product is currently the sole approved supplier of certain Pure Barre-branded merchandise (apparel, accessories, and DVDs) and equipment (balls, mats, and tubes). Before beginning operations, PB Product will sell you your required supply of Pure Barre-branded floor mats, exercise balls, and exercise tubes. You must purchase your interior and exterior signs, ballet barre, stereo system and microphone and certain software from our designated suppliers, and we reserve the right to designate a supplier for retail fixtures and architectural designs. For other items that you will need to purchase to operate your Studio (weights, computer, telephone, and mirrors), we will either designate a required supplier or will provide you with specifications for the goods or services and allow you to obtain those goods and services from any source capable of supplying them.

We do not currently require any specific cash register system to be used at your Studio, but you must purchase a personal computer that has a continuous high-speed connection to the Internet and that is sufficient to operate the web-based business management and point-of-sale software provided under a software license agreement you must purchase from our designated supplier.

You must procure and maintain general comprehensive liability, business automobile liability insurance, employer's liability (workers' compensation), and umbrella liability coverage with policy limits in amounts we specify in the Manuals. We may require you to obtain insurance for contractual liability and errors and omissions with policy limits in amounts we specify in the Manuals. Our current minimum coverage amounts are: (1) commercial general liability insurance including contractual liability and products; completed operations coverage, with limits of $1,000,000 per occurrence and $2,000,000 general aggregate applicable to bodily injury

and property damage, and personal and advertising injury, and with a maximum deductible for this coverage of $25,000; (2) automobile liability insurance including contractual liability, insuring owned, non-owned, hired and all vehicles used by your Studio, with combined single limit of not less than $1,000,000 ($1,000 maximum deductible) per occurrence for bodily injury and property damage; (3) workers' compensation and employers' liability as required by any state in which your Studio operates, but no less than workers' compensation coverage of $1,000,000; and (4) umbrella liability coverage with limits of $1,000,000 per occurrence and aggregate. You will ensure that all insurance policies name us and our owners, officers, directors and employees as additional insureds (on a primary and non-contributory basis), using a form of endorsement that we have approved, and contain a waiver of subrogation in favor of us and our owners, officers, directors and employees. We may establish reasonable minimum standards for coverage to be met by underwriters for insurance, which we will state in the Manuals. Before opening for business, you must provide us with certificates of insurance for all policies, and you must obtain any other insurance required by law. You must maintain in good standing all required insurance during the term of the Franchise Agreement, and immediately notify us of any lapse, alteration, or cancellation or any policy or coverage. We may revise any insurance requirements upon notice to you.

Your purchase or lease of goods or services as required is an essential element of your compliance with the Franchise Agreement and the Manuals, and your failure to do so is a breach of the Franchise Agreement and may result in your loss of material benefits, up to and including the termination of the Franchise Agreement.

We do not use any fixed process for granting or revoking approval of designated suppliers. Instead, we evaluate suppliers on a variety of criteria, including the quality of their products or services, price, responsiveness, reputation, timeliness, and experience, among others. If we compile any more specific criteria for approving suppliers, we will make those criteria available to you. We will consider in good faith and in a reasonable time any supplier that you would like to propose who is capable of providing goods or services meeting our requested specifications. If our evaluation of your proposed supplier would require us to incur any non-trivial cost (such as to examine a sample of that supplier's products), we may ask you to bear that cost (estimated to be between $100 and $500). We will make a reasonable effort to approve or disapprove any proposed supplier within 30 days. However, if we do not respond within 30 days of your request, the proposed supplier will be deemed disapproved.

For any goods or services that must comply with Pure Barre's specifications, and that we or an affiliate do not supply directly to you as the sole supplier or for which we have not approved another supplier, we will provide you with specifications of conforming goods and services. We will issue those specifications in writing in the Manuals or by other written communication. We expect to modify those specifications periodically, and the method of notification for the changes will depend on the goods or services in question.

We are entitled to obtain payments or other benefits from the suppliers or vendors from whom we require franchisees to purchase or lease goods or services. Currently, our affiliate, PB Product, has negotiated arrangements with certain designated suppliers to pay it a rebate based on purchases of the goods or services sold by the supplier to affiliate-owned and franchised Pure

Barre studios. The basis for the rebates in each case is a percentage of the revenue derived from those purchases by the supplier, the amount of which varies among the suppliers but currently range from 3.5% to 10% (for items such as juices and marketing collateral) and 25% to 35% on certain software used in the operation of studios. During our 2016 fiscal year, we received $218,186 from approved vendors for required purchases or leases by franchisees. This represents approximately 1.7% of our total revenue of $13,148,098 during our 2016 fiscal year. During that same period, our affiliate (PB Product) reported receiving $352,464 in revenues from the required purchases of Pure Barre-branded floor mats, exercise balls, platforms, fitness rings, and exercise tubes. We and our affiliates reserve the right to earn a profit from any goods or services we provide, whether or not you must purchase or lease those goods or services from us or our affiliates.

We estimate that, in establishing your Studio, your purchases or leases of goods, equipment, and supplies made in accordance with our specifications (including from our affiliate) will represent approximately 85% to 95% of all of your total purchases or leases of goods, equipment, and supplies. Once your business is established, we estimate that, on an ongoing basis, your purchases or leases of goods, equipment, and supplies made in accordance with our specifications (including from us or an affiliate) will represent approximately 45% to 55% of all of your purchases or leases of goods, equipment, and supplies.

Currently, none of our officers owns any interest in any supplier with whom you must or are recommended to do business. There currently are no purchasing or distribution cooperatives in place for the purchase or lease of goods or services by franchisees. We negotiate purchase arrangements with certain suppliers for the benefit of franchisees, and we may continue to do so in the future.

Other than as described above, we do not provide any material benefits to franchisees based on their purchase of particular products or services or use of particular suppliers.

ITEM 9. FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the franchise and other agreements. It will help you find more detailed information about your obligations in these agreements and in other items of this disclosure document.

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	Franchise Agreement -Sections 3.2 and 3.3 Multi-Unit Development Agreement - Section 2 Development Services Agreement - N/A	7, 8, 11, 12

Obligation	Section in Franchise Agreement	Disclosure Document Item
b. Pre-opening purchases/leases	Franchise Agreement -Sections 3.3, 3.4, 3.5, 6.1, 6.2 and 7.4 Multi-Unit Development Agreement – N/A Development Services Agreement - Section 2(h)	5, 6, 7, 8, 11
c. Site development and other pre-opening requirements	Franchise Agreement -Sections 3.5, 3.5, 3.6, and 7.4 Multi-Unit Development Agreement - Section 2 Development Services Agreement- Section 2	5, 6, 7, 8, 11
d. Initial and ongoing training	Franchise Agreement - Sections 8.1–8.3 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	6, 7, 8, 11, 15
e. Opening	Franchise Agreement -Section 3.5 and 7.4 Multi-Unit Development Agreement – Sections 1.B and 2.D Development Services Agreement - Section 2(j)	6, 7, 11
f. Fees	Franchise Agreement -Sections 2.1–2.10, 3.1, 4.4, 4.9, 4.12, 4.14, 6.4, 6.5, 7.4, 8.2, 8.4, 9.5, 11.1, 12.2, and 15.8 Multi-Unit Development Agreement - Section 3 Development Services Agreement - Section 2(i)	5, 6, 7, 8, 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
g. Compliance with standards and policies/Manuals	Franchise Agreement - Section 1.5 and 4.1 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	7, 8, 11, 12, 13, 14, 16
h. Trademarks and proprietary information	Franchise Agreement -Sections 1.1, 1.3, 1.4, 1.6–1.9, 4.12, and 10.4 Multi-Unit Development Agreement - Section 4 Development Services Agreement – N/A	7, 8, 11, 13, 14
i. Restrictions on products/services offered	Franchise Agreement -Sections 3.8, 4.2, and 5.1 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	7, 8, 11, 13
j. Warranty and customer service requirements	Franchise Agreement -Sections 4.4 and 16.3 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	1, 8, 11
k. Territorial development and sales quotas	Franchise Agreement - Section 4.9 Multi-Unit Development Agreement - Sections 2.D and 2.E Development Services Agreement – N/A	12, 17
l. Ongoing product/service purchases	Franchise Agreement -Sections 3.7, 4.2, 4.10, 4.14, 5.1, and 6.4 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	6, 7, 8, 11, 16

Obligation	Section in Franchise Agreement	Disclosure Document Item
m. Maintenance, appearance and remodeling requirements	Franchise Agreement -Sections 3.6, 3.7, 11.1 and 12.2 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	7, 8
n. Insurance	Franchise Agreement - Section 13.4–13.6 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	7
o. Advertising	Franchise Agreement -Article 7 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	5, 7, 8, 11, 18
p. Indemnification	Franchise Agreement -Sections 12.6, 13.1, 13.2, 13.3 and 13.6 Multi-Unit Development Agreement - Section 8.B Development Services Agreement – N/A	7
q. Owner's participation/management/ staffing	Franchise Agreement -Sections 1.10 and 4.6 Multi-Unit Development Agreement - Section 1.D Development Services Agreement – Section 2(d)	7, 8, 11, 15
r. Records and reports	Franchise Agreement -Sections 3.4, 9.1–9.4 Multi-Unit Development Agreement - Sections 2.F and 2.G Development Services Agreement – N/A	6, 7, 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
s. Inspections and audits	Franchise Agreement -Sections 3.4, 3.5, 3.9, 9.5, 14.6, and 14.7 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	6
t. Transfer	Franchise Agreement -Article 12 Multi-Unit Development Agreement - Section 6 Development Services Agreement - Section 3	6, 17
u. Renewal	Franchise Agreement – Article 11 Multi-Unit Development Agreement – N/A Development Services Agreement – N/A	6, 17
v. Post-termination obligations	Franchise Agreement -Sections 4.12, 10.2, 10.3, 10.4, 14.6, 14.7 and 16.10 Multi-Unit Development Agreement - Sections 7.B and 7.C Development Services Agreement – Section 4	6, 17
w. Non-competition covenants	Franchise Agreement -Sections 10.1 and 10.2 Multi-Unit Development Agreement - Section 7.C Development Services Agreement – N/A	17
x. Dispute resolution	Franchise Agreement -Article 15 Multi-Unit Development Agreement - Section 9 Development Services Agreement - Section 8	17

ITEM 10. FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation. 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.

ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Assistance--Franchise Agreement

After you sign a Franchise Agreement but before you open your Studio, we will:

1. If you and we have not agreed upon the location for your Studio at the time you sign the Franchise Agreement, Attachment A to your Franchise Agreement will include a description of the geographic area (the "search area") in which you are required to concentrate your efforts at locating the premises for your Studio. You will have exclusive rights to the search area for 90 days after the Franchise Agreement is signed. However, after the 90-day exclusive period, the search area will be non-exclusive and it is possible that there could be multiple franchisees seeking locations for Pure Barre studios at the same time. (Franchise Agreement, Section 3.1, Attachment A)

2. We will review your proposed site and will approve or disapprove it, and you are only permitted to operate from a site that we have approved. We will approve or reject your proposed site within 10 days of our receipt of the information we request in order to evaluate it. Our then-current standards for proposed sites will apply when we are making our determination whether to approve or disapprove a proposed site. In seeking your proposed site, we may require you to retain the services of a real estate broker who has expertise in the proposed area. We generally do not own, lease, or select the site at which you will operate. When evaluating a site that you propose, we may consider the general demographics of the area, the proximity to other established commercial areas, the access to residential areas where expected customers live, the quality, age, and layout of the proposed space, the access to a customer restroom, and other factors. We will review your lease, but we do not participate in negotiating your purchase or lease of the property. From the time you sign your Franchise Agreement, you will have 90 days to obtain an approved site and secure possession of the site by purchase or lease. We may terminate the Franchise Agreement if you fail to obtain site approval from us within this 90 day period. (Franchise Agreement, Sections 3.1 – 3.6)

3. Provide you with our specifications for construction, remodeling, and decorating your site, review your design plans, and review the site (although we are not required to have any of our representatives make a visit to the site before our approving or disapproving your proposed site). Unless PB OpCo is developing your Studio for you under a Development Services

Agreement, you will be solely responsible for, and we will not provide you with assistance in, ensuring that the site complies with local ordinances and building codes, and for obtaining any construction and remodeling permits required by your jurisdiction. (Franchise Agreement, Section 3.4.)

4. Provide training to each of your employees who will provide workout instruction to your customers, some of which training will require additional fees. See Item 6 for additional information on these additional fees. (Franchise Agreement, Sections 8.1 and 8.3.)

5. Provide written specifications for certain equipment and fixtures, including wall mirrors, weights, a computer, and a telephone, and we will inspect your site to ensure your compliance with those specifications. We currently require you to purchase interior and exterior signs, a ballet barre, stereo equipment, microphones, lighting, and certain software from designated suppliers that are not affiliated with us. Our affiliate, PB Product, is also the sole supplier for Pure Barre-branded floor mats, exercise balls, and exercise tubes as well as branded apparel (though you are not required to purchase any branded apparel). We otherwise do not currently require you to use any specific vendors for you to equip your Studio, nor do we provide any installation services, but we may do so in the future. See Item 7 above for additional information on the items that you must purchase from us. (Franchise Agreement, Article 5)

6. Loan you one copy of the Manuals. (Franchise Agreement, Section 1.5)

Pre-Opening Assistance--Multi-Unit Development Agreement

After you sign a Multi-Unit Development Agreement but before you open a Pure Barre Studio, we or our affiliates will:

1. Review sites you propose for the development of a Pure Barre studio and, if approved, issue you a Franchise Agreement. We are obligated to use reasonable efforts to provide you with our decision within 30 days of our receipt of all requested information and materials regarding the proposed site (Multi-Unit Development Agreement, Section 2.B)

Pre-Opening Assistance – Development Services Agreement

If you and PB OpCo elect to enter into a Development Services Agreement, PB OpCo will provide you with the following services prior to the opening of your Pure Barre Studio:

1. Create a "Market Development Strategy" for your Development Area by analyzing demographic data, determining the number, description, and priority of appropriate trade areas, and mapping the Development Area. (Development Services Agreement, Section 1.a)

2. Identify and prepare site information packages regarding potential sites within the Development Area and submit the site packages for our approval as described in the Multi-Unit Development Agreement. (Development Services Agreement, Section 1.b)

3. Negotiate, on your behalf, letters of intent and the lease once a proposed site has been accepted by you and approved by us. (Development Services Agreement, Section 1.c)

4. Prepare for your review and approval a pro forma construction budget prior to your execution of a lease. (Development Services Agreement, Section 1.d)

5. Manage the construction of the Studio in accordance with the Franchise Agreement and the budget that you have approved. (Development Services Agreement, Section 1.d)

6. Purchase, on your behalf, all furniture, fixtures, equipment and opening inventory as necessary to comply with our System Standards. (Development Services Agreement, Section 1.e)

7. Obtain a certificate of occupancy. (Development Services Agreement, Section 1.f)

8. Arrange for start-up of the utility services once you have established necessary accounts with utility companies. (Development Services Agreement, Section 1.h)

9. Deliver possession of the Studio to you once substantially complete and certificate of occupancy has been issued. (Development Services Agreement, Section 1.g)

Opening of the Business

The typical length of time from the date you sign the Franchise Agreement to the opening of your Studio is approximately 6 to 12 months, though the period to opening does vary and could be shorter or longer for you depending on factors such as difficulties in obtaining an approved site, your completion of training, negotiating a lease agreement, obtaining financing and building permits, zoning and local ordinances, weather conditions, shortages of labor or materials, and delays in the installation of equipment, fixtures, and signs.

Post-Opening Assistance

During your operation of your Studio:

1. we will provide you with any revisions we make to the Manuals to update, among other things, the standards of customer service, training, brand image, advertising and promotions (Franchise Agreement, Sections 1.5 and 4.1);

2. if we elect to implement the program, we will, on a periodic basis (initially weekly), remit an electronic payment to your designated bank account in an amount equal to the credit card charges processed on your behalf, less any fees imposed by the credit card processor on your transactions (Franchise Agreement, Section 2.4)

3. we will notify you of any changes to the goods and services that you are permitted to offer to customers (Franchise Agreement, Section 4.2);

4. we will allow your instructors to participate, subject to meeting our requirements, in our regular training programs (Franchise Agreement, Section 8.2);

5. we will conduct advertising and promotional efforts to try to increase the public recognition and goodwill of the Marks (Franchise Agreement, Article 7);

6. we will provide you with information we require you to provide to your clients (Franchise Agreement, Section 4.4);

7. we will provide you with information regarding any mandatory pricing policies applicable to goods and services you offer to your clients, and you must comply with any minimum and maximum prices we set for the goods and services you sell (Franchise Agreement, Section 4.5); and

8. we will continue to loan you one copy of the Manuals (Franchise Agreement, Section 1.5).

We are not obligated to provide any post-opening assistance under the Multi-Unit Development Agreement or Development Services Agreement.

Ad Program and Ad Co-op

We will operate an advertising program (the "Ad Program") to try to increase the public's awareness and acceptance of the Pure Barre brand, Pure Barre Studios generally, and the goods and services they offer. We will use the Ad Program, all payments to it, and any earnings on it, for maintaining, administering, directing, conducting, and preparing marketing, advertising, public relations, client retention, and/or promotional programs and materials, and any other activities, which we believe would enhance the image of the franchise system, which may include the costs of preparing and conducting media marketing campaigns (including social media); direct mail advertising; special events; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist with them; sponsorship of organizations and events (including athletic teams, fundraising activities, tournaments and other similar activities); purchasing promotional items; conducting and administering in-studio promotions; conducting client-retention activities; developing and maintaining application software designed to run on computers, tablets, smartphones, and other mobile devices, as well as any evolutions or "next generations" of any such devices; and providing promotional and other marketing materials and services to the Pure Barre studios operating under the franchise system. We may charge all costs of the formulation, development and placement of advertising and promotional materials for the Ad Program. These costs may include the proportionate share of our personnel who devote time and render services for advertising and promotion or the administration of the Ad Program, including administrative costs, salaries, overhead expenses related to administering the Ad Program and its programs.

We anticipate that in the near term the advertising media that we use may include internet, radio, direct mail, and outdoor advertising. Our intent is to tailor the scope and types of advertising to the location and distribution of franchisees, whether that is local, regional, or national, but we are not obligated to spend any particular amount in any particular area or region.

We may produce advertising materials ourselves, or we may use designated agencies or vendors to produce those materials, and we are not limited in whom we may rely on to produce advertising materials. You are allowed to produce your own advertising material for use around your site, but you first must send it to us to review, and you may not use it if we disapprove it.

As a franchisee, you must participate in our advertising program with a monthly Ad Fee contribution currently equal to 1% of your Gross Sales in the previous month. Other franchisees may contribute different amounts or percentages of their Gross Sales, depending on when they signed their franchise agreements or other factors. Company-owned or affiliate-owned studios contribute to the Ad Program on the same basis as you.

We administer the Ad Program in our sole discretion. If not all advertising funds are spent in the fiscal year in which they accrue, those excess funds will remain in the Ad Program for future use. The total expenditures for franchise system advertising during our 2016 fiscal year were in the following categories: production/design 11.2%; media placement 36.6%; administrative costs 23.9%; and other costs 28.3% (including items such as sponsorships and related promotional events; a customer feedback and retention tool for franchisees; ongoing expenses related to the Pure Barre mobile app and studio pages on the purebarre.com website; an online content builder for franchisees; customer engagement software; and prizes for contest winners). The finances for the Ad Program are not audited, but we will make unaudited financial statements available to you on an annual basis upon your request, with any cost of preparing those financial statements borne by the Ad Fees contributed to the Ad Program. No other periodic accounting of the Ad Program will be conducted. If not all Ad Fee contributions are spent in a fiscal year, we will carry them forward for use in subsequent fiscal years.

We do not use any portion of funds from the Ad Program for the principal purpose of soliciting new franchise sales, but we may include incidental statements on advertising or promotional materials to the effect that franchises are available for purchase. There currently is no franchisee advertising council that directs or advises us on advertising matters.

We may establish or authorize any number of local or regional advertising co-ops (each, an "Ad Co-op") to coordinate advertising, marketing, and promotions for franchisees in a certain region, similar franchisees or for other purposes we designate. You must participate in any Ad Co-op we designate as applicable to you and contribute to that Ad Co-op. Your contributions to the Ad Co-op will not count toward your required local advertising expenditures, which are currently the greater of 1% of your Gross Sales for the previous month or $150 per month. We may delegate to the Ad Co-op the full or limited right to direct the Ad Coop's operations, and you must follow the rules and procedures established by the Ad Co-op. No Ad Co-op created or managed by us will be permitted, without our consent, to impose fee or contributions on franchisee members on an unequal basis or to allocate votes among franchisee members on a basis other than one vote per Pure Barre Studio. We have the right to resolve any disputes between our franchisees concerning each Ad Co-op, and our franchisees must adhere to our decisions related to disputes. Studios owned by us or our affiliates will contribute to the appropriate Ad Co-op on the same percentage basis as franchisees. Each Ad Co-op will be organized and governed by written documents in a form and manner, and begin operating on a date, that we determine in advance. Such written documents will be available for participating franchisees to review. We may change, dissolve and merge Ad Co-ops.

Separate from your payments to the Ad Program, you must spend no less than $2,500 to promote and host a grand opening event at the Studio. We reserve the right to approve all aspects of your grand opening event.

We reserve the right, at any time, to increase the amount of Ad Fees you must contribute to the Ad Program, your local advertising expenditures, and your Ad Co-op contributions. However, you will not be required to contribute to these ad funds, in the aggregate, more than 5% of your Studio's Gross Sales, unless you and the other members of your applicable Ad Co-op vote to increase contributions to the Ad Co-op.

Computer System

We do not currently require any specific cash register system to be used at your Studio. You must purchase a personal computer that has a continuous high-speed connection to the Internet and that is sufficient to operate the web-based business management and point-of-sale software provided under a software license agreement you must purchase from our designated vendor, with whom we contract to collect sales information and client details which may include name, date of birth, address, email, and telephone number. The required web-based business management and point-of-sale software is not an accounting program; you will need to purchase separate accounting software or hire a bookkeeper or accountant to manage the finances of your Studio. We will have access to all data entered into your business management and point-of-sale software, and there is no contractual limitation on our right to access this data. Our designated vendor charges a monthly subscription fee of $100 to $150, depending on the number of teachers in your Studio. We do not provide training for the business management and point-of-sale software. There are no other specific requirements for the type of computer you purchase for use in your Studio. We estimate that the cost of a computer system that meets this criteria to be approximately $750 to $1,500; your cost may differ depending upon the type of computer you purchase, additional software, and the maintenance package you select. You are wholly responsible for all hardware and computer network maintenance and maintenance and upgrades of other software, which must be done in a timely manner. We reserve the right to specify different hardware and software systems in the future, and there is no contractual limitation on the cost and frequency of our right to require such upgrades or updates.

Because you will accept credit cards, you will also have to comply with any applicable industry standards relating to the acceptance of credit cards, including the Payment Card Industry ("PCI") Data Security Standard ("DSS"). Compliance with PCI DSS is your responsibility.

In addition to the hardware and software requirements summarized above, we and our affiliates also reserve the right to develop proprietary software or technology and license it to you, or to acquire third-party software that we sublicense to you, for a fee, which we currently estimate would range between $150 to $250 per month. We do not currently have any such proprietary software or technology, but we may develop it during the term of your franchise.

We also may require you to pay us a recurring technology fee for your use of any required software or hardware, which we currently estimate would range between $150 to $300 per month. We do not currently charge any such technology fee, but we may implement this fee during the term of your franchise.

Operations Manuals

The table of contents of the current version of the Manuals is included as Exhibit E. Our current version of the Manuals has 465 pages. We periodically update the Manuals to reflect revisions to the franchise system, new products or services, and changes in our prescribed methods of operation. Under the terms of the Franchise Agreement, we are entitled to revise the Manuals at any time, and you will be obligated to adhere to those revised specifications and requirements.

Training

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Pure Barre Concept, Class Planning, and Teaching Skills	3		Denver, Colorado, or Spartanburg, South Carolina
Musicality and Pure Barre Choreography	1		Denver, Colorado, or Spartanburg, South Carolina
Hands on Assistance and Exercise Modifications	2		Denver, Colorado, or Spartanburg, South Carolina
Warm Up Techniques	4		Denver, Colorado, or Spartanburg, South Carolina
Thigh Exercises	4		Denver, Colorado, or Spartanburg, South Carolina
Seat exercises	4		Denver, Colorado, or Spartanburg, South Carolina
Abdominal Exercises	4		Denver, Colorado, or Spartanburg, South Carolina
Stretching	1		Denver, Colorado, or Spartanburg, South Carolina
Creating the Pure Barre Experience	3		Denver, Colorado, or Spartanburg, South Carolina
Practical Teaching Application		40–50[1]	Typically your home or studio.
TOTAL	26	40–50	

NOTES

1. The hours of on-the-job training 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.

You (if you are an individual) or your Designated Representative (defined in Item 15) must attend training, along with your Operations Manager (defined in Item 15) and Lead Teacher (defined in Item 15) and any other person who intends to manage your operations or provide workout services directly to customers, up to 6 persons total. You and those persons must complete training to our satisfaction, to ensure that you are adequately prepared to operate your Studio. We generally require you or your Designated Representative to complete the training first, and then accompany the rest of your trainees as they participate in training. We require each trainee to sign a confidentiality and non-competition agreement on our then-current form if they are not individual signatories to either the Franchise Agreement or a personal guaranty of the Franchise Agreement.

Currently, training classes are held weekly, with each week alternating between our training studios in Spartanburg, South Carolina, and Denver, Colorado. However, we may elect to offer training less frequently depending on when new franchisees join the franchise system. Training classes are conducted after you sign the Franchise Agreement and typically while your Studio is in the build-out phase. You must complete all required initial training 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.

We will provide you with training materials contained in the Manuals, which includes our training manual 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. Our Director of Training and Quality Assurance is Katelyn DiGiorgio. Ms. DiGiorgio has 12 years of experience in the industry and 7 years of experience with us.

Before trainees attend the classroom portion of training, they must take approximately 4 hours of online classes covering topics such as the Pure Barre concept and basic anatomy. Classroom training is currently held at our training studio in Denver, Colorado, or Spartanburg, South Carolina, and lasts 4 days. On-the-job training occurs at a place of your choosing (typically your home or studio). 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. There is no additional fee for your initial training for up to 6 people. If you wish to send more than 6 people to our initial training program, you will be obligated to pay our then-current training fee (currently $950 per person, but increasing to $1,050 per person in July 2017 and to $1,250 per person in October 2017). For any subsequent training or ongoing educational courses, we charge our then-current training fee ($350 to $1,250 per training session). You will be

obligated to pay any expenses for you or your employees under travel, food, accommodations, and any wages due during the training process.

ITEM 12. TERRITORY

Franchise 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.

However, once a location is selected, approved by us and purchased or leased by you, the remainder of Attachment A to the Franchise Agreement will be completed and signed by you and us, which will confirm the location of your Studio and the protected territory that you will receive. So long as you are in compliance with the terms of your Franchise Agreement, we will not authorize any other person or entity, including us and our affiliates, to operate a Pure Barre Studio in your protected territory. The geographic area of your protected territory will depend in part upon the location of the premises, like a city, suburbs or rural area. For example, the protected territory within a city, especially a large city, is likely to be smaller than the protected territory of a franchisee located in a rural, less populated area. Each protected territory is agreed to by us and you.

Under the Franchise Agreement, your Studio will operate from a specific location, for which you must obtain our advance approval. Our then-current standards for proposed sites will apply when we are making our determination whether to approve or disapprove a proposed site. If you and we have not agreed upon the location for your Studio at the time you sign the Franchise Agreement, Attachment A to your Franchise Agreement will include a description of the geographic area (the "search area") in which you are required to concentrate your efforts at locating the premises for your Studio. You will have exclusive rights to the search area for 90 days after the Franchise Agreement is signed. However, after the 90-day exclusive period, the search area will be non-exclusive and it is possible that there could be multiple franchisees seeking locations for Pure Barre studios at the same time.

We and our affiliates do not currently plan to operate a competing franchise system offering similar goods or services, but we are not prohibited from doing so. We and our affiliates reserve the rights to offer products and services through alternative channels of distribution (including chain, warehouse, club and other stores, the internet (e-commerce), electronic media, and/or any other means of distribution, whether existing now or in the future), under the Marks or other trademarks or service marks. Except as expressly limited by the previous sentence, we and our affiliates retain all rights with respect to Pure Barre studios, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate whenever and wherever we desire. We and our affiliates may acquire businesses providing products and services similar to those provided at your Studio, and we may convert such businesses to Pure Barre Studios, and franchise, license, or create similar arrangements with respect to these businesses once acquired, even if these businesses (or the franchisees or licensees of these

businesses) are located or operating in your protected territory. We are not otherwise required to compensate you for any permitted sales we make within your protected territory.

Certain affiliates of the parents of our Parent have ownership in Peloton Interactive (an operator of cycling studios that also sells stationary bicycles), Sweaty Betty (a premium women's activewear brand and retailer selling similar products to that which are sold at Pure Barre Studios), and CorePower Yoga (studios offer yoga and fitness classes and sell related fitness apparel). It is reasonable to expect that each of these brands may have retail outlets located in and will solicit customers in your protected territory.

You are not limited to soliciting or accepting orders from solely inside your protected territory, except that your local advertising is limited to an area reasonably surrounding your location, and that is not part of any protected territory of any other franchisee. You may not engage in any promotional or similar activities, directly or indirectly, through or on the Internet, catalog sales, telemarketing or other direct marketing campaigns, without our consent. You should expect that most or all of your sales will be to customers who visit your location in person.

You will not be permitted to relocate without our approval. You will be assessed a relocation fee of $1,500 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 it is due to extreme or unusual events beyond your control. 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. You have no options, rights of first refusal or similar rights to acquire additional franchises. You will not be allowed to open any additional locations unless under a separate franchise agreement, for which you must pay a separate franchise fee, and which is subject to our approval. We have the discretion to grant or deny any request for another franchise.

By entering into a Franchise Agreement, you pledge to generate a minimum amount of Royalties during each rolling 12-month period of the term of the Franchise Agreement (the "Minimum Cumulative Royalty"). If you sign a single-unit Franchise Agreement, the Minimum Cumulative Royalty will be $14,000. If you sign a Franchise Agreement in connection with a Multi-Unit Development Agreement, the Minimum Cumulative Royalty will be (i) $15,750 as of the end of the 12th month of operation (based entirely on annualized Gross Sales during the second 6 months of operation), (ii) $17,500 as of the end of the 18th month of operation for the trailing 12-month period, and (iii) $22,750 as of the end of the 24th month of operation, and for each 6-month period thereafter, for the trailing 12-month period. The initial rolling 12 month starts on the 13th month following the opening of your Studio and extends for 12 months. Any failure by you to generate the required Minimum Cumulative Royalties in any rolling 12 month period will be a material default under of the Franchise Agreement. However, with respect to the initial instance in which you fail to generate the Minimum Cumulative Royalties, you will be able to cure the default by paying us any shortfall in any required Minimum Cumulative Royalties. The shortfall payment is due 30 days following the end of the applicable rolling 12 month period in which the shortfall occurred. Any subsequent failure by you to generate the Minimum Cumulative Royalties will not be curable. Failure to pay the shortfall, if curable, or otherwise pay Minimum Cumulative Royalties permits us to terminate your Franchise Agreement.

Multi-Unit Development Agreement

You will not receive an exclusive territory under the Multi-Unit Development Agreement. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

However, while you are in compliance with the Multi-Unit Development Agreement and all your Franchise Agreements, we will not establish or license others to establish Pure Barre Studios within your Development Area during the term of the Multi-Unit Development Agreement. You are not required to achieve certain sales volume, market penetration or other contingencies in order to maintain your exclusivity for the Development Area, but your failure to comply with the Development Schedule will be a material breach of the Multi-Unit Development Agreement, which may result in our terminating the Multi-Unit Development Agreement.

The Multi-Unit Development Agreement grants you the right to acquire franchises to develop, own and operate Pure Barre Studios within the designated "Development Area" that will be described in Attachment A attached to the Multi-Unit Development Agreement.

The boundaries of the Development Area will typically be described by an area encompassed within a circle having a radius of a specific length, which may be described by referring to a particular city, county, or other political boundary. We will determine in our discretion the Development Area we will offer to you before you sign the Multi-Unit Development Agreement. We determine the size of the Development Area based on multiple factors, including demographics, traffic patterns, competition, your capacity to recruit and provide services in the Development Area, and site availability among other economic and market factors. The Multi-Unit Development Agreement expires on the required opening date specified on the Development Schedule for the last Pure Barre Studio you are required to develop under the Multi-Unit Development Agreement. When the Multi-Unit Development Agreement expires or is terminated, the grant of Multi-Unit Development rights, including the area protection conferred by the Multi-Unit Development Agreement, terminates. Your right to use the Pure Barre franchise system will be limited to those Pure Barre Studios operating under Franchise Agreements you (or an approved affiliate) may have entered into before the expiration or termination of the Multi-Unit Development Agreement.

We and our affiliates retain the right to (1) establish, operate and allow others to establish and operate, Pure Barre Studios using the Marks and the Pure Barre franchise system, at any location outside the Development Area on terms and conditions we deem appropriate; (2) establish, operate and allow others to establish and operate other exercise and workout studios, anywhere in the world, that may offer products and services that may be identical or similar to products and services offered by Pure Barre Studios, but under trade names, trademarks, service marks and commercial symbols other than the Marks; (3) operate or license others to operate Pure Barre Studios that we or our designee acquires from a franchisee as a result of the exercise of our right of first refusal or right to purchase as provided in the Franchise Agreement, and (4) establish, operate and allow others to establish and operate other businesses and distribution channels (including the Internet), wherever located or operating and regardless of the nature or location of the customers with whom these other businesses and distribution channels do business, that operate under the Marks or any other trade names, trademarks, service marks or commercial

symbols that are the same as or different from Pure Barre Studios, and that sell products or services that are identical or similar to, or competitive with, those that Pure Barre Studios customarily sell. In addition, we specifically retain the right under the Multi-Unit Development Agreement to (1) acquire the assets or ownership interests of one or more businesses including Competitive Businesses (as defined in Item 17), and franchising, licensing or creating similar arrangements with respect to these businesses once acquired, wherever these businesses (or the franchisees or licensees of these businesses) are located or operating (including in the Development Area), (2) be acquired (whether through acquisition of assets, ownership interests or otherwise, regardless of the form of transaction), by any Competitive Business, even if this business operates, franchises or licenses these businesses in the Development Area, (3) operate or grant a third party the right to operate any Pure Barre Studios that we or our designees acquire as a result of an exercise of a right of first refusal or purchase right under a Franchise Agreement, and (4) engage in all other activities not expressly prohibited by the Multi-Unit Development Agreement. As noted above, the Peloton, Sweaty Betty and CorePower Yoga brands may conduct business and solicit customers in your Development Area.

You may not engage in any promotional or similar activities, directly or indirectly, through or on the Internet, catalog sales, telemarketing or other direct marketing campaigns, without our consent.

We are not required to pay you if we exercise any of the rights specified above inside or outside your Development Area.

ITEM 13. TRADEMARKS

The following is a description of the principal marks that we will license to you. These marks are registered on the Principal Register of the U.S. Patent and Trademark Office ("USPTO"). All required affidavits have been filed.

Mark	Registration Number	Classes	Registration Date
pure barre	3,553,370	041	12/30/2008
pure barre	4,431,632	009, 016, 021, 025, 028, 030	11/12/2013
	4,431,630	009, 016, 021, 025, 028, 030, 041	11/12/2013
lift • tone • burn	4,608,054	009, 016, 021, 025, 028, 041 (not including website)	09/23/2014

The chart does not necessarily include every trademark that we own, and the Franchise Agreement gives us the right to add, modify, or remove marks from those that we license to you.

There are no currently effective material determinations of the Patent and Trademark Office, the Trademark Trial and Appeal Board, or any state trademark administrator or court under the Mark listed above. We also are unaware of any pending infringement, opposition, or cancellation proceeding, or of any pending federal or state material litigation regarding our use or rights in any Mark, and we know of no superior rights or infringing uses that could materially affect your use of the Mark listed above.

The Marks and other intellectual property are owned by Parent which, under an Intellectual Property License Agreement dated October 11, 2012 (the "IP License Agreement"), has granted us the right to use and sublicense the use the Marks and other intellectual property. The initial term of the IP License Agreement is 10 years, and it automatically renews for unlimited successive one-year terms. The IP License Agreement may be terminated by Parent, with or without cause, on 30 days' prior written notice to us. If we were ever to lose our rights under the IP License Agreement, all franchise agreements will automatically be assigned to and assumed by Parent, so your rights to use the Marks and other intellectual property in accordance with the Franchise Agreement will not be impacted. However, we would not be authorized to add additional franchises under the Multi-Unit Development Agreement, and that would cause us to breach the Multi-Unit Development Agreement unless that agreement is also assigned to and assumed by Parent (which does not happen automatically). Other than the IP License Agreement, there are no agreements currently in effect which limit our rights to use or license the use of any of the Marks in a manner that is material to the franchise.

You are obligated to notify us if you learn of any apparent or potential infringement of any Mark, as well as any challenge to our or your use of the Marks. We have the right to control any litigation that arises out any claim related to the use of the Marks, including whether to initiate litigation to challenge another person's infringing use. We will defend and indemnify you against any third-party claim that you have unlawfully used the Marks, while your actual use complies with the Franchise Agreement and any other restrictions or specifications imposed by the Manuals. We may adopt new Marks and discontinue the use of existing Marks, and you will be required to make the corresponding changes to your Studio at your expense.

ITEM 14. PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

No patents or pending patent applications are material to the franchise. We or our affiliates claim copyrights in the Manuals (which contains our trade secrets), advertising and marketing materials, and similar items used in operating your Studio. In some instances, we or affiliates have obtained federal copyright registrations for our teacher training manuals and our exercise program DVDs. You may use these items only as we specify while operating your Studio (and must stop using them if we so direct you). The following is a description of certain copyrights for which our Parent has acquired federal registration and which we are authorized under the IP License Agreement (see Item 13) to use and permit our franchisees to use:

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

The chart does not necessarily include every copyright that we or our affiliates own.

There currently are no effective adverse determinations of the USPTO, the United States Copyright Office, or any court regarding the copyrighted materials. Except for the IP License Agreement, no agreement limits our right to use or allow others to use the copyrighted materials. We do not actually know of any infringing uses of our copyrights that could materially affect your use of the copyrighted materials in any state.

We need not protect or defend copyrights, although we intend to do so if in the franchise system's best interests. We may control any action we choose to bring, even if you voluntarily bring the matter to our attention. We need not participate in your defense and/or indemnify you for damages or expenses in a proceeding involving a copyright.

The Manuals and other materials contain our confidential information (some of which constitutes trade secrets under applicable law). This information includes location selection criteria; product and services specification, standards, training and operations materials; methods, formats, specifications, systems, procedures, training techniques, sales and marketing techniques, knowledge, and experience used in developing and operating your Studio; marketing and advertising programs for your Studio; any computer software or similar technology that is proprietary to us or the franchise system; our music playlists that we provide to you; knowledge of specifications for and suppliers of products and services, and other products and supplies; knowledge of the operating results and financial performance of Pure Barre studios other than your Studio; graphic designs and related intellectual property; information about members such as member names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information.

All improvements, developments, derivative works, enhancements, or modifications to the franchise system and any confidential information made or created by you, your employees, or your contractors will be owned solely by us. To the extent that you, your employees or your contractors are deemed to have any interest in any of these improvements, you must assign all right, title, and interest in these improvements to us. You will be required to sign documents and take other actions we reasonably request in order to make the assignment effective.

You may not use our confidential information in an unauthorized manner. You must take reasonable steps to prevent its improper disclosure to others and use non-disclosure and non-competition agreements with those having access. We may regulate the form of agreement that

you use and will be a third party beneficiary of that agreement with independent enforcement rights.

ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

Franchise Agreement

If you operate the franchise through an entity, you must designate and request our approval of one of your owners (who must be a natural person) as "Designated Representative." You may not change your Designated Representative without our consent. Your Designated Representative will be authorized, on your behalf, to deal with us in respect of all matters whatsoever which may arise in respect of your franchise agreement.

In addition, whether you are an individual or if you operate the franchise through an entity, you must designate certain individuals to function in key roles ("Key Roles") in the operation of the Studio. These key individuals include an "Operations Manager" and a "Lead Teacher." The Operations Manager must work on a full-time basis and he or she will manage the core operations of the Studio on a daily basis. The "Lead Teacher," will, in addition to teaching classes, oversee and review the performance of your other teachers. The Key Roles may, with our prior approval, be consolidated and be performed by one person. We may require that Key Roles be filled by one or more of your owners and, if we determine that your owners are not qualified to fill a Key Role, you will be required to appoint one or more of your employees to do so. In any event, each person filling a Key Role is at all times subject to our acceptance and approval and must have completed, to our satisfaction, any training programs that we require persons in those roles to complete. Unless serving in a Key Role, you are not personally required to participate in the direct operation of your Studio. If an individual filling a Key Role is not an owner of you, then you must directly ensure that the individual maintains the confidentiality of the Manuals and all other confidential information that we provide you or allow you to access. In addition, we may require you to obtain noncompetition covenants from individuals who serve in a Key Role.

Multi-Unit Development Agreement

Either you or, if you are at any time a corporation, a limited liability company, a general, limited or limited liability partnership, or another form of business entity, an individual that directly or indirectly owns at least 25% of the ownership interest in you (the "Managing Owner"), approved by us must devote an amount of his or her business time and efforts to the operation, promotion and enhancement of the business under the Multi-Unit Development Agreement. You or the developer's Managing Owner must supervise the development and operations of Pure Barre Studios franchised under the Multi-Unit Development Agreement.

Personal Guaranty and Assumption of Obligations

If the franchisee or developer is a legal entity (other than an individual), each owner of the entity is required to sign an agreement (a "Guaranty and Assumption Agreement") under which the owner will personally assume and guaranty the performance of the franchisee's or developer's obligations to us under the Franchise Agreement and Multi-Unit Development Agreement, as applicable. If you are an individual, your spouse must also sign the Guaranty and Assumption Agreement for the limited purpose of acknowledging and consenting to the execution of the Guaranty and Assumption Agreement by his or her spouse to bind the non-owner spouse's interests in marital assets. The execution by a non-owner spouse does not bind the non-spouse's personal property nor does the non-owner spouse otherwise personally guaranty or personally assume the franchisee's or developer's obligations to us under the Franchise Agreement or Multi-Unit Development Agreement.

ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We will establish the goods and services that you are permitted to sell, and you must offer for sale all goods and services that we specify. In general, you will be offering workout services and fitness-related goods bearing the Pure Barre name and logo. We have the unlimited right to change the goods and services that must and may be offered to customers, and you will have the obligation to adhere to any of these changes. If we require you to offer a membership reciprocity program, you must comply with the standards and requirements that we periodically implement.

ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreements attached to this disclosure document.

THE FRANCHISE RELATIONSHIP

	Provision	Section in franchise or other agreement	Summary
a.	Length of the franchise term	Franchise Agreement Section 1.1	5 years
		Multi-Unit Development Agreement Section 1.B	Term ends on the scheduled opening date of the last studio as specified on the Development Schedule or the last day of the last development period, whichever occurs first.
		Not applicable in Development Services Agreement	

	Provision	Section in franchise or other agreement	Summary
b.	Renewal or extension of the term	Franchise Agreement Sections 11.1 and 11.3	If this is your first Franchise Agreement for this location, then you will be given the opportunity to enter into two additional consecutive 5-year terms if certain conditions are met.
		Not applicable in Multi-Unit Development Agreement or Development Services Agreement	
c.	Requirements for franchisee to renew or extend	Franchise Agreement Sections 11.1, 11.2 and 11.4	To qualify to renew, you must: (i) provide notice of your intent to enter into a renew between 90 and 180 days before the end of the applicable term (unless we modify that period); (ii) be in full compliance with the Franchise Agreement, the Manuals, and any other agreement with us or our affiliates; (iii) have and be in good standing with all licenses and permits; (iv) be in full compliance with all monetary obligations to us, our affiliates, and all third parties; (v) have made any required modifications and upgrades to the location and operations; (vi) have committed no more than 2 material defaults of the Franchise Agreement for which you received written notice and a demand for cure; (vii) have the right to retain possession of the location for the term of the successor agreement; (viii) sign a general release of all claims against us (to the extent permitted by applicable law); (ix) meet all general requirements then applicable to the approval of new franchisees; (x) pay a renewal fee of $5,000 in lieu of the initial fee otherwise due under the successor agreement; and (xi) sign our then-current form of Franchise Agreement that may contain materially different terms and conditions than your original contract.
		Not applicable in Multi-Unit Development Agreement or Development Services Agreement	

	Provision	Section in franchise or other agreement	Summary
d.	Termination by franchisee	Franchise Agreement Sections 14.1	You may terminate if we violate a material and substantial provision of the Franchise Agreement and fail to remedy or make substantial progress towards curing the violation within 60 days after receiving written notice from you.
		Development Services Agreement Section 4(b)	You may terminate if we materially breach the agreement and do not correct the failure within 30 days of delivery of notice of the breach.
		Not applicable in Multi-Unit Development Agreement	
e.	Termination by franchisor without cause	Not applicable in Franchise Agreement or Multi-Unit Development Agreement	We may not terminate without cause.
		Development Services Agreement Section 4(a)	We may terminate without cause upon 90 days' written notice to you.
f.	Termination by franchisor with cause	Franchise Agreement Sections 14.2, 14.3 and 14.4	We are permitted to terminate with cause. For curable defaults, we must give you written notice and allow 10 days for cure.
		Multi-Unit Development Agreement Section 7.A	We may terminate only if you or your owners commit one of several violations. Under cross-default provision, we can terminate the Multi-Unit Development Agreement if you or your approved affiliate fails to comply with any provision of any Franchise Agreement and does not cure such failure within the applicable cure period.
		Development Services Agreement Section 4(b)	We may terminate if you materially breach the agreement and do not correct the failure within 30 days of delivery of notice of the breach.

	Provision	Section in franchise or other agreement	Summary
g.	"Cause" defined—curable defaults	Franchise Agreement Sections 14.2 and 14.4	Cause for termination that may be cured is a violation of any material provision of the Franchise Agreement, except for those that are non-curable or that are not reasonably susceptible to cure. If you violate any health, safety, or sanitation law, you will have 72 hours after notice from us or any third party to cure. Under cross-default provision, cause to terminate the Franchise Agreement also includes any circumstance that would give rise to a terminable default under any other franchise agreement between us or our affiliate and you, the Operations Manager, a Lead Teacher, or any entity that is majority-owned by one or more owner of the franchisee entity.
		Multi-Unit Development Agreement Section 7.A	Under the Multi-Unit Development Agreement, you have 10 days to cure monetary defaults, failure to furnish reports, financial statements, tax returns or any other documentation required; 30 days to cure a failure to comply with the development schedule (unless caused by a Casualty Event); and 15 days to cure any failure to observe, perform or comply with any other of the terms or conditions of the Multi-Unit Development Agreement; and applicable cure period for defaults under Franchise Agreement or failure to pay any third-party obligations. The time for cure will be extended for up to 180 days if the reason for the default was a "Casualty Event," defined to be a fire, tornado, hurricane, flood, earthquake or similar natural disaster beyond your control.
		Development Services Agreement Section 4(b)	Any material breach that remains uncured for 30 days after delivery of written notice.

	Provision	Section in franchise or other agreement	Summary
h.	"Cause" defined—non-curable defaults	Franchise Agreement Sections 14.3 and 14.4	We are not required to offer any opportunity to cure before termination if you: (i) have misrepresented or omitted material facts in your application or other materials provided to us before entering into the Franchise Agreement; (ii) fail to complete initial training to our satisfaction; (iii) become bankrupt or insolvent or otherwise unable to pay your debts as they become due; (iv) make an assignment for the benefit of creditors, have a receiver or similar custodian appointed, or make a disposition of substantially all of your assets; (v) abandon or cease operation of your Studio or cease to communicate with us; (vi) yourself or through any owner are arrested for, held liable for, are convicted of, or plead guilty or no contest to a charge of violating a law relevant to your Studio; (vii) you or any owner is intoxicated or under the influence of illegal drugs while at the Studio; (viii) attempt to assign, transfer, or make unauthorized use of the Marks, or disclose or make unauthorized use of the Manuals or other confidential materials or information; (ix) fail on 3 or more separate occasions within any 12-consecutive-month period to comply with the Franchise Agreement whether or not you correct the failures after our delivery of notice to you; (x) fail on 2 or more separate occasions within any 6-consecutive-month period to comply with the same obligation under the Franchise Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you; (xi) fail to meet the minimum required Gross Sales; (xii) fail to pay when due any amount owed to any creditor, supplier or lessor of your Studio and do not correct the failure within any applicable cure period; (xiii) you or your Operations Manager or other employees fail to satisfactorily complete any additional training or education programs we require within 30 days of notice from us; (xiv) fail to meet the required schedule to obtain your Studio's location, complete construction, and open for business; or (xv) you permit a condition at the Studio premises that causes an immediate public health or safety concern. Under cross-default provision, we are also permitted to terminate without notice to the extent and in the circumstances provided for under any other franchise agreement between us or our affiliate and you, the Operations Manager, or any entity that is majority-owned by one or more owner of the franchisee entity.

	Provision	Section in franchise or other agreement	Summary
		Multi-Unit Development Agreement Section 7.A	Non-curable defaults under the Multi-Unit Development Agreement include ceasing or threatening to cease to carry on the business; liquidation of your assets; failure to pay any debts or other amounts incurred by you in operating the business when these debts or amounts are due and payable; an assignment for the benefit of creditors; appointment of a trustee or receiver; 3 or more repeated violations during any 12-month period; 2 or more repeated violations during any 6 month period; in the event you are an entity, liquidation or dissolution or amalgamation; or if you lose your charter by expiration, forfeiture or otherwise; material misrepresentations or omissions; conviction of a felony; dishonest or unethical conduct; unapproved transfers of the Multi-Unit Development Agreement or an ownership interest in you; and your rejection of 2 or more proposed sites that we have provided you.
		Development Services Agreement Section 4(b)	We may terminate if your Multi-Unit Development Agreement is terminated.

	Provision	Section in franchise or other agreement	Summary
i.	Franchisee's obligations on termination / nonrenewal	Franchise Agreement Sections 10.2, 10.3, 10.4, 14.6, and 14.10	You must: (i) adhere to all post-termination covenants and restrictions; (ii) pay all fees based on Gross Sales made through the effective date of termination and pay all other amounts then due; (iii) promptly return the Manuals, any item bearing the Marks, and any other copyrights or proprietary materials or software; (iv) cease doing any business under or associated with the Marks; (v) cancel any corporate or trade name registrations using any Mark or derivative; (vi) remove from all property any Marks and signs displaying the Marks, including trade dress; (vii) assign to us any telephone numbers, domain names, email addresses, electronic network, and directory lists under the Pure Barre Studio and cooperate with us to ensure those assignments; and (viii) allow us to conduct a final audit and to verify your compliance with post- termination obligations. Notify clients of your Studio that you are no longer our franchisee. (also see (o) and (r) below)
		Multi-Unit Development Agreement Sections 7.B and 7.D Not applicable in Development Services Agreement	Under the Multi-Unit Development Agreement, you must: cease using the Marks and franchise system; return all proprietary materials, forms, documents and information; comply with confidentiality requirements; and comply with all post-termination non-compete and non-solicit covenants; and at our option, sell or assign to us your rights in the Pure Barre Studio premises and the assets used in the business.

	Provision	Section in franchise or other agreement	Summary
j.	Assignment of contract by franchisor	Franchise Agreement Section 12.7 Multi-Unit Development Agreement Section 6.A	No restriction on our right to assign.
		Development Services Agreement Section 3	We may not transfer or assign the agreement, except, we may assign to our affiliate.
k.	"Transfer" by franchisee—defined	Franchise Agreement Sections 12.1, 12.4, and 12.8	Transfer includes any assignment, transfer, or encumbrance of any interest in or ownership or control of you, the Pure Barre Studio, or the Franchise Agreement. Transfer includes any security interest granted in the Franchise Agreement, the Location, the Pure Barre Studio, or the assets of the Pure Barre Studio. Transfer also includes any disposition resulting from death or incapacity.
		Multi-Unit Development Agreement Section 6.B	Includes voluntary or involuntary sale, assignment, subdivision, sub-franchising; grant of mortgage, charge, lien or security interest; merger or consolidation; sale or exchange of voting securities; or transfer caused by divorce or death.
		Not defined in Development Services Agreement	
l.	Franchisor's approval of transfer by franchisee	Franchise Agreement Section 12.1 Multi-Unit Development Agreement Section 6.B Not applicable in Development Services Agreement.	Any proposed transfer (including a change of the franchise's Designated Representative) requires our prior written consent. Any proposed transfer requires our prior written consent.

	Provision	Section in franchise or other agreement	Summary
m.	Conditions for franchisor approval of transfer	Franchise Agreement Sections 12.1, 12.2 and 12.3	No transfers before your Studio is open for business. You and the transferee must sign a consent to transfer in substantially the form reflected in Exhibit H. Minimum conditions to transfer are: (i) you are in full compliance with the Franchise Agreement, Manuals, and any other agreements with us or our affiliates; (ii) you have made all required modifications and upgrades to location and operations; (iii) you or the transferee has paid a fee equal to 25% of the then-current initial franchise fee; (iv) we have approved the terms of the transfer agreement; (v) the transferee has submitted all information and meets the criteria applicable to new franchisees; (vi) at our option, the transferee has assumed the Franchise Agreement and all ancillary agreements or has signed the then-current franchise agreement and ancillary agreements, which may contain terms that vary materially from the current form of franchise agreement; (vii) the transferee agrees to complete training and pay us our then-current training fee; (viii) you obtain necessary third party consents to transfer licenses and other agreements; (ix) you and your owners sign a general release of all claims against us (to the extent permitted by applicable law); (x) we have elected to continue franchising generally and in the area where your location is located; (xi) we would sell a franchise to the transferee under normal circumstances.
		Multi-Unit Development Agreement Section 6.B(1)	Transferee must meet qualifications; satisfactorily complete training and pay required fee; have no financial or other interest in a Competitive Business; enter into all then-current forms of agreement required by us; you must have fulfilled all your financial obligations; must execute general release; pay expenses and applicable fees
		Not applicable in Development Services Agreement	

	Provision	Section in franchise or other agreement	Summary
n.	Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement Section 12.5	You must notify us of any acceptable bona fide purchase offer, and we have the right to acquire the same assets on the same terms. We have 30 days to exercise our right of first refusal, may substitute cash for any other form of consideration, and may make full payment at closing. If we do not exercise our right of first refusal and the terms of the offer materially change before transfer or the transfer is not effected within 90 days of the initial notice to us, then we will have a renewed right of first refusal. All transfers to a third party are subject to the transfer provisions and restrictions of the Franchise Agreement.
		Multi-Unit Development Agreement Section 6.C	If you receive an offer to sell or transfer an interest, direct or indirect, in the Multi-Unit Development Agreement, your business operated under the Multi-Unit Development Agreement or an ownership interest in you, we have a right of first refusal to purchase this interest offered for the price and on the terms and conditions contained in the offer with certain provisions; if this right is not exercised within 30 days of our receipt of notice of this intention to sell or transfer, then you may sell or transfer in accordance with items k through m of this Table.
		Not applicable in Development Services Agreement	
o.	Franchisor's option to purchase franchisee's business	Franchise Agreement Section 14.7	We may buy (i) the equipment used in the operation of your Studio at the then-current book value using straight-line depreciation and/or (ii) the location of your Studio (if owned by you or one of your affiliates) at fair market value after the Franchise Agreement is terminated or expires (without renewal). If you do not own the location of your Studio, we may require you to lease or sublease the location to us.
		Multi-Unit Development Agreement Section 7.D	We have the right to purchase the assets of your Studios in the Development Area if we terminate the Multi-Unit Development Agreement for any reason, other than because of the termination of any Franchise Agreement for a studio in the Development Area.

	Provision	Section in franchise or other agreement	Summary
		Development Services Agreement Section 4	If we terminate the agreement because of your breach of the agreement before you take possession of the premises, we will have the right to acquire ownership of the Studio. We will exercise that option within 14 days after our notice of termination of the Agreement. If we elect to acquire the Studio under these circumstances, you must assign the lease to us or our designee, and we will reimburse you for any development costs you have expended in connection with the development of the Studio, as of the date of our election.
p.	Death or disability of franchisee	Franchise Agreement Sections 12.8	Your (or any of your owners) death is a transfer requiring our consent. See (k) above. However, our approval will not be unreasonably withheld or delayed while at least one of your owners continues to be the Designated Representative. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have 9 months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve. We may appoint an interim manager to operate your Studio from the time of your death until the appointment of a new Operations Manager. You will compensate the interim manager.
		Multi-Unit Development Agreement Section 6.B	Your (or any of your owners) death is a transfer requiring our consent. See (k) above. However, our approval will not be unreasonably withheld or delayed while at least one of the Managing Owners continues to be the designated Managing Owner. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have 9 months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve.
		Not applicable in Development Services Agreement	

	Provision	Section in franchise or other agreement	Summary
q.	Non-competition covenants during the term of the franchise	Franchise Agreement Sections 10.1, 10.3	No participation during term of Franchise Agreement with any Competitive Business. No use of the franchise system, its exercise routines, or music playlists in any other business. A "Competitive Business" is defined as any business (other than another Pure Barre Studio) operating, or granting, franchises or licenses to others to operate any fitness or exercise business or a business that sells fitness apparel or equipment. Further, you may not recruit or hire any employee of ours, our affiliates, or any other franchisees (or anyone who had been employed by any of those entities during the prior 6-month period) of or speak negatively of the Pure Barre brand or marks.
		Multi-Unit Development Agreement Section 5	Neither you, nor any of your owners or their immediate family members, may have any involvement, directly or indirectly, in a Competitive Business. In addition, without our prior consent, you must not operate, directly or indirectly, any business marketed by a franchisor or chain under a locally, regionally, or nationally known or registered trademark or service mark. Further, you may not, without permission: recruit or hire any instructor, general manager or assistant manager of ours, our affiliates, franchisees or developers, district or regional manager, or any of our or our affiliates' officers (nor any such person who had been employed in that capacity by any of those entities during the prior 6-month period); nor interfere with vendor/supplier/consultant relationships nor engage in activities that would harm our Marks or franchise system
		Not applicable in Development Services Agreement	

	Provision	Section in franchise or other agreement	Summary
r.	Non-competition covenants after the franchise is terminated or expires	Franchise Agreement Sections 10.2, 10.3	No participation for 2 years with any business within a 30-mile radius of either your Studio's location or any other Pure Barre Studio that is engaged in a Competitive Business. No use of the franchise system, its exercise routines, or music playlists in any other business. You may not lease any real estate in which you have an ownership interest to a Competitive Business. Further, for 2 years, you may not recruit or hire any employee of ours, our affiliates, or any other franchisees (or anyone who had been employed by any of those entities during the prior 6-month period). You may not speak negatively of the Pure Barre brand or marks.
		Multi-Unit Development Agreement Section 7.C	You may not have any involvement, directly or indirectly, in a Competitive Business for 24 months in the Development Area or within a 30-mile radius of any Pure Barre Studio in existence or under development at time of termination or expiration of Multi-Unit Development Agreement. Further, you may not, without permission: recruit or hire any instructor, general manager or assistant manager of ours, our affiliates, franchisees or developers, district or regional manager, or any of our or our affiliates' officers (nor any such person who had been employed in that capacity by any of those entities during the prior 6-month period); nor interfere with vendor/supplier/consultant relationships nor engage in activities that would harm our Marks or franchise system.
		Not applicable in Development Services Agreement	
s.	Modification of the Agreement	Franchise Agreement Sections 1.4, 1.5, 4.1 and 16.11	No modifications except with the prior written consent of both you and us, except that we are permitted to amend the Marks at any time. We are permitted to amend the Manuals at any time, and you are required to comply with the Manuals as amended.
		Multi-Unit Development Agreement Section 10.G	No modifications except in writing and signed by both you and us.

	Provision	Section in franchise or other agreement	Summary
		No provision in Development Services Agreement	
t.	Integration / merger clause	Franchise Agreement Section 16.4	Only the terms of the agreement are binding (subject to state law). Any representations or promises outside the disclosure document and franchise agreement may not be enforceable.
		Multi-Unit Development Agreement Section 10.G	Only the written terms of the agreement are binding (subject to state law). Any representations or promises outside the disclosure document and multi-unit development agreement may not be enforceable.
		Development Services Agreement Section 10	Only the terms of the agreement are binding.
u.	Dispute resolution by arbitration or mediation	Franchise Agreement Section 15.1 Multi-Unit Development Agreement Section 9.A Development Services Agreement Section 8	We and you must arbitrate all disputes at a location in or within 50 miles of our current principal place of business (currently, Denver, Colorado) (subject to state law).
v.	Choice of forum	Franchise Agreement Sections 15.1 and 15.2	Subject to arbitration requirement, litigation generally must be in courts in or within 50 miles of our current principal place of business (currently, Denver, Colorado) (subject to state law)
		Multi-Unit Development Agreement Sections 9.A and 9.C and Development Services Agreement Section 8	Subject to arbitration requirement, you must sue us in a state or federal court nearest our corporate headquarters (currently Denver, Colorado) (subject to state law).

	Provision	Section in franchise or other agreement	Summary
w.	Choice of law	Franchise Agreement Section 15.4	Except for Federal Arbitration Act and other federal law, Colorado law governs (subject to state law).
		Multi-Unit Development Agreement Section 9.B and Development Services Agreement Section 8	Except for federal trademark law, Colorado law (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 G.

ITEM 18. PUBLIC FIGURES

We do not currently use any public figure to promote our franchise system, but we reserve the right to do so in the future.

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.

Disclosure #1
(Average Unit Volume – Franchised Studios – October 1, 2016, to September 30, 2017)

The Data Set: As is common for new businesses generally, Pure Barre studios typically experience revenue volatility during their first year of operation. Their results are not reflective of and would artificially impact the results of studios that have passed through the initial opening phase and have achieved more operational stability. As a result, of the 461 franchisee-owned Pure Barre Studios in the United States in operation as of September 30, 2017, we have eliminated from the data set 66 that were not operating for the entire time period running from October 1, 2016, to September 30, 2017 (the "Measurement Period"). The results shown in this Item 19 are based on the results of the remaining 395 franchisee-owned studios in the United States, all of which were open and operating as of September 30, 2016. No affiliate-owned studios are included in the data set.

The Methodology: The results shown in this Item 19 reflect, solely with respect to the 395 franchisee-owned Pure Barre studios in the data set, system-wide per-studio average Unit Volume during the Measurement Period. For purposes of these calculations, Unit Volume was determined in the same manner as you will calculate Gross Sales as defined in the Franchise Agreement. To calculate the average Unit Volume, we added the Unit Volume for all 395 franchisee-owned studios in the data set, then divided that number by 395. To calculate the median Unit Volume, we put all Unit Volumes in numerical order, then selected the Unit Volume that was in the middle.

The data used to calculate the studio's Unit Volume was obtained either from reports submitted by franchisees or by our polling the information directly from the franchisees' point-of-sale systems. Neither we nor our affiliates have undertaken an independent investigation to verify the amounts reported by franchisees.

The Results:

1. For the Entire Data Set: The average Unit Volume during the Measurement Period for all 395 of the franchisee-owned studios in the data set was $317,555. Of the 395 studios, 162 (41.0%) met or exceeded the average Unit Volume for the group. The range for the group was $84,628 to $998,776 (the median was $289,031), with 283 studios (71.6%) falling between $200,000 and $550,000.

2. By Age of Studio: The chart below shows the average Unit Volume for all 395 franchisee-owned studios in the data set, calculated as described above, and grouped by maturity. In each case, the average Unit Volume was determined by adding the Unit Volume of all studios in the designated group, calculated as described above, then dividing that number by the number of studios in the group.

Length of Operation as of September 30, 2017	Average Unit Volume During the Measurement Period
12 months to 23 months	$289,564[1]
24 months to 35 months	$294,922[2]
36 months or more	$334,779[3]

Notes:

1. There are 87 studios in this group, 38 (43.7%) of which met or exceeded the specified average Unit Volume for the group. The range for this group was $96,015 to $871,111, with 72.4% of the studios (63 studios) falling between $200,000 and $550,000. The median for this group was $254,542.
2. There are 72 studios in this group, 30 (41.7%) of which met or exceeded the specified average Unit Volume for the group. The range for this group was $108,999 to $839,206, with 69.4% of the studios (50 studios) falling between $200,000 and $550,000. The median for this group was $265,010.
3. There are 236 studios in this group, 101 (42.8%) of which met or exceeded the specified average Unit Volume for the group. The range for this group was

$84,628 to $998,776 with 72.0% of the studios (170 studios) falling between $200,000 and $550,000. The median for this group was $334,779.

Disclosure #2 (Franchised Studio Results)

During the first half of the 2016 calendar year, 107 Pure Barre franchisees submitted to us detailed profit and loss statements that provided us with information for that portion of the year regarding their revenue, their operating expenses, and their EBITDA (earnings before deductions for interest, taxes, depreciation and amortization). We have summarized the results in the chart below. When reviewing that information, you should consider the following:

1. The information was self-reported by the 107 franchisees, and we have merely summarized it as reported. We have not audited or verified the information.

2. Since we only received the detailed profit and loss statements for the 1st half of 2016, we have annualized the results for that year by multiplying the data as of the end of the 1st half of the year by 2.

3. The chart below reflects averages which were calculated by adding, for each item, the amounts reported by all 107 franchisees, then dividing that number by 107.

4. In each case, the percentage shown is a percentage of Total Revenue. To calculate the percentages, we divided the actual dollar values by the dollar value of the reported Total Revenue.

Item	Calendar Year 2016 (annualized)
Total Revenue	100.0%
Product Costs[1]	9.8%
Gross Profit[2]	90.2%
Total Labor Costs[3]	26.3%
Occupancy Costs[4]	15.1%
Other Operating Expenses[5]	28.8%
Total Operating Expenses	70.3%
Average EBITDA[6]	19.9%

Notes:

1. Product Costs are the portion of revenue spent on products sold in or from the Studios.
2. "Gross Profit" is Total Revenue minus Product Costs.
3. Labor Costs are the portion of revenue spent on employee-related expenses such as wages, bonuses, payroll taxes, payroll fees and benefits.
4. Occupancy Costs are the portion of revenue spent on rent and other lease-related payments, utilities and related expenses.

5. Other Operating Expenses are the portion of revenue spent on other expenses associated with operating the Studios, including royalty, advertising and other fees paid to us, our affiliates, and other third parties (but excluding interest, taxes, depreciation and amortization).
6. EBITDA is an expression of earnings before reductions for interest, taxes, depreciation and amortization, calculated by subtracting Total Operating Expenses from Gross Profit. Of the 107 Studios that reported these results, 53 (50%) met or exceeded the average shown. The median was 19.8%.

Some Pure Barre studios have earned this amount. Your individual results may vary. There is no assurance that you'll earn as much.

We will provide written substantiation for these financial performance representations to you upon reasonable request.

Other than the preceding financial performance representation, PB Franchising, LLC, does 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 outlet, 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 the franchisor's management by contacting Griff Long, Chief Operating Officer, PB Franchising LLC, 3001 Brighton Blvd., Suite 269, Denver, Colorado 80216, (646) 656-1302, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For years 2014 to 2016

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2014	175	265	+90
	2015	265	343	+78
	2016	343	420	+77
Company-Owned	2014	8	14	+6
	2015	14	14	0
	2016	14	14	0
Total Outlets	**2014**	**183**	**279**	**+96**
	2015	**279**	**357**	**+78**
	2016	**357**	**434**	**+77**

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2014 to 2016

State	Year	Number of Transfers
Alabama	2014	0
	2015	2
	2016	2
California	2014	4
	2015	2
	2016	5
Colorado	2014	1
	2015	0
	2016	0
Florida	2014	2
	2015	2
	2016	2
Georgia	2014	2
	2015	3
	2016	4
Illinois	2014	0
	2015	0
	2016	5
Louisiana	2014	1
	2015	0
	2016	0
Michigan	2014	2
	2015	0
	2016	2
Minnesota	2014	0
	2015	1
	2016	0
Mississippi	2014	0
	2015	0
	2016	1
Montana	2014	1
	2015	0
	2016	0
New York	2014	0
	2015	0
	2016	1

State	Year	Number of Transfers
Ohio	2014	0
	2015	1
	2016	2
Pennsylvania	2014	0
	2015	0
	2016	1
Tennessee	2014	0
	2015	1
	2016	3
Totals	**2014**	**13**
	2015	**12**
	2016	**28**

Table No. 3
Status of Franchised Outlets
For Years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Alabama	2014	10	0	0	0	0	0	10
	2015	10	1	0	0	0	0	11
	2016	11	0	0	0	0	0	11
Arizona	2014	4	1	0	0	0	0	5
	2015	5	3	0	0	0	0	8
	2016	8	1	0	0	0	0	9
Arkansas	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
California	2014	21	7	1	0	0	0	27
	2015	27	9	0	0	0	0	36
	2016	36	6	0	0	0	0	42
Colorado	2014	9	1	0	0	0	0	10
	2015	10	0	0	0	0	0	10
	2016	10	1	0	0	0	0	11
Connecticut	2014	2	2	0	0	0	0	4
	2015	4	0	0	0	0	0	4
	2016	4	1	0	0	0	0	5
Delaware	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
District of Columbia	2014	1	1	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Florida	2014	12	10	0	0	0	0	22
	2015	22	7	0	0	0	0	29
	2016	29	5	1	0	0	0	33
Georgia	2014	9	6	0	0	0	0	15
	2015	15	5	0	0	0	0	20
	2016	20	4	0	0	0	0	24
Hawaii	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	2
Idaho	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Illinois	2014	7	4	0	0	0	0	11
	2015	11	1	0	0	0	0	12
	2016	12	5	0	0	0	0	17
Indiana	2014	2	0	0	0	0	0	2
	2015	2	2	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Kansas	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Kentucky	2014	4	1	0	0	0	0	5
	2015	5	0	0	0	0	0	5
	2016	5	1	0	0	0	0	6
Louisiana	2014	4	0	0	0	0	0	4
	2015	4	1	0	0	0	0	5
	2016	5	0	0	0	0	0	5
Maryland	2014	1	3	0	0	0	0	4
	2015	4	1	0	0	0	0	5
	2016	5	2	0	0	0	0	7
Massachusetts	2014	5	3	0	0	0	0	8
	2015	8	1	0	0	0	0	9
	2016	9	3	0	0	0	0	12
Michigan	2014	7	1	1	0	0	0	7
	2015	7	1	0	0	0	0	8
	2016	8	4	0	0	0	0	12
Minnesota	2014	1	1	0	0	0	0	2
	2015	2	2	0	0	0	0	4
	2016	4	3	0	0	0	0	7
Mississippi	2014	2	2	0	0	0	0	4
	2015	4	2	0	0	0	0	6
	2016	6	0	0	0	0	0	6
Missouri	2014	1	1	0	0	0	0	2
	2015	2	3	0	0	0	0	5
	2016	5	1	0	0	0	0	6
Montana	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Nebraska	2014	0	2	0	0	0	0	2
	2015	2	1	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Nevada	2014	1	0	0	0	0	0	1
	2015	1	1	0	0	0	0	2
	2016	2	1	0	0	0	0	3
New Hampshire	2014	0	0	0	0	0	0	0
	2015	0	1	0	0	0	0	1
	2016	1	1	0	0	0	0	2
New Jersey	2014	4	1	0	0	0	0	5
	2015	5	4	0	0	0	0	9
	2016	9	3	0	0	0	0	12
New Mexico	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	1	0	0	0	0	1
New York	2014	4	4	0	0	0	0	8
	2015	8	5	0	0	0	0	13
	2016	13	4	0	0	0	0	17
North Carolina	2014	10	4	0	0	0	0	14
	2015	14	2	0	0	0	0	16
	2016	16	6	0	0	0	0	22
Ohio	2014	9	1	0	0	0	0	10
	2015	10	2	0	0	0	0	12
	2016	12	3	0	0	0	0	15
Oklahoma	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	2	0	0	0	0	4
Oregon	2014	0	3	0	0	0	0	3
	2015	3	0	0	0	0	0	3
	2016	3	0	0	0	0	0	3
Pennsylvania	2014	5	2	0	0	0	0	7
	2015	7	2	0	0	0	0	9
	2016	9	3	0	0	0	0	12
Rhode Island	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
South Carolina	2014	6	3	0	0	0	0	9
	2015	9	1	0	0	0	0	10
	2016	10	1	0	0	0	0	11
Tennessee	2014	6	3	0	0	0	0	9
	2015	9	1	0	0	0	0	10
	2016	10	4	0	0	0	0	14
Texas	2014	10	11	0	0	0	0	21
	2015	21	7	0	0	0	0	28
	2016	28	7	0	0	0	0	35
Utah	2014	1	1	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non- Renewals	Reacquired by Franchisor	Ceased Operations- Other Reasons	Outlets at End of the Year
Vermont	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Virginia	2014	4	7	0	0	0	0	11
	2015	11	4	0	0	0	0	15
	2016	15	4	0	0	0	0	19
Washington	2014	4	3	0	0	0	0	7
	2015	7	1	0	0	0	0	8
	2016	8	0	0	0	0	0	8
Wisconsin	2014	1	0	0	0	0	0	1
	2015	1	3	0	0	0	0	4
	2016	4	0	0	0	0	0	4
Totals	**2014**	**175**	**92**	**2**	**0**	**0**	**0**	**265**
	2015	**265**	**78**	**0**	**0**	**0**	**0**	**343**
	2016	**343**	**78**	**1**	**0**	**0**	**0**	**420**

Table No. 4
Status of Company-Owned Outlets
For years 2014 to 2016

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
California	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Florida	2014	2	1	0	0	0	3
	2015	3	0	0	0	0	3
	2016	3	0	0	0	0	3
Georgia	2014	0	0	0	0	0	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Illinois	2014	1	0	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Massachusetts	2014	1	1	0	0	0	2
	2015	2	0	0	0	0	2
	2016	2	0	0	0	0	2
New Jersey	2014	0	1	0	0	0	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisees	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
New York	2014	1	4	0	0	0	5
	2015	5	0	0	0	0	5
	2016	5	0	0	0	0	5
Texas	2014	3	0	0	0	2	1
	2015	1	0	0	0	0	1
	2016	1	0	0	0	0	1
Virginia	2014	0	1	0	0	1	0
	2015	0	0	0	0	0	0
	2016	0	0	0	0	0	0
Totals	**2014**	**8**	**9**	**0**	**0**	**3**	**14**
	2015	**14**	**0**	**0**	**0**	**0**	**14**
	2016	**14**	**0**	**0**	**0**	**0**	**14**

Table No. 5
Projected Openings as of December 31, 2016

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Alabama	1	1	0
California	3	4	0
Colorado	4	4	1
Connecticut	2	2	0
Florida	6	7	0
Hawaii	1	1	0
Illinois	4	4	0
Indiana	6	6	0
Iowa	1	1	0
Kansas	1	1	0
Maine	1	1	0
Maryland	2	2	0
Massachusetts	2	4	0
Michigan	1	3	0
Minnesota	2	2	0
Montana	1	1	0
Nevada	0	1	0
New Hampshire	1	1	0
New Jersey	1	1	0
New York	0	5	0
North Carolina	0	1	0
Ohio	1	2	0
Oklahoma	1	1	0

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets In the Next Fiscal Year	Projected New Company-Owned Outlets in the Next Fiscal Year
Pennsylvania	1	3	0
South Carolina	2	2	0
Tennessee	1	1	0
Texas	4	7	0
Virginia	2	3	0
Washington	0	1	0
Wisconsin	1	2	0
Total	**53**	**75**	**1**

Unless otherwise indicated, all numbers are as of December 31 of each year.

Exhibit D includes lists of the names of all current franchisees and the addresses and telephone numbers of their outlets as of December 31, 2016.

The name, city and state, and the current business telephone number (or, if known, the last known home telephone number) of every franchisee who had a Pure Barre studio terminated, canceled, or not renewed by us during the fiscal year ended December 31, 2016, who otherwise voluntarily or involuntarily ceased to do business under their Franchise Agreement during the fiscal year ended December 31, 2016, or who did not communicate with us within 10 weeks of the issuance date of this disclosure document are attached to this disclosure document as Exhibit D. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In the past three fiscal years, some franchisees have signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with the Pure Barre 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

We are not currently aware of any trademark-specific franchisee organizations associated with our franchise system.

ITEM 21. FINANCIAL STATEMENTS

Exhibit C contains our (a) audited balance sheets as of December 31, 2016, and December 31, 2015, and the related statements of operations, of member's equity and of cash flows for the fiscal years ended December 31, 2016, December 31, 2015, and December 31, 2014; and (b) unaudited financial statements as of February 28, 2017. Our fiscal year end is December 31.

ITEM 22. CONTRACTS

The following contracts and related agreements are attached to this disclosure document:

Exhibit A – Franchise Agreement and Related Agreements:

Exhibit B – Multi-Unit Development Agreement and Related Agreements (including the Development Services Agreement)

Exhibit H – Consent to Transfer

Exhibit I – General Release

Exhibit J – Representations and Acknowledgment Statement

Exhibit K – Form of Renewal Addendum

ITEM 23. RECEIPTS

Attached as Exhibit L are two copies of a Receipt confirming your receipt of this disclosure document. Please sign and date both Receipt pages, keep one for your records, and return the other to us. All owners, members, shareholders, and partners of an entity prospective franchisee must sign a Receipt.

EXHIBIT A

FRANCHISE AGREEMENT

PB FRANCHISING, LLC

FRANCHISE AGREEMENT

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Attachment A: Franchisee Ownership, Search Area, Location and Territory

Attachment B: Guarantee of Performance and Assumption of Obligations

FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is entered into and effective as of the date of our signature on the signature page (the "Effective Date") by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Blvd., Suite 269, Denver, Colorado 80216 ("we") and _____ _____, a _____, having its principal business address at _____ ("you").

RECITALS

A. We grant franchises to own and operate workout and fitness studio businesses ("Pure Barre Studios") that are currently identified primarily by the name and service mark PURE BARRE® and that are developed and operated using methods, procedures, specifications, layouts, standards, and techniques to which we and our affiliates claim ownership and which we and our affiliates protect as confidential and proprietary (the "System").

B. You have applied for a franchise to own and operate a Pure Barre Studio, and, in reliance on the information you have provided, we have agreed to grant you the franchise on the terms and conditions contained in this Agreement.

AGREEMENT

NOW THEREFORE, in exchange for the foregoing Recitals (which are incorporated in and made a part hereof), the covenants and promises herein, and for good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. GRANT OF LICENSE

1.1. Grant. We grant to you the non-exclusive right and license, during the Term, to develop, own, and operate a Pure Barre Studio at, and only at, the location identified in Attachment A or as selected pursuant to Article 3 (the "Studio"). You accept the right and license and agree to use them strictly in accordance with this Agreement and for no other purpose. The "Term" begins on the Effective Date and ends on the close of business on the 5th anniversary of the Effective Date.

1.2. Your Territory. Except as otherwise permitted in this Agreement, we will not, nor will we authorize any other person or entity to, operate a Pure Barre Studio within the geographic area identified on Attachment A (the "Territory").

1.3. Use of Marks. We and our affiliates claim ownership of the name and service mark "Pure Barre" and certain other trademarks, service marks, names and commercial symbols that we authorize owners of Pure Barre Studios to use in the operation of their businesses (collectively, the "Marks"). We grant you the right to use the Marks solely in connection with the operation of your Studio as described in this Agreement. Your right to use the Marks is derived only from this Agreement and is conditioned on your operating the Studio in strict

accordance with this Agreement and all the standards we prescribe from time to time. In addition to all other limitations contained in this Agreement and that we impose from time to time, you agree that, except with our prior written consent, you will not: (a) use or allow the use of the Marks or any derivation thereof or any confusingly similar mark in the name of a legal entity (if any), in any domain name, or in any email address, (b) register any trade names containing the Marks unless required by law (in which case you will promptly notify us in writing of all trade names registered or used by you), (c) use the Marks to incur or secure any obligation or indebtedness, or (d) use the Marks in signing any contract except, and only in conjunction with your legal name, to reference the Studio (for example, "Pure Barre of [geography]"). If you use the Marks in any way contrary to the terms of this Agreement, then upon our request and at our option, and without limiting our other remedies, you will cease that use and take all steps necessary to cancel or, at our option, to transfer to us all registrations, domain names, and email addresses.

1.4. Revisions to or Discontinuance of Marks. We may require you to modify or discontinue using any Mark and/or to use one or more additional or substitute trademarks or service marks. We need not reimburse you for any expenses or loss of revenue caused by or associated with any modified or discontinued Mark.

1.5. System and Manuals Changes. We define System requirements, standards, methods of operations, and best practices for the development and operation of Pure Barre Studios in a series of confidential documents, bulletins, guides, operations manuals and materials, advertising manuals and materials, training manuals and materials, and other written and electronic materials (collectively, the "Manuals") which we lend to you strictly for your use in the operation of the Studio pursuant to this Agreement. The Manuals may, in our discretion, include a variety of requirements and recommendations covering every aspect of the development and operation of your Studio in accordance with this Agreement. You acknowledge that the appearance of and operating processes used by Pure Barre Studios may evolve over time and that, therefore, we may, in our discretion, change the policies and procedures contained in the Manuals throughout the Term. You will immediately adopt all revisions except that, if we determine that a particular revision either is not, by its nature, required to be made immediately or requires significant expenditures, we will allow a reasonable time, not to exceed 30 days after you receive notice of the revision, to complete the implementation of such revision.

1.6. Notification of Infringement. If you learn of any apparent or potential infringement of or challenge or claim relating to any of the Marks, then you will promptly notify us. You will not communicate with anyone other than us and our legal counsel in connection with any infringement, challenge or claim, except as further agreed upon by you and us. We will have sole discretion to take any action we deem appropriate, and will have the exclusive right to control any litigation or other proceeding arising out of any infringement, challenge or claim. You will execute all documents, render any assistance, and take any actions that, in our opinion, are necessary or advisable to protect and maintain our interests in any litigation or other proceeding or otherwise to protect and maintain our interests in the Marks and the rights of all duly authorized franchisees to use the Marks.

1.7. Reserved Rights. We grant rights to use the Marks and System solely pursuant to the expressed provisions of written agreements and not by implication, inference or innuendo. Therefore, you are not granted any rights unless those rights are expressly granted to you under this Agreement or any other agreement signed by us and you. Similarly, we and our affiliates are not precluded from engaging in any act or enterprise unless we expressly state that we will refrain from doing so. For example, we and our affiliates may, without restriction and without compensation to you, do any of the following:

(a) use and authorize others to use the Marks and the System, even if competitive with your Studio, (i) in any business anywhere in the world which is not identified by the name "PURE BARRE" and (ii) in Pure Barre Studios located outside the Territory;

(b) establish and use, and authorize others to establish and use, anywhere in the world (including within the Territory), other channels of distribution such as chain, warehouse, club and other stores (other than other Pure Barre Studios in the Territory), the internet (e-commerce), electronic media, and/or any other means of distribution to offer and sell goods and services, and to use and license others to use the Marks and System, without restriction, in connection with such distribution channels and the products and services distributed through them; and

(c) offer, sell, and authorize others to offer and sell any "Pure Barre"-branded products anywhere in the world, even if such products are the same as, similar to, or competitive with the products offered at your Studio.

You further agree that, despite the exclusivity granted to you under Section 1.2, we and our affiliates may acquire businesses providing products and services similar to those provided at the Studio, and we may convert such businesses to Pure Barre Studios, and franchise, license, or create similar arrangements with respect to these businesses once acquired, even if these businesses (or the franchisees or licensees of these businesses) are located or operating in the Territory. We and our affiliates may also be acquired (whether through acquisition of assets, equity interests, or otherwise, regardless of the form of transaction) by a business providing products and services similar to those provided at the Studio, or by another business, even if such business operates, franchises, and/or licenses Competitive Businesses (defined in Section 10.1) in the Territory.

1.8. Value of Marks. You acknowledge and agree that your use of the System and Marks and any goodwill established by that use inures solely to our or our affiliate's benefit. On the expiration or termination of this Agreement for any reason, you will not receive or be assigned any monetary amount in compensation for your loss of use of the Marks.

1.9. Modification of System. Because complete and detailed uniformity under many varying conditions might not be possible or practical, we reserve the right to vary the standards for any franchisee or any Pure Barre Studio based upon the peculiarities of any condition that we consider important to that franchisee's or that Pure Barre Studio's successful operation. You have no right to require us to grant you a similar variation or accommodation.

1.10. Corporation, Limited Liability Company, or Partnership. If you are at any time a corporation, limited liability company, or partnership (each, an "Entity"), you agree and represent that:

(a) You will have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and will, throughout the Term, remain validly existing and in good standing under the laws of the state of your formation;

(b) Attachment A to this Agreement completely and accurately describes all of your owners and their interests in you as of the Effective Date and that any changes to the information reflected on Attachment A require our prior written consent as described in Article 12;

(c) Each of your direct and indirect owners during the Term and your and their spouses will execute a guaranty ("Guaranty") in the form we prescribe undertaking to guaranty your performance and to personally be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. Our current form of Guaranty is attached as Attachment B. A spouse who owns no direct interest in you will be required to sign the Guaranty, not as a guarantor, but solely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein. The non-owning spouse will not be personally bound to this Agreement nor will his or her separate property be at risk under and by virtue of the owning spouse's execution of the Guaranty;

(d) One of your owners has been identified as, and approved by us to be, your designated representative (the "Designated Representative"). You will not change or permit a change of the Designated Representative without our prior written consent;

(e) The Designated Representative is authorized, on your behalf, to deal with us in all matters whatsoever which may arise out of this Agreement or your operation of the Studio. Any decision made by the Designated Representative will be final and binding upon you, and we will be entitled to rely solely upon the decision and authority of the Designated Representative in any such dealings without the necessity of any discussions with any other person. We will not be responsible to you for any actions taken based upon any decision or actions of the Designated Representative. If you name more than one Designated Representative, we are entitled to rely on the decision of any one of them, acting alone. You will ensure that the Designated Representative has all authority to interact with us as described in this paragraph.

2. FEES AND PAYMENT

2.1. Initial Fee. On your execution of this Agreement, you must pay us an initial franchise fee (the "Initial Fee") of $46,500, subject to any credits to which we have agreed under any other agreement between us and you.

2.2. Continuing Payments. On or before the 15th day of each calendar month, you will pay us certain amounts based on the Gross Sales of your Studio during the prior calendar

month (the "Continuing Payments"). Upon notice to you, we may modify the date and/or increase the frequency upon which you must pay us the Continuing Payments (including but not limited to making the Continuing Payments due weekly based on Gross Sales of your Studio during the prior week) and you will thereafter pay us the Continuing Payments according to any modified schedule that we establish. "**Gross Sales**" means all revenue attributable to the operation of the Studio (whether or not in compliance with this Agreement) based on the gross (undiscounted) price of all products and services sold at or through the Studio and all other revenue sources, whether for cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority and (2) reduced by the amount of any documented refunds you in good faith give to your customers. Gift certificate, gift card and similar program payments will be included in Gross Sales as and in accordance with the policies set forth in our Operations Manuals from time to time. Gross Sales also include all insurance proceeds you receive for loss of business due to a casualty to or similar event at the Studio. The required Continuing Payments are as follows:

(a) a royalty (the "Royalty") equal to 7% of Gross Sales; however, after the first full calendar month that the Studio is in operation, the Royalty shall be the greater of 7% of Gross Sales or $1,000. Notwithstanding the foregoing, you must ensure compliance with the Minimum Cumulative Royalties as described in Section 4.9 of this Agreement. Further, the percentage of Gross Sales owed under this paragraph is subject to increase during any period of non-compliance as described in Section 2.10 of this Agreement;

(b) a fee for certain advertising, marketing, and promotional uses (the "Ad Fee") currently equal to 1% of Gross Sales and subject to our right to increase as described in Section 7.11; and

(c) if we establish one, a contribution to an Ad Co-op (defined in Section 7.7) as described in Section 7.7.

2.3. Form and Manner of Payments. You authorize us to collect all Continuing Payments and other amounts that you owe us or our affiliates in the manner we prescribe from time to time, including through electronic debit of your checking, savings, or other designated account ("EFT"). You agree to sign and deliver to us any documents necessary for us to process your payments in the designated manner, and all authorizations granted in such documents shall remain in full force and effect throughout the Term. You must ensure that funds are available in your designated account to cover all required payments when they are due. If you write us a check that is returned, cancelled or dishonored, or if we debit your bank account and your account has insufficient funds or is inaccessible, you must pay us a nonsufficient funds fee of $50.

2.4. Credit Card Processing. We reserve the right to provide credit card processing for your Studio and to require you to participate in such credit card processing program. If we do so, we will, on a periodic basis (initially weekly), remit an electronic payment to your designated bank account in an amount equal to the credit card charges processed on your behalf, less any fees imposed by the credit card processor on your transactions, and any Continuing

Payments and other amounts due to us under this Agreement. If the proceeds from credit card transactions are less than the amounts due us, you will be responsible for paying the deficit as described in this Agreement.

2.5. Overdue and Declined Payments. You will pay us simple interest on any overdue amount at the rate of the lesser of 12% per annum or the highest rate permitted under applicable law. If any payment is denied or declined by your bank or financial institution, or if any other method of payment provided by you fails to allow us to receive when due any payment, then you will reimburse us for all costs incurred in connection with that denial or decline. At our option, you also will pay us a late fee of $100 for each day the payment remains past due.

2.6. Payments Under Additional Programs. At our option, we will make available additional programs for goods and services that you will be permitted or required to offer to customers, subject to your compliance with any training and certification we require. Also, we may negotiate national agreements with certain vendors (for example, music licensing rights from performance-rights organizations, such as ASCAP, BMI, and/or SESAC) and elect to collect from you the portion attributable to your Studio and pay the particular vendor directly. If you elect to participate in any such voluntary programs or if we deem any such programs to be mandatory, then you will pay to us any associated fees. We reserve the right to collect and retain an administrative fee from any such payments we collect from you and pay to a vendor.

2.7. Fees Not Refundable. All fees paid under this Agreement are non-refundable and are fully earned by us on our receipt.

2.8. Payment of State or Local Taxes Imposed on Us. You will pay to us all sales taxes, use taxes, personal property taxes and similar taxes, that any taxing authority within your state(s) imposes on or seeks to collect from us on account of your Gross Sales or on account of fees we collect from you, but excluding our ordinary income taxes or our receipts taxes arising out of fees owed to us under this Agreement. We are permitted to collect from you any imposed taxes in the same manner as Royalties, or to direct you to make those payments directly to the applicable taxing authority or authorities.

2.9. Application of Payments. Regardless of how you designate your payments, we are permitted to apply payments from you in any manner we choose against outstanding balances, except that we will not apply payments in a manner that unreasonably increases interest or fees on overdue payments.

2.10. Non-Compliance Charge. If we at any time determine that you are not in compliance with this Agreement, your Royalty will be increased by 1% of the Gross Sales of your Studio. Non-compliance with this Agreement includes, but is not limited to, failure to pay (or to have adequate amounts available for electronic transfer) amounts you owe us or our affiliates or failure to timely provide required reports and financial statements. Your Royalty will remain at the increased rate until we determine, in our sole discretion, that you have cured all deficiencies and are compliant with all terms of this Agreement. Nothing in this Section 2.10 limits any of our other rights and remedies available under the terms of this Agreement. You agree that the non-compliance fee is intended to compensate us for certain expenses or losses we

will incur as a result of the non-compliance and is not considered a penalty or an expression of the total amount of such damages. We may change or eliminate this charge in our sole discretion. We may, at our option, contribute any charges we collect under this Section 2.10 to the Ad Program (defined in Section 7.1).

3. LOCATION

3.1. Operation from Approved Location. You may only operate the Studio at a location we approve (the "Location"). If, as of the Effective Date, we have not approved your Location, then you will, within 90 days after the Effective Date (the "Possession Deadline"), locate a Location solely within the Search Area described in Attachment A, obtain our approval of that Location, and acquire the right to occupy the Location by purchase or lease (in accordance with Section 3.3). Once you have secured our approval and the right to occupy a Location pursuant to the provisions below, we will write in the address of the Location on Attachment A and forward a copy to you. You may not change your Location or the terms of your lease for the Location without our prior written consent, which we may withhold in our discretion. If we allow you to relocate your Studio to a new Location, the relocation will be subject to the site selection and lease provisions set forth in this Section 3 and will occur at your sole expense. In addition, you will be assessed a relocation fee of $1,500 at the time you submit the proposed location for your relocated Studio. You acknowledge that to the extent there is a closure of your existing Studio during the pendency of a relocation, such closure does not toll the requirement to pay the Continuing Payments.

3.2. Site Selection and Approval. It is your obligation to find and submit to us for our approval any proposed site from which to operate your Studio. If the Location is not identified in Attachment A as of the Effective Date, you will identify in writing one or more premises within the Search Area that you reasonably believe meet our then-current site specifications and that will be available for your purchase or lease. You will provide us with any information we reasonably request concerning each candidate site within three (3) days of such request, and we will approve or disapprove your proposed site within 10 business days after receiving all requested information. We reserve the right to require you to retain a real estate broker with expertise in the Search Area to assist in your efforts to find a site and to give every consideration to retaining any local broker that we recommend.

3.3. Site Purchase or Lease. You may secure possession of the Location by purchase or lease, except that:

(a) Prior to executing any purchase or lease agreements, you will provide us, for our approval, a complete copy of all relevant documents. If we deny approval of the purchase or lease agreement for any reason in our sole discretion, then you will not execute that agreement. We will issue any such denial in writing no later than 10 days after receiving all required documents, and in the absence of any denial, we will be deemed to have disapproved the agreement.

(b) If you intend to lease the site, then our approval may be conditioned on the lessor's agreement to include certain provisions we require from time to time to protect the Pure

Barre brand and to ensure our ability to facilitate the continued operation of the Studio at the Location despite your default of the lease or the expiration or termination of this Agreement and our exercise of our rights under this Agreement. Our current requirements are reflected in our form of lease rider that is included in the Manuals.

(c) You will ensure that the lease allows you to operate the Studio for the entire Term as required under this Agreement and that your obligations under the lease will not violate any applicable law or regulation, including any zoning, parking, and use restrictions.

(d) In connection with the negotiation of the purchase or lease agreement, it is your responsibility to retain competent real estate counsel to assist you and to ensure that your rights are protected as much as possible under the purchase or lease agreement.

(e) You will promptly provide us with a finalized and fully executed copy of the approved lease, any applicable letters of intent, and other related agreements entered into for the Location.

3.4. Design, Construction, and Remodeling.

(a) General. You will, at your expense, do all things necessary to develop your Studio in accordance with System standards and all applicable laws, including obtaining all required licenses, permits and certifications required by any applicable government or governmental agency. This includes the complete construction of the premises at the Location, the installation of all equipment, fixtures, furnishings, and signage required by our specifications, the completion of all carpentry, electrical, painting, and finishing work, and any other preparations necessary to render the Location fit for use for the Studio and compliant with our System standards. You acknowledge that, pursuant to Section 5.1 of this Agreement, we may require you to use our designated supplier (which may be us or our affiliates) to provide you, at your expense, design plans and equipment and fixture procurement and installation. At our request, you will promptly provide us, for our approval, with a copy of any construction contracts you propose to enter into with any contractors before you execute such contracts.

(b) Design and Plans. Prior to submitting for a permit to begin construction, you must send us for our review and approval a complete set of construction drawings produced by a professional licensed in the jurisdiction having authority over the Location. Such drawings must comply with our then-current design standards. We will approve or disapprove the drawings in writing no later than 7 business days after receipt. Our review and approval of the drawings is for our own internal purposes and is not our representation or guarantee that the drawings will satisfy, or be in compliance with, all of your obligations under this Agreement or applicable law. You acknowledge that, pursuant to Section 5.1 of this Agreement, we may require you to use our designated supplier (which may be us or our affiliates) to provide you, at your expense, architectural design services.

(c) Funding. At our request, you will provide to us written evidence to establish that you have the unencumbered funds necessary to develop the Studio and the sources of those

funds. You authorize us to contact any funding sources directly to discuss all financial aspects of the construction or remodeling of the Location.

(d) Progress Reports and Site Visits. You will provide us with any progress reports we request during the course of any design, construction, and remodeling work. We are permitted to visit and inspect the Location at any time during the design, construction, and remodeling process.

3.5. Completion and Opening. You will complete all design, construction and remodeling work at the Location, and all other pre-opening obligations (including purchasing and stocking the Studio with minimum levels of inventory), obtain a certificate of occupancy (or equivalent), and be prepared to open the Studio for business within 70 days after the Possession Deadline (the "Construction Completion Deadline"). You will notify us upon completion of all construction and remodeling work. With such notification, you shall also provide us with a copy of the certificate of occupancy (or equivalent) for the Location and such other information, photographs, and documentation we request from time to time. At our option, we will inspect the Location and identify any additional actions that you must take to comply with our specifications. You will promptly take any such required actions. Once we are satisfied that you have complied with all of our pre-opening specifications and requirements, we will grant approval for you to open for business. You will not open for business prior to our written approval, and you will promptly open for business no later than the earlier of: (a) 21 days after the Construction Completion Deadline; or (b) two days after we grant you written approval to open (the "Opening Deadline"). Once you have opened for business, you must operate your Studio continuously for the remainder of the Term.

3.6. Maintenance and Appearance. You will maintain the Location in a clean, orderly, and attractive manner at all times when open for business, and will promptly conduct any repairs and replacements necessary to maintain the Location in accordance with System standards, subject to any upgrades or alterations we require or approve.

3.7. Upgrades and Alterations. You will make any additions, alterations, upgrades, repairs and replacements to the Location we require at your sole expense, including periodic renovations, remodeling, redecorating, refurbishment, replacement of signs, fixtures or materials, and upgrading of equipment.

3.8. Use of Location. You will use the Location only for the purpose of operating the Studio, and only according to the standards of operation we prescribe and permit.

3.9. Inspections. You will permit us, our agents and representatives to enter the Location at any time, with or without prior notice, to conduct inspections, take photographs, sample goods and services (including by using "secret shoppers"), and interview employees and customers. You will cooperate fully with those inspections. We or our agents may remove reasonable quantities of products or other goods for purposes of testing or examining samples. Upon notice from us, and without limiting our other rights under this Agreement, you will promptly remedy any deficiencies detected during any inspection.

3.10. No Representation or Warranty Regarding Location. Our approval of the Location and of the purchase or lease agreement does not constitute, and you will not assert that it constitutes, any representation, warranty, or guarantee by us that the Location is adequate or properly zoned or permitted for the purpose of operating the Studio, that the purchase or lease agreement is fair or reasonable, or that your operation of the Studio from the Location will be profitable or successful. Our approval of the Location indicates only that we believed the site met our then-acceptable criteria for our own branding purposes. We are not responsible if the Location fails to meet your expectations. You acknowledge that your acceptance of the Location was or will be based on your own independent investigation of its suitability for your purposes. Additionally, our review and acceptance of the lease and any construction contract is not a representation, guarantee or warranty by us of the successful operation or profitability of a Pure Barre Studio at the site. Finally, any review we conduct of surveys, and construction plans and specifications is limited to whether they comply with our design and construction requirements. You are responsible for assessing compliance with federal, state, local laws and regulations including the Americans with Disabilities Act.

4. GENERAL OPERATIONAL REQUIREMENTS

4.1. Compliance with Manuals. You will comply with all provisions of the Manuals at all times, including by operating the Studio strictly in accordance with the standards of customer service, safety, cleanliness, environmental care, consistency, training, brand image, advertising, promotion, and management we prescribe.

4.2. Authorized and Mandated Goods and Services. To promote a consistent customer experience among all Pure Barre Studios, you agree to offer and sell in your Studio all, and only those, goods and services that we approve or mandate from time to time and to maintain required minimum levels of inventory as we may specify in the Manuals from time to time. We may add to, modify, or eliminate elements of the authorized goods or services at any time in our sole discretion. You understand that our control over those goods and services and the methods of their delivery is essential to maintaining and improving the reputation and goodwill associated with the Marks and, therefore, agree that you will offer and sell only the authorized goods and services. You will not offer any additional or alternative goods or services without our consent, and your submission to us of any proposal to offer or sell additional goods or services will constitute an assignment of any rights in those goods or services for us to offer or sell them ourselves, to make them available to other franchisees, and to make them and any revisions, alterations, or derivations available to you and any other franchisee.

4.3. Operating Standards; Compliance with Laws; Ethical Conduct. You must secure and maintain in force all required licenses, permits, and certificates relating to the operation of the Studio and must operate the Studio in full compliance with all applicable laws, ordinances, and regulations. All advertising and promotion by you must be completely factual and must conform to the highest standards of ethical advertising. The Studio must in all dealings with its customers, suppliers, us, and the public adhere to the highest standards of honesty, integrity, fair dealing, and ethical conduct. You agree to refrain from any business or advertising practice that may be injurious to your Studio, our business or the goodwill associated with the Marks and other Pure Barre Studios. You will promptly pay when due all taxes, fees, debts, expenses, and

assessments of the Studio. You will not permit a tax sale or seizure by levy of execution or similar writ or warrant to occur. You must notify us in writing within five (5) days: (i) of the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, which may adversely affect your operation or financial condition (or that of the Studio), or (ii) of any notice of violation of any law, ordinance, or regulation relating to the Studio.

4.4. Agreements with Customers. Prior to selling or providing any goods or services to any customer, you will enter into with that customer any agreements we require, and will provide to that customer any information or disclosures we require or that are required under applicable law. You will fully comply with any customer warranty or guarantee program we implement, and you will not alter or misrepresent the terms of or omit to state any required warranty or guarantee. You will resolve all customer complaints and disputes directly with customers and will make every reasonable effort not to involve us or the System in those disputes. However, should you be unable to resolve a customer's complaint or if the customer contacts us or our affiliate directly, we (or our affiliate) reserve the right to assist the customer in any manner we see fit. In no event shall our (or our affiliate's) assistance be construed to make us (or our affiliate) liable to you or to the customer in connection with such complaint since you are solely responsible for satisfactorily resolving all customer complaints. Should you fail to do so, you are responsible for reimbursing us for our (or our affiliate's) direct costs in providing such assistance and for paying us a customer assistance fee of $50.

4.5. Pricing. Unless prohibited by applicable law, we may periodically set a maximum or minimum price that you may charge for products and services offered by the Studio. If we impose such a maximum or minimum price for any product or service, you may charge any price for the product or service up to and including our designated maximum price or down to and including our designated minimum price. The designated maximum and minimum prices for the same product or service may, at our option, be the same. For any product or service for which we do not impose a maximum or minimum price, we may require you to comply with an advertising policy we adopt which may prohibit you from advertising any price for a product or service that is different than our suggested retail price. Although you must comply with any advertising policy we adopt, you will not be prohibited from selling any product or service at a price above or below the suggested retail price unless we impose a maximum price or minimum price for such product or service.

4.6. Key Roles. You will designate certain persons to function in key roles in the operation of the Studio (collectively, the "Key Roles"), including (a) a full-time "Operations Manager" who manages the core operations of the Studio on a daily basis (including monitoring financial and accounting matters, planning and coordinating local advertising activities, interacting with customers to ensure that goods and services are provided in a timely and professional manner, ensuring compliance with this Agreement, and performing or managing all administrative and other tasks necessary to operate the Studio in accordance with this Agreement and applicable law) and who will have your authorization to engage in any communications on your behalf with us, and to bind you to us with respect to any agreements, commitments, or consents, and (b) a "Lead Teacher" who, in addition to teaching a certain number of classes, will oversee and review the performance of your other teachers. The Key Roles may, with our prior

approval, be consolidated and be performed by one person. We may require that Key Roles be filled by one or more of your owners and, if we determine that your owners are not qualified to fill a Key Role, you will be required to appoint one or more of your employees to do so. In any event, each person filling a Key Role is at all times subject to our acceptance and approval and must have completed, to our satisfaction, any training programs that we require persons in those roles to complete. The specific requirements and responsibilities associated with Key Roles may be set forth from time to time in the Manuals.

4.7. Agreements with Other Parties. You will advise all third parties that you are an independent contractor and that all debts, liabilities and obligations incurred by it are for the account of you only and not us, and will identify yourself as an "Independently owned and operated franchisee of PB Franchising, LLC" on all invoices, agreements, and correspondence.

4.8. Minimum Working Capital. You will maintain at all times sufficient working capital and liquidity (i.e., cash and cash equivalents) to operate the Studio without interruption; provided, however, we reserve the right from time to time to establish minimum levels of liquidity and working capital reserves, and you agree to comply with such requirements.

4.9. Minimum Cumulative Royalties. You agree to use your best effort to operate the Studio in a manner that generates maximum exposure for the Pure Barre brand and maximum Gross Sales for the Studio. Toward that end, you pledge that the amount of Royalties that you generate from the operation of your Studio during any "Measurement Period" will be at least $14,000 (the "Minimum Cumulative Royalties"). Each Measurement Period will be a rolling 12-month period, and the first Measurement Period starts on the 13th month following the opening of the Studio. Any failure to generate the required Minimum Cumulative Royalties in any Measurement Period will be a material default of this Agreement. However, with respect to the first time, and only the first time, you fail to generate the Minimum Cumulative Royalties, you may cure the default by paying to us the difference between the Minimum Cumulative Royalties and the amount we actually received during such Measurement Period. If you elect to pay the shortfall, you must do so not later than 30 days following the end of the applicable Measurement Period. Any subsequent failure to generate the Minimum Cumulative Royalties will not be curable.

4.10. Gift Cards and Daily Deal Websites. You must participate in all gift card, loyalty card, promotional card, award card, or other similar prepaid card, code or other device programs (collectively, "Gift Cards") periodically established or approved of by us for Studios. You acknowledge and agree that Gift Cards and daily-deal or flash sale coupons must be entered into your point-of-sale system in the manner we direct from time to time.

4.11. Employees, Agents & Independent Contractors. You are solely responsible for all decisions relating to your employees, agents, and independent contractors. Any employee, agent or independent contractor that you hire will be your employee, agent or independent contractor, and not our employee, agent or independent contractor. You also agree that you are exclusively responsible for the terms and conditions of employment of your employees, including recruiting, hiring, firing, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision. You agree to manage the

employment functions of your Studio in compliance with federal, state, and local employment laws.

4.12. Membership Sales. You will offer and sell rights of access to your Studio, referred to as a "Membership," as we require from time to time. All Memberships must be evidenced by a written agreement (a "Membership Agreement") and may not be for a term that extends beyond the expiration of this Agreement. We reserve the right to provide you a form of Membership Agreement, and if we do so, you will use the form of Membership Agreement that we provide to you, and you will not make any modifications in the forms without our prior written consent. Notwithstanding the foregoing, you acknowledge that you are responsible for ensuring that the Membership Agreements comply with all applicable laws. If such laws require that you modify the Membership Agreements, you may do so only to the extent necessary to comply with such applicable laws, provided that you provide us with immediate written notice of all such modifications. Any Membership Agreement that has been modified without our consent shall be void. We may modify the types and terms of Memberships to be offered, terminate your right to offer certain types of Memberships, and/or approve or require other types of Memberships for sale.

We may, in our discretion, establish in the Manuals certain requirements regarding minimum numbers of Memberships that must be sold prior to opening ("Pre-Sales") and provide in the Manuals for certain rights and remedies should you fail to meet the minimum requirements, including, for example, delaying approval of the opening of the Studio and requiring that you use our personnel to assist in achieving the minimum number of Pre-Sales.

You will only offer Memberships in strict compliance with System standards and our standards, policies and procedures. If we authorize you to sell Memberships, you will nevertheless be responsible for determining that you may do so under all laws and regulations applicable to your Studio and you agree that you will fully comply with all such laws and regulations. We may suspend, revoke or terminate your right to offer Memberships at any time.

You agree to comply with the System standards we establish from time to time regarding Memberships. These System standards may regulate, among others, the following topics: (1) the types and terms of Memberships you may offer; (2) the form(s) of Membership Agreement; (3) the terms and conditions upon which a member may transfer his Membership from your Studio to another Studio and vice versa; (4) admission of members of your Studio to other Pure Barre Studios; (5) procedures to follow when members transfer to or from your Studio; (6) use and acceptance of coupons, passes, certificates, and Gift Cards; (7) group accounts and group Memberships (and discounts applicable thereto); (8) payment terms for Memberships; and (9) the standards, procedures, and requirements for any reciprocity program we may establish from time to time.

You agree, upon notice from us, to accept any Memberships we assign to you, and, if we so require, to honor those Memberships on the terms and conditions of the existing Membership Agreement, and to accept as remuneration only such payments as accrue pursuant to the applicable Membership Agreement from the time of assignment.

You agree that we and our affiliates own all Membership Information (defined in Section 10.4), that it comprises part of the Confidential Information which you are licensed to use under this Agreement, and that we and our affiliates may use Membership Information in our and their business activities and may disclose Membership Information (such as the number of members), but during the term of this Agreement we will not publicly disclose any Membership Information unless we make such public disclosure without disclosing your identity or your Studio's specific Membership Information on an individual (i.e., unconsolidated) basis. We may contact any member(s) of any Studio at any time for any purpose. Upon expiration or termination of this Agreement, we reserve the right to make any and all disclosures that we deem necessary or appropriate.

4.13. Reciprocity. We reserve the right to establish a reciprocity program between your Studio and other Pure Barre Studios. You must comply with all standards and requirements of any reciprocity program as they may exist from time to time. If such reciprocity program is established, we anticipate requiring you to allow any member of another Pure Barre Studio to receive services at your Studio at or below the reciprocity rates we specify from time to time in the Manuals.

4.14. Call Center. We may, in our discretion, before and/or after your Studio opens for business, require you to use the services of a call center to help generate customer leads, to field phone calls and other communications from customers and potential customers, and for any other purposes we deem necessary or desirable, all pursuant to the terms established in the Manuals. We or our affiliates may provide this service and you will pay us a fee for such services.

5. VENDORS AND SUPPLIERS

5.1. Mandated and Approved Vendors. In developing and operating your Studio, you may acquire items and services only from vendors and suppliers that we mandate or approve to provide such items or services to Pure Barre Studios (which may include us and our affiliates). We may elect to appoint a sole supplier, which may be us or our affiliate, for any particular product or service. We may receive payments or benefits from any vendors or suppliers on account of their actual or prospective dealings (including purchases or leases) with you and other franchisees and use all such amounts without restriction for any purposes we and our affiliates deem appropriate (unless we and our affiliates agree otherwise with the vendor or supplier). If we or our affiliates are a vendor or supplier, we and they may obtain a profit from any goods, services, supplies, materials, or equipment we or they sell to you. We reserve the right, at our option, to revoke our approval of any supplier. If you wish to purchase goods from a supplier that we have not previously approved, you may request our approval which we may grant or withhold in our discretion. If you request our approval of a supplier, and we do not respond within 30 days of your request, the supplier will be deemed disapproved. We may require that you reimburse the expenses we or our affiliates incur in assessing your proposed supplier.

5.2. Payments to Third Parties. You will timely pay all vendors, suppliers, landlords, lessors, government agencies, and other third parties all amounts when due without liability to us. Upon our request, you will provide us with proof of payment to third parties. Any failure to pay suppliers timely will damage our reputation and the reputation of other franchisees, and in

the event of such failure, we will have the right, but not the obligation, to pay all or any portion of the sum due, together with accrued interest and penalties, and to collect reimbursement from you, including by EFT from the account from which your Royalties and other fees are paid. You consent to us directly contacting and obtaining any information from any of your current or former suppliers, vendors, or lessors at any time.

6. COMPUTER SYSTEMS

6.1. Computerized Point-of-Sale System. You will purchase, maintain, and service any computerized point-of-sale and accounting system we designate for operation of the Studio, including any accompanying computers, modems, credit/debit card readers, cash drawers, receipt printers, and other associated equipment. You will purchase and pay for upgrades or new software as we require from time to time in our sole discretion.

6.2. Hardware and Internet Access. You will obtain and maintain sufficient and operable computer hardware, software, and internet access: (i) to provide for continuous access to any proprietary intranet system we designate for communications between us and you and to any web-based software we designate; and (ii) to perform all other operations required by the Manuals. You will not allow any unauthorized person to access any proprietary intranet or other computerized systems.

6.3. Data Access. You grant us and our designees unlimited access to your computer system and to the data generated by your computerized point of sale system, and will permit us and our designees to poll via electronic connection your computer systems in order to compile customer information, sales data, consumer trends, and labor costs, and any other financial and marketing information we deem appropriate.

6.4. Proprietary Software and Technology. During the Term, we or our affiliates may develop and require that you use proprietary software or technology ("Proprietary Technology") in operating your Studio. We may require you to sign a software license agreement or similar document that we or our affiliates prescribe to regulate your use of, and our and your respective rights and responsibilities with respect to, Proprietary Technology. We and our affiliates may charge you a monthly or other fee for any Proprietary Technology that we or our affiliates license to you and for other maintenance and support services that we or our affiliates provide during the Term.

6.5. Technology Fee. We reserve the right to require you to pay us a recurring technology fee for your use of any of the software or hardware described in this Section 6.

6.6. Information Security and PCI Compliance. You must implement all administrative, physical and technical safeguards that we require or that are required by law to protect any 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"). In addition, you must implement all administrative, physical and technical safeguards in compliance with current

Payment Card Industry Data Security Standards currently found at www.pcisecuritystandards.org, or any similar or subsequent standard, for the protection of cardholder data throughout the Term. Should we choose to provide assistance or guidance regarding the protection of Personal Information, that assistance or guidance will not constitute a representation or warranty of any kind, express or implied, that your Studio or business complies with federal, state, or local privacy and data laws, codes, or regulations, or acceptable industry standards. It is entirely your responsibility to confirm that the safeguards you use to protect Personal Information comply with all laws and industry best practices related to the collection, access use, storage, disposal and disclosure of Personal Information. If you become aware of a suspected or actual breach of security or unauthorized access involving Personal Information, you will notify us immediately and specify the extent to which Personal Information was compromised or disclosed.

7. ADVERTISING, MARKETING, PROMOTIONS, AND DISPLAYS

7.1. Ad Program. We or our designee will maintain and administer an advertising, marketing, and promotions program funded by the Ad Fee payments you and other franchisees make (the "Ad Program") for advertising, marketing and promotions we select in our sole discretion. We may use the Ad Program for (i) maintaining, administering, directing, conducting and preparing marketing, advertising, public relations, client retention, and/or promotional programs and materials, and (ii) any other activities, which we believe will enhance the image of the System, businesses operating under the System generally, the Marks and products and services offered under the System, including, among other things, the costs of preparing and conducting media marketing campaigns (including social media); salaries and benefits for personnel (including our personnel and/or our representatives, agents, or affiliates) who manage and administer the Ad Program; direct mail advertising; special events; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; sponsorship of organizations and events, including athletic teams, fund raising activities, tournaments and other similar activities; purchasing promotional items; conducting and administering in unit promotions; developing and maintaining application software designed to run on computers and similar devices, including tablets, smartphones and other mobile devices, as well as any evolutions or "next generations" of any such devices; and providing promotional and other marketing materials and services. We are permitted to perform any Ad Program functions ourselves, or through our employees, representatives, agents, or affiliates.

7.2. No Specific Ad Program Allocation Required. The purpose of the Ad Program is to maximize awareness and acceptance of the Marks and patronage of the goods and services offered by Pure Barre Studios generally. We have no obligation to ensure that you benefit directly or on a pro rata basis from the placement or conduct of advertising, marketing, or promotional activities. We may spend in any fiscal year more or less than the total Ad Fee payments received in that year, borrow from ourselves or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Ad Program payments to pay costs before using the Ad Program's other assets.

7.3. Ad Program Accounting. We will account for the Ad Program separately from other accounts or assets we own but are not required to deposit them into a separate bank

account. The Ad Fees will not be our asset. We will provide, on your written request, a statement describing the activities of the Ad Program for the most recent calendar or fiscal year. The cost of preparing that statement may be paid from Ad Fee payments. We may, in our discretion, establish a separate entity to receive Ad Fee payments and administer the Ad Program with comparable rights and restrictions established in this Agreement, in which case we may require you to submit Ad Fee payments directly to that separate entity. We may, but will not be required to, have the Ad Program audited annually at the Ad Program's expense, by an independent certified public accountant. We have the right, but no obligation, to use collection agents and institute legal proceedings, at the Ad Program's expense, to collect the Ad Fees that are to be contributed to the Ad Program. We also may forgive, waive, settle, and compromise all claims by or against the Ad Program. Other franchisees may pay Ad Fees that are different than those that you pay under this Agreement. Except as expressly provided in this Section 7.3, we assume no direct or indirect liability or obligation to you for collecting amounts due to the Ad Program or for maintaining, directing, or administering the Ad Program.

7.4. Grand Opening. Separate from your payments to the Ad Program, you must spend no less than $2,500 to promote and host a grand opening event at the Location. We reserve the right to approve all aspects of your grand opening promotion, including the content and timing.

7.5. Local Advertising Expenses. During the Term, you will promote your Studio by spending on local advertising, marketing, and promotions within the area reasonably surrounding the Studio ("Your Local Marketing") a monthly amount currently no less than the greater of: (i) 1% of the Studio's Gross Sales for the preceding month; or (ii) $150 per month. Upon our request, you will provide to us a report documenting all local advertising expenses. If you fail to make the expenditures required under this Section 7.5, we may require that you contribute the amount you failed to spend to the Ad Program.

7.6. Your Local Marketing. In conducting Your Local Marketing:

(a) you will ensure that your activities reflect favorably on and do not disparage your Studio, us, the Marks, or any other Pure Barre Studio or owner.

(b) you will not engage in any advertising or promotions around or within any known restricted radius around any other Pure Barre Studio without our consent; provided, however, this restriction will not limit your use of social media conducted in accordance with our then-applicable social media policies and general media advertising such as wide-circulation newspaper, radio, or television.

(c) prior to use, you will submit to us all proposed print and other promotional materials, and a description of all proposed public or marketing events. You will use only materials we approve or provide and will participate only in events we approve; except that we will be deemed to have disapproved any materials and events that we do not disapprove within 10 days of receipt of your submission. If you submit to us for approval any materials or proposals, then we are permitted to adopt those materials or proposals for general use in advertising or promotions, in which case you will take any action reasonably we request to

document and confirm an irrevocable and perpetual assignment to us of any copyright and a waiver of any moral rights relating to that advertising or promotion in consideration of the continued use of the Marks and System.

(d) Your Local Marketing will include advertisement of the Studio in any print or online directory listings we require, which advertisements you will submit to us for approval prior to placement.

7.7. Franchisee Advertising Co-op. We are permitted to establish or to authorize any number of co-operative franchisee advertising programs (an "Ad Co-op") to coordinate advertising, marketing, and promotions among franchisees within a certain region, among certain common types of franchisees, or for other designated purposes. You will participate fully and in good faith in any Ad Co-ops we require. We are permitted to delegate to any Ad Co-op the full or limited right to direct its own operations, and you will follow all rules and procedures prescribed by the Ad Co-op; except that no Ad Co-op created or managed by us will be permitted, without our consent: (i) to impose any fee or mandatory contribution to the members on an unequal basis; or (ii) to allocate votes among members on any basis other than one vote per authorized Pure Barre Studio. We are permitted, but not obligated, to resolve any disputes between you and any other franchisee concerning any Ad Co-op matter, and you will honor and adhere to any decision or direction we issue concerning that dispute. For the sake of clarity, any contributions or fees paid by you for an Ad Co-op are separate from your obligation to pay Ad Fees and are not attributed to Your Local Marketing requirements unless we provide our prior written approval.

7.8. On-Site Displays. At and upon the Location, you will use and display all signs, displays, advertising and other materials we designate and only such items that we approve.

7.9. Websites. We have established and may from time to time update and modify a website to advertise, market, and promote Pure Barre Studios, the products and services that they offer and sell, or the franchise opportunity (a "System Website"). We will maintain the System Website in our discretion and may use the Ad Program's assets to develop, maintain, and update the System Website. We have final approval rights over all information on the System Website.

We may, but are not obligated to, provide you with a webpage on the System Website that references your Studio. If we provide you with a webpage on the System Website, you must: (i) provide us the information and materials we request to develop, update, and modify your webpage; (ii) notify us whenever any information on your webpage is not accurate; and (iii) pay our then-current monthly maintenance fee for the webpage. We will own all intellectual property and other rights in the System Website, including your webpage, and all information they contain (including, without limitation, the domain name or URL for your webpage, the log of "hits" by visitors, and any personal or business data that visitors supply). We may suspend or remove your webpage if you are not in full compliance with this Agreement and will permanently remove it from the System Website upon expiration or termination of this Agreement.

All advertising, marketing, and promotional materials that you develop for your Studio must contain notices of the System Website's domain name in the manner we designate. Except as otherwise directed by us in the Manuals, you may not develop, maintain, or authorize any other website or create or use a screen name, user name or profile on any social networking site that mentions or describes you or your Studios or displays any of the Marks. Any mention you make through your personal social media accounts of your status as a Pure Barre Studio owner or franchisee will be deemed "advertising" for purposes of, and will be subject to all requirements under, this Agreement.

7.10. Your Participation in Marketing Events. You will fully participate in all advertising, marketing, and promotions activities we require, including the introduction or test marketing of new goods or services, grand openings, joint marketing efforts with other franchisees, trade shows, industry events, and other programs we direct or approve. You acknowledge and agree that we may use your Studio, including but not limited to in connection with special promotional events, for the general promotion and enhancement of the System, businesses operating under the System, and the Marks. We may require you to offer complimentary classes to individuals we designate who are engaged in promotional activities on the Internet, including but not limited to bloggers, social media celebrities, or Instagram photographers. We may also require you to sell to us class certificates, at normal discounts, to use as promotional and incentive items.

7.11. Required Advertising Cap. At any time, upon notice to you, we have the right to increase the amount of (i) Ad Fees you must contribute to the Ad Program, (ii) the local advertising expenditures you must make toward Your Local Marketing, and (iii) Ad Co-op contributions; provided, that in no event will you be required to contribute to all of the foregoing advertising vehicles, in the aggregate, more than 5% of the Studio's Gross Sales annually unless the members of an Ad Co-op in which you are required to participate vote to increase contributions to the Ad Co-op.

8. TRAINING AND ANNUAL CONVENTION

8.1. Initial Training. We will provide an "Initial Training" program as described in this Section 8.1. The Initial Training takes place in a Pure Barre Studio or other facility that we designate and currently spans four (4) consecutive days. The content, duration and method of presenting the Initial Training is within our discretion. Scheduling of the Initial Training will be determined by us based on schedule and facility availability and the projected opening date for your Studio. Initial Training is available for no additional charge for up to six (6) people (your "Training Group") but must be completed to our satisfaction by you (if you are an individual), by your Operations Manager (if you are not that person), by your Lead Teacher (if you are not that person), and by your Designated Representative (if your Designated Representative is not the designated Operations Manager or Lead Teacher). You will ensure that any individual whom you intend to provide services to customers upon your opening for business participates in and successfully completes the Initial Training. You will pay for all travel, accommodations, wages, and other costs for your Training Group. We reserve the right to require you to complete the Initial Training first, then accompany the rest of your Training Group, who must all attend simultaneously, as they participate in the Initial Training program. Each member of your

Training Group who has not signed this Agreement or a Guaranty must, as a condition of participating in the Initial Training, sign a confidentiality and non-competition agreement on our then-current form.

8.2. Subsequent Training. We may require you (or one of your owners if you are an Entity), your Operations Manager, your Lead Teacher, your Designated Representative, and your employees to participate in and complete to our satisfaction, before or after your Studio opens, any and all additional training and education programs we mandate. In addition to any travel, accommodations, wages, and other costs for your representatives attending any subsequent training programs, you will also pay to us a training fee that we designate for the particular programs. If you seek to appoint a new Operations Manager, Lead Teacher, or Designated Representative, then you will ensure that the proposed new Operations Manager, Lead Teacher, or Designated Representative (if approved by us) completes to our satisfaction all training then required of Operations Managers, Lead Teachers, and Designated Representatives for new franchisees and pay our then-standard training fee. We have the right to require that any franchisee seeking additional training under this Section 8.2 must be in compliance with this Agreement.

8.3. Third-Party Training. You will participate in and complete to our satisfaction any training with third-party providers of software, hardware, and other operational aspects of the Studio.

8.4. Annual Convention. We may hold and require you (or at least one of your owners if you are an Entity), your Operations Manager, and your Lead Teacher to attend an annual convention or meeting of franchisees (the "Annual Convention"). In addition to being responsible for any travel, accommodations, wages, and all other expenses for your representatives attending the Annual Convention, you will pay us, at our option, the fee that we designate for each attendee at the Annual Convention. The fee will generally reflect our direct and administrative costs of organizing and providing the programs and materials for the Annual Convention. If you (or a required representative) fail to attend a mandatory Annual Convention, in addition to any other remedies available to us pursuant to this Agreement, we reserve the right to charge you a non-attendance fee in an amount we determine, in our sole discretion, to be the costs attributed to your failure to attend.

8.5. Delegation of Performance. We have the right to delegate the performance of any portion or all of our obligations under this Agreement to third party designees, whether these designees are our agents or independent contractors with whom we have contracted to perform these obligations. If we do so, such third-party designees will be obligated to perform the delegated functions for you in compliance with this Agreement.

9. RECORDS AND REPORTING

9.1. Monthly and Other Reports. On the due date of each Royalty payment, you will provide to us in a form and format we prescribe a report of all Gross Sales on which the Royalty payment is based (the "Monthly Report"). Your submission of the Monthly Report will constitute your representation that its contents are accurate to the best of your knowledge.

Additionally, you shall provide to us any other reports and financial information as we reasonably require, which may include: (a) up-to-date personal financial information concerning your guarantors; (b) your up-to-date balance sheet; and (c) an income statement, profit and loss statement, and statement of changes in financial position for you that has been prepared for any full or partial fiscal year period that we designate.

9.2. Records. You will keep accurate records and books of account in relation to the Studio, including records of all goods and services provided to customers, all prices charged, and all Gross Sales received or credited, in a form and detail we prescribe or approve. You will acquire at your own expense and use any accounting or other record-keeping software (including any web-based software or system) we require. You will preserve for a period of at least three (3) years after the end of each fiscal year all books and records related to that year.

9.3. Annual Reporting. At our option, in addition to the Monthly Reports, you will submit to us, no later than 90 days after the end of each fiscal year, the following information concerning the fiscal year, certified as correct by you:

(a) A statement of Gross Sales for the year as finally adjusted and reconciled after the close and review of your books and records for the year. If that statement discloses any underpayment of amounts owed to us, then you will pay to us, at the time of submitting the annual statement, the amount of that underpayment. We will credit to your account any overpayment disclosed by such statement; except that we are not precluded from disputing whether an overpayment has occurred.

(b) Complete financial statements, including a balance sheet, income statement, profit and loss statement, and statement of changes in financial position, all prepared in accordance with U.S. generally accepted accounting principles consistently applied with prior fiscal years.

9.4. Corporate Records. If you are an Entity, then you will provide to us upon request copies of any corporate records, including certificates of incorporation or other documentation establishing your entity status, your articles of incorporation and bylaws, any shareholder, member or partnership agreement, and documents reflecting Entity ownership.

9.5. Inspection and Audit Rights. We and our designee are permitted, with or without prior notice, during the regular business hours of the Studio but without undue disturbance to it, to inspect and audit the Studio, including to assess your compliance with data security and privacy requirements as described in Section 6.5 and to enter into the Location or any other premises at which you maintain records, and to inspect and take copies of any paper or electronic records relating in any way to the Studio. We may audit or direct an independent auditor to audit the Studio for any time period for which you are required to maintain records, and you will comply with all reasonable requests for records and financial data relating to that audit. If any audit: (a) is precipitated by your failure to provide required reports; (b) reveals an understatement of Gross Sales of 3% or more; or (c) reveals a failure to comply with the data security and privacy requirements of Section 6.5, then you will immediately reimburse us for the reasonable costs and expenses of the audit, and will tender to us any resulting underpayments of fees, together with late fees and interest. Our collection of those payments is not an exclusive remedy

and does not preclude our enforcement of any rights under this Agreement related to your failure to perform. In addition, if any audit reveals an understatement of Gross Sales of 10% or more, then at our option, you will promptly prepare at your sole expense and submit to us audited financial statements for the prior and current fiscal years.

9.6. Use of Data. We are permitted to use and disclose any information or data received from, and any other information concerning, you and your Studio for any valid business purpose, including disclosure to current or prospective franchisees, disclosure to current or prospective investors and lenders, and disclosure to or as required by any governmental or regulatory authority. We will make reasonable efforts to maintain the confidentiality of the data within the intended group of recipients.

10. YOUR COVENANTS

10.1. Non-Competition During Term of Agreement. During the Term, you and your owners will not:

(a) own, manage, or participate directly or indirectly or serve in any capacity in any Competitive Business wherever located; or

(b) directly or indirectly, appropriate, use or duplicate the System, the System standards, the exercise routines, the music playlists, or any portion thereof, for use in any other business or endeavor.

A "Competitive Business" is any business (other than another Pure Barre Studio) that (a) operates, grants franchises or licenses for the operation of, or otherwise assists the operation of a fitness or exercise business or (b) sells fitness apparel or equipment.

10.2. Non-Competition After Transfer, Termination or Expiration. For two (2) years after the transfer, termination, or expiration of this Agreement, you and your owners will not:

(a) own, manage, or participate directly or indirectly or serve in any capacity in any Competitive Business located within a 30-mile radius of the Location;

(b) own, manage, or participate directly or indirectly or serve in any capacity in any Competitive Business located within a 30-mile radius of any other Pure Barre Studio then open and operating or under construction;

(c) directly or indirectly, appropriate, use or duplicate the System, the System standards, the exercise routines, the music playlists, or any portion thereof, for use in any other business or endeavor; or

(d) lease, directly or indirectly, any real estate that you or your owners has any ownership interest in to a Competitive Business.

10.3. Other Covenants.

(a) Non-Solicitation. During the Term, and for two (2) years after expiration or termination of this Agreement, you and your owners will not solicit or hire any person who is then or, during the 6-month period prior, was employed by us, any of our affiliates, or any of our franchisees, or solicit or induce any such person to leave his employment with, us, any affiliate of ours, or any other franchisee of ours, in any case, without the prior written consent of such person's employer or former employer.

(b) Non-Disparagement. During the Term or at any time thereafter, you agree not to (and to use your best efforts to cause your current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) disparage or otherwise speak or write negatively, directly or indirectly, of us, our affiliates, any of our or our affiliates' owners, directors, officers, employees, representatives, or affiliates, the Pure Barre brand, the System, any Pure Barre Studio, any business using the Marks, or take any action which would subject the Pure Barre brand to ridicule, scandal, reproach, scorn, or indignity, or which would negatively impact the goodwill of us or the Pure Barre brand.

10.4. Confidential Information. We possess (and may continue to develop and acquire) certain confidential information, some of which constitutes trade secrets under applicable law (the "Confidential Information"), relating to developing and operating Pure Barre Studios including:

(a) Site selection criteria;

(b) Product and services and related information;

(c) Training and operations materials and manuals (including the Manuals);

(d) Methods, formats, specifications, standards, systems, procedures, exercise programs, teaching techniques, sales and marketing techniques, knowledge, and experience used in developing and operating businesses under the System;

(e) Marketing and advertising programs for the Studio;

(f) Knowledge of specifications for, and suppliers of, products and services used in connection with the Studio;

(g) Any computer software or similar technology which is proprietary to us or the System including, but not limited to, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

(h) Knowledge of the operating results and financial performance of Pure Barre Studios;

(i) Graphic designs and related intellectual property;

(j) Exercise routines and techniques, choreography, and any music playlist we provide for use during sessions offered at the Studio (even though exhibited publicly in Pure Barre Studios and other public venues); and

(k) Information relating to clients and members such as names, addresses, telephone numbers, e-mail addresses, buying habits, preferences, demographic information and related information (collectively, "Membership Information").

You will not acquire any interest in the Confidential Information other than the right to use it, during the Term, as we specify in operating the Studio in accordance with this Agreement. The Confidential Information is proprietary to us and our affiliates, includes our or our affiliates' trade secrets, and is disclosed to you only on the condition that you:

(1) will not use the Confidential Information in any other business or capacity;

(2) will keep each item of Confidential Information absolutely confidential, both during the Term and then thereafter;

(3) will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

(4) will adopt and implement reasonable procedures to prevent the unauthorized use or disclosure of the Confidential Information, including restricting its disclosure to Studio personnel and others including the Operations Manager, your Lead Teacher, and all teachers/instructors and using non-disclosure and non-competition agreements with those having access to Confidential Information. We have the right to regulate the form of such non-disclosure and non-competition agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. In no event may you restrict in any such agreements such person's right to become owners of or acquire ownership interests in Pure Barre Studios.

Confidential Information does not include information, knowledge, or know how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the exercise industry through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the exercise industry through publication or communication by others (without violating an obligation to us). However, anyone who claims that information it is not Confidential Information must prove that one of the exclusions provided in this Section 10.4 is fulfilled.

You acknowledge and agree that, as between us and you, we and our affiliates are the sole owner of all right, title, and interest in and to the System and any Confidential Information.

All improvements, developments, derivative works, enhancements, or modifications to the System and any Confidential Information (collectively, "Innovations") made or created by you, your employees or your contractors, whether developed separately or in conjunction with us, shall be owned solely by us and our affiliates. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning to you or us and our affiliates all rights in and to any Innovations developed or created by them. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. If we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this paragraph, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this paragraph with the same legal force and effect as if executed by you. The obligations of this paragraph shall survive any expiration or termination of the Agreement.

10.5. Consideration for Covenants; Severability. You and your owners acknowledge and agree that (a) you, your owners and the others individuals and entities required to comply with this Article 10 have received an advantage through the specialized training provided under this Agreement, the knowledge of the day-to-day operations of the Studio and access to our standards, the Manuals, the System, our Confidential Information, and (b) the covenants and restrictions in this Article 10 (i) are reasonable, appropriate and necessary to protect our standards, the System, our Confidential Information, other franchisees operating under the System, the goodwill of the System, relationships with our prospective and existing customers and suppliers, and our legitimate interests; and (ii) do not cause undue hardship on you or any of the other individuals and entities required by this Article 10 to comply with the covenants and restrictions. The unenforceability of all or part of any covenant in any jurisdiction will not affect the enforceability of that covenant in other jurisdictions or the enforceability of the remainder of the covenants or this Agreement. If any covenant is held by an arbitrator or court of competent jurisdiction to be broader in time, scope, or subject matter than legally permitted, then we and you authorize the arbitrator or court to impose that covenant to the maximum lawful extent. We are permitted at any time to reduce the time, scope, or subject matter of any covenant to render it enforceable under applicable law.

11. RENEWAL

11.1. Renewal Terms. Subject to your compliance with this Article 11 and on our election to continue franchising both generally and in the geographic region in which your Studio is located, you will have the opportunity to renew the Term for two successive periods of five (5)

years each (each a "Renewal Term"). The conditions for renewal for the initial Renewal Term are set forth below, while the conditions for the renewal of the second Renewal Term will be as set forth in our form of franchise agreement which you sign in connection with the initial Renewal Term in the franchise agreement in effect at that time:

(a) We must receive written notice of your desire to acquire a Renewal Term (the "Renewal Notice") not less than 90 days and not more than 180 days prior to the end of the expiring Term; except that we are permitted to modify this notice period by prior written notice to you in the event that applicable law requires us to provide greater than 60 days' notice of any non-renewal;

(b) You must be in full compliance with this Agreement, any other agreement between you and us or our affiliates, the Manuals, and any other System requirements as of the end of the Term;

(c) You must have obtained, maintained, and be in good standing with all of your necessary and applicable licenses and permits as of the end of the Term;

(d) You must be in compliance with all monetary obligations to us, our affiliates, and to all vendors, suppliers, lessors, and governmental and taxing authorities as of the end of the Term;

(e) You must have made any modifications, repairs, updates, upgrades, and renovations we require to the Location, to the goods and services offered by you, to your advertising, marketing and promotional programs, and to your computer, financial, and accounting systems, and be current on all then-required training programs as of the end of the Term;

(f) You must have committed no more than two (2) material defaults of this Agreement for which we have issued written notice and demand for cure during the Term;

(g) You must present evidence satisfactory to us that you have or will have the right to remain in possession of the Location for the duration of the Renewal Term;

(h) You and your owners must, at the end of the Term, execute a general release, in the form we prescribe, of any and all claims accruing prior to the end of the Term in favor of us and our shareholders, officers, directors, employees, affiliates, and agents, to the extent that release is permitted by applicable law;

(i) You must meet all general requirements then applicable to approval of new franchisees;

(j) You must pay a renewal fee for the Renewal Term of $5,000, which fee you will pay in lieu of any initial franchise fee otherwise required by that agreement; and

(k) You and your owners must execute prior to but commencing as of the end of the Term our then-current form of franchise agreement and all ancillary agreements then used to grant new franchises as described in Section 11.4 of this Agreement.

11.2. Offer Contingent on Continued Compliance. Our offer to you of the opportunity to acquire a Renewal Term is contingent on your continued compliance with all conditions stated above through the end of the Term, and we are permitted to withdraw that offer or cancel any pending agreement if your compliance lapses.

11.3. Temporary Extension. If, through no fault of yours, we and you do not enter into our then-current form of franchise agreement, but you continue to operate the Studio after the end of the Term, with our consent, then that will be considered a temporary extension of this Agreement, which extension we are permitted to discontinue at any time and for any reason upon 30 days' written notice. If we discontinue that extension, the discontinuation will be considered a non-renewal of this Agreement and not a termination. If we do not consent to your continued operation of the Studio after the end of the Term, then this Agreement will be expire at the end of the Term and under no circumstances will you continue to operate the Studio.

11.4. Form of Renewal Franchise Agreement Form and Ancillary Agreements. The terms and conditions of our then-current form of franchise agreement may vary in material respects from this Agreement, and may include higher fees and royalty rates, additional fees not contained in this Agreement, greater restrictions on your use of the Marks, additional obligations of you or your owners, a different protected Territory, additional required ancillary agreements, and no right or opportunity to extend the term of the franchise relationship beyond the second renewal term.

12. TRANSFER

12.1. Assignment, Transfer, or Encumbrance. Neither you nor any of your owners will voluntarily or involuntarily assign, transfer, or encumber any direct or indirect interest in or ownership or control of you (including but not limited to a change in the Designated Representative), the Studio, or this Agreement (each a "Transfer") without our consent. Any attempted Transfer without our consent will be a default of this Agreement, and will be voidable by us. You are not permitted to and will not offer, sell, or grant any subfranchise in the Studio. If you intend to list your Studio or your rights under this Agreement for sale or other Transfer with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the sale or Transfer nor may you use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the sale or Transfer without our prior written approval of such materials. As used in this Article 12, "control" means the right and power to direct or cause the direction of your management and policies and does not depend on any minimum ownership interest in you.

12.2. Minimum Conditions of Transfer. You agree that there may be no Transfers before the Studio has opened for business. Our consent to a Transfer will be subject, at a minimum, to the prior performance or demonstration of the following conditions. These

conditions are non-exclusive, and we are permitted to impose any other conditions we deem reasonable in our sole discretion, and are permitted to waive, defer, or modify any of these conditions in our sole discretion:

(a) You must be in full compliance with this Agreement, any other agreement between you and us or our affiliates, the Manuals, and any other System requirements;

(b) Prior to the Transfer, you must have performed all modifications, repairs, updates, upgrades, and renovations we require to the Location, to the goods and services offered by you, to your advertising, marketing and promotional programs, and to your computer, financial, and accounting systems;

(c) Prior to the Transfer, you must have paid us a transfer fee equal to 25% of the then-current initial franchise fee for entering into a franchise agreement with us;

(d) You must provide to us in writing the terms of the proposed Transfer, and we must determine, in our sole discretion, that the terms of the proposed Transfer are reasonable and will not unduly hinder the transferee's ability to operate the Studio successfully;

(e) The transferee must submit any information or documents then required of new franchisees, and the transferee must meet all of our subjective and objective standards, including experience, financial capacity, talent, skills, and qualities of character, applicable to new franchisees;

(f) The transferee and its owners (if the transferee is not an individual) must agree in writing to assume this Agreement, all ancillary agreements, and all obligations of yours in connection with the Studio or, if we request, the transferee (or you if the subject of the transfer is a partial ownership interest in you) will instead execute any or all of the documents we then require of new franchisees, including a guaranty agreement and a franchise agreement on our then-current form. The new franchise agreement may vary materially from this Agreement, but will be the same generally as other agreements we offer at that time; except that, at our option, the term of a new franchise agreement will be the standard term offered under the then-current form of franchise agreement or the remaining period of the Term;

(g) At our option, you must simultaneously transfer to the transferee any development agreement, multi-unit agreement, area representative agreement, and any other agreement between us or our affiliates and you or your affiliates, under which or in conjunction with which this Agreement was granted or entered into;

(h) The transferee must agree in writing to complete at its expense and to our satisfaction a training program within 30 days after the effective date of Transfer and pay us our then-current fee for that training;

(i) You must submit to us satisfactory evidence of consent of lenders, lessors, governmental authorities, and any other third parties we deem necessary, for any transfer to the

transferee of leases, agreements, permits, approvals, and licenses used in connection with the Studio; and

(j) You and your owners (and if the transferee is an existing Pure Barre Studio franchisee, the transferee and its owners) must execute a general release, in the form we prescribe, of any and all claims accruing prior to the effective date of transfer, in favor of us and our shareholders, officers, directors, employees, affiliates, and agents.

12.3. Non-Exclusive Additional Bases for Denial. For sake of clarity and without limitation, in addition to the bases identified above, we also are permitted to deny approval of the proposed Transfer if we have elected to discontinue, permanently or temporarily, to sell franchises, either generally or in the geographic area in which the Studio operates or is located; or if we would not sell a franchise directly to the transferee under normal circumstances.

12.4. No Security Interest in Agreement or Studio. The grant of a security interest in this Agreement, the Location, the Studio or the Studio assets is itself deemed a Transfer that requires our consent under this Article 12. No agreement between you, a lender, or a transferee or any other party will include any provision that grants you or any other party any such security interest without our consent.

12.5. Right of First Refusal. No later than five (5) days after receipt by you of a bona fide offer acceptable to you to purchase or acquire all or part of you or the Studio (the subject of which bona fide offer is defined as the "Assets," and that offer will include any offer originated or extended by you and agreed to by a prospective purchaser), you will deliver to us a signed copy of the complete offer. We or our assignee is then permitted to purchase and acquire the Assets and your rights under this Agreement at the same price and on the same terms and conditions as offered to you. We are permitted to substitute cash for any other form of consideration contained in the offer and to pay the entire purchase price at closing. If we elect to exercise this right to purchase, we will do so in writing and no later than 30 days after receiving your notice. If we do not exercise this right to purchase within 30 days, then subject to the other requirements of this Article 12, you are permitted to transfer the Assets to the offeror, but only on the terms disclosed to us in writing. If the terms of the offer materially change at any time prior to transfer, then you will notify us of such change, and we will have a renewed right of first refusal as provided in this Section 12.5. If you do not transfer the Assets to the offeror within 90 days from the date on which you delivered a signed copy of the complete offer to us, then you will again extend this first right of refusal to us before making any transfer or assignment.

12.6. Sales of Securities. In addition to your other obligations, if you sell or offer to sell securities or other ownership interests in you such that that sale is regulated by any applicable law, then you will: (i) fully comply with all applicable laws; (ii) disclose to offerees and purchasers that neither we nor our employees, affiliates or agents are an issuer or underwriter, or are in any way liable or responsible for the offering; (iii) ensure that we have a reasonable time to the review any reference to us or our franchisees in any prospectus or offering documents before you uses or distributes them; (iv) pay our actual legal costs incurred for our review; (v) defend and indemnify us, our officers, directors, employees, affiliates, and agents from any liability, cost, damage, claim, and expense and from ongoing obligations to

shareholders and to governmental agencies arising out of or relating to the offer, sale, or continuing investment; and (vi) sign any further indemnities and provide any further assurances we reasonably require.

12.7. Transfer or Assignment by Us. We are permitted to sell or assign this Agreement and our rights in this Agreement in whole or in part, and to sell or issue stock, other ownership interests, or our assets, wholly or in part, whether privately or publicly. We also are permitted to assign performance of our rights and obligations under this Agreement to any affiliate or third party, or to retain any affiliate or third party to perform those obligations and to receive the benefit of those rights.

12.8. Death or Incapacity. For purposes of this Article 12, a "Transfer" includes a disposition in you or the Studio on or resulting from death or incapacity. Our approval of a Transfer of ownership interests in you or the Studio as a result of the death or incapacity of the proposed transferor will not be unreasonably withheld or delayed so long as at least one of your owners continues to qualify and be the Designated Representative. If, as a result of the death or incapacity of the transferor, a Transfer is proposed to be made to the transferor's spouse, and if we do not approve the Transfer, the trustee or administrator of the transferor's estate will have nine (9) months after our refusal to consent to the Transfer within which to transfer the transferor's interests to another party whom we approve in accordance with this Article 12. At any time after the death or incapacity and before the appointment (if any) of an approved Operations Manager, we may appoint an interim manager, which may include us or our affiliate, to operate the Studio for any period of time we deem appropriate but not to exceed 90-day increments, renewable for up to one year, in the aggregate. We will periodically discuss with you or your heirs the results of the operation of your Studio during the time that any interim manager manages it. You or your successor will compensate the interim manager at a rate we reasonably determine, and the interim manager will be considered your agent. During any period in which the Studio is operated by an interim manager, you will remain obligated to all creditors and other third parties for all debts, obligations, and contracts relating to the Studio, and you will remain solely responsible for any loss or damage incurred by the Studio.

13. INDEMNIFICATION AND INSURANCE

13.1. Your Indemnification. You shall indemnify and hold us and our affiliates, and our and their respective owners, directors, managers, officers, employees, agents, successors, and assignees (the "Indemnitees") harmless against any and all causes of action, claims, losses, costs, expenses, liabilities, litigation, penalties, damages or other expenses (including, but not limited to, settlement costs and attorneys' fees) arising directly or indirectly from, as a result of, or in connection with the operation of the Studio or your conduct under this Agreement, including those alleged to be caused by the Indemnitees' negligence, unless (and then only to the extent that) the claims, obligations or damages are determined to be caused solely by the Indemnitees' gross negligence or willful misconduct according to a final, unappealable ruling issued by a court or arbitrator with competent jurisdiction. You agree that with respect to any threatened or actual litigation, proceeding or dispute which could directly or indirectly affect any of the Indemnitees, the Indemnitees shall have the right, but not the obligation, to: (i) choose counsel; (ii) direct, manage and/or control the handling of the matter; and (iii) settle on behalf of the Indemnitees,

and/or you, any claim against the Indemnitees in their sole discretion. All vouchers, canceled checks, receipts, receipted bills or other evidence of payments for any such losses, liabilities, costs, damages, charges or expenses of whatsoever nature incurred by any Indemnitee shall be taken as prima facie evidence of your obligation hereunder.

13.2. Notice of Claims Against Us. You will promptly notify us in writing of any notices received or claims made (whether orally or in writing) indicating any person's intent to assert any claim or initiate any action against you or us, and you will use your best reasonable efforts to prevent such claim or action.

13.3. Our Indemnification. We will indemnify you against any losses or damages incurred by you as a result of any successful claim of trademark infringement brought by a third party that is related solely to your authorized use of the Marks in accordance with the terms of this Agreement.

13.4. Insurance. You will procure and maintain general comprehensive liability and business automobile liability insurance, with policy limits in amounts we specify in the Manuals. To the extent available, we are permitted to require you to obtain insurance for contractual liability, errors and omissions, and employer's liability (workers' compensation), with policy limits in amounts we specify in the Manuals. You will ensure that all insurance policies for liability coverage name us and our owners, officers, directors and employees as additional insureds (on a primary and non-contributory basis), using a form of endorsement that we have approved, and contain a waiver of subrogation in favor of us and our owners, officers, directors and employees. We are permitted to establish reasonable minimum standards for coverage to be met by underwriters for insurance, which we will state in the Manuals. Before opening for business, you will provide us with certificates of insurance for all policies and will obtain any other insurance required by law. You will maintain in good standing all required insurance during the Term, and will immediately notify us of any lapse, alteration, or cancellation or any policy or coverage. We are entitled to make any revision to any insurance requirements herein upon reasonable notice to you.

Our requirements for minimum insurance coverage are not representations or warranties of any kind that such coverage is sufficient for your Studio's operations. Such requirements represent only the minimum coverage that we deem acceptable to protect our interests. It is your sole responsibility to obtain insurance coverage for your Studio that you deem appropriate, based on your own independent investigation. We are not responsible if you sustain losses that exceed your insurance coverage under any circumstances.

13.5. Notice of Insurance-Related Claims. You will notify us in writing of any act, omission, or event that could materially affect you or the Studio, and will provide that notice no later than the date on which you notify any insurance carrier of such act, omission, or event.

13.6. Insurance and Indemnification Are Separate Obligations. Your compliance with the insurance requirements herein, and the availability of insurance coverage to defend and indemnify us, will not relieve you of your obligations under the defense, indemnification, and hold harmless provisions of this Agreement, which are separate and independent. If any of your

insurers denies or limits coverage to us for any claim falling within the scope of the applicable policy or your obligations herein, then you will provide that defense and indemnity directly.

14. TERMINATION

14.1. Termination by You. If you and your owners are fully complying with this Agreement, you may terminate this Agreement if we violate a material and substantial provision of this Agreement and fail to (i) remedy or to make substantial progress toward curing the violation within 60 days after receiving written notice from you detailing our alleged violation, or (ii) give you reasonable evidence of our effort to cure such failure within a reasonable time (if we cannot correct the failure within such 60 days) within 60 days after receiving written notice from you detailing our alleged violation.

14.2. Termination by Us After Opportunity to Cure. Except for our immediate termination rights under Section 14.3, if you violate any provision of this Agreement, then we may terminate this Agreement if you do not fully cure that violation within 10 days after receiving written notice of default from us. Notwithstanding the foregoing, if your violation is capable of being cured but is not reasonably susceptible to cure within the 10-day cure period, then we have the option to require you to take any remedial measures in our sole discretion, and if you fail to implement those remedial measures in the time and manner we require, then we may terminate this Agreement immediately upon subsequent notice.

14.3. Termination by Us Immediately Upon Notice. Notwithstanding Section 14.2, we are permitted to terminate this Agreement immediately upon written notice if you:

(i) have misrepresented or omitted material facts in your application or other materials provided to us prior to the parties' entering into this Agreement;

(ii) fail to complete to our satisfaction the Initial Training;

(iii) become bankrupt or insolvent or otherwise unable to pay your debts as they become due;

(iv) make an assignment for the benefit of creditors, have a receiver or similar custodian appointed, or make a disposition of substantially all of your assets;

(v) abandon or cease operation of your Studio or cease to communicate with us;

(vi) yourself or through any owner are arrested for, held liable for, are convicted of, or plead guilty or no contest to a charge of violating a law relevant to the Studio;

(vii) yourself or any owner is intoxicated or under the influence of illegal drugs while at the Location;

(viii) attempt to make a Transfer without complying with Article 12, or make unauthorized use of the Marks, or disclose or make unauthorized use of the Manuals or other Confidential Information;

(ix) fail on three (3) or more separate occasions within any 12-consecutive-month period to comply with this Agreement whether or not you correct the failures after our delivery of notice to you;

(x) fail on two (2) or more separate occasions within any 6-consecutive-month period to comply with the same obligation under this Agreement, whether or not we notify you of the failures, and, if we do notify you of the failures, whether or not you correct the failures after our delivery of notice to you;

(xi) fail to meet the Minimum Cumulative Royalty requirement in any applicable Measurement Period or fail to cure such failure if a cure is applicable as provided in Section 4.9;

(xii) fail to pay when due any amount owed to any creditor, supplier or lessor of the Studio (excluding us and our affiliates) and do not correct the failure within any applicable cure period;

(xiii) you, your Operations Manager, or your Lead Teacher or other employees fail to satisfactorily complete any additional training or education programs we require within 30 days of notice from us;

(xiv) fail to meet the Possession Deadline, the Construction Completion Deadline, or the Opening Deadline;

(xv) create or allow to exist any condition in or at the Premises that we reasonably determine to present immediate health or safety concerns for the Studio's customers or employees; or

(xvi) violate any health, safety, or sanitation law, ordinance, or regulation, or operate your Studio in an unsafe manner, and do not begin to cure the violation immediately, and correct the violation within seventy-two (72) hours after you receive notice from us or any other party, regardless of any longer period of time that any governmental authority or agency may have given you to cure such violation.

14.4. Cross-Default. In addition to our rights under Sections 14.2 and 14.3, if we are entitled to terminate any other franchise agreement for a Pure Barre Studio with you, the Operations Manager, a Lead Teacher, the Designated Representative, or any entity that is, or at any time was, majority-owned by one or more of your owners, or, if applicable, was signed pursuant to the same multi-unit development agreement pursuant to which this Agreement was signed, then we may also terminate this Agreement concurrently with the termination of such other franchise agreement.

14.5. Remedies Other Than Termination. If you commit any act or omission that would give rise to our right to terminate, then we are permitted to, instead of or in addition to terminating, withhold, postpone, or forgo any services, payments, access to any electronic systems or other materials, or any other obligations imposed on us by this Agreement or the

Manuals, until you have cured your violation or have otherwise remedied the default to our satisfaction.

14.6. Effect of Expiration or Termination. Upon expiration, termination, or transfer of this Agreement, all covenants, guarantees, and other post-termination obligations will remain in effect. In addition:

(a) You will immediately pay all amounts owed to us, including all Royalties, Ad Fees, and any other fees based on Gross Sales for all Gross Sales through the effective date of expiration or termination;

(b) You will promptly return to us at your expense all Confidential Information, including without limitation, the Manuals, any item bearing the Marks, and any other copyrighted or proprietary materials or software relating to the System in your possession, custody, or control; will cease doing any business under or associated with the Marks; will cancel any corporate or trade name registrations that use any Mark or derivative of any Mark; and will refrain from identifying yourself as our franchisee or licensee;

(c) You will remove from the Location and any other property in your possession, custody, or control all Marks and signs displaying any Marks, including any trade dress associated with us or the System;

(d) At our option, you will assign to us any telephone number, Internet domain name, email address, electronic network, and directory listing relating to the Studio, and will cooperate in all communications required with third parties to ensure such assignments are performed;

(e) You will allow us or our designee to verify your compliance with all post-termination obligations, and will allow us to make a final inspection and audit of your books, records, and accounts;

(f) You will comply with all other obligations under this Agreement that expressly or by implication are intended to survive termination or expiration of this Agreement, including the covenants contained in Article 10 above; and

(g) We will be entitled to exercise all other remedies available under this Agreement or by law.

14.7. Our Right to Purchase Certain Assets of the Studio. Upon (i) any termination of this Agreement, or (ii) upon expiration of this Agreement without renewal, we shall have the right and option, but not the obligation, to exercise the following rights within 30 days after such termination or expiration:

(a) Purchase the equipment used in the operation of the Studio at a purchase price equal to the net realizable value of the Studio's tangible assets in accordance with the liquidation basis of accounting (not the value of your Studio as a going concern) and purchase the fee simple interest in the Location of the Studio at fair market value (if you or one of your affiliates own the

Location of the Studio and we elect not to lease or sublease the Location as provided in subsection 14.7(b)). We will have the right to inspect the equipment and the Location at any time during the 30-day period that we have to exercise our rights; and/or

(b) Exercise the rights to the Location of the Studio as provided in this Paragraph (b). If you lease or sublease the Location for the Studio from an unaffiliated lessor, or if we choose not to purchase your (or your affiliate's) fee simple interest in the Location for the Studio, you agree (as applicable) at our election to (1) assign your leasehold interest in the Location of the Studio to us (or our assignee), (2) enter into a sublease with us (or our assignee) for the remainder of the term of your lease/sublease on the same terms (including renewal options) as your lease/sublease; or (3) lease the Location of the Studio to us for an initial five (5) year term, with two 5-year renewal terms (at our option), on commercially reasonable terms.

If we elect to exercise this option, we will deliver written notice to you of our election within 30 days after the date of termination or expiration of this Agreement. We have the unrestricted right to assign the option under this Section 14.7. We are entitled to all customary warranties and representations in our purchase of the equipment and/or Location, including representations and warranties as to ownership and condition of and title to the equipment and the Location; liens and encumbrances on equipment and the Location; validity of contracts and agreements; and liabilities affecting the equipment and the Location, contingent or otherwise.

We may exclude from the equipment purchased any equipment that is not reasonably necessary (in function or quality) to the Studio's operation or that we have not approved as meeting standards for the Studio, and the purchase price will reflect these exclusions. If we and you cannot agree on fair market value for the Location of the Studio, fair market value will be determined by three (3) independent appraisers, each of whom will conduct a separate appraisal and, in doing so, be bound by the criteria specified in this Section 14.7). We will appoint one appraiser, you will appoint one appraiser and the two party appointed appraisers will appoint the third appraiser. We and you agree to select our and your respective appraisers within 15 days after we notify you that we wish to exercise our rights to purchase, and the two appraisers so chosen are obligated to appoint the third appraiser within 15 days after the last of the two party appointed appraisers was appointed. We and you will each bear the cost of our respectively appointed appraisers and share equally the fees and expenses of the third appraiser chosen by the two party-appointed appraisers. The appraisers are obligated to complete their appraisals within 30 days after the third appraiser's appointment. The purchase price for the Location will be the average of the three appraisals.

14.8. Liquidated Damages. If this Agreement is terminated because of your default or if you terminate this Agreement without cause before its expiration, you and we agree that it would be difficult if not impossible to determine the amount of damages that we would suffer due to the loss or interruption of the revenue stream we otherwise would have derived from your continued payment of Continuing Payments, less any cost savings, through the remainder of the Term (the "Damages"). You and we agree that a reasonable estimate of the Damages is, and you agree to pay us as compensation for the Damages, an amount equal to the then net present value of the Continuing Payments that would have become due had the Agreement not been terminated, from the date of termination to the scheduled expiration of the then-current Term of

this Agreement (the "Damages Measurement Period"). For this purpose, Damages shall be calculated by multiplying (1) the number of calendar months in the Damages Measurement Period by (2) the aggregate of the Continuing Payment percentages by (3) the greater of (i) $1,167 or (ii) the average monthly Gross Sales of the Studio during the 12 full calendar months immediately preceding the termination date; however, if as of the termination date, the Studio has not been operating for at least 12 months, the portion of the Damages calculation described in clause (ii) will be based on the average monthly Gross Sales during our previous fiscal year immediately preceding the termination date of all Pure Barre Studios operating under the Marks during the entirety of that fiscal year. You and we agree that the calculation described in this Section is a calculation only of the Damages and that nothing herein shall preclude or limit us from proving and recovering any other damages caused by your breach of the Agreement.

14.9. Assumption of Management. If (a) you abandon or fail to actively operate your Studio; (b) you fail to comply with any provision of this Agreement or any System standard and do not cure the failure within the time period we specify in our notice to you; or (c) this Agreement expires or is terminated and we are deciding whether to exercise our option to purchase your Business under Section 14.7, we have the right (but not the obligation), without waiving our right to terminate the Agreement under Section 14.3, to enter the premises of the Location and assume the management of your Studio (or to appoint a third party to assume its management) for any period of time we deem appropriate. If we (or a third party) assume the management of your Studio under clauses (a) or (b) above, you agree to pay us (in addition to other amounts due under this Agreement) an amount equal to 10% of Gross Sales, plus our (or the third party's) direct out-of-pocket costs and expenses, for any period we deem appropriate. If we (or a third party) assume the management of your Studio, you agree that we (or the third party) will have a duty to use only reasonable efforts and will not be liable to you or your owners for any debts, losses, or obligations your Studio incurs, or to any of your creditors for any supplies, products, or other assets or services your Studio purchases, while we (or the third party) manage your Studio.

14.10. Member Obligations on Termination. In addition to the obligations set forth in Section 14.6, upon the expiration or termination of this Agreement for any reason, you must notify the members of your Studio that you are no longer our franchisee and that your Studio will cease to operate under the Marks and the System. You acknowledge that, as between you and us, we have the sole right to, and interest in, the Membership Information. Accordingly, upon expiration or termination of this Agreement for any reason, we or our designee may contact members of your Studio and offer such members continued rights to use one or more Pure Barre Studios on such terms and conditions we deem appropriate, which in no event will include assumption of any then-existing liability arising out of or relating to any Membership Agreement or act or failure to act by you or arising from the operation of your Studio. If, upon expiration or termination of this Agreement, members of your Studio are legally entitled to full or partial refund of any monies paid to you, you will refund such monies promptly and in full and will cooperate with us to preserve customer goodwill with such members.

15. DISPUTE RESOLUTION

15.1. Arbitration. We and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, affiliates, and employees), on the other hand, arising out of or related to:

(a) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates);

(b) our relationship with you;

(c) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 15.1, which we and you acknowledge is to be determined by an arbitrator, not a court); or

(d) any System standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of our then-current principal place of business (currently, Denver, Colorado). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 *et seq.*). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Article 15, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, 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 either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis; (ii) commenced, conducted, or consolidated with any other arbitration proceeding; or (iii) brought on your behalf by any association or agency. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a 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 Article 15.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction pursuant to Section 15.3; provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

You and we agree that, in any arbitration arising as described in this Section, requests for documents shall be limited to documents that are directly relevant to significant issues in the case or to the case's outcome; 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." You and we further agree that no interrogatories or requests to admit shall be propounded. With respect to any electronic discovery, you and we agree that:

(a) production of electronic documents need only be from sources used in the ordinary course of business. No such documents shall be required to be produced from back-up servers, tapes or other media;

(b) the production of electronic documents shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the documents and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence;

(c) the description of custodians from whom electronic documents may be collected shall be narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute; and

(d) where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein.

In any arbitration arising out of or related to this Agreement, each side may take no more than three depositions. Each side's depositions are to consume no more than a total of 15 hours, and each deposition shall be limited to 5 hours. There are to be no speaking objections at the depositions, except to preserve privilege.

The provisions of this Section are intended to benefit and bind certain third party non-signatories and 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.

15.2. Consent to Jurisdiction. Subject to the provisions of this Article 15, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in state or federal court in or within 50 miles of our then-current principal place of business (currently Denver, Colorado), and you (and each owner) irrevocably submits to the jurisdiction of those courts and waive any objection you (or the owner) might have to either the jurisdiction of or venue in those courts. Nonetheless, you and your owners agree that we may enforce this Agreement and any arbitration orders and awards in the courts of the state or states in which you are domiciled or the Studio is located.

15.3. Immediate Equitable Relief. Nothing in this Agreement bars our right to obtain specific performance of the provisions of this Agreement and injunctive relief against conduct that threatens to injure or harm us, the Marks or the System, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may obtain such injunctive relief and will not be required to post a bond to obtain injunctive relief and that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction.

15.4. GOVERNING LAW. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. § 1051 et seq.), or other federal law, this Agreement, the Franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Colorado, without regard to its conflict of laws rules.

15.5. LIMITATIONS ON CLAIMS AND DAMAGES. Except for your obligation to indemnify us for third party claims under Section 13.1, and except for punitive damages available to either party under federal law, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. Any claim arising out of or relating to this Agreement will be barred unless litigation asserting that claim is commenced within one (1) year after the claim accrues.

15.6. WAIVER OF JURY TRIAL. You and we agree that, in entering into this Agreement, we each waive our rights to a jury trial to the maximum extent permitted by law for any dispute relating to or arising out of this Agreement.

15.7. WAIVER OF CLASS ACTIONS. Any proceeding to resolve a dispute (whether part of the arbitration process or a legal action) shall be conducted on an individual basis, and not as part of a consolidated, common, representative, group, or class action.

15.8. Costs and Attorneys' Fees. If we incur costs and expenses due to your failure to pay when due amounts owed to us, to submit when due any reports, information, or supporting records, or otherwise to comply with this Agreement, you agree, whether or not we initiate a formal legal proceeding, to reimburse us for all of the costs and expenses that we incur including, but not limited to, reasonable accounting, attorneys', arbitrators', and related fees. If either party initiates an arbitration, judicial or other proceeding, the prevailing party will be entitled to reasonable costs and expenses (including attorneys' fees incurred in connection with such judicial or other proceeding).

15.9. You May Not Withhold Payments Due to Us. You may not withhold payment of any amounts owed to us on the grounds of our alleged nonperformance of any of our obligations under this Agreement or for any other reason, and you specifically waive any right you may have at law or in equity to offset any funds you may owe us or to fail or refuse to perform any of your obligations under this Agreement.

16. GENERAL PROVISIONS

16.1. Grant of Security Interest to Us. As security for the performance of your obligations under this Agreement, including payments owed to us for purchases by you, you hereby collaterally assign to us the Lease and grant us a security interest in all of the assets used in the operation of the Studio, including inventory, accounts, supplies, contracts, and proceeds and products of all those assets (including, but not limited to, cash derived from the operation of the Studio). You agree to execute such other documents as we may reasonably request in order to further document, perfect and record our security interest. If you default in any of your obligations under this Agreement, we may exercise all rights of a secured creditor granted to us by law, in addition to our other rights under this Agreement and at law. If a third party lender requires that we subordinate our security interest in the assets of your Studio as a condition to lending you working capital for the construction or operation of your Studio, we will agree to subordinate pursuant to terms and conditions determined by us. 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 we deem appropriate to protect our interests.

16.2. Relationship of the Parties. You are an independent contractor and not an employee, agent, partner, joint venturer or fiduciary of ours, and neither we nor you will be bound or obligated by the other, except as set forth in this Agreement. You will make all reasonable efforts not to permit any customer, governmental authority, or the general public to confuse you with us.

16.3. Warranties and Guarantees. We are not liable for any guarantee or warranty you make or offer to any customer or other person.

16.4. Entire Agreement. This Agreement and all schedules attached hereto constitute the entire agreement of the parties hereto and all prior negotiations, commitments, representations, warranties, agreements and undertakings made prior hereto are hereby merged. Other than the representations in the franchise disclosure document you received from us, there are no other inducements, representations, warranties, agreements, undertakings, or promises, (oral or otherwise) among you and us relating to the subject matter of this Agreement. No subsequent alteration, amendment, change or addition to this Agreement or any schedules will be binding upon the parties hereto unless reduced to writing and signed by us and you or our and your respective heirs, executors, administrators, successors or assigns. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

16.5. Construction. No previous course of dealing shall be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing shall be used to alter the express terms of this Agreement. Unless otherwise indicated, the word "including" means "including, without limitation."

16.6. Other Franchisees. You acknowledge and agree that, to the extent we enter into other franchise agreements with other franchisees, we are not obligated to enforce our rights under those agreements for the benefit of you. In particular, but without limitation, you acknowledge and agree that we are not obligated to enforce any right to restrict the area or territory in which any other franchisee operates its franchised business, so long as we do not explicitly grant any rights to other franchisees that would violate any territorial limitations in this Agreement.

16.7. Consent. Unless otherwise specified, any provision that refers to our "consent" will mean our prior written consent, which consent we are permitted to withhold or deny for any reason in our sole discretion.

16.8. Cumulative Remedies. The rights and remedies herein are cumulative. No enforcement of a right or remedy precludes the enforcement of any other right or remedy.

16.9. Further Documentation. You and we will acknowledge, execute and deliver all further documents, instruments or assurances and will perform all further acts or deeds as may be reasonably required to carry out the terms and conditions of this Agreement.

16.10. Surviving Provisions. Without limitation, the terms and conditions of this Agreement that by their nature require performance or forbearance after transfer, expiration or termination, that impose any obligation to defend or indemnify, or that relate to the resolution of disputes arising out of this Agreement, remain enforceable notwithstanding the transfer, termination, or expiration of this Agreement. This Agreement inures to the benefit of and is binding on the respective heirs, legal representatives, successors, and permitted assigns of the parties, subject to the restrictions on transfer herein.

16.11. Execution, Amendment, and Modification. The submission of this Agreement to you does not constitute an offer by us. This Agreement will only become effective when it has been executed by duly-authorized representatives of both us and you. No modification or amendment of this Agreement will be effective unless it is in a writing signed by authorized representatives of us and you, except that we are permitted to modify unilaterally the Manuals and other System specifications and directives as provided herein, and you will be obligated to comply with those modified specifications and directives.

16.12. Notice. All notices allowed or required under this Agreement shall be in writing unless otherwise noted. Any written notice required under this Agreement will be provided by traceable means. The party serving the notice will have the burden of establishing that notice was received by the other party, but receipt will be deemed proven by any third party carrier's or process server's written verification (including a standard form receipt in paper or electronic form) of its delivery of the notice to the other party. Each party is permitted to change its contact information by delivering written notice to the other identifying the new information. Unless a party notifies the other of alternative contact information, all notices will be sent to the address shown on the first page hereof, and/or with respect to any approvals and notices that we provide to you or your owners, at the Studio's address, to the attention of the designated person, as follow:

If to us: Attn: Chief Executive Officer

with a copy to: Legal Department

If to you: Attn:_____

16.13. Non-Waiver of Rights. Either party's waiver of any particular right or default will not affect or impair that party's later exercise of that right or the remedies relating to a default of the same or a different kind; nor will any delay, forbearance or omission of either party to execute any rights arising from this Agreement or any default affect or impair that party's rights as to the same or any future exercise of those rights or default.

16.14. Severability. If any part of this Agreement, for any reason, is declared invalid by a court of competent jurisdiction, then that declaration will not affect the validity or enforceability of any remaining portion. The remaining portion will remain in force and effect as if this Agreement were executed with the invalid portion eliminated or curtailed.

16.15. Compliance with Anti-Terrorism Laws. You and your owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with anti-terrorism laws and executive orders (including Executive Order 13224 issued by the President of the United States). You and your owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your owners otherwise are not in violation of, any anti-terrorism laws or executive orders. Any violation of any anti-terrorism laws or executive orders by you and your owners, or any blocking of you and your owners' assets under any anti-terrorism laws or executive orders, shall constitute good cause for immediate termination of this Agreement.

16.16. Execution by Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed an original. You acknowledge that this Agreement will not take effect until accepted and executed by us. Signatures transmitted by fax or scanned and emailed shall have the same effect as originals.

[Signature Page Follows]

EXECUTED on the date below and effective as of the Effective Date by and between:

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date*: _____
(*This is the Effective Date of this Agreement.)

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

Date: _____

If other than an Individual:

_____

By: _____
Name: _____
Title: _____

Date: _____

ATTACHMENT A

Franchisee Ownership

1. **Form of Owner.**

(a) **Individual Proprietorship.** Your owner(s) (is) (are) as follows: _____

_____

(b) **Corporation, Limited Liability Company, or Partnership.** You were incorporated or formed on _____, under the laws of the State of _____. You have not conducted business under any name other than your corporate, limited liability company, or partnership name unless indicated in the following: _____.

2. **Owners.** The following identifies the owner that you have designated as, and that we approve to be, the Designated Representative and lists the full name of each person who is one of your owners (as defined in the Franchise Agreement), or an owner of one of your owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	**Type / Percentage of Interest**
Designated Representative:	_____	_____%
Other Owners:	_____	_____%
	_____	_____%
	_____	_____%

3. **Operations Manager.** _____ is the individual you have designated as, and that we approve to be, the Operations Manager.

4. **Lead Teacher.** _____ is the individual you have designated as, and that we approve to be, the Lead Teacher.

[*Attachment continues on following page*]

Search Area

If we and you have not agreed on the Location as of the Effective Date, then the geographic area in which you are permitted to search for candidate sites for the Studio shall be defined either by the geographic boundaries set forth below or by the geographic boundaries set forth on the attached map ("Search Area Map") or other visual rendering (the "Search Area"). Unless otherwise set forth herein, you shall have exclusive rights to the Search Area for a period of 90 days after the Effective Date (the "Exclusivity Period"). You acknowledge and understand that after the expiration of the Exclusivity Period it is possible at any one time to have more than one prospective franchisee of the System seeking to locate a Location for a Studio within the Search Area. For the avoidance of any doubt, the Search Area is not the same as the Territory and the Territory may cover a smaller geographic area than the Search Area. The Search Area may not be modified or amended except in a writing signed by us and specifically identified as an amendment to the Search Area. The following is the description of the Search Area. If none, the area shown on the Search Area Map shall describe the Search Area:

_____

_____

_____

As set forth in Section 3.1 of this Agreement, once a Location is selected, approved by us, and purchased or leased by you, the portion of this Attachment A entitled "Location and Territory" will be completed and agreed to by us and you thereby confirming the Location and the Territory. At such time, the Search Area shall become null and void and no longer applicable to this Agreement.

Acknowledgement and agreement by us and you to the foregoing and the description of the Search Area as of the Effective Date.

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

Date: _____

If other than an Individual:

_____
By: _____
Name: _____
Title: _____

Date: _____

ATTACHMENT A (cont.)

Search Area Map

(if there is no written description of the Search Area on the initial page of this Attachment A, the Search Area Map shall describe and/or illustrate the geographic boundaries of the Search Area)

ATTACHMENT A (cont.)

Location and Territory

1. The Location under this Agreement is:

_____

2. The Territory is:

a. a circle having the front door of the Studio as its center and a radius of _____ miles; or

b. the area shown and/or described on the following map entitled "Territory Map."

Acknowledgement and agreement of the Location and Territory by us and you (to be signed once the Location is approved by us, the Location is purchased or leased by you, and the Territory is agreed to by the parties):

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

Date: _____

If other than an Individual:

_____
By: _____
Name: _____
Title: _____

Date: _____

ATTACHMENT A (cont.)

Territory Map

(if the Location has been selected and approved and the parties desire to use a map to show and/or describe the Territory, the Territory Map shows and/or describes the geographic boundaries of the Territory)

ATTACHMENT B

Guaranty and Assumption of Obligations

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of ___ _____, 20__, by _____
_____
_____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement (the "Franchise Agreement") on this date by PB Franchising, LLC ("us," "we," or "our"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Franchise Agreement and afterward as provided in the Franchise Agreement, that _____ ("Franchise Owner") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Franchise Agreement and (b) agrees to be personally bound by, and personally liable for the breach of (in each case as though the undersigned Guarantor were a party to the Franchise Agreement), each and every provision in the Franchise Agreement, both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Franchise Owner and among other guarantors; (2) he or she will render any payment or performance required under the Franchise Agreement upon demand if Franchise Owner fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Franchise Owner or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Franchise Owner or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims, none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Franchise Agreement; and (5) upon our request, he or she must submit to us suitable credit and financial information to allow us to make a reasonable decision as to the undersigned's creditworthiness and financial position including, without limitation, a personal net worth statement and such other information which would reasonably be considered relevant to us in determining whether or not the undersigned has the ability to satisfy his or her obligations under this Guaranty.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Franchise Owner arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each Guarantor that is a business entity, retirement or investment account, or trust acknowledges and agrees that if Franchise Owner (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.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

The provisions contained in Article 15 (Dispute Resolution) of the Franchise Agreement, including Section 15.1 (Arbitration), Section 15.2 (Consent to Jurisdiction) and Section 15.8 (Costs and Attorneys' Fees) of the Franchise Agreement are incorporated into this Guaranty by reference and shall govern this Guaranty and any disputes between the undersigned and us. If we are required to engage legal counsel in connection with any failure by the undersigned to comply with this Guaranty, the undersigned shall reimburse us for any of the above-listed costs and expenses we incur.

By signing below, the undersigned spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is not personally guaranteeing the performance or assuming the obligations of the Franchise Owner; rather, he or she is merely acknowledging and consenting to the execution of the Guaranty by his or her spouse and agreeing that the assets of the marital estate (not his or her separate property) are at risk under and by virtue of the execution of this Guaranty.

[Signature Page Follows]

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Franchise Agreement was executed.

GUARANTOR(S)	**SPOUSE(S)**
#1	#1
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
_____	_____
#2	#2
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
_____	_____
#3	#3
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
_____	_____

EXHIBIT B

MULTI-UNIT DEVELOPMENT AGREEMENT

PB FRANCHISING, LLC

MULTI-UNIT DEVELOPMENT AGREEMENT

_____

MULTI-UNIT DEVELOPER

_____

DATE OF AGREEMENT

_____

DEVELOPMENT AREA

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ATTACHMENTS

ATTACHMENT A - Development Area; Development Schedule; Ownership
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ATTACHMENT C - Development Services Agreement
ATTACHMENT D - Form of Amendment to Franchise Agreement

PB FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (this "**Agreement**") is made and entered between **PB FRANCHISING, LLC**, a Delaware limited liability company with its principal business address at 3001 Brighton Blvd., Suite 269, Denver, Colorado 80216 ("**we**"), and _____, whose principal business address is _____ ("**you**"), as of the date signed by us and set forth below our signature on this Agreement (the "**Effective Date**").

1. **PREAMBLES AND GRANT OF RIGHTS.**

A. **PREAMBLES.**

(1) We grant, to persons or entities who we determine meet our qualifications, franchises (each a "**Franchise**") for the development and operation of exercise and workout studios (each a "**Pure Barre Studio**") using the trademark *Pure Barre®* and other trademarks we authorize from time to time (the "**Marks**") and the system and system standards under which Pure Barre Studios are developed and operated (the "**System**"). Each Franchise is granted solely pursuant to a written franchise agreement and related documents and agreements signed by us and a franchisee (each a "**Franchise Agreement**").

(2) We also grant, to persons or entities who we determine, in our sole discretion, meet certain additional qualifications and who are willing to commit, the right to acquire multiple Franchises for the development and operation of Pure Barre Studios within a defined area (the "**Development Area**") pursuant to an agreed upon schedule (the "**Development Schedule**").

(3) You and, if you are an Entity (defined below), your owners have requested that we grant you such rights, and we are willing to do so in reliance on all of the information, representations, warranties and acknowledgements you and, if applicable, your owners have provided to us in support of your request, and subject to the terms and conditions set forth in this Agreement.

B. **GRANT OF RIGHTS; TERM.**

We grant you the right, and you undertake the obligation, either yourself or through your approved Affiliates (defined below), to acquire Franchises to develop, own and operate Pure Barre Studios (the "**Development Rights**"). In exercising the Development Rights, you agree, at a minimum, to strictly comply with the Development Schedule reflected on Attachment A. The Development Rights may only be exercised for Pure Barre Studios to be developed and operated within the Development Area described on Attachment A. 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 Pure Barre Studio which is required to be opened in order to satisfy the Development Schedule opens for regular business or (2) the last day of the last Development Period (the "**Term**").

The Development Rights are limited to the rights to acquire Franchises in accordance with and as described in this Agreement. Rights to develop and operate Pure Barre Studios or to use the Marks are granted only pursuant to individual Franchise Agreements, and you agree that the Development

Rights do not include any such rights. You also acknowledge that we grant rights only pursuant to the expressed provisions of written agreements and not in any other manner, including orally or by implication, innuendo, extension or extrapolation.

An "**Affiliate**" is an Entity (defined below) in which you or your owners (i) own more than 51% of the issued and outstanding ownership interest and voting rights or (ii) have the right and power to control and determine the Entity's management and policies.

C. **GRANT OF RIGHTS TO OTHERS; RIGHTS WE RESERVE.**

Except as described in this Section 1.C, and provided you and your Affiliates are in full compliance with this Agreement and all Franchise Agreements and other agreements with us (or any of our affiliates), we will not, during the Term, either own Pure Barre Studios located in the Development Area or grant Franchises (or authorize the grant of Franchises) to any other person or entity to own Pure Barre Studios to be located in the Development Area. We are not otherwise restricted in any manner from engaging in any business activity whatsoever that is not expressly prohibited by this Agreement, including owning, operating and authorizing others to own and operate Pure Barre Studios outside the Development Area in our discretion. We may also do any of the following anywhere in the world, even within the Development Area:

(1) own and operate or authorize others to own and operate exercise and workout studios under trademarks that are different from the Marks even if such studios offer products and services that are identical or similar to, and/or competitive with, products and services offered by Pure Barre Studios;

(2) use the Marks or any other trademarks or commercial symbols to own and operate businesses (other than Pure Barre Studios located in the Development Area as described above) and distribution channels (including the internet), regardless of the nature or location of the customers with whom such other businesses and distribution channels do business, even if such businesses sell products and/or services that are identical or similar to, and/or competitive with, those that Pure Barre Studios customarily sell;

(3) acquire the assets or ownership interests of one or more businesses, including Competitive Businesses (defined below), and franchise, license or create similar arrangements with respect to such businesses once acquired;

(4) be acquired or become controlled (regardless of the form of transaction) by any other business, including a Competitive Business;

(5) operate or grant any third party the right to operate any Pure Barre Studios that we or our designees acquire as a result of the exercise of a right of first refusal or purchase right that we have under this Agreement or any Franchise Agreement; and

(6) operate or grant any third party the right to operate a Pure Barre Studio at a site within the Development Area that we have proposed to you, but that you have elected not to accept.

D. **BEST EFFORTS/BUSINESS ENTITY.**

You must at all times faithfully, honestly and diligently perform your obligations and fully exploit the Development Rights during the Term and throughout the entire Development Area. You may not subcontract or delegate any of your obligations under this Agreement to any third parties. If you are a corporation, limited liability company, partnership, or another form of business entity (collectively, an "Entity"), you agree and represent that:

(1) Attachment A lists all of your owners and their interests as of the Effective Date;

(2) such persons as we designate, which may include the spouses of your owners, will execute an agreement, in the form set forth in Attachment B (the "**Guaranty**"), under which such persons undertake personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us. However, a spouse who signs the Guaranty solely as a spouse and not as an owner will merely be acknowledging and consenting to the execution of the guaranty by his or her spouse and agreeing to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property);

(3) the business that this Agreement contemplates will be the only business you operate (although your owners may have other, non-competitive business interests); and

(4) you will designate an individual (the "**Managing Owner**") who we approve and who: (a) must own at least 25% of the ownership interests in you, (b) devote a reasonable amount of his or her time and efforts to the operation, promotion and enhancement of the business under this Agreement, and (c) have the authority to deal with us on your behalf in respect of all matters whatsoever which may arise in respect of this Agreement. We will be entitled to rely solely upon the decision of the Managing Owner in any such dealings without the necessity of any discussions with any other party named in this Agreement. The initial Managing Owner's name is listed on Attachment A, and any replacement Managing Owner must be approved by us. To ensure that they meet our criteria to serve in those roles, we also reserve the right to approve your intention to appoint any of your employees as regional or district managers.

E. **MINIMUM LIQUIDITY.**

We have granted the Development Rights to you based, in part, on your representations to us, and our assessment of, your levels of liquidity as of the Effective Date. You will ensure that, throughout the Term, you will maintain sufficient liquidity to meet your obligations under this Agreement. We reserve the right to establish and modify specific liquidity thresholds from time to time, and you agree to comply with such minimum liquidity requirements that we reasonably impose.

2. **EXERCISE OF DEVELOPMENT RIGHTS.**

A. **EXECUTION OF DEVELOPMENT SERVICES AGREEMENT.**

You and/or your Affiliates may request to use the development services we or our affiliate provides for one or more of the Pure Barre Studios to be developed pursuant to Franchise Agreements executed under this Agreement. If we approve this request, you will, concurrently with the execution

of this Agreement, also execute a Development Services Agreement in the form attached hereto as Attachment C.

B. **PROPOSED SITES FOR PURE BARRE STUDIOS.**

You must give us all information and materials we request to assess each Pure Barre Studio site you propose as well as your and your proposed Affiliate's financial and operational ability to fund the development and to operate each proposed Pure Barre Studio. We have the absolute right to disapprove any site or any Affiliate (a) that does not meet our criteria or (b) if you or your Affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement or operating your or their Pure Barre Studios in compliance with the System Standards (as defined in the Franchise Agreement). We will use our reasonable efforts to review and approve or disapprove any sites you propose within 30 days after we receive all requested information and materials. Once we approve a proposed site, you or your approved Affiliate must sign a separate Franchise Agreement as described in Section 2.C. If you or your approved Affiliate fails to do so within 15 days after we provide you with an execution copy of the Franchise Agreement, we may withdraw our approval. In addition, we reserve the right to propose sites to you within the Development Area for the development of Pure Barre Studios contemplated by this Agreement. If we propose a site and you elect not to accept such site for the development of a Pure Barre Studio at such site, then we have the right to operate or grant any third party the right to operate a Pure Barre Studio at such site.

C. **EXECUTION OF FRANCHISE AGREEMENTS.**

Simultaneously with signing this Agreement, you or an approved Affiliate must sign and deliver to us a Franchise Agreement and related documents representing the first Franchise you are obligated to acquire under this Agreement. Thereafter, once we have approved a site, and prior to signing a lease or to otherwise securing possession of the site, you or an approved Affiliate must sign our then-current form of Franchise Agreement and related documents, the terms of which (including with respect to applicable fees) may differ substantially from the terms contained in the Franchise Agreement in effect on the Effective Date. In addition, as each Franchise Agreement is signed, you and we will also sign an Amendment to Franchise Agreement in the form attached to this Agreement as Attachment D. The Franchise Agreement, as amended, will govern the development and operation of the Pure Barre Studio at the approved site identified therein.

D. **COMPLIANCE WITH DEVELOPMENT SCHEDULE.**

Each period described in the Development Schedule is a "**Development Period.**" You or your approved Affiliates must satisfy the obligations described on the Development Schedule (Attachment C) during and as of the end of each Development Period. The Development Schedule is not our representation, express or implied, that the Development Area can support, or that there are or will be sufficient sites for, the number of Pure Barre Studios specified in the Development Schedule or during any particular Development Period. We are relying on your representation that you have conducted your own independent investigation and have determined that you can satisfy the development obligations under each Development Period of the Development Schedule.

We will count a Pure Barre Studio toward the Development Schedule only if it is actually operating in the regular course within the Development Area and substantially complying with the terms of its Franchise Agreement as of the end of the Development Period. However, a Pure Barre

Studio which is, with our approval or because of fire or other casualty, permanently closed during the last 90 days of a Development Period, after having been open and operating, will be counted toward the development obligations for the Development Period in which it closed, but not thereafter.

E. **FAILURE TO COMPLY WITH DEVELOPMENT SCHEDULE.**

Time is of the essence. If you fail to comply with the Development Schedule as of the end of any Development Period, in addition to terminating this Agreement under Section 7 and asserting any other rights we have under this Agreement as a result of such failure, we may (but need not) elect to revoke our agreement under Section 1.C not to grant similar development or franchise rights to others, reduce the size of the Development Area, and re-configure the Development Area, in each case, as we determine.

F. **BUSINESS PLAN AND STATUS UPDATES.**

Within 60 days after the Effective Date, you must prepare and give us a business plan covering your projected revenues, costs, staffing and operations under this Agreement. This business plan will include your detailed projections of costs for Pure Barre Studio development and detailed revenue projections for your activities under this Agreement and the Pure Barre Studios to be developed under Franchise Agreements signed pursuant to this Agreement. Within 60 days after the start of each calendar year during the Term, you must update the business plan to cover both actual results for the previous year and projections for the then-current year. While we may review and provide comments on the business plan and any updates you submit to us, we take no responsibility for and make no guarantees or representations, expressed or implied, with respect to your ability to meet the business plan or to achieve the results set forth therein regardless of whether we approve, disapprove, require revisions or provide other comments with respect to the business plan or any updated business plan. You bear the entire responsibility for achievement of the business plan you develop.

G. **RECORDS AND REPORTING.**

You agree to provide us with the following records and reports:

(1) within 30 days after the end of each calendar quarter, you must provide us with a balance sheet and profit and loss statement for you and your Affiliates covering that quarter and the year-to-date;

(2) within 30 days after the end of each calendar year, you must provide us with an annual profit and loss and source and use of funds statements and a balance sheet for you and your Affiliates covering the previous year, and an updated balance sheet and related financial statements for each person signing the Guaranty; and

(3) such other data, reports, information, financial statements, and supporting records as we request from time to time.

Each of the foregoing shall be in the form and format that we reasonably specify, shall be delivered to us in the manner we specify, and shall be certified as correct by you or, if you are an Entity, by your Managing Owner.

3. **FEES.**

You must pay us, on your execution of this Agreement and in consideration of the grant of the Development Rights, a nonrecurring and nonrefundable development fee in an amount equal to (1) $20,000 multiplied by (2) the number of Pure Barre Studios required to be opened pursuant to the Development Schedule (the "**Development Fee**"). The Development Fee is fully earned by us when you and we sign this Agreement and is nonrefundable. However, we will reduce by $20,000 the amount of the Initial Fees due under each Franchise Agreement which you or your Affiliates execute pursuant to this Agreement, subject to a maximum aggregate reduction for all such Franchise Agreements equal to the total Development Fee.

4. **CONFIDENTIAL INFORMATION; INNOVATIONS.**

A. **CONFIDENTIAL INFORMATION.**

All information furnished to you by us, whether orally or in writing, including the Franchise Agreements, this Agreement, the System, plans, specifications, financial or business data or projections, all documents, data, information, materials, reports, proposals, procedures, financial information, compensation information, job descriptions, employee biographies, proposed advertising, advertising and marketing plans, operations manuals, formulas, samples, improvements, models, drawings, programs, compilations, devices, methods, designs, techniques and specifications, inventions, know-how, processes, business plans, marketing techniques, customer lists and information, purchasing techniques, supplier lists, supplier information, advertising strategies, operations, our trade secrets, or any other forms of business information, whether or not marked as confidential (collectively, the "**Proprietary Information**"): (i) shall be deemed proprietary and shall be held by you in strict confidence; (ii) shall not be disclosed or revealed or shared with any other person except to your employees or contractors who have a need to know such Proprietary Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to individuals or entities specifically authorized by us in advance; and (iii) shall not be used except to the extent necessary to exercise the Development Rights or as permitted under Franchise Agreements, and then only in circumstances of confidence and in accordance with the obligations set forth in the Franchise Agreements. You will protect the Proprietary Information from unauthorized use, access, or disclosure in the same manner as you protect your own confidential or proprietary information of a similar nature and with no less than reasonable care.

All Proprietary Information will at all times remain our sole property. You agree to return to us or destroy, at our election, all Proprietary Information in your possession or control and permanently erase all electronic copies of such Proprietary Information promptly upon our request or upon the expiration or termination of this Agreement, whichever comes first. At our request, you will certify in writing signed by one of your officers that you have fully complied with the foregoing obligations.

B. **INNOVATIONS.**

You agree that, as between us, we or our affiliates own the System and any Proprietary Information, and that your rights to use the System and Proprietary Information, derive solely from this Agreement or from Franchise Agreements executed pursuant to this Agreement. All improvements, developments, derivative works, enhancements, or modifications to the System and any Proprietary Information (collectively, "**Innovations**") made or created by you, your employees or your

contractors, whether developed separately or in conjunction with us, shall be owned solely by us or our affiliates. You represent, warrant, and covenant that your employees and contractors are bound by written agreements assigning all rights in and to any Innovations developed or created by them to you. To the extent that you, your employees or your contractors are deemed to have any interest in such Innovations, you hereby agree to assign, and do assign, all right, title and interest in and to such Innovations to us. To that end, you shall execute, verify, and deliver such documents (including assignments) and perform such other acts (including appearances as a witness) as we may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining, and enforcing such ownership rights in and to the Innovations, and the assignment thereof. Your obligation to assist us with respect to such ownership rights shall continue beyond the expiration or termination of this Agreement. In the event we are unable for any reason, after reasonable effort, to secure your signature on any document needed in connection with the actions specified in this Section 4.B, you hereby irrevocably designate and appoint us and our duly authorized officers and agents as your agent and attorney in fact, which appointment is coupled with an interest and is irrevocable, to act for and on your behalf to execute, verify, and file any such documents and to do all other lawfully permitted acts to further the purposes of this Section 4.B with the same legal force and effect as if executed by you.

C. **GENERAL.**

If you breach any of the provisions of this Section 4, we will be entitled to equitable relief, including in the form of injunctions and orders for specific performance, in addition to all other remedies available at law or equity. The obligations under this Section 4 shall survive any expiration or termination of the Agreement.

5. **RESTRICTIVE COVENANTS DURING TERM.**

A. **COVENANTS AGAINST COMPETITION.**

We have granted you the Development Rights in consideration of and in reliance upon your agreement to deal exclusively with us. Therefore, during the Term, neither you, your Affiliates nor any of your or their owners or the immediate family members of any of the foregoing will:

(a) have any direct or indirect interest as an owner – whether of record, beneficially, or otherwise – in a Competitive Business (defined below), wherever located or operating, other than equity ownership of less than 5% of a Competitive Business whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange;

(b) perform services as a director, officer, manager, employee, consultant, lessor, representative, or agent for a Competitive Business, wherever located or operating;

(c) divert or attempt to divert any actual or potential business, sites or customers of your business associated with this Agreement to a Competitive Business; or

(d) directly or indirectly, appropriate, use or duplicate the System or any portion thereof, in any business in which such person may have any interest of any kind (whether directly or indirectly) or in which such person is otherwise employed.

The term "**Competitive Business**" means any business (other than another Pure Barre Studio) that (a) operates, grants franchises or licenses for the operation of, or otherwise assists the operation of a fitness or exercise business or (b) sells fitness apparel or equipment.

B. **NON-SOLICITATION AND NON-INTERFERENCE.**

During the Term, neither you nor any of your owners, your or your owners' Affiliates, or the officers, directors, managers or immediate family members of any of the foregoing, will:

(a) without obtaining the employer's or former employer's prior written permission, recruit or hire any person who is then or was, within the immediately preceding 6 months, employed by us, any of our affiliates, or a franchise owner as (1) an instructor or general manager or assistant manager at any Pure Barre Studio, (2) a district or regional manager or any other such person having responsibility for overseeing or supervising the operation of multiple Pure Barre Studios, or (3) any of our or our affiliates' officers, directors, or employees; or

(b) interfere with the relationships we, our affiliates, or our franchisees have from time to time with vendors, suppliers or consultants; or

(c) engage in any other activity which might injure the goodwill of the Marks and/or the System.

C. **COVENANTS FROM OTHERS.**

You agree to obtain from your owners, officers, directors, managers, and all employees who attend our training program or have access to Proprietary Information similar covenants regarding non-competition (Section 5.A and Section 7.C), non-solicitation (Section 5.B and Section 7.C), and Confidential Information (Article 4). In no event may you restrict in any such agreements such person's right to become owners of or acquire ownership interests in Pure Barre Studios. You must also require all employees to execute non-disclosure and non-solicitation covenants similar to those set out in this Section 5. You must provide us with copies of all such agreements on our request. We may regulate the forms of agreement that you use and be a third-party beneficiary of the agreement with independent enforcement rights. You may not assume that any such form we provide you is or will be enforceable in a particular jurisdiction. You are solely responsible for obtaining your own professional advice with respect to the adequacy of the terms and provisions of such forms, but you must secure our approval, prior to use, of any form that contains variations from the form we provide.

6. **TRANSFER.**

A. **BY US.**

We have the right to transfer this Agreement to any affiliate or third-party and, upon such transfer, we will be released from any further liability under this Agreement, and all of our obligations hereunder will thereafter be the obligations of the transferee. We also have the right to delegate to any affiliate or third-party the performance of any of our obligations under this Agreement.

B. **BY YOU.**

We have granted you the Development Rights based upon, among other things, the character, background and other qualifications and abilities personal to you or, if applicable, your owners. Accordingly, you agree that this Agreement, ownership interests in you or, any interests in this Agreement, the Development Rights or all or any part of the business operated under this Agreement will not be sold, assigned, donated or otherwise transferred, including as a result of death (each a "**Sale**"), to any person or Entity (hereinafter referred to specifically in this Section 6 as the "**Recipient**") without our prior written consent. You further agree that you will not enter into any proposed mortgage, pledge, hypothecation, encumbrance or giving of a security interest in or which affects the Development Rights and your other rights under this Agreement (a "**Security Interest**") without our prior written consent. The Development Rights may not be transferred separate and apart from the entirety of this Agreement, and a proposed transfer of this Agreement may not be made separately from or independently of a transfer to the same Recipient of all of the Franchise Agreements (and the Pure Barre Studios operated pursuant thereto) executed pursuant to this Agreement.

If you intend to list your Pure Barre Studios or your rights under this Agreement for Sale with any broker or agent, you shall do so only after obtaining our written approval of the broker or agent and of the listing agreement. You may not use or authorize the use of any Mark in advertising the Sale nor may you use or authorize the use of, and no third party shall on your behalf use, any written materials to advertise or promote the Sale without our prior written approval of such materials.

Our approval of a transfer of ownership interests in you as a result of the death or incapacity of the proposed transferor will not be unreasonably withheld or delayed so long as at least one of the Managing Owners designated on Attachment A continues to be the designated Managing Owner. If, as a result of the death or incapacity of the transferor, a transfer is proposed to be made to the transferor's spouse, and if we do not approve the transfer, the trustee or administrator of the transferor's estate will have nine months after our refusal to consent to the transfer to the transferor's spouse within which to transfer the transferor's interests to another party whom we approve in accordance with this Section 6.B.

We may withhold our consent to a Sale or grant of a Security Interest for any reason, and we will not be required to consider a proposed Sale or Security Interest unless you comply with the following requirements either at the time the request is made or, if applicable, by the completion of the Sale or grant of the Security Interest:

(1) with respect to any proposed Sale:

(a) you must submit an application in writing to us requesting our consent. The application must set out: (i) the exact terms of the proposed Sale and a copy of a duly signed bona fide written offer; (ii) information relating to the business reputation and qualifications of the Recipient to carry on business; (iii) suitable credit and financial information of the Recipient to allow us to make a reasonable decision as to the credit worthiness and financial position of the Recipient and such information will include as an appendix thereto, a personal net worth statement of the Recipient or in the event the Recipient is an Entity, a personal net worth statement of its controlling shareholder(s) or member(s); (iv) such other information as you may have knowledge and would

reasonably be considered of a relevant nature to us in determining whether or not to grant our consent, and (v) such other information as we may require;

(b) the Recipient must arrange for and successfully complete to our satisfaction, all or such training in the operations of the multi-unit development business and a Pure Barre Studio, at its or your sole expense, as we deem necessary; prior to the commencement of the training by the Recipient, you must deliver to us, the sum of $2,500 by means of cash or certified check, which amount will be non-refundable, except that if the Sale is successfully completed, the entire amount will be applied by us against the amount payable by you pursuant to Section 6.B(1)(h) below, or such other amounts as may be owing by you to us pursuant to this Agreement;

(c) the Recipient and its immediate family members (and, if it is not a natural person, its owners and immediate family members of its owners) must not have an interest or be engaged in activities which would violate the restrictions regarding Competitive Businesses as described in Sections 5.A;

(d) the Recipient must enter into any and all agreements and covenants (including our then-current form of multi-unit development agreement) which we are then requiring of new multi-unit developers, and if the Recipient is an Entity, the Recipient must provide such personal guarantees or other assurances of its shareholders or members or others as we may require;

(e) you must have discharged and/or satisfied all of your obligations (financial or otherwise) to us and our affiliates incurred in connection with the business operated under this Agreement, as of the date of the completion of the said Sale;

(f) you, and if you are an Entity, your owners, officers and directors, and, if the Recipient already owns or owns an interest in an Entity that owns Pure Barre Studios, the Recipient and its owners, officers and directors, will execute and deliver to us and our officers, directors, shareholders, employees and our and their heirs, executors, administrators, successors and assigns, a general release, in a form approved by us, of all claims, demands, liabilities, actions, damages, costs or expenses, however arising, as of the date of our consent;

(g) you must pay all of our expenses incurred in connection with the Sale, whether or not such Sale is completed, up to a maximum amount of $3,000 plus disbursements and applicable taxes thereon; in this regard, you must deliver to us together with the original application submitted for approval of the Sale, the sum of $1,500 towards such expenses plus applicable goods and services taxes thereon and pay the balance upon completion of the approved Sale;

(h) you must pay to us, an amount equal to the greater of (i) 5% of the purchase price to be paid and/or other consideration to be received from and/or debt to be assumed by the Recipient, or (ii) $25,000, plus, in either case, applicable goods and services taxes thereon; and

(i) we must first agree, in writing, on the date of the completion of the Sale;

(2) with respect to any proposed grant of a Security Interest:

(a) you must submit an application in writing to us, requesting our consent. The application must set out the proposed business terms and any security to be given by you, and must include a copy of any loan agreements, security agreements or other documents proposed to be executed by or on your behalf;

(b) the purpose of the giving of such security must be to obtain financing for use in the business operated hereunder; and

(c) you may not at the time of giving any security be in default of any of the terms and conditions of this Agreement.

C. **FIRST RIGHT OF REFUSAL.**

If you make or receive (and intend to accept) an offer of Sale, without in any way derogating from our right to grant or not grant our consent thereto, we will have the option, to be exercised by notice in writing delivered to you within 30 days of receipt of your application referred to in Section 6.B(1)(a) above, to acquire the rights and the business operated hereunder upon the same terms and conditions as set out in the said application except as provided hereinafter. If we exercise our option, we will complete the Sale upon the same terms and conditions as set out in the application except that we will be entitled to deduct from the purchase price (i) the amount of any sales or other commissions (if any) which would have been payable by you had the Sale been completed with the Recipient and (ii) an amount equal to that amount to which we are entitled pursuant to Section 6.B(1)(h) hereof, and except that we will have the right to substitute cash for any other form of consideration specified in the offer accompanying the application and the right to pay in full, the entire amount of the purchase price at the time of closing. If we do not exercise our option, we may then, in our discretion, determine if we will consent to the proposed Sale to the Recipient; we will notify you of our decision within 30 days of receipt of the application. The sale, assignment, transfer, donation or other dealing must be completed within 60 days of the receipt by us of your original application, failing which, you must again make application to us in the manner set out in Section 6.B(1)(a) hereof, and in all such events the provisions of this Section 6.C. will apply anew, and such procedure will continue to be repeated so often as you desire to complete any Sale. If we do not notify you of our intention to consent within such 30-day period, we will be deemed not to have given our consent.

D. **PUBLIC OR PRIVATE OFFERINGS.**

The publication or dissemination of written information used to raise or secure funds can reflect upon us and the System. Therefore, you may not, without our prior written consent, engage in a public offering of securities or a private offering requiring an offering memorandum or prospectus. If you desire to request that we consent to any such event, you must submit any written information intended to be used for that purpose to us before inclusion in any registration statement, prospectus or similar offering memorandum. Should we object to any reference to us or our affiliates or any of our business in the offering literature or prospectus, the literature or prospectus shall not be used until our objections are withdrawn or resolved.

7. TERMINATION OF AGREEMENT.

A. EVENTS OF TERMINATION.

In addition to any other rights we have under this Agreement, we will have the right to terminate this Agreement at any time and without notice upon any of the following events:

(1) you or your Affiliates fail to pay any amount due under this Agreement or any Franchise Agreement when and as it becomes due and payable, and such failure continues for a period of 10 days after written notice from us;

(2) you abandon or threaten to abandon the Development Rights, or take or threaten to take action to liquidate your assets, or if you do not pay any debts or other amounts incurred by you in operating the business hereunder when such debts or amounts are due and payable;

(3) you fail to comply with the Development Schedule and such failure continues for a period of 30 days after written notice from us (subject to your cure right under paragraph (12) below if the failure is the direct result of a Casualty Event);

(4) you make or purport to make a general assignment for the benefit of creditors; or if you hereto institute any proceeding under any statute or otherwise relating to insolvency or bankruptcy, or should any proceeding under any such statute or otherwise be instituted against you; or if a custodian, receiver, manager or any other person with like powers is appointed to take charge of all or any part of the business granted hereunder or of the shares or documents of title owned by any of your shareholders or title holders; or if you commit or suffer any default under any contract of conditional sale, mortgage or other security instrument in respect of the business being operated hereunder or of the shares or documents of title owned by any of your shareholders or title holders; or if any of your goods, chattels or assets or of the business are seized or taken in execution or in attachment by a creditor, or if a writ of execution is issued against any of such goods, chattels, or assets; or if a judgment or judgments for the payment of money in amounts in excess of $20,000, is rendered by any court of competent jurisdiction against you;

(5) you fail to furnish reports, financial statements, tax returns or any other documentation required by the provisions of this Agreement and do not correct such failure within 10 days following notice;

(6) if you are an Entity, (i) an order is made or a resolution passed or any proceedings taken towards your winding up or liquidation or dissolution or amalgamation; or (ii) you lose your charter by expiration, forfeiture or otherwise;

(7) you or any of your owners have made any material misrepresentation or omission in your or their application and the documents and other information provided to us to support your or their application to acquire the rights granted in this Agreement;

(8) you or your owners engage in any Sale or grant of a Security Interest in violation of Section 6;

(9) you (or any of your owners) are (a) convicted of or plead guilty or "no-contest" to a felony, (b) convicted of or plead guilty or "no contest" to any crime or other offense likely, in our reasonable determination, to adversely affect the reputation of Pure Barre Studios or the

goodwill of the Marks, or (c) engage in any conduct which, in our opinion, adversely affects or, if you were to continue as a multi-unit developer under this Agreement, is likely to adversely affect the reputation of the business you conduct pursuant to this Agreement, the reputation and goodwill of Pure Barre Studios generally or the goodwill associated with the Marks;

(10) we provide written notice of your (or any of your owners') failure (a) on three (3) or more separate occasions within any 12 consecutive month period to comply with this Agreement, or (b) on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in any case, whether or not you correct the failures after our delivery of notice to you;

(11) you or your Affiliates fail to comply with any provision of any Franchise Agreement and do not cure such failures within the applicable cure period, if any;

(12) you have rejected two or more proposed sites within the Development Area for development of a Pure Barre Studio that we have provided to you pursuant to the Development Services Agreement;

(13) you fail to pay any third-party obligations owed in connection with your development business hereunder, and do not correct such failure within any cure periods permitted by the party to whom such obligations are owed; or

(14) you fail to observe, perform or comply with any other of the terms or conditions of this Agreement not listed in items (1) through (13) above, and such failure continues for a period of 15 days after written notice thereof has been given by us to you; provided, however, that if your failure is of your obligation to comply with the Development Schedule, such failure is the direct result of a Casualty Event, and you are using good faith efforts to cure the failure, we will not exercise our rights under this Section 7.A unless you have failed to cure such default within 180 days following written notice thereof. As used in this paragraph, a "**Casualty Event**" is a fire, tornado, hurricane, flood, earthquake or similar natural disaster which is not within your control.

B. **EFFECTS OF TERMINATION OR EXPIRATION.**

(1) **Effects**. On the expiration or termination of this Agreement for any reason whatsoever, the following provisions apply:

(a) all of your rights under this Agreement will cease, and you are no longer entitled to exercise the Development Rights or hold yourself out to the public as being a developer of Pure Barre Studios except as permitted under Franchise Agreements;

(b) you must return all Proprietary Information in your possession or control (except that you may retain and continue to use any Proprietary Information that you are permitted to use under any Franchise Agreements); and

(c) without limiting any other rights or remedies to which we may be entitled, you must pay all amounts owing to us pursuant to this Agreement up to the date of termination.

C. **COVENANT NOT TO COMPETE / NON-SOLICITATION.**

(1) **Non-Competition**. On termination or expiration of this Agreement, you and your owners agree that, for two (2) years beginning on the effective date of termination or expiration or the date on which all persons restricted by this Section 7.C begin to comply with this Section 7.C, whichever is later, neither you nor your Affiliates, nor any of your or their owners (or your or their immediate family members) will have any direct or indirect interest as an owner (whether of record, beneficially, or otherwise), investor, partner, director, officer, employee, consultant, lessor, representative, or agent in any Competitive Business (as defined in Section 5 above) located or operating:

(a) within the Development Area; and

(b) within a 30-mile radius of any Pure Barre Studio in operation or under construction on the later of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section 7.C begin to comply with this Section 7.C.

(2) **Non-Solicitation**. You further agree that, for two (2) years beginning on the effective date of termination or expiration, neither you nor any of your owners, your or your owners' Affiliates, or the officers, directors, managers or immediate family members of any of the foregoing, will:

(a) recruit or hire any person who is then or was, within the immediately preceding 6 months, employed by us, any of our affiliates, or a franchise owner as (a) an instructor, general manager or assistant manager at any Pure Barre Studio, (b) a district or regional manager or any other such person having responsibility for overseeing or supervising the operation of multiple Pure Barre Studios or (c) any of our or our affiliates' officers, directors, or employees;

(b) interfere or attempt to interfere with our, our affiliates' or our franchisees' relationships with any vendors or consultants; or

(c) engage in any other activity which might injure the goodwill of the Marks and/or the System.

If you fail to comply with paragraph (a) above, you agree to pay us an amount equal to 200% of the annual salary of such person.

(3) **Miscellaneous**. The foregoing restrictions also apply to the sellers under a Sale with the time referring to the effective date of the Sale rather than the date of expiration or termination of this Agreement. If any person restricted by this Section 7.C refuses voluntarily to comply with these obligations, the 2-year period for that person will commence with the entry of a court order enforcing this provision. You expressly acknowledge that you, your Affiliates, your and their owners and the immediate family members of each possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section 7.C will not deprive you or them of any personal goodwill or ability to earn a living. Notwithstanding the termination or other expiration of this Agreement for any reason whatsoever, or any Sale, all covenants and

agreements to be performed or observed by you will survive any such termination, expiration or Sale.

D. **OUR OPTION TO PURCHASE**

(1) Upon our termination of this Agreement for any reason other than as a result of the termination of a Franchise Agreement, including without limitation your failure to comply with the Development Schedule, we or our assignee shall have the option, exercisable by giving written notice thereof within 60 days from the date of such termination, to purchase from you or your Affiliates all or any portion of the assets used in your or their Pure Barre Studios in the Development Area. As used in this Paragraph, "assets" means and includes leasehold improvements, equipment, computer hardware, furnishings, fixtures, signs, inventory, materials, and supplies and the lease or sublease for the Pure Barre Studios. If you, any of your owners or one of your or their Affiliates own the premises of any such Pure Barre Studio, we and you shall (and, if applicable, you or your owners shall cause such Affiliate to) enter into a lease for such premises on reasonable terms and conditions that are commercially reasonable in light of the location and condition of the premises and other relevant circumstances. We shall have the unrestricted right to assign this option to purchase. We or our assignee shall be entitled to all customary warranties and representations given by the seller of a business including representations and warranties as to: (1) ownership, condition and title to assets; (2) liens and encumbrances relating to the assets; and (3) validity of contracts and liabilities inuring to us or affecting the assets, contingent or otherwise.

(2) The purchase price for the assets of each Pure Barre Studio that we elect to purchase pursuant to subsection D(1) above shall be the product of the earnings before interest, taxes, depreciation and amortization ("**EBITDA**") of the Pure Barre Studio for the trailing 12-month period ending 10 days immediately preceding the closing date, multiplied by two (2); provided, however, that we may reduce the purchase price of any Pure Barre Studio by the following: (i) if the Studio is leased and fewer than two (2) years remain on the Studio's current lease, then the purchase price will be discounted by a reasonable amount to be determined by us to account for the short-term lease, and (ii) the cost of any capital improvements necessary to bring the Studio into conformity with our then-current System standards for new Pure Barre Studios. We shall have the right to set off against and reduce the purchase price by any and all amounts owed by you or your Affiliate to us, the amount of any liabilities assumed by us, and the amount necessary to modify or replace any assets so that the Pure Barre Studio meets our then-current standards and specifications for Pure Barre Studios.

(3) The purchase price shall be paid in cash at the closing of the purchase, which shall take place no later than 90 days after receipt by you of notice of exercise of this option to purchase, at which time you shall deliver instruments transferring to us or our assignee: (i) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests acceptable to us or our assignee), with all sales and other transfer taxes paid by you; (ii) all licenses and permits of your Pure Barre Studio(s) which may be assigned or transferred; and (iii) the leases or subleases for the premises of those Pure Barre Studio(s). In the event that you cannot deliver clear title to all of the purchased assets as aforesaid, or in the event there shall be other unresolved issues, the closing of the sale shall be accomplished through an escrow. Further, you and we shall, prior to

closing, comply with all applicable legal requirements, including the bulk sales provisions of the Uniform Commercial Code of the state in which the Pure Barre Studio(s) are located and the bulk sales provisions of any applicable tax laws and regulations. You shall, prior to or simultaneously with the closing of the purchase, pay all tax liabilities incurred in connection with the operation of your Pure Barre Studio(s).

(4) If we or our assignee exercise this option to purchase, pending the closing of such purchase as hereinabove provided, we shall have the right to appoint a manager to maintain the operation of your Pure Barre Studio(s). If we choose not to exercise this right, you shall continue to operate those studios on the terms of this Agreement and the applicable Franchise Agreement with us until the closing of the purchase. Alternatively, we may require you to close your Pure Barre Studio(s) during such time period without removing any assets from them. You shall maintain in force all insurance policies required pursuant to the applicable Franchise Agreement(s) with us, through the date of closing. If the premises of your Pure Barre Studio(s) are leased, we agree to use reasonable efforts to effect a termination of the existing lease(s) for the premises and enter into new lease(s) on reasonable terms with the landlord. In the event we are unable to enter into new leases for your Pure Barre Studio(s) and your rights under the lease for the premises are assigned to us or we sublease the premises from you, we will indemnify and hold you harmless from any ongoing liability under the lease from the date we assume possession of the premises.

8. RELATIONSHIP OF THE PARTIES/INDEMNIFICATION.

A. INDEPENDENT CONTRACTORS.

Each of us is an independent contractor, and neither is considered to be the agent, representative, master or servant of the other for any purpose. Neither of us has any authority to enter into any contract, to assume any obligations or to give any warranties or representations on behalf of the other. Nothing in this Agreement may be construed to create a relationship of partners, joint venturers, fiduciaries, agency or any other similar relationship between us and you.

B. INDEMNIFICATION.

You agree to indemnify, defend, and hold harmless us, our affiliates, and our and their respective current and former owners, managers, directors, officers, employees, agents, successors, and assignees (the "**Indemnified Parties**") against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the operation of the business you conduct under this Agreement, or your breach of this Agreement, including those alleged to be caused by the Indemnified Party's negligence, unless (and then only to the extent that) the claims, obligations, or damages are determined to be caused solely by the Indemnified Party's intentional misconduct in a final, unappealable ruling issued by a court with competent jurisdiction. For purposes of this indemnification, "**claims**" include all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party reasonably incurs in defending any claim against it, including reasonable accountants', arbitrators', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, regardless of whether litigation or alternative dispute resolution is commenced. Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity will continue in full force and

effect subsequent to and notwithstanding this Agreement's expiration or termination. An Indemnified Party 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 you under this Section 8.B. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this Section 8.B.

9. ENFORCEMENT; ARBITRATION.

A. ARBITRATION

We and you agree that all controversies, disputes, or claims between us or our affiliates, and our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (and your owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to

(a) this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates);

(b) our relationship with you; or

(c) the scope or validity of this Agreement or any other agreement between you (or any of your owners) and us (or any of our affiliates) or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section 9.A, which we and you acknowledge is to be determined by an arbitrator, not a court).

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of our then-current principal place of business (currently, Denver, Colorado). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 *et seq.*). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her award any relief which he or she deems proper, including, without limitation, money damages (with interest on unpaid amounts from the date due), specific performance, injunctive relief, and attorneys' fees and costs, provided that the arbitrator may not declare any of the trademarks owned by us or our affiliates generic or otherwise invalid or, except as expressly provided in this Article 9, award any punitive, exemplary, or multiple damages against any party to the arbitration proceeding (we and you hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive, exemplary, or multiple damages against any party to the arbitration proceedings).

We and you agree to be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. We and you further agree that, in any arbitration proceeding, 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 either you or us.

We and you agree that arbitration will be conducted on an individual basis and that an arbitration proceeding between us and our affiliates, or our and their respective shareholders, officers, directors, agents, and employees, on the one hand, and you (or your owners, guarantors, affiliates, and employees) may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration proceeding, (iii) or brought on your behalf by any association or agency. Notwithstanding the foregoing, if any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a 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 Article 9.

Despite our and your agreement to arbitrate, we and you each have the right in a proper case to seek temporary restraining orders and temporary or preliminary injunctive relief from a court of competent jurisdiction pursuant to Section 9.E; provided, however, that we and you must contemporaneously submit our dispute, controversy or claim for arbitration on the merits as provided in this Section.

You and we agree that, in any arbitration arising as described in this Section, requests for documents shall be limited to documents that are directly relevant to significant issues in the case or to the case's outcome; 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." You and we further agree that no interrogatories or requests to admit shall be propounded. With respect to any electronic discovery, you and we agree that:

(a) production of electronic documents need only be from sources used in the ordinary course of business. No such documents shall be required to be produced from back-up servers, tapes or other media;

(b) the production of electronic documents shall normally be made on the basis of generally available technology in a searchable format which is usable by the party receiving the documents and convenient and economical for the producing party. Absent a showing of compelling need, the parties need not produce metadata, with the exception of header fields for email correspondence;

(c) the description of custodians from whom electronic documents may be collected shall be narrowly tailored to include only those individuals whose electronic documents may reasonably be expected to contain evidence that is material to the dispute; and

(d) where the costs and burdens of electronic discovery are disproportionate to the nature of the dispute or to the amount in controversy, or to the relevance of the materials requested, the arbitrator shall either deny such requests or order disclosure on condition that the requesting party advance the reasonable cost of production to the other side, subject to allocation of costs in the final award as provided herein.

In any arbitration arising out of or related to this Agreement, each side may take no more than three depositions. Each side's depositions are to consume no more than a total of 15 hours, and each deposition shall be limited to 5 hours. There are to be no speaking objections at the depositions, except to preserve privilege.

The provisions of this Section are intended to benefit and bind certain third party non-signatories and 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.

B. **APPLICABLE LAW.**

This Agreement will be construed and interpreted under the laws of the State of Colorado, without regard to its conflicts of laws rules, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.).

C. **CONSENT TO JURISDICTION.**

Subject to the agreement to arbitrate (Section 9.A above) and the provisions below, you and your owners agree that all actions arising under this Agreement or otherwise as a result of the relationship between you and us must be commenced in state or federal court in or within 50 miles of our then current principal place of business (currently Denver, Colorado), and you (and each owner) irrevocably submit to the jurisdiction of that court and waive any objection you (or the owner) might have to either the jurisdiction of or venue in that court.

D. **WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTIONS.**

Except for your obligation to indemnify us for third party claims under Section 8.B., and except for punitive, exemplary or multiple damages available to either party under United States federal law, we and you (and your owners) waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary or multiple damages against the other and agree that, in the event of a dispute between us and you, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

We and you irrevocably waive trial by jury in any action, proceeding, or counterclaim, whether at law or in equity, brought by either party. We and you further agree that any arbitration or litigation between us and our respective affiliates will be conducted on an individual basis and may not be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other arbitration or litigation proceeding, (iii) or brought on your behalf by any association or agency.

E. **INJUNCTIVE RELIEF.**

Nothing in this Agreement bars either party's right to obtain injunctive relief against conduct that threatens to injure or harm the other under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. Neither party will be required to post a bond to obtain injunctive relief; the only remedy if an injunction is entered will be the dissolution of that

injunction, if warranted, upon due hearing, and you and we hereby expressly waive any claim for damages caused by such injunction.

F. **LIMITATION OF CLAIMS.**

Except for claims arising from your non-payment or underpayment of amounts you owe to us pursuant to this Agreement, any and all claims arising out of or relating to this Agreement or our relationship with you will be barred unless a judicial proceeding is commenced within one (1) year from the date on which the party asserting such claim knew or should have known of the facts giving rise to such claims.

You and your owners agree that our and our affiliates' owners, directors, managers, officers, employees and agents shall not be personally liable nor named as a party in any action between us or our affiliates and you or your owners.

G. **ATTORNEYS' FEES AND COSTS.**

The party prevailing in any arbitration proceeding or litigation involving this Agreement shall be entitled to recovery of its costs and expenses, including reasonable attorneys' fees.

10. **MISCELLANEOUS.**

A. **NOTICES.**

All notices, consents, approvals, statements, documents or other communications required or permitted to be given hereunder must be in writing, and must be delivered (i) personally or (ii) mailed by registered mail, postage prepaid, or (iii) sent by reputable overnight courier (such as Federal Express or UPS), to the said parties at their respective addresses set forth in the opening paragraph of this Agreement to the attention of the person indicated below:

If to us: Attention: Legal Department

If to you: Attention: _____

or at any such other address or addresses as the party to whom such notice, consent approval, statement, documentation or other communication is to be given, may designate by notice in writing so given to the other parties hereto as provided hereinbefore. If any one of the said parties is comprised of more than one person or Entity, any notice, consent, approval, statement, document or other communication may be given by or to any one thereof, and it will have the same force and effect as if given by or to all thereof. Any notices, consents, approvals, statements, documents or other communications, (i) if delivered personally, will be deemed to have been given on the day of delivery, (ii) if mailed will be deemed to have been given on the second business day (except Saturdays and Sundays) following such mailing, or (iii) if sent via overnight courier when received or refused.

B. **JOINT AND SEVERAL OBLIGATION.**

If either you are comprised of more than one individual or Entity, the obligations of each such individual and Entity under this Agreement will be joint and several.

C. **SEVERABILITY.**

If any term or condition of this Agreement is, to any extent, declared to be invalid or unenforceable, all other terms and conditions of this Agreement, other than those as to which it is held invalid or unenforceable, will not be affected thereby and each term and condition of this Agreement will be separately valid and enforceable to the fullest extent permitted by law.

D. **HEADINGS; CONSTRUCTION.**

Headings preceding the text, sections and subsections hereof have been inserted solely for convenience of reference and will not be construed to affect the meaning, construction or effect of this Agreement. The term "including" means "including, without limitation" unless otherwise noted. The term "control" means the right and power to direct or cause the direction of an entity's management and policies.

E. **WAIVER.**

The waiver by either you or us of a breach of any term or condition contained in this Agreement will not be deemed to be a waiver of such term or condition or any subsequent breach of the same or any other term or condition herein contained unless such waiver is expressly set forth in writing. A party's failure to exercise any right to demand exact compliance and any custom or practice at variance with the terms and conditions of this Agreement will not constitute a waiver of the right to demand exact compliance with the terms and conditions hereof. Our subsequent acceptance of any amount payable hereunder, will not be deemed to be a waiver of any preceding breach of any term or condition of this Agreement, other than the failure to pay the particular amount so accepted, regardless of our knowledge of such preceding breach at the time of acceptance of such amount.

F. **FURTHER ASSURANCES.**

You and we agree to execute and deliver such further and other agreements, assurances, undertakings, acknowledgements or documents, cause such meetings to be held, resolutions passed and by-laws enacted, exercise our vote and influence and do and perform and cause to be done and performed any further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part hereof.

G. **ENTIRE AGREEMENT.**

This Agreement and all schedules attached hereto constitute the entire agreement of the parties hereto and all prior negotiations, commitments, representations, warranties, agreements and undertakings made prior hereto are hereby merged. Other than the representations in the franchise disclosure document you received from us, there are no other inducements, representations, warranties, agreements, undertakings, or promises, (oral or otherwise) among you and us relating to the subject matter of this Agreement. No subsequent alteration, amendment, change or addition to this Agreement or any schedules will be binding upon the parties hereto unless reduced to writing and signed by us and you or our and your respective heirs, executors, administrators, successors or assigns. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the franchise disclosure document that we furnished to you.

H. **BINDING AGREEMENT.**

This Agreement will inure to the benefit of and be binding upon us and our successors and assigns and will be binding upon you and your heirs, executors, administrators, successors and authorized assigns.

I. **COUNTERPARTS.**

This Agreement may be executed in multiple copies, each of which will be deemed an original. Signatures transmitted via facsimile or scanned and emailed shall have the same force and effect as originals.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement to be effective as of the Effective Date.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Dated:_____

ATTACHMENT A
TO MULTI-UNIT DEVELOPMENT AGREEMENT

DEVELOPMENT AREA; DEVELOPMENT SCHEDULE AND OWNERSHIP

1. The **Development Area** is comprised of: _____ _____, as depicted on the map attached hereto. If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of this Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

2. The **Development Schedule** is as follows:

Development Period	Number of New Leases Signed During Development Period	Number of New Studios Opened During Development Period	Minimum (Cumulative) Number of Studios Open and Operating at End of Development Period

3. You were incorporated or formed on _____, 20__, under the laws of the State of _____. The following identifies the owner that you have designated as, and that we approve to be, the Managing Owner and lists the full name of each person who is one of your owners and fully describes the nature of each owner's interest.

Owner's Name		Type and Percentage of Interest	
Managing Owner:	_____	_____	___%
Other Owners:	_____	_____	___%
	_____	_____	___%

PB FRANCHISING, LLC, a Delaware limited liability company

By: _____
Name: _____
Title: _____
Date: _____

MULTI-UNIT DEVELOPER:

_____
[Name]

By: _____
Name: _____
Title: _____
Date: _____

MAP OF DEVELOPMENT AREA

ATTACHMENT B

TO MULTI-UNIT DEVELOPMENT AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS is given this _____ day of _____, 20__, by the persons indicated below who have executed this Agreement.

In consideration of, and as an inducement to, the execution of that certain Multi-Unit Development Agreement (the "**Agreement**") on this date by PB Franchising, LLC, a Delaware limited liability company ("**we**," "**us**," or "**our**"), each of the undersigned personally and unconditionally (a) guarantees to us and our successors and assigns, for the term of the Agreement (including extensions) and afterward as provided in the Agreement, that _____ ("**Developer**") will punctually pay and perform each and every undertaking, agreement, and covenant set forth in the Agreement (including any amendments or modifications of the Agreement) and (b) agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement (including any amendments or modifications of the Agreement), both monetary obligations and obligations to take or refrain from taking specific actions or to engage or refrain from engaging in specific activities, including the non-competition, confidentiality, and transfer requirements.

Each of the undersigned consents and agrees that: (1) his or her direct and immediate liability under this Guaranty will be joint and several, both with Developer and among other guarantors; (2) he or she will render any payment or performance required under the Agreement upon demand if Developer fails or refuses punctually to do so; (3) this liability will not be contingent or conditioned upon our pursuit of any remedies against Developer or any other person; (4) this liability will not be diminished, relieved, or otherwise affected by any extension of time, credit, or other indulgence which we may from time to time grant to Developer or to any other person, including the acceptance of any partial payment or performance or the compromise or release of any claims (including the release of other guarantors), none of which will in any way modify or amend this Guaranty, which will be continuing and irrevocable during the term of the Agreement (including extensions), for so long as any performance is or might be owed under the Agreement by Developer or its owners, and for so long as we have any cause of action against Developer or its owners; (5) this Guaranty will continue in full force and effect for (and as to) any extension or modification of the Agreement and despite the transfer of any interest in the Agreement or Developer, and each of the undersigned waives notice of any and all renewals, extensions, modifications, amendments, or transfers; and (6) upon our request, he or she must submit to us suitable credit and financial information to allow us to make a reasonable decision as to the undersigned's creditworthiness and financial position including, without limitation, a personal net worth statement and such other information which would reasonably be considered relevant to us in determining whether or not the undersigned has the ability to satisfy his or her obligations under this Guaranty.

Each of the undersigned waives: (i) all rights to payments and claims for reimbursement or subrogation which any of the undersigned may have against Developer arising as a result of the undersigned's execution of and performance under this Guaranty; and (ii) acceptance and notice of acceptance by us of his or her undertakings under this Guaranty, notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed, protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed, and any other notices to which he or she may be entitled.

Each of the undersigned that is a business entity, retirement or investment account, or trust acknowledges and 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 undersigned (or on such undersigned's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

Each of the undersigned represents and warrants that, if no signature appears below for such undersigned's spouse, such undersigned is either not married or, if married, is a resident of a state which does not require the consent of both spouses to encumber the assets of a marital estate.

Each of the undersigned acknowledges and represents that he or she has had an opportunity to review the Agreement and agrees that the provisions of Article 9 (Enforcement; Arbitration) have been reviewed by the undersigned and are incorporated, by reference, into and shall govern this Guaranty and Assumption of Obligations and any disputes between the undersigned and us. Nonetheless, each of the undersigned agrees that we may also enforce this Guaranty and Assumption of Obligations and awards in the courts of the state or states in which he or she is domiciled.

By signing below, the undersigned spouse of the Guarantor indicated below, acknowledges and consents to the guaranty given herein by his/her spouse. Such consent also serves to bind the assets of the marital estate to Guarantor's performance of this Guaranty. We confirm that a spouse who signs this Guaranty solely in his or her capacity as a spouse (and not as an owner) is signing that merely to acknowledge and consent to the execution of the Guaranty by his or her spouse and to bind the assets of the marital estate as described therein and for no other purpose (including to bind the spouse's own separate property).

IN WITNESS WHEREOF, each of the undersigned has affixed his or her signature on the same day and year as the Agreement was executed.

GUARANTOR(S)	**SPOUSE(S)**
#1	#1
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
_____	_____
#2	#2
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
_____	_____
#3	#3
Signature: _____	Signature: _____
Print Name: _____	Print Name: _____
Address: _____	Address: _____
_____	_____

ATTACHMENT C

TO MULTI-UNIT DEVELOPMENT AGREEMENT

FORM OF DEVELOPMENT SERVICES AGREEMENT

DEVELOPMENT SERVICES AGREEMENT

THIS DEVELOPMENT SERVICES AGREEMENT (the "***Agreement***") is made as of the Effective Date, by and between [_____, a_____], with its principal business address at [_____] ("***you***"), and **PB OpCo, LLC**, a Delaware limited liability company, with a principal business address at 3001 Brighton Blvd., Suite 269, Denver, Colorado 80216 ("***us***"). The "***Effective Date***" is the date on which we sign this Agreement, as indicated on the signature page hereto.

RECITALS

A. Our affiliate, PB Franchising, LLC ("***Franchisor***"), and you are parties to a Multi-Unit Development Agreement, dated as of [_____, 20___] (the "***Development Agreement***"), pursuant to which Franchisor granted you, and you undertook, the obligation to acquire an agreed upon number of Franchises to develop, own and operate Pure Barre® Studios (each a "***Studio***") pursuant to individual franchise agreements (each, a "***Franchise Agreement***")

B. You wish to use, certain of our services in connection with the development of your Studios. You and we desire to enter into this Agreement to set forth your and our obligations with respect to the development services.

C. Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Development Agreement or Franchise Agreement, as applicable.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals (which are incorporated in and made a part hereof), the covenants contained in this Agreement, and other valuable consideration, receipt and sufficiency of which are acknowledged, you and we agree as follows:

1. **Our Responsibilities**. We will provide on your behalf, and you hereby appoint us as your agent to provide in your name, the following services (the "***Services***") that you are otherwise required to perform under the Franchise Agreements for each of your Studios:

   a. **Market Development Strategy**. We will create a "***Market Development Strategy***" for the Development Area by analyzing demographic data, determining the number, description, and priority of appropriate trade areas, and mapping the Development Area.

   b. **Site Selection**. Once you, Franchisor, and we agree on the Market Development Strategy, we will identify potential sites within the Development Area for development of Studios. We will prepare site submittal packages (containing such demographic, commercial, and other information as Franchisor may request) for each potential site.

c. **Letter of Intent and Lease Negotiation**. Once you have accepted a potential site, and it has been approved by Franchisor in accordance with the applicable Franchise Agreement, we will negotiate on your behalf all letters of intent and the Lease for the Studio premises; *provided, however*, you must sign the Lease.

d. **Construction Management**. Prior to your signing the Lease for the proposed site, we will prepare an initial pro forma construction budget for your approval. Once you have approved the initial pro forma construction budget (as amended from time to time in accordance with this Agreement, the "***Budget***"), we will proceed to manage the construction of the Studio in accordance with the applicable Franchise Agreement and the Budget on your behalf as your agent.

In this regard, we will, as your disclosed agent and without assuming any direct liability to the other party, in accordance with the applicable Franchise Agreement and the Budget, be entitled to:

i. Designate, in our sole but reasonable discretion, the architects, general contractors and other contractors (collectively, the "***Contractors***") to be used on the construction of the Studio;

ii. Negotiate or coordinate the negotiation of any contracts with the Contractors that are necessary and appropriate with respect to the construction of the Studio (such contracts, the "***Construction Related Contracts***");

iii. Submit plans, drawings and other required materials to appropriate governmental agencies, your landlord and other local boards, associations or agencies for permitting or other approvals directly related to the construction of the Studio, and you agree to cooperate in a timely manner with us in this regard;

iv. Order all required furniture, fixtures, equipment, inventory and supplies in accordance with Section 1.e below; and

v. Perform such other acts as we deem necessary and appropriate to develop the Studio in accordance with the requirements of the Franchise Agreement.

Any Construction Related Contract having a total obligation in excess of $10,000 or a term equal to one (1) year or more (unless such longer term contract can be terminated without penalty on no more than 60 days' notice) is referred to as a "***Material Contract***". You must sign all Material Contracts. For all other Construction Related Contracts, we may elect to sign your name, as your disclosed agent, and you agree that you will be responsible for your performance and any payments due thereunder, provided that such contract is in furtherance of

the Services and within the scope of the Budget, or is otherwise authorized in writing by you.

e. **Furniture, Fixtures, Equipment and Inventory**. We will, on your behalf, as your disclosed agent and for your account and at your expense, order all furniture, fixtures and equipment, as well as the required initial inventory, as necessary for building out and equipping the Studio in compliance with the System Standards. All furniture, fixtures, equipment and inventory will be purchased in your name. WE DO NOT PROVIDE, AND HEREBY DISCLAIM, ANY WARRANTY OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. HOWEVER, WE WILL PASS ON TO YOU ANY MANUFACTURER'S WARRANTIES THAT ARE PROVIDED WITH THE PURCHASE.

f. **Certificate of Occupancy**. We will obtain a certificate of occupancy for the site of the Studio.

g. **Delivery of Possession and Close-Out Documentation**. We will deliver possession of the Studio to you when we determine it to be substantially complete, which shall include our obtaining a certificate of occupancy (the "***Possession Date***"). We will attempt to give you 30 days' prior notice of the estimated Possession Date. On the Possession Date, you and we will conduct a walk-through of the Studio to identify any "punch list items" to be completed by us. We will use reasonable efforts to cause all punch list items to be completed promptly after the Possession Date. You agree to take possession of the Studio on the Possession Date. Once you take possession, we will negotiate and finalize any close-out documentation related to the site.

h. **Utilities Start Up**. You will establish accounts with all utility companies. Once the accounts are established, we will arrange for the appropriate utility companies to begin service at the Studio at the appropriate time.

2. **Your Responsibilities**. You agree to be responsible for and agree to perform, at your cost, the following with respect to each of the Studios:

a. **Development Costs and Fees**. You shall pay all costs and expenses incurred in connection with the development and construction of the Studio pursuant to this Agreement, including, without limitation, broker commissions, taxes and permits, and impact studies (e.g., water and sewer), and other local agency fees (collectively, the "***Development Costs***"). You agree to fund the Development Costs in the manner described in Section 2.b below and ensure that, at all times, you will have deposited into the required bank account sufficient funds in order to pay all Development Costs when due. Further, you agree to pay all Development Costs when due directly to the applicable vendor unless we instruct you otherwise. We will be responsible for the costs and expenses of our own

employees and infrastructure, but we are not required to advance or otherwise expend any of our funds in order either to pay any portion of the Development Costs or to provide any of the Services. If we, in our sole discretion, elect to advance on your behalf any funds for such purposes, you shall reimburse us for any such advances immediately on receipt of our invoice.

b. **Establishment and Funding of Bank Account**. You shall establish a separate bank account (the "***Account***") into which you will deposit only such funds as are necessary to pay all of the Development Costs in accordance with the following schedule:

i. Upon your approval of the Budget in accordance with Section 1.d above, you shall deposit into the Account the amount of the Development Costs reflected therein;

ii. Upon your approval of the final construction and vendor bids, you shall deposit into the Account the difference, if any, between the amount of those bids and the amounts already deposited into the Account under clause i above; and

iii. If, during the development process, it appears to us that the Development Costs will exceed by 10% or more the amount reflected in the final, accepted construction and vendor bids, we will, within a reasonable time, notify you, and you shall, within two (2) business days after our notice of the required change, either approve and deposit into the Account the additional expenditures or elect not to do so. If you do not timely approve and fund the additional expenditures, we will have no further responsibility for and will take no further action with respect to developing the Studio. You must, in that instance, immediately pay for work already done or for items already ordered that cannot be canceled.

You agree to provide us with documentation confirming that you have deposited the required amounts into the Account as described above. You further agree that, once deposited, you will not withdraw any funds from the Account except in payment of the Development Costs and the other amounts due under this Agreement. You agree to provide us with appropriate log-in information to access your online banking account for the purpose of verifying that you have made the required deposits and to verify account activity in accordance with this Agreement. Further, at our request, you authorize us to automatically debit from the Account any amounts necessary to pay the Development Costs and will sign any documentation required by the bank to effectuate this authorization.

c. **Payment of Expenses**. We will be responsible for the costs and expenses of our employees; provided, however, that you shall reimburse us for up to $2,500 per Studio for travel, lodging, living expenses and other costs and expenses reasonably incurred by us and our employees performing Services. We will

submit to you reasonably detailed invoices for all such expenses incurred. The invoice will be due and payable within fifteen (15) days after we submit it to you.

d. **Employees and Benefits**. For all Studio and above-Studio employees, you or your Affiliate will be solely responsible for hiring, determining the terms and conditions of employment (including recruiting, hiring and firing decisions, training, compensation, work hours and schedules, work assignments, safety and security, discipline, and supervision and direction). You agree that any employee that you hire will be your employee, and not ours. You agree to manage the employment functions of the Studio in compliance with federal, state, and local employment laws.

e. **Operating Licenses and Permits**. You or your Affiliate shall be responsible for obtaining at your or your Affiliate's own cost and expense any operating licenses required for the operation of the Studio, sales and use tax permits, licenses and permits that may be required by applicable health department(s), fire alarm permits, sign operating permits, and any other required licenses or permits related to the ongoing operation (rather than the construction) of the Studio.

f. **Timely Review and Approvals of Budget**. We will propose, but you shall have the right to approve the Budget, as described in Section 1.d above, and any adjustments to the Budget as provided in this Agreement. You shall complete your review and issue your approval or rejection of the Budget and each proposed adjustment to the Budget submitted by us within five (5) business days after we submit the proposed Budget or adjustment to you. If you fail to timely issue either an approval or rejection, the proposed Budget or adjustment shall be deemed approved, and the parties shall thereafter proceed in accordance therewith.

g. **Negotiation and Execution of Agreements**. In addition to executing the Material Contracts and, except for any Construction Related Contracts that we execute on your behalf as your disclosed agent (as permitted under Section 1.d above), you or your Affiliates shall also timely negotiate and execute all other agreements necessary to develop and commence operation of the Studios, including the following:

i. all equipment leases, if any;

ii. all contracts pertaining to your bank accounts, including the Account; and

iii. all contracts pertaining to payroll processors, insurance and other contracts related to the operation of the Studio.

You shall provide us with executed copies of any other documents that we reasonably request in connection with providing the Services under this Agreement.

h. **Acquisition of Optional Items**. You must determine whether you want to purchase, and in what quantities, any third-party inventory, furniture, fixtures, equipment and supplies that have been approved but not mandated by Franchisor. If you desire any such optional items, you must purchase them directly from the approved vendors and arrange to have them delivered to the Studio. To avoid interfering with our provision of the Services, you must notify us if you intend to purchase any such optional items and when they are expected to arrive at the Studio.

i. **Payment of Development Fee**. In addition to reimbursing the costs and expenses associated with the development and construction of the Studio, as described in this Agreement, you shall pay us a fee of $25,000 (the "***Development Fee***") for each of the Franchise Agreements signed pursuant to the Development Agreement. Each Development Fee payment shall be due and payable, in full, once Franchisor approves the site in accordance with the Development Agreement.

j. **Opening for Business**. You will open the Studio for regular business with the public within 10 days of the Possession Date, subject to your obtaining all approvals and satisfying all requirements and conditions under the Franchise Agreement. You will be responsible for performing any pre-opening marketing that you desire or are required under the Franchise Agreement to perform.

3. **Transfer**. You and we have each entered into this Agreement based on the specific conditions and capabilities of the other. Therefore, neither of us may transfer or assign this Agreement without the prior written consent of the other. Notwithstanding the foregoing, we may, on notice to you, assign this Agreement to our affiliate.

4. **Termination**. This Agreement may be terminated only in the following manner and for the following reasons:

a. **Termination Without Cause**. We may terminate this Agreement, without cause, at any time after providing you with 90 days' written notice. All obligations set forth in this Agreement shall continue during the notice period, and all amounts owed to us in reimbursement of expenses and otherwise shall be paid through the effective date of termination.

b. **Termination With Cause**. Either of us may also terminate this Agreement if the other party materially breaches this Agreement and does not correct such failure within 30 days after delivery of notice which identifies the breach. In addition, we may terminate this Agreement concurrently with the termination of the Development Agreement.

You acknowledge and agree that your breach of this Agreement will be a breach of the Development Agreement and applicable Franchise Agreement. If we terminate this Agreement prior to the Possession Date because of your breach, we will have the right to

acquire ownership of such Studio and, despite any protection granted under the Development Agreement, either operate the Studio ourselves or authorize our affiliates or another franchisee to own and operate such Studio. We will exercise that option within 14 days after our notice of termination of this Agreement. If we elect to acquire the Studio under these circumstances, you must assign the Lease to us or our designee, and we will reimburse you for any Development Costs you have expended in connection with the development of the Studio, as of the date of our election, with respect to such Studio.

5. **Standard of Care; Limitation of Liability**. We recognize that the Services include certain obligations that have been or will be undertaken by you under the Development Agreement and the Franchise Agreement(s). We agree to use commercially reasonable efforts in providing the Services in the context of those agreements as well as the scope and purpose of this Agreement. However, you acknowledge and agree that:

   a. By agreeing to perform the Services, we shall not be deemed to be guaranteeing to you that the performance of the Services will satisfy, or be in compliance with, all of your or your Affiliate's obligations under those agreements;

   b. We shall not, in the performance of our obligations under this Agreement, be liable to you, your Affiliates or any other person for any liabilities, obligations, claims, costs or expenses arising out of any act or omission (whether negligent, tortious or otherwise), except for such liabilities, obligations, claims, costs or expenses that arise out of or are caused by our willful misconduct, gross negligence or bad faith;

   c. None of our officers, directors, employees or agents shall be personally liable for the performance or failure of performance of our obligations under this Agreement. You will look solely to us in that regard; and

   d. We do not represent or guarantee that our provision of the Services will cause the Studio to be profitable or to achieve any particular level of success or performance.

Notwithstanding anything to the contrary in this Agreement or under applicable law, in any arbitration, litigation, legal action or proceeding between the parties arising from or relating to this Agreement, the parties unconditionally and irrevocably waive and disclaim to the fullest extent permitted under applicable law all rights to any consequential, punitive, exemplary, statutory or treble damages (other than our and our affiliates' statutory rights and remedies relating to trademarks, copyrights, trade secrets and other intellectual property), and acknowledge and agree that the rights and remedies in this Agreement, and all other rights and remedies at law and in equity, will be adequate in all circumstances for any claims the parties might have with respect thereto. You agree that in the event of any claim by you against us under this Agreement, our liability for or with respect to the Services shall not exceed an amount equal to the Development Fee paid, whether in full or partial, by you to us under this Agreement.

6. **Independent Contractor**. Nothing in this Agreement shall constitute or be construed to be or create a partnership, joint venture, employment relationship, fiduciary relationship, or joint employer relationship between us and you. Our relationship shall be that of an independent contractor. Except as expressly provided in this Agreement, we shall not be required to spend or contribute any of our own funds or otherwise incur any debts or liabilities to any person in the performance of the Services under this Agreement. All debts and liabilities to third parties required or permitted to be incurred by us under this Agreement in the course of furnishing the Services shall be the debts and liabilities of you and/or your Affiliates only, and we shall not be liable for any such obligations by reason of providing the Services for or on your or their behalf. We may so inform third parties with whom we deal and may take any other reasonable steps to carry out the intent of this Section 6.

7. **Notices**. All notices required to be given under this Agreement will be given and will be effective as described in the Development Agreement.

8. **Governing Law/Consent to Jurisdiction**. This Agreement shall be interpreted under, and all disputes arising under this Agreement shall be resolved in accordance with, the provisions of Section 9 of the Development Agreement (Enforcement; Arbitration), which provisions are incorporated herein as though copied in their entirety.

9. **Binding Effect**. This Agreement will be binding upon and inure to the benefit of the successors, assigns, trustees, receivers, personal representatives, legatees and devisees of the parties hereto.

10. **Entirety**. This Agreement embodies the entire agreement and understanding between the parties and supersedes all prior agreements and understandings related to the subject matter hereof.

11. **Execution**. This Agreement may be signed in multiple counterparts which, when taken together, shall constitute one agreement. Signatures transmitted via facsimile or scanned and transmitted electronically shall have the full force of and be considered originals.

IN WITNESS WHEREOF, you and we have caused this Agreement to be made effective on and as of the Effective Date.

PB OpCo, LLC	**[DEVELOPER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date*: _____	Date: _____
(* This is the Effective Date)	

ATTACHMENT D

TO MULTI-UNIT DEVELOPMENT AGREEMENT

FORM OF AMENDMENT TO FRANCHISE AGREEMENT

AMENDMENT NO. 1 TO FRANCHISE AGREEMENT

THIS AMENDMENT NO. 1 TO FRANCHISE AGREEMENT (the "**Amendment**") is made as of the Effective Date by and between **PB FRANCHISING, LLC** ("**we**") and **[INSERT ENTITY]** ("**you**"). The Effective Date is the date on which we sign this Amendment as shown beneath our signature on the signature page of this Amendment.

RECITALS

A. You and we are parties to that certain franchise agreement, dated as of the Effective Date (the "**Franchise Agreement**"), which governs your ownership and operation of a Pure Barre Studio located or to be located at _____ _____ (the "**Franchised Business**").

B. The Franchise Agreement was signed pursuant that certain Multi-Unit Development Agreement between you or your Affiliate and us on [Effective Date of MUDA] (as amended, the "**Development Agreement**"). You and we desire to enter into this Amendment to recognize such fact and to revise certain provisions of the Franchise Agreement as required under the Development Agreement.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals, the covenants set forth herein and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, you and we agree as follows:

1. Section 4.9 of the Franchise Agreement is deleted and replaced, in its entirety, with the following:

> 4.9 Minimum Cumulative Royalties. You pledge to achieve Gross Sales from the Franchised Business sufficient to generate minimum levels of Royalties (the "Minimum Cumulative Royalties") under this Agreement as follows:
>
> (a) as of the end of the 12th month of operation, the Franchised Business must have generated Royalties (based entirely on Gross Sales during the 2nd six months of operation, annualized) equal to at least $15,750;
>
> (b) as of the end of the 18th month of operation, the Franchised Business must have generated Royalties during the trailing 12-month period equal to at least $17,500; and
>
> (c) as of the end of the 24th month of operation, and as of the end of each 6th month thereafter, the Franchised Business must have generated Royalties during the trailing 12-month period equal to at least $22,750.

Any failure by you to generate the required Minimum Cumulative Royalties in any specified period will cause you to be in material default under this Agreement. However, with respect to the initial instance hereunder in which you fail to generate the specified Minimum Cumulative Royalties, you may cure the default by paying to us any shortfall in any required Minimum Cumulative Royalties. This means that you may pay us the difference between the amount we would have received if you had generated the required Minimum Cumulative Royalties for the applicable period and the amount we actually received during such period. You acknowledge that such shortfall payment is due thirty (30) days following the end of the applicable period in which the shortfall occurred. You acknowledge and agree that you are given the right to cure the shortfall the first time, and only the first time, that you fail to generate the specified Minimum Cumulative Royalties. Any subsequent failure by you to generate the Minimum Cumulative Royalties will not be curable. Failure to pay the shortfall, if curable, or otherwise pay Minimum Cumulative Royalties as required above shall permit us to terminate this Agreement pursuant to Section 16 below.

2. The Franchise Agreement shall be amended only in the particulars set forth above. All other provisions of the Franchise Agreement shall continue in full force and effect as set forth therein.

3. The terms of this Amendment form an integral part, and hereby are incorporated into and made a part, of the Franchise Agreement. In the event of a conflict between the terms contained in the Franchise Agreement and this Amendment, the terms and conditions of this Amendment shall govern, control, and supersede any inconsistent or conflicting terms of the Franchise Agreement.

4. This Amendment may be signed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signature by facsimile is hereby authorized and shall have the same force and effect as an original. All capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Franchise Agreement.

IN WITNESS WHEREOF, you and we have signed this Amendment on the dates shown below and made effective as of the Effective Date.

PB FRANCHISING, LLC	**[INSERT ENTITY]**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date*:_____	Date:_____
(*This is the Effective Date)	

EXHIBIT C

FINANCIAL STATEMENTS

PB Franchising, LLC
Balance Sheet
February 28, 2017
(Unaudited)

Assets		
Current assets		
Cash	$	526,678
Accounts receivable, net		1,028,131
Other current assets		54,645
Total current assets		1,609,454
Fixed assets, net		7,637
Intangible assets, net		1,624,444
Total assets	$	3,241,535
Liabilities and Member's Equity		
Current liabilities		
Accounts payable	$	171,385
Advertising fee deposits		428,288
Deferred revenues		1,360,250
Other current liabilities		2,534
Total current liabilities		1,962,457
Member's equity		1,279,078
Total liabilities and member's equity	$	3,241,535

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

PB Franchising, LLC
Statement of Operations
Year-to-Date February 28, 2017
(Unaudited)

Revenues		
Franchise fees	$	393,500
Royalty fees		1,583,270
Total revenues		1,976,770
Operating expenses		
Selling, general and administrative expenses		988,364
Depreciation and amortization		88,085
Total operating expenses		1,076,449
Operating income		900,321
Net income	$	900,321

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

PB Franchising, LLC
Statement of Cash Flows
Year-to-Date February 28, 2017
(Unaudited)

Cash flows from operating activities	
Net income	$ 900,321
Adjustments to reconcile net income to net cash provided by operating activities:	
Amortization of intangible assets	87,306
Depreciation	779
Change in operating assets and liabilities:	
Accounts receivable	53,809
Other current assets	(9,809)
Accounts payable	(95,260)
Advertising fee deposits	146,358
Deferred revenues	(57,250)
Other current liabilities	(2,475)
Net cash provided by operating activities	1,023,779
Cash flows from investing activities	
Net cash used in investing activities	0
Cash flows from financing activities	
Cash distributions to parent	(1,947,036)
Net cash used in financing activities	(1,947,036)
Net decrease in cash	(923,257)
Cash	
Beginning of period	1,449,935
End of period	$ 526,678

These Financial Statements Have Been Prepared Without An Audit. Prospective Franchisees Or Sellers of Franchises Should Be Advised That No Independent Certified Public Accountant Has Audited These Figures Or Expressed An Opinion with Regard to their Content Or Form.

PB Franchising, LLC

Financial Statements
December 31, 2016, 2015 and 2014

PB Franchising, LLC
Index
December 31, 2016, 2015 and 2014

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Report of Independent Auditors

To the Management and Member of
PB Franchising, LLC

We have audited the accompanying financial statements of PB Franchising, LLC, a wholly owned subsidiary of Pure Barre, LLC, which comprise the balance sheets as of December 31, 2016 and 2015, and the related statements of operations, of members' equity and of cash flows for the years then ended.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

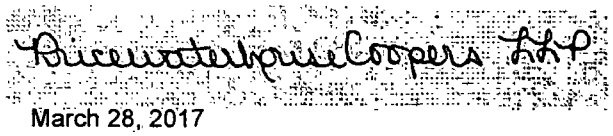
pwc

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PB Franchising, LLC as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 and Note 2, the Company has significant transactions with its parent company.



March 28, 2017

PB Franchising, LLC
Balance Sheets
December 31, 2016 and 2015

	2016	2015
Assets		
Current assets		
Cash	$ 1,449,935	$ 1,952,725
Accounts receivable, net	1,081,940	869,164
Other current assets	44,836	22,934
Total current assets	2,576,711	2,844,823
Fixed assets, net	8,416	6,247
Intangible assets, net	1,711,750	2,235,584
Total assets	$ 4,296,877	$ 5,086,654
Liabilities and Member's Equity		
Current liabilities		
Accounts payable	$ 266,645	$ 217,596
Advertising fee deposits	281,930	90,498
Deferred revenues	1,417,500	1,614,000
Other current liabilities	5,009	29,684
Total current liabilities	1,971,084	1,951,778
Member's equity	2,325,793	3,134,876
Total liabilities and member's equity	$ 4,296,877	$ 5,086,654

The accompanying notes are an integral part of these financial statements.

PB Franchising, LLC
Statements of Operations
Years Ended December 31, 2016, 2015 and 2014

	2016	2015	2014
Revenues			
Franchise fees	$ 3,922,125	$ 4,143,250	$ 3,930,500
Royalty fees	9,016,643	7,625,219	5,672,400
Other revenues	209,330	131,758	93,100
Total revenues	13,148,098	11,900,227	9,696,000
Operating expenses			
Selling, general and administrative expenses	7,026,993	5,144,799	3,727,002
Depreciation and amortization	527,676	525,605	521,750
Total operating expenses	7,554,669	5,670,404	4,248,752
Operating income	5,593,429	6,229,823	5,447,248
Other expenses			
Interest expense	-	43,680	145,668
Net income	$ 5,593,429	$ 6,186,143	$ 5,301,580

The accompanying notes are an integral part of these financial statements.

PB Franchising, LLC
Statements of Member's Equity
Years Ended December 31, 2016, 2015 and 2014

	Member's Contributions	Accumulated Earnings	Total Member's Equity
Balances as of December 31, 2013	$ 111,809	$ -	$ 111,809
Net income	-	5,301,580	5,301,580
Distributions to parent	-	(4,900,000)	(4,900,000)
Balances as of December 31, 2014	111,809	401,580	513,389
Net income	-	6,186,143	6,186,143
Noncash contribution from buyer of parent (See Note 6)	3,712,500	-	3,712,500
Distributions to parent	(689,433)	(6,587,723)	(7,277,156)
Balances as of December 31, 2015	3,134,876	-	3,134,876
Net income	-	5,593,429	5,593,429
Distributions to parent	(809,083)	(5,593,429)	(6,402,512)
Balances as of December 31, 2016	$ 2,325,793	$ -	$ 2,325,793

The accompanying notes are an integral part of these financial statements.

PB Franchising, LLC
Statements of Cash Flows
Years Ended December 31, 2016, 2015 and 2014

	2016	2015	2014
Cash flows from operating activities			
Net income	$ 5,593,429	$ 6,186,143	$ 5,301,580
Adjustments to reconcile net income to net cash provided by operating activities			
Amortization of intangible assets	523,834	523,833	521,750
Depreciation	3,842	1,772	-
Provision for doubtful accounts	9,097	14,126	3,813
Changes in operating assets and liabilities			
Accounts receivable	(221,873)	(201,671)	(171,266)
Other current assets	(21,902)	36,646	(226,510)
Accounts payable	49,049	64,443	95,569
Advertising fee deposits	191,432	(116,254)	77,441
Deferred revenues	(196,500)	69,000	146,000
Other current liabilities	(24,675)	(14,389)	44,073
Net cash provided by operating activities	5,905,733	6,563,649	5,792,450
Cash flows from investing activities			
Purchases of fixed assets	(6,011)	(5,433)	(2,586)
Additions to intangible assets	-	-	(7,500)
Net cash used in investing activities	(6,011)	(5,433)	(10,086)
Cash flows from financing activities			
Cash distributions to parent	(6,402,512)	(7,277,156)	(4,900,000)
Payments of note payable	-	(168,750)	(618,750)
Advances due from Parent and affiliate	-	2,149,600	-
Net cash used in financing activities	(6,402,512)	(5,296,306)	(5,518,750)
Net (decrease) increase in cash	(502,790)	1,261,910	263,614
Cash			
Beginning of year	1,952,725	690,815	427,201
End of year	$ 1,449,935	$ 1,952,725	$ 690,815
Supplementary disclosure of noncash investing activities			
Capitalized items included in accounts payable and other current liabilities	$ -	$ -	$ 4,836
Supplementary disclosure of noncash financing activities			
Contribution from buyer of parent for repayment of note payable	$ -	$ 3,712,500	$ -
Supplementary disclosure of cash activities			
Cash paid for interest	$ -	$ 31,306	$ 185,402

The accompanying notes are an integral part of these financial statements.

1. Organization and Summary of Significant Accounting Policies

Nature of Operations

PB Franchising, LLC (the "Company"), a wholly-owned subsidiary of Pure Barre, LLC, which was formerly known as PB Holdco, LLC (the "Parent"), was organized on September 20, 2012 as a Delaware limited liability company. The Company was formed with the intent of the Parent executing an asset purchase agreement (the "2012 Transaction") to purchase the assets of certain unrelated entities that offer franchises for certain exercise studios that teach a proprietary exercise technique utilizing the Pure Barre brand. On October 11, 2012, the 2012 Transaction was consummated and the Company began operations as the franchisor of the studio franchise system, offering and selling franchises for the operation of such studios.

On April 2, 2015, Lift Holdco, LLC (subsequently re-named Barre Holdco, LLC) and Lift Midco, LLC (subsequently re-named Barre Midco, LLC) were organized as Delaware limited liability companies and were formed with the intent of executing a unit purchase agreement (the "2015 Transaction") between Barre Holdco, LLC (the "Buyer") and the members (the "Sellers") of PB Holdco, LLC pursuant to which the Buyer would acquire from the Sellers all of the issued and outstanding units of membership interests (the "Units") of PB Holdco, LLC, other than rollover Units contributed by the Sellers to the Buyer in exchange for a portion of the units of the Buyer. On May 1, 2015, the 2015 Transaction was consummated.

Additionally, on May 1, 2015, Barre Holdco, LLC and its wholly-owned subsidiary, Barre Midco, LLC, entered into a contribution agreement pursuant to which Barre Holdco, LLC contributed, as a capital contribution, its newly-acquired equity interests in PB Holdco, LLC to Barre Midco, LLC (the "Contribution"). As a result of the Contribution, Barre Midco, LLC became the sole member of PB Holdco, LLC, which was re-named Pure Barre, LLC.

Basis of Presentation

The financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP").

The Buyer's acquisition of the equity interests in PB Holdco, LLC was accounted for by the Buyer as a business combination in accordance with the acquisition method of accounting pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 805, "Business Combinations," ("ASC 805"), which requires recording identifiable assets acquired and liabilities assumed at their acquisition-date fair values. The Contribution was accounted for as a transfer of assets between entities under common control in accordance with ASC 805, which requires the entity that receives the net assets or equity interests to recognize the assets and liabilities transferred at their carrying amounts in the accounts of the transferring entity at the date of the transfer. As such, on May 1, 2015, Barre Midco, LLC recognized the net assets received from the Buyer at the Buyer's acquisition-date fair values. However, the Company did not elect to apply pushdown accounting to its separate financial statements to reflect its assets and liabilities at the Parent's new accounting basis for such assets and liabilities. As a result, the Company will continue to account for its assets and liabilities at their historical costs.

These financial statements also include allocations of certain general corporate expenses of the Parent, which were primarily based upon the estimates of employees' time and effort attributable to the Company's operations. These allocated expenses include costs associated with finance, treasury, accounting, information technology and general management services. The Company has recorded $1,851,548, $1,396,109 and $1,150,754 of allocated costs in "Selling, general and administrative expenses" in the statements of operations for the years ended December 31, 2016, 2015 and 2014, respectively. Management believes the assumptions and methodologies underlying the allocation of general corporate expenses from the Parent are reasonable and consistent for all periods presented. The amounts recorded for the allocations may not be representative of transactions between unrelated parties.

Use of Estimates
The preparation of the financial statements in accordance with GAAP requires management to make accounting estimates based on assumptions, judgments or projections of future results of operations and cash flows. These estimates affect the reported amounts of revenues and expenses during the periods presented and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the financial statements. Actual results could differ materially from these estimates under different assumptions or conditions.

Cash
The Company considers all highly liquid investments with an original maturity of three months or less to be cash. At times, amounts on deposit with financial institutions exceed amounts insured by the Federal Deposit Insurance Corporation; however, the Company does not believe it is exposed to any significant credit risk on cash.

Accounts Receivable, Net
Accounts receivable, net consist primarily of trade accounts receivable from franchisees for monthly royalties, advertising contributions and other miscellaneous charges to franchisees. Receivables from franchisees are unsecured; however, the franchise agreements provide the Company the right to terminate the franchise for nonpayment of royalties. Accounts receivable are recorded net of an allowance for doubtful accounts that is based on expected collectibility and franchisee-specific circumstances. Charges and adjustments to the allowance for doubtful accounts are included in "Selling, general and administrative expenses" in the statements of operations. Individual account balances are written off when they are deemed by management to be uncollectible and are charged against the allowance for doubtful accounts. Actual write-off of receivables may differ from the estimated allowance for doubtful accounts due to changes in franchisee and economic circumstances. As of December 31, 2016 and 2015, the Company has recorded an allowance for doubtful accounts of $20,772 and $13,232, respectively.

Fixed Assets, Net
Fixed assets consist of computers and are stated at cost less accumulated depreciation. Depreciation is recognized on a straight-line basis over the estimated useful lives of the assets (three years). As of December 31, 2016 and 2015, the cost of these assets was $14,030 and $8,019, respectively, accumulated depreciation on these assets was $5,614 and $1,772, respectively, and the net book value of these assets was $8,416 and $6,247, respectively.

If any assets are sold or retired, the cost and accumulated depreciation of the assets will be removed from the accounts and any gain or loss will be included in the results of operations during the period of sale or disposal. Costs for repairs and maintenance are expensed as incurred.

Intangible Assets, Net
Intangible assets are comprised of franchise agreements, which were recorded at their fair value by the Parent as part of the 2012 Transaction, that were subsequently contributed to the Company. Subsequent additions to intangible assets are recorded at cost and consist of the capitalization of software development costs incurred to obtain software for the Company's internal use. All of the Company's intangible assets are finite-lived intangibles and are stated net of accumulated amortization. Amortization is recognized on a straight-line basis over their estimated useful lives.

The unit of accounting for impairment testing for long-lived assets is its group, which includes amortizable intangible assets and fixed assets. The Company reviews long-lived assets for impairment when events or changes in circumstances indicate that the carrying value of an asset group may no longer be recoverable. The recoverability of an asset group that is held and used would be tested by comparing the carrying value of the asset group to the sum of the estimated undiscounted future cash flows expected to be generated by that asset group. If it is determined that the carrying value of an asset group is not recoverable, an impairment loss would be recognized in the amount that the asset group's carrying value exceeds its fair value (determined based on discounted future cash flows). If it is determined that the carrying value of an asset group is recoverable, the Company would review and adjust, as necessary, the estimated useful lives of the assets in the group. If an asset group were to meet the criteria for classification as an asset held for sale, an impairment charge would be recognized, if necessary, based on the excess of the asset group's carrying value over the expected net proceeds from the sale (the estimated fair value minus the estimated costs to sell).

Advertising Fee Deposits
The Company charges its franchisees a monthly advertising contribution, based on a percentage of gross sales, as required by their franchise agreements. The Company is required to use these contributions for certain advertising, marketing and promotional activities. The Company's billing of these contributions and its advertising, marketing and promotional expenditures using these contributions are excluded from the Company's statements of operations and member's equity, as the related contributions are used exclusively for the benefit of the franchise system and the Company acts, in substance, as an agent with regard to these contributions. Since these contributions are designated for a specific purpose, they are recorded as a liability in "Advertising fee deposits" in the balance sheets and the expenditures associated with this special purpose are charged against this liability.

During the years ended December 31, 2016 and 2015, the total billings to franchisees for advertising contributions were approximately $1,307,000 and $1,108,000, respectively, and the total amounts charged against this liability for advertising, marketing and promotional activities were approximately $1,115,000 and $1,225,000, respectively.

Deferred Revenues and Revenue Recognition
The Company's revenues primarily consist of franchise and royalty fees from franchisees. Revenues are recognized when all of the following criteria are met: persuasive evidence of an arrangement exists, services have been rendered and the Company has no significant remaining obligations, prices are fixed or determinable and collectibility is reasonably assured. Each of the Company's primary types of revenue and their respective revenue recognition policies are discussed further below.

Franchise fees

The franchisees are required to pay the Company an initial franchise fee per their franchise agreements. The Company recognizes the initial franchise fees as revenue upon the Company's substantial performance of its material contractual obligations as set forth in the franchise agreement, which is generally upon completion of the Company's teaching of the proprietary exercise technique to the franchisees utilizing the Pure Barre workout method. Additionally, if a franchisee assigns or transfers their franchise, they are required to pay the Company a transfer fee, which the Company recognizes as revenue upon completion of the transfer. Franchisees are also required to pay the Company a franchise renewal fee, if they choose to renew their franchise agreement at the end of its term, which the Company recognizes as revenue upon execution of the renewal agreement. Franchise fees received but not yet earned are included in "Deferred revenues" in the balance sheets.

Royalty fees

In addition to the advertising contributions discussed above, the Company charges the franchisees a monthly royalty fee based on a percentage of the franchisees' gross sales (as defined in their franchise agreements) in the preceding calendar month. Royalty fees are recognized as revenue by the Company when earned (in the month to which the royalty fee pertains).

Advertising Costs

Advertising costs, excluding expenditures charged to the "Advertising fee deposits" liability discussed above, are expensed as incurred. The total of such advertising expense included in "Selling, general and administrative expenses" in the statements of operations was $445,378, $123,465 and $69,900 for the years ended December 31, 2016, 2015 and 2014, respectively.

Income Taxes

As a limited liability company, federal and state income taxes are levied on the members of the applicable parent company rather than on the Company. Accordingly, the financial statements do not reflect a provision for federal or state income taxes. Management has determined that the Company does not have any material unrecognized tax benefits or obligations as of December 31, 2016 or 2015.

Recent Accounting Pronouncements

Revenue Recognition

In May 2014, the FASB issued ASU No. 2014-09, "Revenue from Contracts with Customers (Topic 606)." This new standard provides a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes the revenue recognition requirements in ASC Topic 605, "Revenue Recognition," and most industry-specific guidance. The core principle of the new guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services, which could potentially result in changes in the amount and timing of revenue recognition for certain transactions. The new guidance allows for either a "full retrospective" or a "modified retrospective" method of application and also requires significantly expanded disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in those judgments regarding the amount and timing of revenue recognition. In August 2015, the FASB issued ASU No. 2015-14, "Revenue from Contracts with Customers (Topic 606), Deferral of the Effective Date," which defers the effective date of ASU No. 2014-09 for all entities by one year. For nonpublic companies, ASU No. 2014-09 is now effective for annual reporting periods beginning after December 15, 2018 and

permits some options for early adoption, the earliest of which is for annual reporting periods beginning after December 15, 2016.

In April 2016, the FASB issued ASU No. 2016-10, "Revenue from Contracts with Customers (Topic 606), Identifying Performance Obligations and Licensing," and in May 2016, the FASB issued ASU No. 2016-12, Revenue from Contracts with Customers (Topic 606), Narrow-Scope Improvements and Practical Expedients," both of which are amendments to ASU 2014-09. These amendments do not change the core principle of the guidance in ASU 2014-09 or the revised effective date per ASU No. 2015-14 but instead address certain issues and clarify certain aspects of the implementation guidance in Topic 606.

Management is currently evaluating the impact of this new guidance on its financial statements.

Going Concern
In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements – Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern," which requires an entity's management, in connection with its preparation of its financial statements for each annual and interim reporting period, to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity's ability to continue as a going concern (that it is probable that the entity will be unable to meet its obligations) within one year after the date that the financial statements are issued (or within one year after the date that the financial statements are available to be issued when applicable). When management identifies conditions or events that raise substantial doubt about an entity's ability to continue as a going concern, certain disclosures must be provided in the footnotes to the financial statements. This new standard applies to all entities and is effective for annual periods ending after December 15, 2016. The adoption of this guidance did not have a material impact on the Company's financial statements.

Pushdown Accounting
In November 2014, the FASB issued ASU No. 2014-17, "Business Combinations (Topic 805), Pushdown Accounting," which provides an acquired entity that is a business with an option to apply pushdown accounting in its separate financial statements upon occurrence of an event in which an acquirer obtains control of the acquired entity. Under this new standard, an acquired entity may elect the option to apply pushdown accounting in the reporting period in which the change-in-control event occurs. An acquired entity should determine whether to elect to apply pushdown accounting for each individual change-in-control event in which an acquirer obtains control of the acquired entity. If pushdown accounting is not applied in the reporting period in which the change-in-control event occurs, an acquired entity will have the option to elect to apply pushdown accounting in a subsequent reporting period to the acquired entity's most recent change-in-control event. An election to apply pushdown accounting in a reporting period after the reporting period in which the change-in-control event occurred should be considered a change in accounting principle in accordance with Topic 250, "Accounting Changes and Error Corrections." If pushdown accounting is applied to an individual change-in-control event, that election is irrevocable. If an acquired entity elects the option to apply pushdown accounting in its separate financial statements, it must apply the accounting as of the acquisition date and it should also disclose information in the current reporting period that enables users of financial statements to evaluate the effect of pushdown accounting. Additionally, any subsidiary of an acquiree also is eligible to make an election to apply pushdown accounting to its separate financial statement irrespective of whether the acquiree elects to apply pushdown accounting. This new standard applies to all entities and was effective beginning November 18, 2014 for change-in-control events after that date or the most recent change-in-control event that occurred in a period for which the financial statements had not

been issued or made available to be issued as of that date. The Company did not elect to apply pushdown accounting to its separate financial statements to reflect its assets and liabilities at the Parent's new accounting basis for such assets and liabilities that resulted from the 2015 Transaction and the Contribution.

Statement of Cash Flows
In August 2016, the FASB issued ASU No. 2016-15, "Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments," which amends guidance regarding how certain cash receipts and cash payments are presented and classified in the statement of cash flows. The guidance in this new standard should be applied retrospectively to each period presented unless it is impracticable to do so, in which case it should be applied prospectively as of the earliest date practicable. For nonpublic companies, the guidance in this new standard is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. An entity that elects early adoption must adopt all of the amendments in this new standard in the same period. Management does not expect the adoption of this guidance to have a material impact on the classification of cash receipts and cash payments in its statements of cash flows.

2. Related Party Transactions

The Company's Parent incurs expenses related to the operation of the Company. As discussed in the Basis of Presentation in Note 1, the financial statements include allocations of certain general corporate expenses of the Parent.

Additionally, the Company has an Intellectual Property License Agreement (the "License Agreement") with the Parent, whereby the Company has been granted the right to use and to permit others to use the Pure Barre trademarks owned by the Parent. The initial term of the License Agreement is for ten years and will automatically renew for subsequent periods of one year, unless sooner terminated as provided in the License Agreement. No amounts have been charged by the Parent to the Company under the License Agreement; thus no expense has been recorded in the Company's financial statements.

The Company has an agreement with the Parent whereby excess cash is advanced to the Parent. This noninterest bearing receivable was zero as of both December 31, 2016 and 2015. The Parent has committed to maintaining minimum equity and a minimum working capital balance in the Company. The balance as of December 31, 2014 of $2,149,600 was repaid in full by the Parent in February 2015.

As further discussed in Note 6, on May 1, 2015, the Buyer of the Parent repaid the Company's note payable under its former credit agreement in full.

3. Franchise Arrangements

The Company's franchisees are granted the right to operate a Pure Barre exercise studio using the Pure Barre technique for a specified term with an option to extend the franchise for an additional term as defined in the franchise agreement. As part of the franchise agreement, the Company provides certain services to its franchisees, which typically include approval of site selection and related purchase or lease agreements, approval of site design and construction plans, approval of the completion of site construction or remodel work to the Company's specifications, initial training, ongoing choreography and music playlists, an annual conference, a page on the purebarre.com website with a link to their schedule and access to the owner and teacher website. Franchisees are responsible for their occupancy costs and all other operating costs of their studios.

Franchisees are required to pay the Company a one-time initial franchise fee, as well as a monthly royalty fee based upon a percentage of gross sales (as defined in their franchise agreements) in the preceding calendar month, subject to a minimum monthly royalty fee. Franchisees are also required to pay the Company a monthly fee for certain advertising, marketing and promotional uses based upon a percentage of gross sales (as defined in their franchise agreements) in the preceding calendar month. Additionally, franchisees are required to generate certain annual minimum gross sales (as defined in their franchise agreements). Franchisees may also obtain additional training from the Company at prices set by the Company at its discretion.

The following tables present the activity in the number of franchisee-owned studios for the years ended December 31, 2016, 2015 and 2014:

	2016	2015	2014
Total studios at beginning of year	343	265	175
Opened	81	78	92
Closed	(1)	-	(2)
Total studios at end of year	423	343	265

4. Intangible Assets, Net

Intangible assets, net consist of the following:

	Estimated Useful Life	2016 Gross	2016 Accumulated Amortization	2016 Net
Franchise agreements	7.5 years	$ 3,910,000	$ 2,200,333	$ 1,709,667
Software development costs	3 years	7,500	5,417	2,083
Total intangible assets		$ 3,917,500	$ 2,205,750	$ 1,711,750

	Estimated Useful Life	2015 Gross	2015 Accumulated Amortization	2015 Net
Franchise agreements	7.5 years	$ 3,910,000	$ 1,679,000	$ 2,231,000
Software development costs	3 years	7,500	2,916	4,584
Total intangible assets		$ 3,917,500	$ 1,681,916	$ 2,235,584

Amortization expense of $523,834, $523,833 and $521,750 was recorded in the statements of operations for the years ended December 31, 2016, 2015 and 2014, respectively. No intangible asset impairment charges were recorded in any of the years presented and there are no accumulated impairment losses.

Estimated future amortization expense for the Company's existing intangible assets for the years subsequent to 2016 is as follows:

2017	$ 523,417
2018	521,333
2019	521,333
2020	145,667
	$ 1,711,750

5. Contingencies

The Company is a party to certain disputes arising in the ordinary course of business. Such disputes may include general contractual liabilities, employment matters, intellectual property disputes and other matters. Management does not believe the ultimate outcome of these matters will materially affect the Company's financial position, cash flows or results of operations.

6. Financing Arrangements

Parent's Credit Agreement

On June 11, 2015, the Parent entered into a credit agreement (the "Credit Agreement") among: (i) Pure Barre, LLC, as the borrower, (ii) Barre Midco, LLC, as a loan party and guarantor and (iii) various financial institutions, as the lenders. Under the Credit Agreement, the borrower can borrow from the lenders an aggregate principal amount of $65,000,000 in the form of: (i) a term loan in an aggregate principal amount not to exceed $60,000,000 and (ii) revolving loans in an aggregate principal amount not to exceed $5,000,000 (which includes letters of credit, the aggregate amount of which shall not at any time exceed $250,000). On June 11, 2015, the Parent borrowed $60,000,000 under the term loan. Loans under the Credit Agreement are secured by a security interest in and lien upon all of the borrower's assets, including all of the assets of the Company. The Credit Agreement matures, and all outstanding loans will become due and payable, on June 11, 2020. The outstanding balance of the Parent's term loan as of December 31, 2016 was $55,646,138. There were no borrowings outstanding under the revolving loans and no amounts outstanding for letters of credit.

The Credit Agreement includes financial covenants, which are based on the consolidated results of the Parent and include a maximum total debt to EBITDA ratio and a minimum fixed charge coverage ratio. The Parent was in compliance with all financial covenants as of December 31, 2016.

Former Credit Agreement

On September 30, 2013, the Company entered into a credit agreement with a third-party financial institution for borrowings of $4,500,000, the proceeds of which were remitted to the Parent. The Company and PB Product, LLC (a subsidiary of the Parent) were co-borrowers in the credit agreement and the Parent served as guarantor. The note bore interest at 3.25% plus LIBOR, principal and interest payments were due quarterly and the scheduled maturity date was October 1, 2018. The loan was collateralized by all of the assets of the Company, as well as substantially all of the assets of the Parent. On May 1, 2015, as part of the 2015 Transaction and included in the consideration transferred by the Buyer to the Sellers, the Buyer, on behalf of the Sellers, repaid this note in full plus accrued interest and fees totaling $3,727,173 and the credit agreement was terminated and all of the Company's obligations thereunder were discharged.

7. Subsequent Events

ASC 855-10, "Subsequent Events – Overall" ("ASC 855-10"), provides for the disclosures regarding the existence and timing of a company's evaluation of its subsequent events. ASC 855-10 defines two types of subsequent events, "recognized" and "nonrecognized" Recognized subsequent events provide additional evidence about conditions that existed at the date of the balance sheet and are required to be reflected in the financial statements. Nonrecognized subsequent events provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date and, therefore are not required to be reflected in the financial statements. However, certain nonrecognized subsequent events may require disclosure to prevent the financial statements from being misleading. The Company evaluated subsequent events through March 28, 2017, the date these financial statements were available for issuance, and no additional adjustments or disclosures were necessary.

EXHIBIT D

LIST OF FRANCHISEES

Current Franchisees

(as of December 31, 2016)

Franchisee	Address	City	State	Zip	Telephone
Barre Investments, LLC	2415 Moores Mill Road Suite 240	Auburn	AL	36830	334-887-0007
PB Eastern Shore, LLC	1802 US Highway 98	Daphne	AL	36526	270-903-1613
Wiregrass Fitness, LLC **	2620 Montgomery Hwy., Suite 7	Dothan	AL	36303	dothan@purebarre.com
DLAIN, LLC	2826 18th Street South	Homewood	AL	35209	205-870-7279
DLAIN 280, LLC	610 Inverness Corners	Hoover	AL	35242	205-991-5224
Landie, Inc	1870 Chace Drive, Suite 100	Hoover	AL	35244	205-982-8366
Pure Hunt, LLC	4769 Whitesburg Dr. S, Suite 201	Huntsville	AL	35802	256-655-1544
Pure Mad, LLC	14 Main Street, Suite A	Madison	AL	35758	256-684-5549
PB Mobile, LLC	9 Du Rhu Drive #368	Mobile	AL	36608	251-345-1180
PB East, LLC	8103 Vaughn Road	Montgomery	AL	36117	334-356-5154
PB Montgomery, LLC	507 Cloverdale Road Unit 102	Montgomery	AL	36106	334-322-6248
The Tuscaloosa PB, LLC	1520 McFarland Boulevard North	Tuscaloosa	AL	35406	205-349-0011
Michele Fitness, Inc.	11525 Cantrell Road, Suite 306	Little Rock	AR	72212	501-246-3258
Weyand Enterprises, LLC	2055 West Frye Road, Suite 5	Chandler	AZ	85224	480-855-0525
Christine Pacheco	2556 South Val Vista Drive, Suite 103	E. Gilbert	AZ	85295	480-821-1515
PB San Tan Village, LLC	2556 S. Val Vista Drive, Suite 103	Gilbert	AZ	85295	480-821-1515
KoCap Investments, LLC	19420 N. 59th Avenue, Suite C122	Glendale	AZ	85308	623-566-8436
Marirose & Veronica Weyand	5505 N. 7th St. #103	Phoenix	AZ	85014	602-595-7763
Weyand Enterprises, LLC	7000 East Mayo Boulevard #3	Phoenix	AZ	85054	480-368-0100
Weyand Enterprises, LLC	4219 E. Indian School Road, Suite 101	Phoenix	AZ	85018	602-840-6140
Weyand Enterprises, LLC	10050 North Scottsdale Road, Suite 107	Scottsdale	AZ	85258	480-368-0100
V&B, LLC	7121 North Oracle Road	Tucson	AZ	85704	520-797-6804
Michele Fitness, Inc.	5655 E. La Palma Avenue, Suite 145	Anaheim Hills	CA	92807	714-693-7873
PB Berkeley, LLC	2055 Center Street	Berkeley	CA	94704	510-647-8607
Kelsey Rood	231 S. La Cienega Boulevard	Beverly Hills	CA	90211	424-204-9722
A&M Fitness, LLC	407 West Imperial Highway, Suite J	Brea	CA	92821	714-693-7873
Alyssa Bothman, LLC	1440 Chapin Avenue, Suite 100	Burlingame	CA	94010	650-342-1950
J&KT LLC	6965 El Camino Real, Suite D205	Carlsbad	CA	92009	760-582-5585
Mr Pommier, Inc.	234 E. 17th Street, Suite 116	Costa Mesa	CA	92627	949-230-9131
M&A Barre, LLC **	cupertino@purebarre.com	Cupertino	CA	TBD	cupertino@purebarre.com
PB Hollywood, LLC	7519 Sunset Boulevard	Hollywood	CA	90046	323-850-1800
Mr Pommier, Inc.	7101 Yorktown Avenue, Suite 101	Huntington Beach	CA	92648	714-330-9001
Mr Pommier, Inc.	6791 Quail Hill Parkway	Irvine	CA	92603	949-500-5924

Franchisee	Address	City	State	Zip	Telephone
Marni Fitness & Wellness, LLC	11819 Wilshire Boulevard, Suite 213	Los Angeles	CA	90049	310-463-7873
K Tini, LLC	740 South Olive Street, Suite 106	Los Angeles	CA	90014	323-305-7025
Emilys Health & Fitness, LLC	50 University Avenue, Suite B-101	Los Gatos	CA	95030	408-458-6811
Pure Malibu, LLC	23410 Civic Center Way, Suite E-9	Malibu	CA	90265	310-456-2134
E&K Barre Louie, LLC	13175 Mindanao Way	Marina Del Ray	CA	90292	310-902-8668
MG Elliott, LLC	800 Redwood Highway Frontage Road, Suite 616	Mill Valley	CA	94941	415-383-1130
Mr Pommier, Inc.	28321 Marguerite Parkway, Suite 201	Mission Viejo	CA	92692	949-861-1565
Wine Country Healthy Living, LLC	3632 Bel Aire Plaza	Napa	CA	94558	707-257-7215
Brittany Egbert, LLC	4929 Lankershim Boulevard, Suite D	North Hollywood	CA	91601	818-942-7098
Palm Barre, LLC	72-624 El Paseo, Suite C5	Palm Desert	CA	92260	760-836-0333
Emilys Health & Fitness, LLC	299 S. California Avenue	Palo Alto	CA	94306	650-798-4048
Maggie & Ollie, LLC	107 South Fair Oaks Avenue, Suite 109	Pasadena	CA	91105	626-765-9400
PB Studios, LLC	6754 Bernal Avenue #730	Pleasanton	CA	94566	925-399-1624
PB Rancho Cucamonga, LLC	8792 19th Street	Rancho Cucamonga	CA	91701	909-944-4978
Vicencia Fitness, LLC	22411 Antonio Parkway, Suite C150	Rancho Santa Margarita	CA	92688	949-216-0732
Beach Wilson Partners, LLC	403 North Pacific Coast Highway, Suite 200	Redondo Beach	CA	90277	424-247-8686
MINDOVERMATTER, LLC**	4390 Town Center Dr., Suite 100	Sacramento	CA	95762	916-882-1118
KAW Holdings, LLC	10241 Fairway Dr., Suite 120	Sacramento	CA	95678	916-953-3645
PB San Clemente, LLC	1041 Avenida Pico, Suite A	San Clemente	CA	92673	949-812-2847
Magnificant, LLC	635 7th Avenue	San Diego	CA	92101	619-787-0717
Mando Fit, LLC	5965 Village Way, Suite E-202	San Diego	CA	92130	858-481-4950
DRIO Wellness, Inc.	3650 5th Avenue, Suite 102	San Diego	CA	92103	619-296-0200
Pure Partners, LLC	3727 Buchanan Street	San Francisco	CA	94123	415-921-1196
Huntley Fike PB, LLC	162 West Portal Avenue	San Francisco	CA	94127	415-340-3946
Shannon Piro	315 3rd Street	San Rafael	CA	94901	415-295-7590
Susan Martin **	santabarbara@purebarre.com	Santa Barbara	CA	TBD	Not yet determined
Marni Fitness & Wellness, LLC	201 Wilshire Boulevard	Santa Monica	CA	90401	310-395-3927
L&M Fitness, LLC	12151 Seal Beach Boulevard	Seal Beach	CA	90740	562-252-3766
Pure Barre Sherman Oaks, LLC	13559 Ventura Boulevard	Sherman Oaks	CA	91423	818-983-2876
MG-Elliot, LLC	201 W. Napa Street, Suite 15	Sonoma	CA	95476	707-343-1138
PB Tustin, LLC	17245 East 17th Street	Tustin	CA	92780	714-884-3120
Mombo Fitness, LLC	1645 Mt. Diablo Blvd.	Walnut Creek	CA	94596	925-433-5132
Raise The Barre, LLC	2806 Townsgate Road, Unit 8	Westlake Village	CA	91361	805-990-9582

Franchisee	Address	City	State	Zip	Telephone
Woodland Pure, LLC	21728 Ventura Boulevard	Woodland Hills	CA	91364	818-712-0353
No Bull Marketing, LLC	620 East Hyman Street	Aspen	CO	81611	970-710-1501
Suzanne Suzanne, LLC	1750 29th Street, Suite 2026	Boulder	CO	80301	303-443-3054
PB Colorado Springs, LLC	5262 North Nevada Avenue #120	Colorado Springs	CO	80918	719-598-0270
Sistercuz Enterprises, LLC **	lodo@purebarre.com	Denver	CO	TBD	Not yet determined
LiGiradot, LLC	201 University Boulevard, Suite 107	Denver	CO	80206	720-276-1493
LiGirardot, LLC	3420 West 32nd Avenue	Denver	CO	80211	720-366-6070
IRLL, LLC	0216 Main Street, Suite C-103	Edwards	CO	81632	970-306-1310
SS Holdings, LLC	2948 Council Tree Avenue, Suite 119	Fort Collins	CO	80525	970-225-8094
B Steckler, LLC	5375 Landmark Place, Suite 109	Greenwood Village	CO	80111	303-953-9367
Mansfield Ventures, LLC **	7420 W. Alaska Street	Lakewood	CO	80226	lakewood@purebarre.com
Bankord Studios, LLC	7403 W. Chatfield Avenue, Suite # C	Littleton	CO	80128	303-834-0643
Sisters Pure, LLC	9360 Station Street, Suite 150	Lone Tree	CO	80124	720-542-3736
B, Studios II, LLC **	parker@purebarre.com	Parker	CO	TBD	not yet determined
Barre Energy Partners, LLC**	stapleton@purebarre.com	Stapleton	CO	TBD	not yet determined
Caray Inc.	11961 Bradburn Boulevard, Suite 500	Westminister	CO	80031	720-633-6398
Darien Barre, LLC	313 Heights Road	Darien	CT	06820	203-309-5690
Fairfield Barre, LLC	1275 Post Road	Fairfield	CT	06824	475-999-8663
Glastonbury LTB, LLC **	glastonbury@purebarre.com	Glastonbury	CT	TBD	Not yet determined
Pure Barre Studios, LLC	280 Railroad Avenue	Greenwich	CT	06830	203-489-3500
PB Ridgefield, LLC **	86 Danbury Road	Ridgefield	CT	06877	ridgefield@purebarre.com
SML Studios, LLC	115 Memorial Road, Unit D-11	West Hartford	CT	06107	860-206-7194
Westport Barre, LLC	291 Post Road East	Westport	CT	06880	203-557-8663
PB Cap Hill, LLC	407 8th Street SE	Washington	DC	20003	202-870-1799
District PB, LLC	2130 P Street NW	Washington	DC	20037	202-870-1799
PB Cathedral, LLC	3308 Wisconsin Avenue Northwest	Washington	DC	20016	202-244-7500
M2 Yoga Productions, LLC	3801 Kennett Pike, Building E, Suite 209	Greenville	DE	19807	302-691-3618
PB Aventura, LLC **	aventura@purebarre.com	Aventura	FL	TBD	Not yet determined
East Boca PB, LLC	350 Esplanade, Suite 55	Boca Raton	FL	33432	561-445-3257
Pure Barre Lakewood Ranch, LLC	5275 University Parkway, Suite 131	Bradenton	FL	34201	941-351-4040
Bradenton Barre, LLC	6745 Manatee Avenue West	Bradenton	FL	34209	941-792-8663
PB Brandon, LLC	857 E. Bloomingdale Ave	Brandon	FL	33511	813-968-1122
Clearwater Barre, LLC	2524 North McMullen Booth Road	Clearwater	FL	33761	727-791-8663
PB Miami, LLC	205 Altara Avenue	Coral Gables	FL	33146	305-529-0036

Franchisee	Address	City	State	Zip	Telephone
PBJ Weston, LLC	4575 Weston Road	Davie	FL	33331	954-909-4151
As Fit, LLC	34940 Emerald Coast Parkway	Destin	FL	32541	850-837-1090
PB Estero, LLC	21740 South Tamiami Trail #113	Estero	FL	33928	239-789-6900
Christina Nelson, LLC **	1960 E. W. Parkway, Suite 105	Fleming Island	FL	32003	904-579-3273
PB RSW, LLC	7381 College Parkway #100	Fort Myers	FL	33305	954-566-2202
November Enterprises, LLC	4201 NW 16th Blvd	Gainesville	FL	32605	904-613-8333
Covenant Fitness, LLC **	120 International Pwy	Heathrow	FL	32746	lakemary@purebarre.com
Pure Aptitude II, LLC **	450 S. R. 13 North, Unit 110	Jacksonville	FL	32259	julingtoncreek@purebarre.com
Pure Aptitude, LLC	4828 Deer Lake Drive West	Jacksonville	FL	32246	904-564-1600
The Koster Group, LLC	1661 Riverside Avenue, Suite 125	Jacksonville	FL	32204	904-778-5922
Victoria Koster & Jenny Parker	1988 San Marco Boulevard	Jacksonville	FL	32207	904-778-5642
The Wallace Group, LLC	1056 3rd Street North	Jacksonville Beach	FL	32250	904-504-1150
MLH Fitness, Inc. †	6330 W. Indiantown Road, Suite 12	Jupiter	FL	33458	561-277-9215
Pure Pinecrest AR, LLC	11349 South Dixie Highway	Miami	FL	33156	786-713-5905
Ollie, Inc.	1410 Pine Ridge Road #10	Naples	FL	34108	239-384-9684
Pure Dr. Phillips, LLC †	7339 West Sand Lake Road #412	Orlando	FL	32819	407-930-2759
Pure HopCo, LLC †	1430 North Mills Avenue #160	Orlando	FL	32803	407-745-5461
MLH Fitness, Inc. †	11290 Legacy Avenue k120	Palm Beach Gardens	FL	33410	561-622-7006
PBJ Pines, LLC **	14822 Pine Blvd	Pembroke Pines	FL	33027	954-544-4998
PB Pensacola, LLC	6 South Palafox Street	Pensacola	FL	32502	850-912-4470
The Koster Group PV, LLC	280 Village Main Street, Suite 970	Ponte Vedra Beach	FL	32082	904-239-7712
As Fit, LLC	174 Watercolor Way, Suite 101	Santa Rosa Beach	FL	32459	850-231-0147
PB SRQ, LLC	3800 S. Tamiami Trail, Suite 16, Sarasota, FL 34239	Sarasota	FL	34239	941-953-2323
St Pete Barre, LLC	3637 Fourth Street North	St. Petersburg	FL	33704	727-823-8663
C+P Fitness Florida, LLC	3425 Thomasville Road #8	Tallahassee	FL	32309	850-629-4123
CP Fitness Capital City, LLC**	1594 Governors Square Boulevard #2	Tallahassee	FL	32301	850-629-4123
Pure Barre Tampa, LLC	3830 West Neptune Street, Suite C5	Tampa	FL	33629	813-254-8663
Pure Barre TPA, LLC	12921 N. Dale Mabry Highway	Tampa	FL	33618	813-968-1122
PB Florida, LLC	12233 W. Linebaugh Avenue	Tampa	FL	33626	813-510-3949
PB New Tampa, LLC	18091 Highwoods Preserve Parkway, Suite 3	Tampa	FL	33647	813-866-7873
E.O. Wetmore, LLC	6555 N. Wickham Rd., Building 2, Unit 105	Viera	FL	32940	321-482-1132
PB Fit, LLC	11950 W Forest Hill Boulevard, Suite 22	Wellington	FL	33414	561-469-7943
C+P Fitness, LLC	191 Alps Road #17, Athens, GA 30606	Athens	GA	30606	706-850-4000

Franchisee	Address	City	State	Zip	Telephone
Shoebarre, LLC	4920 Rosswell Rd. NE, Suite 10A	Atlanta	GA	30342	404-330-8231
ATL Brookhaven, LLC†	1441 Dresden Drive, Suite 140	Atlanta	GA	30319	404-907-4706
ALT PB Buckhead, LLC	3145 Peachtree Road NE, Suite 169	Atlanta	GA	30305	404-550-8542
ATL PB Toco Hills, LLC †	2951 North Druid Hills Road	Atlanta	GA	30329	404-315-9001
ATL PB Vinings, LLC †	4300 Paces Ferry Road SE, Suite 476	Atlanta	GA	30339	770-989-1375
Knox Cox Enterprises, LLC	1100 Howell Mill Road, Suite A07	Atlanta	GA	30318	404-464-7443
ATL PB Inman Park, LLC †	240 North Highland Avenue Northeast #1	Atlanta	GA	30307	404-975-3244
GC Virginia Highland, LLC	1402 North Highland Avenue NE	Atlanta	GA	30306	404-883-3882
PB Augusta, Inc.	2907 Washington Road, Suite 202	Augusta	GA	30909	706-667-7300
Penny B & Me, LLC	1591 Bradley Park Drive, Suite F6	Columbus	GA	31904	706-570-8108
LMF Studios, Inc.	410 Peachtree Parkway, Suite 216	Cumming	GA	30041	770-889-0735
Goot Gibson, LLC	415 Church Street	Decatur	GA	30030	470-428-2290
Deb Perlstein	5539 Chamblee Dunwoody Road	Dunwoody	GA	30338	404-550-0451
The Coop Co, LLC	9810 Medlock Bridge Road, Suite 500	John's Creek	GA	30097	404-858-1186
ADM, LLC	1615 Ridenour Blvd. NW #205	Kennesaw	GA	30152	678-402-1458
Healthy Living Partners, LLC	4420 Forsyth Road, Suite 140	Macon	GA	31210	478-757-8561
Purposeful Living, LLC	3600 Dallas Highway, Suite 310	Marietta	GA	30064	678-742-7031
Ashley Haynes, LLC	13085 Highway 9 North, Suite 410	Milton	GA	30004	404-308-5689
PTCbarre, LLC	405 City Circle, Suite 1620	Peachtree City	GA	30269	770-632-8855
Southern Shaker, LLC	461 Pooler Parkway	Pooler	GA	31322	912-445-1249
LTB R, LLC	1155 Woodstock Road, Suite 705	Roswell	GA	30075	470-268-5412
Pure Barre Savannah, LLC	5521 Abercorn Street, Suite 500	Savannah	GA	31405	912-665-1129
PB Snellville, LLC	1350 Scenic Highway, Suite 808, Snellville, GA 30078	Snellville	GA	30078	678-825-2189
HiBarre Oahu, LLC	4211 Waialae Ave	Honolulu	HI	96816	808-476-8500
Born Fit, LLC**	kailua@purebarre.com	Honolulu	HI	TBD	not yet determined
PB Studios Hawaii, LLC	70 West Kaahumanu Avenue	Kahului	HI	96732	808-419-6447
PB DM, LLC **	12655 University Ave., Suite 140	Clive	IA	50325	wesdesmoines@purebarre.com
Bucci Barre, LLC	550 S. Broadway, Suite 110	Boise	ID	83702	208-841-2311
Bucci Barre, LLC	6700 North Linder Road #174	Eagle	ID	83646	208-891-8851
Double A Fitness Lincoln Park, LLC	2058 North Halsted Street	Chicago	IL	60614	872-206-5154
TL Wolf LLC **	1336 S. Michigan Ave.	Chicago	IL	60605	southloop@purebarre.com
Mercer & Winnie, LLC	1837 W North Avenue	Chicago	IL	60622	773-486-3580
HNV Lakeview, LLC	3245 N Ashland Ave, Suite 1	Chicago	IL	60657	773- 281-1221
True Form, LLC	1350 N. Wells Street, Suite 4	Chicago	IL	60610	312-642-2922
Orson, LLC	1 E. Huron Street, 2nd Floor	Chicago	IL	60611	312-415-6425
SV Orson LLC	319 E. Ontario Street	Chicago	IL	60611	312-914-6553

Franchisee	Address	City	State	Zip	Telephone
Warner Hudson Corp.	1170 West Madison Street	Chicago	IL	60607	312-877-5599
Jagger Knox, LLC **	westloopgate@purebarre.com	Chicago	IL	TBD	not yet determined
True Reach LLC Lincoln Square**	2309 W. Lawrence Ave.	Chicago	IL	60625	773-654-3799
Pure Deerfield, LLC	720 Waukegan Road, Suite J	Deerfield	IL	60015	847-914-0755
LTB Fitstyle, LLC	122 Schiller St.	Elmhurst	IL	60126	312-576-3443
True Reach LLC Evanston	910 Church Street	Evanston	IL	60201	847-491-6245
Studio 26, LLC	500 S Third Street, Suite 123	Geneva	IL	60134	630-492-1224
DLW Fitness, Inc.	2021 Tower Drive	Glenview	IL	60026	224-661-3928
ANG Enterprises, LLC	20771 N. Rand Road	Kildeer	IL	60047	847-550-8355
Pure Keiki, LLC	144 W Jefferson Avenue	Naperville	IL	60540	630-922-8803
True Reach, LLC Oak Park **	oakpark@purebarre.com	Oak Park	IL	TBD	not yet determined
LSP PB Holdings, Inc.	141A Kinderkamack Road	Park Ridge	IL	07656	847-696-7219
PB Libertyville, LLC	33 Rice Lake Square	Wheaton	IL	60189	630-933-9303
Double A Fitness Hinsdale, LLC	7187 S. Kingery Highway	Willowbrook	IL	60527	630-965-1175
Ravenwood Ventured LLC**	bloomington@purebarre.com	Bloomington	IN	TBD	not yet determined
Barrefly, LLC**	6280 N. College Ave., Suite 400	Broad Ripple	IN	46220	317-426-2606
Curly Top, LLC	726 Adams Street, Suite 130	Carmel	IN	46032	317-816-1261
PB Indy, LLC**	209 W. Michigan St.	Downtown Indianapolis	IN	46204	317-503-8049
Frame Road Fitness, LLC	6501 E. Lloyd Expressway, Suite 21	Evansville	IN	47715	912-455-7268
Curly Top 2, LLC	11501 Geist Pavilion Drive, Suite 112	Fishers	IN	46037	317-436-7243
Kilburn Holdings, LLC **	1001 N. State Rd. 135, Suite B2	Greenwood	IN	46142	317-474-2405
Barre None, LLC **	lafayettein@purebarre.com	Lafayette	IN	TBD	not yet determined
Three Ladies and a Buck, LLC	4317 Charlestown Road, Suite #9	New Albany	IN	47150	821-725-7394
734 Barre, LLC **	1130 E. Angela Blvd.	South Bend	IN	46617	southbend@purebarre.com
Heartland PB, LLC **	4821 W. 6th Street, Suite L	Lawrence	KS	66049	lawrence@purebarre.com
PureKC, LLC	4945 W. 119th Street	Leawood	KS	66209	913-954-7954
Wichita Barre, LLC	1423 N. Webb Road, Suite 119	Wichita	KS	67206	316-253-1044
Greater Cincinnati Pure Barre, LLC	3420 Valley Plaza Parkway	Fort Wright	KY	41017	859-331-8600
Pure A&E, LLC	867 East High Street, Suite 150	Lexington	KY	40502	859-335-2391
2 Chicks & A Nickel, LLC	1321 Herr Lane, Suite 180	Louisville	KY	40222	502-749-2222
Barre Kentucky, LLC	4284 Summit Plaza Drive	Louisville	KY	40223	502-425-8300
2 Chicks & A Dollar, LLC	2294 Lexington Road	Louisville	KY	40206	502-742-9708
Pure Life, LLC	2680 Frederica Street	Owensboro	KY	42301	270-240-4661
Pure Passion-BR1, LLC	3033 Perkins Road, Suite B	Baton Rouge	LA	70808	225-300-8872
Rafferty Domingue, LLC	4243 Ambassador Caffery, Suite 117	Lafayette	LA	70508	337-993-2454

Franchisee	Address	City	State	Zip	Telephone
Studio 116, LLC	1814 North Causeway Boulevard, Suite 8	Mandeville	LA	70448	985-674-7577
Studio J, LLC	701 Metairie Road, Suite 101-2A	Metairie	LA	70005	504-324-9321
Studio J, LLC	3923 Magazine Street	New Orleans	LA	70115	504-342-2208
Boom, LLC	350 Newbury Street	Boston	MA	02115	617-247-5360
PB Brookline, LLC	1333 Beacon Street	Brookline	MA	02446	617-232-1242
Jessica Grasso, LLC	82 Burlington Mall Road	Burlington	MA	01803	781-365-1898
Lauren Sherman**	Cambridge@purebarre.com	Cambridge	MA	TBD	not yet determined
J&J Fit, LLC**	Charlestowne@purebarre.com	Charlestowne	MA	TBD	Not yet determined
PB Tuzzolo, LLC	50 Beharrell Street	Concord	MA	07142	978-261-5901
PB Pats Place, LLC	244 Patriot Place	Foxborough	MA	02035	508-543-1009
PBH Studio, LLC	18 Shipyard Drive #1c	Hingham	MA	02043	781-749-0774
PB Fitness II of Western Massachusetts, LLC	432 N. Main Street	Longmeadow	MA	01028	413-224-1834
Rachel Roberts, LLC	1300 Centre Street	Newton	MA	02459	617-332-7873
Western Massachusetts, LLC	63 King Street	Northampton	MA	01060	413-341-3125
Studio Thirty-Three, LLC	435 Boston Post Road	Sudbury	MA	01776	978-261-5901
PB Wellesley, LLC	200 Linden Square	Wellesley	MA	2482	781-235-3355
PB Westford, LLC	9 Cornerstone Square	Westford	MA	1886	978-727-8040
Greer Hancock, LLC	2484 Solomons Island Road	Annapolis	MD	21401	410-266-8129
PB Harborside, LLC†	2400 Boston Street, #104	Baltimore	MD	21224	443-835-1800
PB Roland Park, LLC **†	711 W. 40th Street, Suite 158	Baltimore	MD	21211	667-205-1087
Bethesda PB, LLC	4930 Hampden Lane	Bethesda	MD	20814	301-642-2864
LTB Columbia, LLC	8801 Centre Park Drive	Columbia	MD	21045	410-997-0200
Graves Lyate, LLC	1153 Route 3, Suite 70	North Gambrills	MD	21054	240-687-0676
JCD Fitness, LLC	402 King Farm Boulevard, Suite 140	Rockville	MD	20850	301-366-0534
Rockville PB, LLC	1801 Chapman Ave, Suite A	Rockville	MD	20852	301-881-8663
LTB Silverspring, LLC**	silverspring@purebarre.com	Silver Spring	MD	TBD	not yet determined
CI, Inc **	492 Congress Street	Portland	ME	04101	portlandme@purebarre.com
Tumnus, LLC	3139 Oak Valley Drive	Ann Arbor	MI	48103	734-761-5350
Gordon Heisel Locke LLC	539 E. Liberty Street	Ann Arbor	MI	48108	734-882-2243
Bedford-Weyand, LLC	2885 W. Maple Rd.	Birmingham	MI	48084	248-607-9166
Bedford Weyand, LLC	9418 Village Place Boulevard	Brighton	MI	48116	810-225-9335
Studio MK1, LLC **	2107 E. Beltline Avenue	East Grand Rapids	MI	49825	616-361-4466
Studio Elza-Kemp, LLC	2107 E Beltline Avenue NE, Suite C	Grand Rapids	MI	49525	616-361-4466
Two Girls and A Barre, LLC	75 Kercheval Avenue #101	Grosse Pointe	MI	48236	313-458-7857
PLW Investments LLC	90 Douglas Avenue, Suite 40	Holland	MI	49424	616-377-7253
Dakhlian & Worland, LLC	42972 Grand River Avenue	Novi	MI	48375	248-596-0002

Franchisee	Address	City	State	Zip	Telephone
Glowen, LLC	3544 Meridian Crossings Drive, Suite 160	Okemos	MI	48664	517-347-4772
Lictawa Hynes, LLC	585 Forest Avenue	Plymouth	MI	48170	734-335-6104
PB Rochester, LLC	439 South Main Street, Suite 150	Rochester	MI	48307	248-842-6516
PB Saginaw, LLC	30 N Center Road	Saginaw	MI	48638	989-793-2673
P.B. of Apple Valley, LLC	15594 Pilot Knob Road, Suite 300	Apple Valley	MN	55124	952-683-9683
M&R Corp.	582 Prairie Center Drive, Suite 225	Eden Prairie	MN	55344	858-344-7211
PB Twin Cities, LLC	7101 France Avenue South #201	Edina	MN	55435	952-928-3000
My Daughter Pete, LLC	7891 Main Street	Maple Grove	MN	55369	763-432-2475
North Loop Barre, LLC**	northloop@purebarre.com	Minneapolis	MN	TBD	not yet determined
KMP Health & Wellness, LLC	5620A W. 36th Street	Minneapolis	MN	55416	952-378-1586
Aambitious, LLC **	154 5th Street SW	Rochester	MN	55902	rochestermn@purebarre.com
A Banducci Barre, LLC	1045 Grand Avenue	St. Paul	MN	55105	651-333-0508
Active Edit, Inc.	1605 Queens Drive, Suite 102	Woodbury	MN	55125	651-888-0499
TBAAB, LLC	1740 Clarkson Road	Chesterfield	MO	63017	636-591-4499
Pure Barre Columbia, LLC	124 East Nifong Boulevard	Columbia	MO	65203	573-874-9006
PBKH Holdings, LLC	11684 Manchester Road	Des Peres	MO	63131	314-966-1216
Glistrous Limited Company	8526 Northwest NW Prairie View Road, Suite 100	Kansas City	MO	64153	816-912-0864
HEJ Fund II, LLC †	8885 Ladue Road	St. Louis	MO	63124	314-721-9300
HEJ Fund II, LLC †	4931 Lindell Boulevard #100	St. Louis	MO	63108	314-932-5611
BRP Enterprises, LLC	163 Turtle Creek Drive	Hattiesburg	MS	39402	601-714-1009
SMK Dining, LLC	4500 I-55 North, Suite 235-A	Jackson	MS	39211	769-251-0486
RebelTDawgs, LLC	5338 Goodman Road	Olive Branch	MS	38654	662-895-7877
OXOLTB, LLC	265 N Lamar Boulevard, Suite E	Oxford	MS	38655	662-638-5272
SMK Dining, LLC	201 Northlake Avenue, Suite 107	Ridgeland	MS	39157	601-707-7410
SGH Enterprises, LLC	87-5 Cotton Mill Drive	Starkville	MS	39759	662-268-8084
High Seats, LLC	1595 Grand Avenue	Billings	MT	59102	406-534-2883
Unsinkable MTB, LLC	34 East Mendenhall Street, Suite R-6	Bozeman	MT	59715	406-577-2918
I&F Fitness, LLC **	812 Toole Ave., Suite C	Missoula	MT	59801	missoula@purebarre.com
Asheville PB01, LLC	1865 Hendersonville Road, Suite 114	Asheville	NC	28803	864-906-4777
PB Cary, LLC	2044 Kildaire Farm Road	Cary	NC	27518	984-200-4036
PB Partners, LLC	608 Meadowmont Village Circle	Chapel Hill	NC	27517	919-537-8305
Chip Christianson	6401 Morrison Blvd, Suite 7A	Charlotte	NC	28211	704-364-2888
PB Ballentyne, LLC	8430 Rea Road, Suite 120	Charlotte	NC	28277	704-502-5888
Pure Barre Charlotte, LLC	603 Providence Road	Charlotte	NC	28207	980-329-4640
PB Piedmont Triad, LLC	6252 Towncenter Drive #104	Clemmons	NC	27012	336-749-7222
PB Partners, LLC	737 Ninth Street, Suite 260	Durham	NC	27705	919-537-8305
ARH Companies, LLC	322 Glensford Drive, Suite 107	Fayetteville	NC	28314	910-302-3335

Franchisee	Address	City	State	Zip	Telephone
GCBP, LLC	1310 Westover Terrace, Suite 105	Greensboro	NC	27408	336-333-3938
GCPB2, LLC	1570-2A Highwood Blvd.	Greensboro	NC	27410	336-690-0211
LTB Greenville, LLC	420 East Arlington Boulevard, Suite J	Greenville	NC	27858	252-689-6103
PB HP, LLC	1231 Eastchester Drive, Suite 112	High Point	NC	27265	336-883-1231
PB Holly Springs, LLC	248 Grand Hill Place	Holly Springs	NC	27540	919-552-9410
LKN Barre, LLC	16815 Cranlyn Road, Suite A	Huntersville	NC	28078	704-997-6041
LKN Barre, LLC	129 Market Place Drive	Mooresville	NC	27028	704-360-9901
PB Apex, LLC	1412 Village Market Place	Morrisville	NC	27560	919-377-0299
PB Apex, LLC	4209 Lassiter Mill Road, Suite 134	Raleigh	NC	27609	919-896-7464
PB Apex, LLC	9660 Falls of Neuse Road, Suite 149	Raleigh	NC	27615	919-846-7090
Westfit, LLC	1764 Old Morganton Road, Suite 1764	Southern Pines	NC	28387	910-246-2164
AOK Barre, LLC	1123B Military Cutoff Road, Wilmington, NC 28405	Wilmington	NC	28405	910-679-8171
Pure Barre Piedmont Triad, LLC	114K Reynolda Village	Winston Salem	NC	27106	336-602-1473
Emma & Brittany, LLC	2900 Pine Lake Road, Suite E	Lincoln	NE	68516	402-904-4841
Emma's PB, LLC	577 North 155th Plaza	Omaha	NE	68154	402-916-9692
PB K Enterprises, LLC	2501 South 90th Street #118	Omaha	NE	68124	402-933-5010
KBOSS Bedford, LLC	79 South River Road	Bedford	NH	03110	603-218-3817
KBOSS, LLC	112 Spit Brook Road, Suite B	Nashua	NH	03062	603-943-5092
Mcnamara Barre Studio, LLC **	2454 Lafayette Rd., Unit 37	Portsmouth	NH	03801	978-225-0542
Healthy Investments, LLC	20 West Main Street	Denville	NJ	07834	973-664-9000
PB Florham Park LLC	187 Columbia Turnpike	Florham Park	NJ	07932	973-845-9600
ELLEON, LLC	112 Kings Highway East	Haddonfield	NJ	08033	856-375-2700
PB Hoboken, LLC**	hoboken@purebarre.com	Hoboken	NJ	TBD	not yet determined
Pure Partners, LLC	357 Route 9 South	Manalapan	NJ	07726	732-449-3272
M2 Fitness, LLC	237 Millburn Avenue	Millburn	NJ	07041	973-379-4537
CW Lifestyle, LLC	650 Bloomfield Avenue	Montclair	NJ	07042	862-333-4558
Wellness Essentials, LLC	1260 Springfield Avenue #9	New Providence	NJ	07974	908-464-0050
Jolie Closter, LLC	141A Kinderkamak Road	Park Ridge	NJ	07656	201-746-9288
Jacqui Arce-Quinton	Palmer Square, 3100 Huffish Street	Princeton	NJ	08542	609-921-2745
M2 Fitness, LLC	127 Broad Street	Red Bank	NJ	07701	732-842-7873
Pure Venture, LLC	1200 Third Avenue	Spring Lake	NJ	07762	732-449-3272
Pure Ventures, LLC	708 North Avenue	Westfield	NJ	07027	908-232-1332
PB ABQ, LLC	6500 Holly Avenue NE	Albuquerque	NM	87113	575-312-2640
Raise The Barre, LLC	725 South Green Valley, Suite 42A , Parkway	Henderson	NV	89012	702-558-4149
LEX Barre, LLC	3330 S. Hualapai Way Suite 140	Las Vegas	NV	89117	702-525-3454
Reno Body Barre, LLC	748 S. Meadow Pkwy, Suite A6	Reno	NV	89521	775-815-3244

Franchisee	Address	City	State	Zip	Telephone
Studio TS, LLC	178 5th Avenue	Brooklyn	NY	11217	718-623-3300
Studio TC, LLC	266 Court Street	Brooklyn	NY	11231	347-987-3609
Portside Group, LLC	204 Wythe Avenue	Brooklyn	NY	11249	718-384-3481
Portside Group, LLC	225 Franklin Street, Brooklyn, NY	Brooklyn	NY	11222	718-623-3300
ATINAV, LLC	7660 Transit Road	Buffalo	NY	14221	716-276-3570
MS4 Fit, LLC	191 Seventh Street	Garden City	NY	11530	516-280-8443
Pure Results Long Island, LLC	1681 Northern Boulevard	Manhasset	NY	11030	516-365-9090
2H Investments, LLC	554 Hudson Street	New York	NY	10014	646-344-1142
Tribeca PB, LLC	110 Read Street	New York	NY	10013	646-861-1253
Sweat Equity, LLC	1237 Second Avenue	New York	NY	10065	646-678-4102
PB Turning Point, LLC	412 Columbus Avenue	New York	NY	10024	917-965-2175
Surrey PB, LLC	80 Pine Street, 1st Floor	New York	NY	10038	212-785-1222
Pure Barre Fifth Avenue, LLC	78 Fifth Avenue, 4th Floor	New York	NY	10011	917-675-1528
Pure Barre Manhattan, LLC	1841 Broadway, Suite 330	New York	NY	10023	917-344-9175
PB Upper East Side, LLC	1325 B Lexington Avenue	New York	NY	10128	646-484-5447
PB Southampton, LLC	5 Windmill Lane #4	Southampton	NY	11968	631-353-3064
Cathy McKie	6789 East Genesee Street	Syracuse	NY	13066	315-446-5084
ABJF, LLC	33576 Detroit Road	Avon	OH	44011	440-773-0259
Purebeach, LLC	31100 Pinetree Road, Suite 115	Beachwood	OH	44124	216- 870-1563
Starry Night by SELA, LLC	1393 Boardman-Canfield Road, Suite J	Boardman	OH	44512	234-254-4150
Raising The Barre, LLC	8495 Chippewa Road	Brecksville	OH	44141	440-736-7630
The Ranieri Group, LLC	3083 Madison Road	Cincinnati	OH	45209	513-321-5800
Pure Fit, LLC	8154 Montgomery Road #102	Cincinnati	OH	45236	513-793-9222
Cincy West Fitness, LLC	6355 Harrison Avenue	Cincinnati	OH	45247	513-832-7034
EM J Companies, LLC	960 W. 5th Avenue	Columbus	OH	43212	614-357-5324
EM J Companies, LLC	3650 W. Dublin-Granville Road	Columbus	OH	43235	614-718-3340
EM J Companies, LLC	180 Market Street, Suite D	Columbus	OH	43054	614-600-7138
Pure Barre Dayton, LLC	62 W. Franklin Street	Dayton	OH	45459	937-535-2876
Pure Hud, LLC	50 W. Streetsboro Street, Suites 3 & 4	Hudson	OH	44236	330-801-5397
Greater Cincinnati Fitness, LLC	5939 Deerfield Boulevard, Suite 103	Mason	OH	45040	513-204-1978
North Peak Investments, LLC **	128 Louisiana Ave.	Perrysburg	OH	43551	419-873-6393
Penelope Lane, Inc.	19940 Detroit Road	Rocky River	OH	44116	440-773-0259
Maroon Peak Investments, LLC	3157 West Central Avenue	Toledo	OH	43606	303-941-7291
Bradanne Partners, LLC **	16015 Cleveland St.	Edmond	OK	98052	425-658-3915
Tatum Fitness, LLC	1680 24th Ave. NW	Norman	OK	73069	405-310-2118
Pure Maddie, LLC	6463 Avondale Dr.	Oklahoma City	OK	73116	405-696-8299
MJMK, LLC	8921 S. Yale Avenue, Suite C	Tulsa	OK	74137	918-494-4977
MJMK, LLC	3807 S. Peoria Place, Suite M	Tulsa	OK	74105	918-933-6006

Franchisee	Address	City	State	Zip	Telephone
Erin Anderson Griffith	520 SW Powerhouse Drive, Suite 150	Bend	OR	97702	541-678-5478
PDX Wolf Pack, LLC	1124 Northwest 13th Avenue	Portland	OR	97209	503-894-8623
Richen PB, LLC	1504 Northeast Broadway	Portland	OR	97232	971-202-2696
Cootie Productions, LLC	4773 Freemansburg Avenue, Unit D102	Bethlehem Township	PA	18045	305-338-6968
Tradewinds Capital, LLC	1745 South Easton Road	Doylestown	PA	18901	215-491-7873
Capital Barre Fitness, LLC	6440 Carlisle Pike, Building 2, Suite 3	Mechanicsburg	PA	17050	717-678-9264
Rebel and Rain LLC **	media@purebarre.com	Media	PA	TBD	not yet determined
6 Dogs, LLC	203 Blue Spruce Way	Murrysville	PA	15668	724-519-8571
Two Puppies, LLC	4000 Washington Road #108	Peters Township	PA	15217	724-941-8663
ELLEON, LLC	1701 Walnut Street, 4th Floor	Philadelphia	PA	19103	267-234-7825
Three Puppies, LLC	1612 Cochran Road	Pittsburgh	PA	15220	412-248-2424
LGD Studios, LLC	5986 Centre Avenue	Pittsburgh	PA	15206	412-248-3333
DSP Fitness, LLC	1121 Freeport Road	Pittsburgh	PA	15238	412-408-3335
ELLEON, LLC	503 W. Lancaster Avenue	Wayne	PA	19087	484-588-2628
LGD Studios, LLC	12091 Perry Highway	Wexford	PA	15090	724-719-9191
PS Tenacity, LLC	50 East Wynnewood Road	Wynnewood	PA	19096	484-231-1078
PBRI, LLC	2000 Chapel View Boulevard, Suite 125	Cranston	RI	02920	401-944-0411
PBRI-II, LLC	1000 Division Street #16	East Greenwich	RI	02818	401-885-2714
PB Bluffton, LLC**	109 Towne Dr.	Bluffton	SC	29910	bluffton@purebarre.com
Pure Barre Downtown, LLC	164 Market Street, Suite C	Charleston	SC	29401	843-606-0559
Pure Barre Charleston, LLC	919 Houston Northcutt Blvd.	Charleston	SC	29464	843-606-0559
PB West Ashley, LLC	1300 Savannah Highway #5	Charleston	SC	29407	843-813-5552
PB N. Mt. Pleasant, LLC **	northmtpleasant@purebarre.com	Charleston	SC	TBD	not yet determined
AFAR, LLC	2123A Greene Street	Columbia	SC	29205	803-254-0078
AFAR 2, LLC	1230 B3A Bower Parkway	Columbia	SC	29212	803-732-3303
LTBSC, LLC	733 Stockbridge Drive	Fort Mill	SC	29708	803-462-5303
Barre 3, LLC	1922 Augusta Street, Suite 113	Greenville	SC	29605	864-477-8312
Barre 4, LLC	3722 Pelham Road	Greenville	SC	29615	864-477-8312
PB Hilton Head, LLC	38 Shelter Cove Lane #129	Hilton Head Island	SC	29928	843-785-7888
K Stone Holdings, LLC	11897 Highway 707	Murrells Inlet	SC	29576	843-299-0848
Emerge Pilates, LLC	1200 E. Main Street, Suite 7	Spartanburg	SC	29307	864-764-1372
Woakum Holdings, LLC	330 Franklin Road, Suite 137A	Brentwood	TN	37027	615-278-8991
Harkins Holmes, Inc.	1414 Jenkins Road, Suite 122	Chattanooga	TN	37421	423-468-4960
Harkins Holmes, Inc.	214 Manufacturers Boulevard	Chattanooga	TN	37405	423-580-1162
KIB Fitness, LLC	1556 West McEwen Drive	Franklin	TN	37067	615-472-1669
Southern Barre, LLC	158 Front Street, Suite 100B	Franklin	TN	37064	615-236-9143

Franchisee	Address	City	State	Zip	Telephone
Laurenzi & Morgan, LLC	7820 Poplar Avenue, Suite 12	Germantown	TN	38138	901-484-0705
Colony and Greer, LLC **	hendersonville@purebarre.com	Hendersonville	TN	TBD	Not yet determined
Chip Christianson II & Katie Nickey	1370 Union University Drive, Suite A	Jackson	TN	38305	731-300-7470
PB Knoxville, LLC	133 S. Forest Park Boulevard	Knoxville	TN	37919	865-212-0025
Laurenzi & Morgan, LLC	4700 Spottswood Avenue	Memphis	TN	38117	901-766-1882
L&M Collierville, LLC	942 W. Poplar Street 1	Memphis	TN	38017	901-221-7574
PB Murfreesboro, LLC	1970 Medical Center Parkway	Murfreesboro	TN	37129	615-203-3129
KDD Ventures, LLC	2101 Bandywood Drive	Nashville	TN	37215	615-904-4585
MoDeck TN, LLC	21 White Bridge Road #210	Nashville	TN	37205	615-278-0450
MoDeck TN, LLC	228 11th Avenue South	Nashville	TN	37203	615-603-8335
Amanda Kovach, Inc.	972 Village Green Drive	Allen	TX	75013	214-383-9235
Studio Firm, LLC	2500 NE Green Oaks Boulevard, Suite 128	Arlington	TX	76006	817-652-2920
Anani Star, LLC	10710 Research Boulevard, Suite 316	Austin	TX	78759	512-574-2344
Sierra Barre, LLC	2300 Lohmans Spur, Suite 186	Austin	TX	78734	512-574-3348
Anani Star, LLC	3267 Bee Caves Road	Austin	TX	78746	512-574-8644
Barre Dunn, LLC	1525 Cypress Creek Road, Suite H	Cedar Park	TX	78613	512-599-7979
Weir Friends, LLC	4712 Colleyville Blvd, # 150	Colleyville	TX	76034	214-507-1851
Minimal Movement, LLC	230 North Denton Tap Road, Suite 107	Coppell	TX	75019	972-221-7873
Queen Nefertiti Wellness, Inc.	9925 Barker Cypress, Suite 142	Cypress	TX	77433	281-246-4105
PB Uptown, LLC	3700 McKinney Avenue	Dallas	TX	75204	214-521-6600
PB Partners, LLC	5919 Greenville Avenue	Dallas	TX	75206	214-361-2882
Pure Lakewood, LLC	6025 Royal Lane #203	Dallas	TX	75230	469-930-5755
Pure LTB, LLC	5000 Belt Line Road #200	Dallas	TX	75254	972-661-2876
LTB Guhn, LLC	1400 South Loop 288 #116	Denton	TX	76205	940-600-4012
PB EP, LLC	5610 North Desert Boulevard	El Paso	TX	79912	915-875-0031
LTB FM, LLC	5801 Long Prairie Road, Suite 825	Flower Mound	TX	75028	972-539-3065
Steber PB, LLC	6333 Camp Bowie Boulevard, Suite 220	Fort Worth	TX	76116	817-677-8731
Jesler Group, LLC	5570 FM 423, Suite 500	Frisco	TX	75034	214-469-1147
Taylored Dietetics, LLC	1948 West Gray Street	Houston	TX	77019	713-524-2690
PB West U, LLC	2429 University Blvd	Houston	TX	77005	832-804-7456
PB The Heights, LLC	1436 Studewood Street	Houston	TX	77008	832-831-5071
Anani Star, LLC	1379 South Voss Road, Suite B	Houston	TX	77057	713-784-7873
NBNK Investments, LLC	6761 North Macarthur Blvd, Suite 140	Irving	TX	75309	972-506-7252
Queen Tiye Wellness, LLC	23501 Cinco Ranch Boulevard d120	Katy	TX	77494	281-394-9000
Sweet Seat, LLC **	2875 E. League City Pkwy #700	League City	TX	77573	leaguecity@purebarre.com
Lemon Barre, LLC	4505 98th Street	Lubbock	TX	79424	806-698-6300

Franchisee	Address	City	State	Zip	Telephone
Amanda Kovach	6840 Virginia Parkway, Suite 135	McKinney	TX	75071	214-592-9471
PB Midland, LLC**	3208 N. Loop 250 W., Suite 200	Midland	TX	77079	midland@purebarre.com
PB New Braunfels, LLC **	1551 N. Walnut Ave, Suite 5	New Braunfels	TX	78130	830-481-1714
Running on Joy, LLC	3450 E Hebron Parkway, Suite 116	Plano	TX	75010	972-248-6161
JPS Stone, LLC	8305 Preston Road	Plano	TX	75024	972-841-9059
Hershey Barre, LLC	322 W. Campbell Rd.	Richardson	TX	75080	469-567-3682
R&S Barre, LLC	2051 Gattis School Rd., Suite 160	Round Rock	TX	78664	512-803-9343
Stanton & Price, LLC	21019 US Highway 281 North, Suite 33	San Antonio	TX	78258	210-529-1728
PL Blondie, LLC	480 W. Southlake Boulevard, Suite 131	Southlake	TX	76092	817-488-7434
Barre Benefits, LLC **	10300 Louette Rd. #124	Spring	TX	77070	832-698-1720
Barre Monies, LLC	8000 Research Forest Drive #110	The Woodlands	TX	77382	281-298-8998
Barre Monies, LLC	1950 Hughes Landing Blvd, Suite 1600	The Woodlands	TX	77380	832-823-4750
The Dogwood Trail, LLC	5100 Old Bullard Rd., STE. A	Tyler	TX	75703	903-343-1006
Pure Barre Utah, LLC	280 East 12300 South, Suite 104	Draper	UT	84020	801-523-6215
Hasse-Eubank Resources, LLC	1708 West Uinta Street #2	Park City	UT	84098	435-214-7430
Alexandria (Carlyle) PB, LLC	429 John Carlyle Street	Alexandria	VA	22314	703-303-8146
Pentagon City PB, LLC **	pentagoncity@purebarre.com	Arlington	VA	TBD	not yet determined
Clarendon PB, LLC	1024 North Garfield Street	Arlington	VA	22201	571-319-0588
L & M Studios, LLC	19825 Belmont Chase Drive, Suite 125	Ashburn	VA	20147	908-339-7097
Pure Barre Charlottesville, LLC	2200 Old Ivy Road	Charlottesville	VA	22903	434-245-1119
Barre Chesapeake, LLC	733 Eden Way North #406	Chesapeake	VA	23320	757-842-4288
PB Fairfax, LLC	4201 Ridge Top Road	Fairfax	VA	22030	703-591-3270
Falls Church PB, LLC **	fallschurch@purebarre.com	Falls Church	VA	TBD	not yet determined
GMHMCHILL, LLC	5680 King Center Drive, Suite 100	Kingstowne	VA	22315	303-867-3187
PB Leesburg, LLC	1089 Edwards Ferry Rd. NE	Leesburg	VA	20176	703-687-4051
Chip Christianson	6825 Redmond Drive, Suite E	McLean	VA	22101	703-761-2228
Barre Midlo, LLC	1282 Alverser Plaza Dr.	Midlothian	VA	23113	804-464-4098
Barre One, LLC	320 West 21st Street	Norfolk	VA	23517	757-333-7393
PB Fairfax, LLC	12975 Highland Crossing Drive, Suite B	Reston	VA	20171	571-287-7221
Richmond (Short Pump) PB, LLC	4017 Lauderdale Drive	Richmond	VA	23233	804-918-2568
RVA Barre, LLC	6235 River Road	Richmond	VA	23229	804-477-6036
Dancing Turtle, LLC	5036 Keagy Road, Suite 202	Roanoke	VA	24018	540-904-7446
Second Best, LLC	24570 Dulles Landing Dr. STE. 190	South Riding	VA	20166	703-542-5151
PB Vienna, LLC	218 Maple Avenue West	Vienna	VA	22180	703-281-4100
Barre One, LLC	741 First Colonial Road, Suite 104	Virginia Beach	VA	23451	757-422-2220
CW Barre, LLC	5231 Monticello Ave, Suite B	Williamsburg	VA	23188	757-378-2476

Franchisee	Address	City	State	Zip	Telephone
PB Burlington, LLC	150 Dorset Street	Burlington	VT	5403	802-497-2638
IMAS Holdings, LLC	909 112th Ave NE, Suite 107	Bellevue	WA	98004	425-462-7474
IMAS Holdings, LLC	16015 Cleveland Street	Redmond	WA	98052	425-658-3915
IMAS Holdings, LLC	500 Mercer Street	Seattle	WA	98109	206-535-8910
IMAS Holdings, LLC	5001 25th Avenue NE, Suite 102	Seattle	WA	98105	206-935-7873
IMAS Holdings, LLC	1222 E Pine Street, Suite B	Seattle	WA	98122	206-403-1820
IMAS Holdings, LLC	406 Northeast 71st Street	Seattle	WA	98115	206-420-1667
KT Wood, LLC	13910 E Indiana Avenue, Suite E	Spokane	WA	99216	509-315-4920
Vanderhouwen Fitness, LLC	2410 Columbia House Boulevard #102	Vancouver	WA	98661	360-735-7873
EJP Corp **	2566 Sun Valley Dr.	Delafield	WI	53029	262-337-9529
JHS Fitness, LLC	12894 West Blue Mound Road	Elm Grove	WI	53122	414-800-7369
Fitness Barre of Green Bay, LLC	2621 South Oneida Street, Suite 108	Green Bay	WI	54304	920-770-5095
Pure Madison, LLC	702 N. Midvale Boulevard	Madison	WI	53705	608-238-3610
JHS Holdings, LLC	418 East Silver Spring Drive	Whitefish Bay	WI	53217	414-702-6025

NOTES:

[1]/ If a studio address has not been established as of December 31, 2016, we have indicated the franchisee's e-mail address.

** Franchisees that have signed a Pure Barre franchise agreement, but are not yet operating as of December 31, 2016.

† Franchisees that have signed multi-unit development agreements.

Franchisees That Have Left the System during Our Most Recent Fiscal Year or That Have Not Communicated with Us within 10 Weeks of the Issuance Date of the Disclosure Document

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

Franchisee	City	State	Telephone	Reason	Comments
Bay Barre, LLC	Daphne	AL	251-288-4238	Transfer	
Pure Bay, LLC	Mobile	AL	251-345-1180	Transfer	
Emily's Health and Fitness Ltd. Liability Co.	Los Gatos	CA	408-458-6811	Transfer	
Wine Country Sculpt, LLC	Napa	CA	707-257-7215	Transfer	
Hovden & Goedhart, LLC	Pasadena	CA	626-765-9400	Transfer	
Tucking Turtles, LLC	Redondo Beach	CA	424-247-8686	Transfer	
PurePartners, LLC	San Francisco	CA	415-779-8825	Transfer	
Bradenton Barre, LLC	Bradenton	FL	941-792-8663	Transfer	Transferred a studio, but still in system as owner of another studio
MLH Fitness, Inc.	Wellington	FL	561-469-7943	Transfer	Transferred a studio, but still in system as owner of another studio
MLH Fitness, Inc.	West Palm Beach	FL	561-469-7943	Termination	Transferred a studio, but still in system as owner of another studio
ATL PB Cummings, LLC	Atlanta	GA	770-889-0735	Transfer	
ATL PB Roswell, LLC	Atlanta	GA	470-268-5412	Transfer	
MoDeck, LLC	Atlanta	GA	404-550-8542	Transfer	
ATL PB 1, LLC	Atlanta	GA	404-464-7443	Transfer	
Pure Bucktown, LLC	Chicago	IL	773-486-3580	Transfer	
Pure Evanston, LLC	Evanston	IL	847-491-6245	Transfer	
Pure Kildeer, LLC	Kildeer	IL	847-550-8355	Transfer	
Pure Naperville, LLC	Naperville	IL	630-922-8803	Transfer	
Pure Wheaton, LLC	Wheaton	IL	630-933-9303	Transfer	
Glowen II, LLC	Brighton	MI	810-225-9335	Transfer	
Bedford Weyand, LLC	Novi	MI	248-596-0002	Transfer	Transferred a studio, but still in system as owner of another studio
Laurenzi and Morgan Olive Branch, LLC	Olive Branch	MS	662-895-7877	Transfer	
Pure Barre Buffalo, LLC	Buffalo	NY	716-276-3570	Transfer	
Penelope Lane, INC.	Avon	OH	440-773-0259	Transfer	Transferred a studio, but still in system as owner of another studio
The Ranieri Group, LLC	Cincinnati	OH	513-793-9222	Transfer	Transferred a studio, but still in system as owner of another studio
Kaylee Barre, LLC	McMurray	PA	724-941-8663	Transfer	

Franchisee	City	State	Telephone	Reason	Comments
Harkin Holmes, Inc.	Chattanooga	TN	423-580-1162	Transfer	
Harkin Holmes, Inc.	Chattanooga	TN	423-580-1162	Transfer	
Barre Fitness, LLC	Franklin	TN	615-472-1669	Transfer	

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

EXHIBIT E

TABLE OF CONTENTS FOR OPERATIONS MANUALS

pure barre
lift · tone · burn

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EXHIBIT F

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.

CALIFORNIA

Department of Business Oversight:
1 (866) 275-2677

Los Angeles

Suite 750
320 West 4th Street
Los Angeles, California 90013
(213) 576-7505

Sacramento

1515 K Street, Suite 200
Sacramento, California 95814-4052
(916) 445-7205

San Diego

1350 Front Street
San Diego, California 92101
(619) 525-4044

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104
(415) 972-8559

GEORGIA

Georgia Secretary of State
Corporations Division
2 Martin Luther King, Jr. Drive
Suite 315
Atlanta, Georgia 30334
(404) 651-8600

HAWAII

(state administrator)

Business Registration Division
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
335 Merchant Street
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, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
(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

Minnesota Department of Commerce
85 7th Place East, Suite 500
St. Paul, Minnesota 55101
(651) 539-1600

NEW YORK

(state administrator)

Office of the New York State Attorney General
Investor Protection Bureau
120 Broadway, 23rd Floor
New York, New York 10271-0332
(212) 416-8236 Phone
(212) 416-6042 Fax

(agent for service of process)

New York Secretary of State
New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, New York 12231-0001
(518) 473-2492

NORTH DAKOTA

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

OREGON

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, Oregon 97310
(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

Department of Labor and Regulation
Division of Securities
124 South Euclid, Suite 104
Pierre, South Dakota 57501
(605) 773-4823

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 of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, Virginia 23219
(804) 371-9672

WASHINGTON

(state administrator)

Department of Financial Institutions
Securities Division
P.O. Box 9033
Olympia, Washington 98507-9033
(360) 902-8760

(agent for service of process)
Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

Securities and Franchise Registration
Wisconsin Securities Commission
345 West Washington Avenue, 4th Floor
Madison, Wisconsin 53703
(608) 266-3431

EXHIBIT G

STATE ADDENDA AND AGREEMENT RIDERS

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF PB FRANCHISING, LLC

The following are additional disclosures for the Franchise Disclosure Document of PB Franchising, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise registration and disclosure law applies to you.

CALIFORNIA

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 FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT OR MULTI-UNIT DEVELOPMENT AGREEMENT.

3. OUR WEBSITE, www.purebarre.com, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov.

4. The following is added at the end of Item 3:

Neither we, our parent, predecessor or affiliates nor any person in Item 2 of the 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.

5. The following paragraphs are added at the end of Item 17:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee and multi-unit developer concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement or Multi-Unit Development Agreement contains a provision that is inconsistent with the law, and the law applies, the law will control.

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices we set 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 California's Cartwright Act (Business and Professions Code Sections 16700 – 16770).

The Franchise Agreement and Multi-Unit Development 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 Multi-Unit Development Agreement provide for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (11 U.S.C.A. Sections 101 et seq.).

The Franchise Agreement and Multi-Unit Development Agreement require application of the laws of the State of Colorado. This provision might not be enforceable under California law.

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

The Franchise Agreement and Multi-Unit Development Agreement require binding arbitration. The arbitration will be conducted at a suitable location chosen by the arbitrator which is within a 50 mile radius of our then-current principal place of business (currently Denver, Colorado) with the costs being borne as provided in the Franchise Agreement and Multi-Unit Development Agreement. Prospective franchisees and multi-unit developers 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 Multi-Unit Development Agreement restricting venue to a forum outside the State of California.

The Franchise Agreement and Multi-Unit Development Agreement require you to sign a general release of claims upon renewal or transfer of the Franchise Agreement or Multi-Unit Development 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).

In February 2017, the Franchisor entered into a franchise agreement in connection with the renewal and conversion of an old license agreement and, as an incentive to the licensee to convert to the current form franchise agreement, negotiated the following provisions of the franchise agreement: charged a renewal fee in lieu of an initial franchise fee and, for a temporary transitional period, revised the definition of "Gross Sales" and the ongoing royalty and marketing fees.

6. The following paragraph is added to the end of Item 19:

The earnings claims figures do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from 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 Pure Barre franchise. Franchisees or former franchisees listed in the Franchise Disclosure Document may be one source of this information.

ILLINOIS

The following paragraphs are added to the end of Item 17:

Illinois law governs the agreements between the parties to this franchise.

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 in a venue 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.

MARYLAND

1. The following is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend" and Item 17(m), entitled "Conditions for franchisor approval of transfer":

However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

2. The following is added to the end of the "Summary" section of Item 17(h), entitled "'Cause' defined – non-curable defaults":

> The Franchise Agreement and Multi-Unit Development Agreement provide 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.

3. The following sentence is added to the end of the "Summary" sections of Item 17(v), entitled "Choice of forum":

> You may bring suit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. The following language is added to the end of the chart in Item 17:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after the grant of the franchise.

MINNESOTA

1. Trademarks. The following sentence is added to the end of Item 13:

> Provided you have complied with all provisions of the Franchise Agreement and Multi-Unit Development 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).

2. Renewal, Termination, Transfer and Dispute Resolution. 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 Multi-Unit Development Agreement and 180 days' notice for non-renewal of the Franchise Agreement and Multi-Unit Development Agreement.
>
> Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) might prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document, Franchise Agreement or Multi-Unit Development

Agreement can abrogate or reduce any of Franchisee's or Multi-Unit Developer's rights as provided for in Minnesota Statutes 1984, Chapter 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction. Those provisions also provide that no condition, stipulation or provision in the Franchise Agreement or Multi-Unit Development Agreement will in any way abrogate or reduce any of your rights under the Minnesota Franchises Law, including, if applicable, the right to submit matters to the jurisdiction of the courts of Minnesota.

Any release required as a condition of renewal, sale and/or transfer/assignment will not apply to the extent prohibited by applicable law with respect to claims arising under Minn. Rule 2860.4400D.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT G OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE OR MULTI-UNIT DEVELOPER TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to us, our parent, affiliates, the persons identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; unfair or deceptive practices; or comparable civil or misdemeanor allegations.

B. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

C. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

No person identified in Item 1, and no officer or general partner of franchisor, or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately before the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend" and Item 17(m), entitled "Conditions for franchisor approval of transfer":

> However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

5. The following is added to the end of the "Summary" section of Item 17(j), entitled "Assignment of contract by franchisor":

> However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement or Multi-Unit Development Agreement.

6. The following is added to the end of the "Summary" section of Item 17(t), entitled "Integration/merger clause":

> Any representations or promises outside the Disclosure Document may not be enforceable

7. The following is added to the end of the "Summary" sections of Item 17(v), entitled "Choice of forum" and Item 17(w), entitled "Choice of law":

> However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

NORTH DAKOTA

1. The following is added to the end of the "Summary" sections of Item 17(c), entitled "Requirements for franchisee to renew or extend" and Item 17(m), entitled "Conditions for franchisor approval of transfer":

> However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

2. 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.

3. The following is added to the end of the "Summary" section of Item 17(t), entitled "Integration/merger clause":

> Any representations or promises outside the Disclosure Document may not be enforceable

4. The "Summary" section of Item 17(u), entitled "Dispute resolution by arbitration or mediation" is deleted and replaced with the following:

> 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.

5. The "Summary" section of Item 17(v), entitled "Choice of forum" is deleted and replaced with the following:

> You must sue us in Denver, Colorado, except that to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

6. 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, the laws of the State of Colorado will apply.

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."

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 Agreement or Multi-Unit Development 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. The following paragraph is added at the end of Item 5:

Franchisees who receive financial incentives to refer franchise prospects to Franchisors may be required to register as franchise brokers under the laws of Washington State.

2. The following paragraph is added at the end of Item 17:

If any of the provisions in this Franchise Disclosure Document, Franchise Agreement or Multi-Unit Development Agreement are inconsistent with the relationship provisions of Revised Code of Washington Section 19.100.180 or any other requirements of the Washington Franchise Investment Protection Act (the "Act"), the provisions of the Act will prevail over the inconsistent terms of the Franchise Disclosure Document, Franchise Agreement or Multi-Unit Development Agreement.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (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 Illinois and the Pure Barre Business that you will operate under the Franchise Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **ILLINOIS LAW**. The following paragraphs are added to the end of the Franchise Agreement and supersede any conflicting provisions in the Franchise Agreement:

Illinois law governs the agreements between the parties to this franchise.

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 in a venue 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.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

If other than an Individual:

_____

By: _____
Name: _____
Title: _____

Date: _____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Pure Barre Business that you will operate under the Franchise Agreement will be located in Maryland.

2. **RELEASES.** The following is added to the end of Sections 11.1(h) ("Renewal Terms") and 12.2(j) ("Minimum Conditions of Transfer") of the Franchise Agreement:

> However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY**. The following sentence is added to the end of Section 14.3 ("Termination by Us Immediately Upon Notice") of the Franchise Agreement:

> Clause 14.3(iii) may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **CONSENT TO JURISDICTION**. The following sentence is added to the end of Section 15.2 ("Consent to Jurisdiction") of the Franchise Agreement:

> You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **LIMITATIONS ON CLAIMS AND DAMAGES**. The following sentence is added to the end of Section 15.5 ("Limitations on Claims and Damages") of the Franchise Agreement:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure Law within 3 years after we grant you a the franchise.

6. **ACKNOWLEDGMENTS.** The following is added to the end of the Franchise Agreement as new Section 16.17 (under Section 16 "General Provisions"):

> 16.17. Acknowledgments. All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

If other than an Individual:

_____

By: _____
Name: _____
Title: _____

Date: _____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Pure Barre Business that you will operate under the Franchise Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Minnesota.

2. **NOTIFICATION OF INFRINGEMENT**. The following sentence is added to the end of Section 1.6 of the Franchise Agreement:

> Provided you have complied with all provisions of this Agreement applicable to the Marks, we will protect your right to use the Marks and will indemnify you from any loss, cots or expenses arising out of any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C 12, Subd. 1(g).

3. **RENEWAL**. The following is added to the end of Section 11 of the Franchise Agreement:

> However, 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) and 180 days' notice of non-renewal of this Agreement.

4. **RELEASES**. The following is added to the end of Sections 11.1(h) and 12.2(j) of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

5. **REMEDIES OTHER THAN TERMINATION**. The following language is added to the end of Section 14.5 of the Franchise Agreement

> We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400(J). However, we and you agree to enforce the provision to the extent the law allows.

6. **LIQUIDATED DAMAGES**. The following language is added to the end of Section 14.8 of the Franchise Agreement

> We and you acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, we and you agree to enforce the provision to the extent the law allows.

7. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 15.2 of the Franchise Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

8. **GOVERNING LAW**. The following statement is added at the end of Section 15.4 of the Franchise Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. **LIMITATIONS ON CLAIMS AND DAMAGES**. The following is added to the end of Section 15.5 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.

10. **WAIVER OF JURY TRIAL**. If and then only to the extent required by the Minnesota Franchises Law, Section 15.6 of the Franchise Agreement is deleted.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

If other than an Individual:

_____

By: _____
Name: _____
Title: _____

Date: _____

RIDER TO THE
FRANCHISE AGREEMENT FOR USE IN THE
STATE OF NEW YORK

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, (the "Franchise Agreement"). This Rider is being signed because (a) you are domiciled in the State of New York and the Pure Barre Business that you will operate under the Franchise Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in New York.

2. **RELEASES**. The following language is added to the end of Sections 11.1(h) and 12.2(j) of the Franchise Agreement:

> Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

3. **TRANSFER OR ASSIGNMENT BY US**. The following language is added to the end of Section 12.7 of the Franchise Agreement:

> However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION BY YOU**. The following language is added to the end of Section 14.1 of the Franchise Agreement:

> You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **CONSENT TO JURISDICTION**. The following is added to the end of Section 15.2 of the Franchise Agreement:

> This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

6. **GOVERNING LAW**. The following statement is added at the end of Section 15.4 of the Franchise Agreement:

> This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

7. **ENTIRE AGREEMENT**. The following sentence is added to the end of Section 16.4 of the Franchise Agreement:

> Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

If other than an Individual:

_____

By: _____
Name: _____
Title: _____

Date: _____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Pure Barre Business that you will operate under the Franchise Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in North Dakota.

2. **NON-COMPETITION AFTER TRANSFER, TERMINATION OR EXPIRATION**. The following is added to the end of Section 10.2 of the Franchise Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

3. **RELEASES**. The following is added to the end of Sections 11.1(h) and 12.2(j) of the Franchise Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. **LIQUIDATED DAMAGES**. The following language is added to the end of Section 14.8 of the Franchise Agreement:

> We and you acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, we and you agree to enforce the provision to the extent the law allows.

5. **ARBITRATION**. The first paragraph of Section 15.1 of the Franchise Agreement is amended to read as follows:

We and you agree that all controversies, disputes, or claims between us and our affiliates, and their respective shareholders, officers, directors, agents, and employees, and you (and your Owners, guarantors, affiliates, and employees) arising out of or related to:

(a) this Agreement or any other agreement between you and us;

(b) our relationship with you;

(c) the scope and validity of this Agreement or any other agreement between you and us or any provision of any of such agreements (including, but not limited to, the validity and scope of the arbitration obligations under this Section 15.1 which we and you acknowledge is to be determined by an arbitrator, not a court); or

(d) any System standard;

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator within 50 miles of our then-current principal place of business (currently, Denver, Colorado); provided, however, that to the extent otherwise 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 we and you mutually agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

6. **CONSENT TO JURISDICTION**. The following is added to the end of Section 15.2 of the Franchise Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, and subject to your arbitration obligations, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **GOVERNING LAW**. Section 15.4 of the Franchise Agreement is deleted and replaced with the following:

> All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). 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 United States federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between us and you will be governed by the laws of the State of Colorado without regard to its conflict of laws rules.

8. **LIMITATION ON CLAIMS AND DAMAGES**. The following is added to the end of Section 15.5 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.

9. **ENTIRE AGREEMENT.** The following sentence is added to the end of Section 16.4 of the Franchise Agreement:

Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Disclosure Document that we furnished to you.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

If other than an Individual:

_____

By: _____
Name: _____
Title: _____

Date: _____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Pure Barre Business that you will operate under the Franchise Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island.

2. **CONSENT TO JURISDICTION / GOVERNING LAW**. The following language is added to the end of Sections 15.2 and 15.4 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." To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

If other than an Individual:

_____

By: _____
Name: _____
Title: _____

Date: _____

RIDER TO THE
FRANCHISE AGREEMENT
FOR USE IN WASHINGTON

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement"). This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the Pure Barre Business that you will operate under the Franchise Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in Washington.

2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Franchise Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, the Franchise Agreement shall be modified as follows:

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There might also be court decisions which supersede this Agreement in your relationship with us, including termination and renewal of your franchise.

In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act, Chapter 19.100 RCW, shall prevail.

To the extent required by the Act, a release or waiver of rights executed by you shall not include rights under the Act, except when executed pursuant to a negotiated settlement after the Franchise 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, might not be enforceable.

To the extent required by the Act, transfer fees are collectable to the extent that they reflect our reasonable estimate or actual costs in effecting a transfer.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Franchise Agreement.

FRANCHISOR:

PB FRANCHISING, LLC

By: _____
Print Name: _____
Title: _____

Date: _____

FRANCHISEE:

If an Individual:

Signature: _____
Print Name: _____

If other than an Individual:

_____

By: _____
Name: _____
Title: _____

Date: _____

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

RIDER TO THE PB FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20___ (the "Multi-Unit Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Illinois and the Pure Barre Businesses that you will operate and develop under the Multi-Unit Development Agreement will be located in Illinois, and/or (b) you are domiciled in Illinois.

2. **ILLINOIS LAW**. The following paragraphs are added to the end of the Multi-Unit Development Agreement and supersede any conflicting provisions in the Multi-Unit Development Agreement:

Illinois law governs the agreements between the parties to this franchise.

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 in a venue 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.

[The remainder of this page is intentionally left blank.]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Date:_____

RIDER TO THE PB FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20___ (the "Multi-Unit Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) you are domiciled in Maryland, and/or (b) the Pure Barre Businesses that you will operate and develop under the Multi-Unit Development Agreement will be located in Maryland.

2. **RELEASES.** The following is added to the end of Section 6.B(1)(f) ("Transfer By You") of the Multi-Unit Development Agreement:

> However, any release required as a condition of renewal, sale and/or assignment/transfer will not apply to any claims or liability arising under the Maryland Franchise Registration and Disclosure Law.

3. **INSOLVENCY**. The following sentence is added to the end of Section 7.A(4) ("Events of Termination") of the Multi-Unit Development Agreement:

> This Section 7.A(4) may not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **CONSENT TO JURISDICTION**. The following is added to the end of Section 9.C ("Consent to Jurisdiction") of the Multi-Unit Development Agreement:

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **LIMITATION OF CLAIMS**. The following sentence is added to the end of the first paragraph of Section 9.F ("Limitations of Claims") of the Multi-Unit Development Agreement:

> You must bring any claims arising under the Maryland Franchise Registration and Disclosure law within 3 years after we grant you a franchise.

6. **ACKNOWLEDGMENTS.** The following is added to the end of the Multi-Unit Development Agreement as new Section 10.J (under Section 10 "Miscellaneous"):

J. **ACKNOWLEDGEMENTS.** All representations requiring you to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Date:_____

RIDER TO THE PB FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20___ (the "Multi-Unit Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) the Pure Barre Businesses that you will operate and develop under the Multi-Unit Development Agreement will be located in Minnesota; and/or (b) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Minnesota.

2. **TERMINATION OF AGREEMENT**. The following is added to the end of Section 7 of the Multi-Unit Development Agreement.

However, 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) and 180 days' notice of non-renewal of this Agreement.

3. **RELEASES.** The following is added to the end of Section 6.B(1)(f) of the Multi-Unit Development Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **APPLICABLE LAW**. The following statement is added at the end of Section 9.B of the Multi-Unit Development Agreement:

Nothing in this Agreement will abrogate or reduce any of your rights under Minnesota Statutes Chapter 80C or your right to any procedure, forum or remedies that the laws of the jurisdiction provide.

5. **CONSENT TO JURISDICTION**. The following language is added to the end of Section 9.C of the Multi-Unit Development Agreement:

Notwithstanding the foregoing, Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400(J) prohibit us, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement will abrogate or reduce any of your rights under

Minnesota Statutes Chapter 80C or your rights to any procedure, forum or remedies that the laws of the jurisdiction provide.

6. **WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTION**. If and then only to the extent required by the Minnesota franchises law, Section 9.D of the Multi-Unit Development Agreement is deleted.

7. **INJUNCTIVE RELIEF**. Section 9.E of the Multi-Unit Development Agreement is deleted and replaced with the following:

Nothing in this Agreement bars either party's right to seek injunctive relief against conduct that threatens to injure or harm the other under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may seek such injunctive relief. You agree that your only remedy if an injunction is entered against you will be the dissolution of that injunction, if warranted, upon due hearing, and you hereby expressly waive any claim for damages caused by such injunction. A court will determine if a bond is required.

8. **LIMITATION OF CLAIMS**. The following is added to the end of the first paragraph of Section 9.F of the Multi-Unit Development 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.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Date:_____

RIDER TO THE PB FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND.** We and you are parties to that certain Multi-Unit Development Agreement dated _____, (the "Multi-Unit Development Agreement") that has been signed concurrently with this Rider. This Rider is being signed because (a) you are domiciled in the State of New York and the Pure Barre Businesses that you will operate and develop under the Multi-Unit Development Agreement will be located in New York, and/or (b) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in New York.

2. **RELEASES.** The following is added to the end of Section 6.B(1)(f) of the Multi-Unit Development Agreement:

> Notwithstanding the foregoing all rights enjoyed by you and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.5, as amended.

3. **TRANSFER.** The following language is added to the end of Section 6.A of the Multi-Unit Development Agreement:

However, to the extent required by applicable law, no transfer will be made except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under this Agreement.

4. **TERMINATION OF AGREEMENT.** The following language is added to the end of Article 7 of the Multi-Unit Development Agreement:

You also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **APPLICABLE LAW**. The following statement is added at the end of Section 9.B of the Multi-Unit Development Agreement:

This Section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

6. **CONSENT TO JURISDICTION**. The following is added to the end of Section 9.C of the Multi-Unit Development Agreement:

This section shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the New York State General Business Law, as amended, and the regulations issued thereunder.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Date:_____

RIDER TO THE PB FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20___ (the "Multi-Unit Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) you are a resident of North Dakota and the Pure Barre Businesses that you will operate and develop under the Multi-Unit Development Agreement will be located or operated in North Dakota; and/or (b) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in North Dakota.

2. **RELEASES**. The following is added to the end of Section 6.B(1)(f) of the Multi-Unit Development Agreement:

> Any release required as a condition of renewal, sale and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **COVENANT NOT TO COMPETE / NON-SOLICITATION**. The following is added to the end of Section 7.C(1) of the Multi-Unit Development Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we will enforce the covenants to the maximum extent the law allows.

4. **ENFORCEMENT; ARBITRATION**. The first paragraph of Section 9.A of the Multi-Unit Development Agreement is amended to read as follows:

A. **ARBITRATION**.

We and you agree that all controversies, disputes, or claims between us and our affiliates, and our and their respective shareholders, officers, directors, agents, or employees, and you (or your owners, guarantors, Affiliates, or employees) arising out of or related to:

(1) this Agreement or any other agreement between you (or your owners) and us (or our affiliates);

(2) our relationship with you; or

(3) the scope or validity of this Agreement or any other agreement between you (or your owners) and us (or our affiliates) or any provision of any such agreements (including the validity and scope of the arbitration obligation under this Section 9.A, which we and you acknowledge is to be determined by an arbitrator, not a court),

must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association. The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the then-current Commercial Arbitration Rules of the American Arbitration Association. All proceedings will be conducted at a suitable location chosen by the arbitrator in or within 50 miles of our then-current principal place of business (currently Denver Colorado); provided, however, that to the extent otherwise 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 we and you mutually agree. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Judgment upon the arbitrator's award may be entered in any court of competent jurisdiction.

5. **APPLICABLE LAW**. Section 9.B of the Multi-Unit Development Agreement is deleted and replaced with the following:

This Agreement will be construed and interpreted under the laws of the State of Colorado, without regard to its conflicts of laws rules, except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 et seq.) and except as otherwise required by North Dakota law.

6. **CONSENT TO JURISDICTION**. The following is added to the end of Section 9.C of the Multi-Unit Development Agreement:

Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **WAIVER OF PUNITIVE DAMAGES, JURY TRIAL AND CLASS ACTION**. To the extent required by the North Dakota Franchise Investment Law, Section 9.D of the Multi-Unit Development Agreement is deleted.

8. **LIMITATION OF CLAIMS**. The following is added to the end of the first paragraph of Section 9.F of the Multi-Unit Development Agreement:

The statutes of limitations under North Dakota law apply with respect to claims arising under the North Dakota Franchise Investment Law.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Date:_____

RIDER TO THE PB FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____, a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20____ (the "Multi-Unit Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) you are domiciled in Rhode Island and the Pure Barre Businesses that you will operate and develop under the Multi-Unit Development Agreement will be located in Rhode Island; and/or (b) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Rhode Island.

2. **APPLICABLE LAW / CONSENT TO JURISDICTION**. The following is added at the end of Sections 9.B and 9.C of the Multi-Unit Development Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "a provision in a [multi-unit development 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.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Date:_____

RIDER TO THE PB FRANCHISING, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT
FOR USE IN WASHINGTON

THIS RIDER is made and entered into by and between **PB FRANCHISING, LLC**, a Delaware limited liability company with our principal business address at 3001 Brighton Boulevard, Suite 269, Denver, Colorado 80216 ("we") and _____ a(n) _____, having its principal business address at _____ ("you").

1. **BACKGROUND**. We and you are parties to that certain Multi-Unit Development Agreement dated _____, 20____ (the "Multi-Unit Development Agreement") that has been signed concurrently with the signing of this Rider. This Rider is annexed to and forms part of the Multi-Unit Development Agreement. This Rider is being signed because (a) you are domiciled in Washington; and/or (b) the Pure Barre Businesses that you will operate and develop under the Multi-Unit Development Agreement will be located or operated in Washington; and/or (c) any of the offering or sales activity relating to the Multi-Unit Development Agreement occurred in Washington.

2. **WASHINGTON LAW**. The following paragraphs are added to the end of the Multi-Unit Development Agreement:

In recognition of the requirements of the Washington Franchise Investment Protection Act (the "Act") and the rules and regulations promulgated thereunder, the Multi-Unit Development Agreement shall be modified as follows:

The State of Washington has a statute, RCW 19.100.180, which might supersede this Agreement in your relationship with us, including the areas of termination and renewal of your franchise. There might also be court decisions which supersede this Agreement in your relationship with us, including termination and renewal of your franchise.

In the event of a conflict of laws, to the extent required by the Act, the provisions of the Act, Chapter 19.100 RCW, shall prevail.

To the extent required by the Act, a release or waiver of rights executed by you shall not include rights under the Act, except when executed pursuant to a negotiated settlement after the Multi-Unit Development 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, might not be enforceable.

To the extent required by the Act, transfer fees are collectable to the extent that they reflect our reasonable estimate or actual costs in effecting a transfer.

In any arbitration involving a franchise purchased in Washington, the arbitration site shall be either in the State of Washington, or in a place mutually agreed upon at the time of the arbitration, or as determined by the arbitrator.

IN WITNESS WHEREOF, the parties have executed and delivered this Rider on the dates noted below, to be effective as of the Effective Date of the Multi-Unit Development Agreement.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____
Name: _____
Title:_____
*Date:_____
*(This is the Effective Date)

MULTI-UNIT DEVELOPER:

_____
[Name]

By:_____
Name: _____
Title: _____
Date:_____

EXHIBIT H

CONSENT TO TRANSFER

CONSENT TO TRANSFER

THIS CONSENT TO TRANSFER (this "**Agreement**") is made and entered into as of the Effective Date, by and between **PB FRANCHISING, LLC**, a Delaware limited liability company ("**we**"), [___], a [___] ("**you**"), [___], a [___] whose address is [___] ("**Assignee**") and the undersigned Guarantors. In this Agreement, we, you, Assignee and the Guarantors are sometimes referred to individually as "**Party**" and together as the "**Parties**. The Effective Date is the date this Agreement is signed by us as indicated beneath our signature.

RECITALS

A. You and we are parties to that certain Franchise Agreement, dated [___], as it might have been previously amended (as amended, the "**Franchise Agreement**"), pursuant to which you are authorized to own and operate a Pure Barre® studio located at [___] (the "**Studio**").

B. Guarantors are the owners of you and, pursuant to that certain Guaranty of Performance signed concurrently with the Franchise Agreement (the "**Guaranty**"), have agreed to be personally bound by, and personally liable for the breach of, each and every provision in the Franchise Agreement.

C. You have advised us that you desire to sell to Assignee, who desires to acquire, all of your right, title and interest in and to the Studio (the "**Transfer**").

D. Under Section [____] of the Franchise Agreement, the Transfer requires our consent. You, Assignee and the Guarantors have requested our consent to the Transfer, and we are willing to grant our consent on the terms and conditions contained in this Agreement.

E. Capitalized terms used but not defined in this Agreement shall have the meanings ascribed to them in the Franchise Agreement and Guaranty, as applicable.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals (which are incorporated and adopted herein), the covenants and agreements contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Consent to Transfer and Waiver of Right of First Refusal. You and Assignee represent that you and they have entered into that certain Asset Purchase Agreement in the form attached hereto as Exhibit A, and the related agreements, pursuant to which you have sold or will sell to Assignee, and Assignee has acquired or will acquire from you all right, title and interest in and to the assets of the Studio and the lease for the premises at which the Studio is operated. We hereby consent to the Transfer and hereby waive our right of first refusal under Section [____] of the Franchise Agreement to acquire the interests being transferred by you to Assignee as

reflected in the Asset Purchase Agreement; provided, however, such consent is expressly contingent upon compliance with the terms and conditions set forth in Sections 3 and 4 on or before the date of the closing of the Transfer ("**Closing Date**"), which is expected to take place no later than _____. We may terminate this Agreement and/or the Assignee Franchise Agreement, if the conditions set forth in Sections 2 through 4 are not met prior to or concurrently with the Closing Date.

2. Termination of Your Franchise Agreement. We and you acknowledge and agree that the Franchise Agreement and, except as provided below, the related Guaranties of Guarantors, are terminated as of the Closing Date. You and Guarantors acknowledge that (a) the termination does not affect any obligations that arose or accrued prior to the Closing Date, and (b) the termination does not affect or release either you or Guarantors from any obligations that, as provided in the agreements, survive termination of the agreements (including, for example, the post-termination obligations in Section [____] of the Franchise Agreement and the obligations to indemnify with respect to claims arising from or based on events which occurred prior to termination). Further, you and Guarantors agree that you will each comply with the following obligations which, under the Franchise Agreement and related agreements, are to be performed upon or after termination:

2.1 pay all amounts owed to us under either the Franchise Agreement or the related Guaranty prior to the Closing Date;

2.2 refrain from any further use of the Marks or hold yourselves out as a Pure Barre® franchisee or as an owner of a Pure Barre® franchise or franchisee except as authorized under any other agreement with us;

2.3 return all, and refrain from any further use or disclosure of any Confidential Information or proprietary information except as permitted under any other agreement with us; and

2.4 comply with the post-termination obligations set forth in Section [____] of the Franchise Agreement (Franchisee Covenants).

3. Assignee Franchise Agreements. Assignee shall, concurrently with or prior to our execution of this Agreement, execute our current form of franchise agreement and related agreements, including that certain Amendment No. 1 to Franchise Agreement attached hereto as Exhibit B (collectively, the "**Assignee Franchise Agreement**") which will govern Assignee's operation of the Studio from and after the Closing Date.

4. Payment of Transfer Fee. Under Section [____] of the Franchise Agreement, we may, as a condition of granting our consent to the Transfer, require you or Assignee to pay a transfer fee of $11,625. In consideration for the agreements provided herein, Assignee shall pay the full transfer fee to us on execution of this Agreement. The transfer fee is not refundable under any circumstances.

5. Ownership of Assignee. Assignee represents that its owners are as follows:

Name of Owner	Type / Percentage of Ownership
_____	_____%
_____	_____%
_____	_____%

6. Our Role. You, Guarantors and Assignee acknowledge and agree that you and they have negotiated the Transfer without involvement by us, that we have not effected or arranged the Transfer, and that our only involvement in the transaction has been for the purpose of exercising our right of consent to the Transfer in accordance with the Franchise Agreement.

7. Notices to You. Unless and until changed in accordance with the Assignee Franchise Agreement, Assignee's address for purposes of notices under the Assignee Franchise Agreement shall be the address of the Studio.

8. Acknowledgments of Franchisee. You acknowledge, represent and warrant to us that you are duly organized, validly existing and in good standing under the laws of the state of your incorporation or organization, and have full power and authority to execute this Agreement and to comply with and be bound by the terms hereof.

9. Release of Us and Related Parties. You, Assignee, and Guarantor, on behalf of themselves and their respective current and former parents, affiliates, and subsidiaries, and their respective agents, spouses, heirs, principals, attorneys, owners, officers, directors, employees, representatives, predecessors, successors, and assigns (collectively, the "Releasing Parties"), do hereby absolutely and irrevocably release and discharge us and our parents, subsidiaries, and affiliates, and their respective current and former owners, officers, directors, employees, managers, agents, representatives, predecessors, successors, and assigns (the "Released Parties"), of and from any and all claims, obligations, debts, proceedings, demands, causes of actions, rights to terminate and rescind, liabilities, losses, damages, and rights of every kind and nature whatsoever (collectively, "Claims"), whether known or unknown, suspected or unsuspected, at law or in equity, which any of them has, had or may have, from the beginning of time to the Effective Date, including, without limitation, those arising out of or relating in any way to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or operation of the Studio. You, Assignee, and Guarantors, on behalf of themselves and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this Section 9, and warrant and represent that they have not assigned or otherwise transferred any Claims released by this Section 9.

(*If the Studio is located in California or if you are a resident of California, the following shall apply*):

Waiver of Statutory Preservation Provisions. It is your intention, on your own behalf and on behalf of the Releasing Parties, in executing this release that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand, or cause of action released by you or the Releasing Parties. You recognize that you or the

Releasing Parties may have some claim, demand, or cause of action against the Released Parties of which you, he, she, or it is totally unaware and unsuspecting, which you, he, she, or it is giving up by executing this release. It is your intention, on your own behalf and on behalf of the Releasing Parties, in executing this instrument that it will deprive you, him, her, or it of each such claim, demand, or cause of action and prevent you, him, her, or it from asserting it against the Released Parties. In furtherance of this intention, you, on your own behalf and on behalf of the Releasing Parties, expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasing Parties reside.

You acknowledge and represent that you have consulted with legal counsel before executing this release and that you understand its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consent that this release shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands, and causes of action.

(*If the Studio is located in Maryland or if you are a resident of Maryland, the following shall apply*):

> Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

10. Non-Disparagement. You, Assignee, and Guarantors agree not to disparage or otherwise speak or write negatively, directly or indirectly, of us or the Released Parties, the Pure Barre® brand, any other brand or service-marked or trademarked concept of the Released Parties, or which would subject such brands to ridicule, scandal, reproach, scorn, or indignity or which would negatively impact our and the Released Parties' goodwill or brands.

11. Conflicting Provisions. If there is any conflict between the provisions of this Agreement and the provisions of the Franchise Agreement, the provisions of this Agreement will prevail.

12. Binding Effect. This Agreement inures to the benefit of us and our successors and assigns and will be binding upon you, Assignee, Guarantors, and their respective successors, permitted assigns and legal representatives.

13. Miscellaneous.

13.1 This Agreement constitutes the entire understanding between the Parties with respect to the transaction this Agreement contemplates.

13.2 Any disputes arising under this Agreement shall be subject to and resolved in accordance with the provisions of Section [____] of the Franchise Agreement (Dispute Resolution), which provisions are incorporated herein as though copied in their entirety.

13.3 Each party shall be responsible for the costs and fees associated with the preparation of this Agreement. However, in the event of a dispute arising under this Agreement, the prevailing party in such dispute shall be entitled to an award of reasonable attorneys' fees, costs and expert witness fees in accordance with Section [____] of the Franchise Agreement.

13.4 The captions and headings are only for convenience of reference, are not a part of this Agreement, and will not limit or construe the provisions to which they apply. All references in this Agreement to the singular usage will be construed to include the plural and the masculine and neuter usages to include the other and the feminine.

13.5 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. This Agreement or any counterpart may be executed via facsimile or electronic transmission, and any such executed facsimile or electronic copy shall be treated as an original.

[Signature page follows]

IN WITNESS WHEREOF, the Parties have duly executed this Agreement as of the Effective Date.

PB FRANCHISING, LLC

By: _____
Name: _____
Its: _____
Date*: _____
(*This is the Effective Date)

FRANCHISEE:
[_____]

By: _____
Name: _____
Its: _____
Date: _____

ASSIGNEE:
[_____]

By: _____
Name: _____
Its: _____
Date: _____

GUARANTORS:

_____
[name]
Date: _____

_____
[name]
Date: _____

_____
[name]
Date: _____

EXHIBIT A
TO
CONSENT TO TRANSFER

(Asset Purchase Agreement)

EXHIBIT B
TO
CONSENT TO TRANSFER

(Amendment No 1 to Assignee Franchise Agreement)

AMENDMENT NO. 1 TO FRANCHISE AGREEMENT

THIS AMENDMENT NO. 1 TO FRANCHISE AGREEMENT (the "**Amendment**") is made as of the Effective Date by and between **PB FRANCHISING, LLC** ("**we**") and [___] ("**you**"). The Effective Date is the date on which we sign this Amendment as shown beneath our signature on the signature page of this Amendment.

RECITALS

A. We and you are parties to that certain franchise agreement, dated as of the Effective Date (the "**Franchise Agreement**"), which governs your ownership and operation of a Pure Barre Studio located at [___] (the "**Studio**").

B. We and you desire to enter into this Amendment to revise certain provisions of the Franchise Agreement as described herein.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals, the covenants set forth herein and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, we and you agree as follows:

1. Location. You purchased the Studio, as an operating Studio, from a former franchisee. The location of the Studio is as shown on Exhibit A to the Franchise Agreement, but you acknowledge and agree that the Territory described on Exhibit A to the Franchise Agreement is different than the Territory under the former franchisee's franchise agreement for the Studio.

2. No Initial Fee. In connection with our consent to your purchase of the Studio from the former franchisee, the former franchisee paid a transfer fee, as required under its franchise agreement. Therefore, Section [___] of the Franchise Agreement (Initial Fee) is deleted.

3. Miscellaneous. The Franchise Agreement shall be amended only in the particulars set forth above. All other provisions of the Franchise Agreement shall continue in full force and effect as set forth therein. The terms of this Amendment form an integral part, and hereby are incorporated into and made a part, of the Franchise Agreement. In the event of a conflict between the terms contained in the Franchise Agreement and this Amendment, the terms and conditions of this Amendment shall govern, control, and supersede any inconsistent or conflicting terms of the Franchise Agreement. This Amendment may be executed in one or more counterparts, each of which will be deemed an original. You acknowledge that this Amendment will not take effect until accepted and executed by us. Signatures transmitted by fax or scanned and emailed shall have the same effect as originals. All capitalized terms used but not defined in this Amendment shall have the meanings ascribed to them in the Franchise Agreement.

IN WITNESS WHEREOF, you and we have signed this Amendment on the dates shown below and made effective as of the Effective Date.

PB FRANCHISING, LLC	[_____]
By:_____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____
Date*: _____	Date: _____
(*This is the Effective Date)	

EXHIBIT I

GENERAL RELEASE

Grant of Franchisor Consent and Franchisee Release

PB FRANCHISING, LLC ("we," "us," or "our") and the undersigned **[franchisee or multi-unit developer]**, _____ _____ ("you" or "your"), currently are parties to a certain **[franchise agreement or multi-unit development agreement]** (the **["Franchise Agreement" or "Multi-Unit Development Agreement"]**) dated _____, 20___. You have asked us to take the following action or to agree to the following request: **[insert as appropriate for renewal or transfer situation]**_____ _____ _____ _____ _____. We have the right under the **[Franchise Agreement or Multi-Unit Development Agreement]** to obtain a general release from you (and, if applicable, your owners) as a condition of taking this action or agreeing to this request. Therefore, we are willing to take the action or agree to the request specified above if you (and, if applicable, your owners) give us the release and covenant not to sue provided below in this document. You (and, if applicable, your owners) are willing to give us the release and covenant not to sue provided below as partial consideration for our willingness to take the action or agree to the request described above.

1. General Release. Consistent with the previous introduction, you, on your own behalf and on behalf of your successors, heirs, executors, administrators, personal representatives, agents, assigns, partners, owners, managers, directors, officers, principals, employees, and affiliated entities (collectively, the "Releasing Parties"), hereby forever release and discharge us and our current and former officers, directors, owners, managers, principals, employees, agents, representatives, affiliated entities, successors, and assigns (collectively, the "Released Parties") from any and all claims, damages (known and unknown), demands, causes of action, suits, duties, liabilities, and agreements of any nature and kind (collectively, "Claims") that you and any of the other Releasing Parties now has, ever had, or, but for this document, hereafter would or could have against any of the Released Parties, including without limitation, (1) arising out of or related to the Released Parties' obligations under the **[Franchise Agreement or Multi-Unit Development Agreement]** or (2) otherwise arising from or related to your and the other Releasing Parties' relationship, from the beginning of time to the date of your signature below, with any of the Released Parties. You, on your own behalf and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this paragraph.

We also are entitled to a release and covenant not to sue from your owners. By his, her, or their separate signatures below, your owners likewise grant to us the release and covenant not to sue provided above.

2. Representations and Warranties. You represent and warrant to us that, in entering into this release, you (i) are doing so freely and voluntarily upon the advice of counsel and business advisor of your own choosing (or declined to do so, free from coercion, duress or fraud); (ii) have read and fully understand the terms and scope of this release; (iii) realize that it

is final and conclusive, and intend it to be final and conclusive, as to the matters set forth in this release; and (iv) have not assigned, transferred, or conveyed to any third party all or any part of or partial or contingent interest in any of the Claims which are called for to be released by this release, that you are aware of no third party who contends or claims otherwise, and that you shall not purport to assign, transfer, or convey any such claim in the future.

3. Waiver of Statutory Preservation Provisions. IF THE STUDIO YOU OPERATE UNDER THE FRANCHISE AGREEMENT IS LOCATED IN CALIFORNIA OR IF YOU ARE A RESIDENT OF CALIFORNIA, THE FOLLOWING SHALL APPLY: It is your intention, on your own behalf and on behalf of the Releasing Parties, in executing this release that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand, or cause of action released by you or the Releasing Parties. You recognize that you or the Releasing Parties may have some claim, demand, or cause of action against the Released Parties of which you, he, she, or it is totally unaware and unsuspecting, which you, he, she, or it is giving up by executing this release. It is your intention, on your own behalf and on behalf of the Releasing Parties, in executing this instrument that it will deprive you, him, her, or it of each such claim, demand, or cause of action and prevent you, him, her, or it from asserting it against the Releasing Parties. In furtherance of this intention, you, on your own behalf and on behalf of the Releasing Parties, expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasing Parties reside.

You acknowledge and represent that you have consulted with legal counsel before executing this release and that you understand its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consent that this release shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands, and causes of action.

4. Miscellaneous.

(a) This release cannot be modified, altered or otherwise amended except by an agreement in writing signed by all of the parties hereto.

(b) This release, together with the agreements referenced in this release, constitute the entire understanding between and among the parties with respect to the subject matter of this release. This release supersedes any prior negotiations and agreements, oral or written, with respect to its subject matter. No representations, warranties, agreements or covenants have been made with respect to this release, and in executing this release, none of the parties is relying upon any representation, warranty, agreement or covenant not set forth in this release.

(c) This release may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument. Signatures transmitted via fax or scanned and e-mailed shall be given the same force and effect as originals.

(d) This release shall be binding upon and inure to the benefit of the parties to this release and their respective successors and permitted assigns.

(e) Any provision of this release which is prohibited, unenforceable or not authorized in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition, unenforceability or non-authorization without invalidating the remaining provisions hereof or affecting the validity, enforceability or legality of such provision in any other jurisdiction.

(f) This release shall be governed by and construed in accordance with the internal laws of the State of Colorado, without reference to conflict of law principles.

If the franchise is located in Maryland or if you are a resident of Maryland, the following shall apply:

> Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

[***Signature page follows***]

IN WITNESS WHEREOF, the parties have caused this instrument to be duly executed.

PB FRANCHISING, LLC, a Delaware limited liability company

By:_____

Name:_____

Title:_____

Dated:_____

[FRANCHISEE OR MULTI-UNIT DEVELOPER]:

(If you are a corporation, limited liability company, or partnership):

By:_____

Name:_____

Title:_____

(If you are an individual and not a legal entity):

_____

[Signature]

_____

[Print Name]

_____

[Signature]

_____

[Print Name]

EXHIBIT J

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

REPRESENTATIONS AND ACKNOWLEDGMENT STATEMENT

The purpose of this Statement is to demonstrate to **PB FRANCHISING, LLC** ("Franchisor") that each person signing below ("I," "me" or "my"), whether acting individually or on behalf of any legal entity established to acquire the multi-unit development and/or franchise rights ("Franchisee"), (a) fully understands that the purchase of a Pure Barre franchise is a significant long-term commitment, complete with its associated risks, and (b) is not relying on any statements, representations, promises or assurances that are not specifically set forth in Franchisor's Franchise Disclosure Document and Exhibits (collectively, the "FDD") in deciding to purchase the franchise.

In that regard, I represent to Franchisor and acknowledge that:

I understand that buying a franchise is not a guarantee of success. Purchasing or establishing any business is risky, and the success or failure of the franchise is subject to many variables over which Franchisor has no control such as my skills and abilities (and those of my partners, officers, employees), the time my associates and I devote to the business, competition, interest rates, the economy, inflation, operation costs, location, lease terms, the market place generally and other economic and business factors. I am aware of and am willing to undertake these business risks. I understand that the success or failure of my business will depend primarily upon my efforts and not those of Franchisor.	INITIAL:
I received a copy of the FDD, including the Franchise Agreement and Multi-Unit Development Agreement, at least 14 calendar days (10 business days in Michigan and New York) before I executed the Franchise Agreement and/or the Multi-Unit Development Agreement, as applicable. I understand that all of my rights and responsibilities and those of Franchisor in connection with the franchise are set forth in these documents and only in these documents. I acknowledge that I have had the opportunity to personally and carefully review these documents and have, in fact, done so. I have been advised to have professionals (such as lawyers and accountants) review the documents for me and to have them help me understand these documents. I have also been advised to consult with other franchisees regarding the risks associated with the purchase of the franchise.	INITIAL:
Neither the Franchisor nor any of its officers, employees or agents (including any franchise broker) has made a statement, promise or assurance to me concerning any matter related to the franchise (including those regarding advertising, marketing, training, support service or assistance provided by Franchisor) that is contrary to, or different from, the information contained in the FDD.	INITIAL:
My decision to purchase the franchise has not been influenced by any oral representations, assurances, warranties, guarantees or promises whatsoever made by the Franchisor or any of its officers, employees or agents (including any franchise broker), including as to the likelihood of success of the franchise.	INITIAL:

I have made my own independent determination as to whether I have the capital necessary to fund the business and my living expenses, particularly during the start-up phase.	INITIAL:

SPECIAL REPRESENTATION REGARDING RECEIPT OF FINANCIAL INFORMATION.

PLEASE READ THE FOLLOWING QUESTION CAREFULLY. THEN SELECT YES OR NO AND PLACE YOUR INITIALS WHERE INDICATED.

Have you received any information from the Franchisor or any of its officers, employees or agents (including any franchise broker) concerning actual, average, projected or forecasted sales, revenues, income, profits or earnings of the franchise business (including any statement, promise or assurance concerning the likelihood of success) other than information contained in the FDD?

☐ Yes ☐ No (INSERT INITIAL HERE:_____)

If you selected "Yes," please describe the information you received on the lines below:

_____

_____.

Prohibited Parties Clause. I acknowledge that Franchisor, its employees and its agents are subject to U.S. laws that prohibit or restrict (a) transactions with certain parties, and (b) the conduct of transactions involving certain foreign parties. These laws include, without limitation, U.S. 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 U.S. Patriot Act, and the International Economic Emergency Powers Act, and the regulations issued pursuant to these and other U.S. laws. As part of the express consideration for the purchase of the franchise, I represent that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been listed on:

1. the U.S. Treasury Department's List of Specially Designated Nationals;
2. the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders;
3. the U.S. State Department's Debarred List or Nonproliferation Sanctions; or
4. the Annex to U.S. Executive Order 13224.

I warrant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, is now, or has been: (i) a person or entity who assists, sponsors, or supports terrorists or acts of terrorism; or (ii) is owned or controlled by terrorists or sponsors of terrorism. I warrant that I am now, and have been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations, and that any funds provided by me to Franchisor were legally obtained in compliance with these laws.

I further covenant that neither I nor any of my employees, agents, or representatives, nor any other person or entity associated with me, will, during the term of the Franchise Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

If the Pure Barre franchise that you will purchase is located in Maryland or if you are a resident of Maryland, the following will apply:

> The representations made in this Representations and Acknowledgment Statement are not intended to, nor shall they act as a release, estoppels, or waiver of any liability under the Maryland Franchise Registration and Disclosure Law.

FRANCHISEE:

Sign here if you are taking the franchise as an **INDIVIDUAL(S)** **(Note: use these blocks if you are an individual or a partnership but the partnership is not a separate legal entity)**

_____
Signature
Print Name: _____
Date: _____

_____
Signature
Print Name: _____
Date: _____

_____
Signature
Print Name: _____
Date: _____

_____
Signature
Print Name: _____
Date: _____

Sign here if you are taking the franchise as a **CORPORATION, LIMITED LIABILITY COMPANY OR PARTNERSHIP**

_____
Print Name of Legal Entity

By: _____
Signature

Print Name: _____
Title: _____
Date: _____

EXHIBIT K

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

RENEWAL ADDENDUM TO FRANCHISE AGREEMENT

THIS RENEWAL ADDENDUM TO FRANCHISE AGREEMENT (the "**Addendum**") is made as of the Effective Date by and between **PB FRANCHISING, LLC** ("**us**"), [_____] ("**you**"), and [_____] ("**Guarantor**"). The "**Effective Date**" is the date on which we sign this Addendum as shown beneath our signature on the signature page of this Addendum.

RECITALS

A. You previously entered into a Franchise Agreement dated [_____] (the "**Original Franchise Agreement**"), which governs the ownership and operation of a Pure Barre Studio located at [_____] (the "**Studio**").

B. The Original Franchise Agreement is set to expire on [_____], and, pursuant to Section [____] of the Original Franchise Agreement, you wish to acquire a successor franchise for the right to continue to operate the Studio.

C. As required under the Original Franchise Agreement, you and we have entered into that certain franchise agreement, dated as of the Effective Date (the "**Franchise Agreement**"), which will govern your ownership and operation of the Studio from and after the Effective Date.

D. We and you desire to amend certain provisions of the Franchise Agreement, as described herein, in recognition of the fact that the Franchise Agreement is a successor franchise agreement and governs the operation of an operating Studio.

AGREEMENT

FOR AND IN CONSIDERATION of the foregoing Recitals, the covenants set forth herein and other valuable consideration, receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Original Franchise Agreement Terminated**. The parties acknowledge and agree that the Original Franchise Agreement is terminated as of the Effective Date and that the ownership and operation of the Studio from and after the Effective Date will be governed by and subject to the Franchise Agreement.

2. **Grant**. Section 1.1 of the Franchise Agreement is hereby amended by deleting the last sentence of the section and replacing it with the following:

> The "Term" is the period of time commencing on the Effective Date and ending at the close of business on [*insert the date that is five years after the beginning of the renewal term*].

3. **No Initial Fee**. You previously paid an initial franchise fee in connection with the Original Franchise Agreement. Therefore, Section 2.1 of the Franchise Agreement (Initial Fee) is deleted. However, in accordance with Section [____] of the Original Franchise Agreement, you have paid us a renewal fee of $5,000 simultaneously with your execution of the Franchise Agreement.

4. **Development of the Studio**. Because you have been operating the Studio as an existing business, you and we agree that the sections of the Franchise Agreement that pertain to development of the Studio (including sections 3.1 through 3.6) are deemed to have been satisfied as of the Effective Date.

5. **Grand Opening**. Because the Studio is an existing Pure Barre Studio, you will not be required to conduct a grand opening event at the Location unless you choose to do so. Therefore, Section 7.4 of the Franchise Agreement is deleted.

6. **Initial Training**. We and you hereby acknowledge that you have previously completed the Initial Training as required under Section 8.1 of the Franchise Agreement and that we have fulfilled our obligation to provide Initial Training.

7. **Renewal Term**. Section 11.1 of the Franchise Agreement is hereby amended by deleting the phrase, "two successive periods of five (5) years each" and replacing it with the phrase, "one successive period of five (5) years".

8. **Remodeling**. In accordance with Section [____] of the Original Franchise Agreement, you will complete the remodeling and renovations of the Studio, at your expense, listed on Exhibit A to this Addendum no later than [_____].Without limiting the generality of Section 14.3 of the Franchise Agreement, you acknowledge and agree that we are permitted to terminate the Franchise Agreement immediately upon written notice to you if you fail to timely satisfy the remodeling obligations described in Exhibit A.

9. **Release of Franchisor and Related Parties**. You and Guarantor, on behalf of yourselves and your respective current and former parents, affiliates, and subsidiaries, and their respective agents, spouses, heirs, principals, attorneys, owners, officers, directors, employees, representatives, predecessors, successors, and assigns (collectively, the "**Releasing Parties**"), do hereby absolutely and irrevocably release and discharge us and our parents, subsidiaries, and affiliates, and their respective current and former owners, officers, directors, employees, managers, agents, representatives, predecessors, successors, and assigns (the "**Released Parties**"), of and from any and all claims, obligations, debts, proceedings, demands, causes of actions, rights to terminate and rescind, liabilities, losses, damages, and rights of every kind and nature whatsoever (collectively, "**Claims**"), whether known or unknown, suspected or unsuspected, at law or in equity, which any of them has, had or may have, from the beginning of time to the Effective Date, including, without limitation, those arising out of or relating in any way to the Original Franchise Agreement, the relationship created by the Original Franchise Agreement, or the development, ownership, or operation of the Studio. You and Guarantor, on behalf of yourselves and on behalf of the other Releasing Parties, further covenant not to sue any of the Released Parties on any of the Claims released by this Section 9, and warrant and

represent that you and they have not assigned or otherwise transferred any Claims released by this Section 9.

(*If the Studio is located in California or if you are a resident of California, the following shall apply*):

Waiver of Statutory Preservation Provisions. It is your intention, on your own behalf and on behalf of the Releasing Parties, in executing this release that this instrument be and is a general release which shall be effective as a bar to each and every claim, demand, or cause of action released by you or the Releasing Parties. You recognize that you or the Releasing Parties may have some claim, demand, or cause of action against the Released Parties of which you, he, she, or it is totally unaware and unsuspecting, which you, he, she, or it is giving up by executing this release. It is your intention, on your own behalf and on behalf of the Releasing Parties, in executing this instrument that it will deprive you, him, her, or it of each such claim, demand, or cause of action and prevent you, him, her, or it from asserting it against the Releasing Parties. In furtherance of this intention, you, on your own behalf and on behalf of the Releasing Parties, expressly waive any rights or benefits conferred by the provisions of Section 1542 of the California Civil Code, which provides as follows:

> A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

This waiver extends to any other statute or common law principle of similar effect in any applicable jurisdiction, including without limitation, California and or any other jurisdiction in which the Releasing Parties reside.

You acknowledge and represent that you have consulted with legal counsel before executing this release and that you understand its meaning, including the effect of Section 1542 of the California Civil Code, and expressly consent that this release shall be given full force and effect according to each and all of its express terms and provisions, including, without limitation, those relating to the release of unknown and unsuspected claims, demands, and causes of action.

(*If the Studio is located in Maryland or if you are a resident of Maryland, the following shall apply*):

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

10. **Miscellaneous**. The Franchise Agreement shall be amended only in the particulars set forth above. All other provisions of the Franchise Agreement shall continue in full force and effect as set forth therein. The terms of this Addendum form an integral part, and hereby are incorporated into and made a part, of the Franchise Agreement. In the event of a conflict between the terms contained in the Franchise Agreement and this Addendum, the terms

and conditions of this Addendum shall govern, control, and supersede any inconsistent or conflicting terms of the Franchise Agreement. This Addendum may be signed in counterparts, each of which shall be deemed an original but all of which taken together shall constitute one and the same instrument. Signature by facsimile or scanned-and-e-mailed is hereby authorized and shall have the same force and effect as an original. All capitalized terms used but not defined in this Addendum shall have the meanings ascribed to them in the Franchise Agreement.

IN WITNESS WHEREOF, you and we have signed this Addendum on the dates shown below and made effective as of the Effective Date.

PB Franchising, LLC

By: _____
Print Name: _____
Title: _____
Date*: _____
(*This is the Effective Date.)

[*Name of Franchisee*]

By: _____
Print Name: _____
Title: _____
Date: _____

GUARANTOR:

Signature: _____
Print Name: _____
Date: _____

Exhibit A
to
Renewal Addendum to Franchise Agreement

Remodeling and Renovation Requirements

NEW YORK REPRESENTATIONS PAGE

FRANCHISOR REPRESENTS THAT THIS FRANCHISE DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

EXHIBIT L

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, 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, the franchisor 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 New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Michigan requires that we 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, 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 G.

Franchise seller(s) offering the franchise: PB Franchising, LLC, 3001 Brighton Blvd., Suite 269, Denver, Colorado 80216, (720) 575-6056. Also, please identify any additional individual franchise seller who offered you a Pure Barre franchise in the space provided below:

☐ Name of Franchise Seller:
John Kersh
PB Franchising, LLC
3001 Brighton Blvd, Suite 269
Denver, CO 80216
(720) 575-6056

☐ Name of Franchise Seller:
_____
PB Franchising, LLC
3001 Brighton Blvd, Suite 269
Denver, CO 80216
(720) 575-6056

☐ Name of Franchise Seller:
_____
Principal Business Address:
_____
_____

Issuance Date: March 31, 2017, as amended November 7, 2017.

See Exhibit G for our registered agents authorized to receive service of process.

I have received a Disclosure Document dated March 31, 2017, as amended November 7, 2017, that included the following Exhibits:

Exhibit A	Franchise Agreement	Exhibit G	State Addenda and Agreement Riders
Exhibit B	Multi-Unit Development Agreement	Exhibit H	Consent to Transfer
Exhibit C	Financial Statements	Exhibit I	General Release
Exhibit D	List of Franchisees	Exhibit J	Representations and Acknowledgment Statement
Exhibit E	Table of Contents for Operations Manual	Exhibit K	Renewal Addendum
Exhibit F	State Agencies/Agents for Service of Process	Exhibit L	Receipts

PROSPECTIVE FRANCHISEE:

If a business entity:

_____
Name of Business Entity
By: _____
Its: _____
Print Name: _____
Dated: _____
(Do not leave blank)

If an individual:

_____
Print Name: _____

Dated: _____
(Do not leave blank)

Please sign this copy of the receipt, print the date on which you received this Disclosure Document, and return it to PB Franchising, LLC, 3001 Brighton Blvd., Suite 269, Denver, Colorado 80216.

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, 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, the franchisor 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 New York law, we must provide this Disclosure Document at the earlier of the 1st personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, us or an affiliate in connection with the proposed franchise sale. Michigan requires that we 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, 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 G.

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John Kersh
PB Franchising, LLC
3001 Brighton Blvd, Suite 269
Denver, CO 80216
(720) 575-6056

☐ Name of Franchise Seller:
_____
PB Franchising, LLC
3001 Brighton Blvd, Suite 269
Denver, CO 80216
(720) 575-6056

☐ Name of Franchise Seller:
_____
Principal Business Address:
_____
_____

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PROSPECTIVE FRANCHISEE:

If a business entity:

_____
Name of Business Entity
By: _____
Its: _____
Print Name: _____
Dated: _____
(Do not leave blank)

If an individual:

_____
Print Name: _____

Dated: _____
(Do not leave blank)

KEEP THIS COPY FOR YOUR RECORDS