Franchise Disclosure Document

XTEND HOLDINGS, LLC
A Florida limited liability company
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The franchisee will offer the Xtend Barre ballet barre workout program at a free-standing studio branded as a Xtend Barre franchised location.

The total investment necessary to begin operation of a free-standing Xtend Barre branded studio is between $160,056.50 and $514,195.50 and includes $66,006.50 to $95,195.50 that must be paid to the franchisor.

The franchisor may also, in its sole discretion, grant the right to develop multiple free-standing Xtend Barre branded studios under a Multi-Unit Development Agreement. If it does, the total investment necessary to begin development of multiple studios is estimated to be between $55,500 and $92,500 (based on the development of 3 to 5 studios but variable, depending on how many studios you agree to develop). This entire amount must be paid to the franchisor and the franchisor will credit the amount of this development fee, in $16,000 increments, toward the initial franchise fee due under each individual franchise agreement as each initial franchise fee becomes due.

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.**

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising such as "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: December 27, 2016

STATE COVER PAGE

Xtend Holdings, LLC

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

Call the state franchise administrator listed in Exhibit A for information about the franchisor, 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 MEDIATION OR ARBITRATION IN FLORIDA. OUT OF STATE MEDIATION OR ARBITRATION MAY FORCE YOU TO ACCEPT A LESS FAVORABLE SETTLEMENT FOR DISPUTES. IT MAY ALSO COST MORE TO MEDIATE OR ARBITRATE IN FLORIDA THAN IN YOUR HOME STATE.

2. THE FRANCHISE AGREEMENT AND THE MULTI-UNIT DEVELOPMENT AGREEMENT STATE THAT FLORIDA 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. EACH PRINCIPAL OWNER ENTERING INTO THE FRANCHISE AGREEMENT ATTACHED TO THIS FRANCHISE DISCLOSURE DOCUMENT MUST GUARANTEE ALL OBLIGATIONS OF THE FRANCHISEE UNDER THE FRANCHISE AGREEMENT, THEREBY PLACING HIS/HER PERSONAL ASSETS AT RISK.

4. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

NOTE: The agreement provisions referred to in the risk factors may be void under some state franchise laws and some state franchise laws may require disclosure of additional risk factors. See Exhibit "F".

We may use the services of one or more FRANCHISE BROKERS or referral sources to assist us in selling our franchise. A franchise broker or referral source represents us, not you. We pay this person a fee for selling our franchise or referring you to us. You should be sure to do your own investigation of the franchise.

State Effective Dates: See the next page for state effective dates

STATE EFFECTIVE DATES

The following states require that the disclosure document be registered 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:

State	Effective Date	State	Effective Date
California	Pending	New York	Pending
Hawaii	Pending	North Dakota	Pending
Illinois	Pending	Rhode Island	Pending
Indiana	Pending	South Dakota	Pending
Maryland	Pending	Virginia	Pending
Michigan	Pending	Washington	Pending
Minnesota	Pending	Wisconsin	Pending

In all other states, the effective date of this disclosure document is the issuance date of December 27, 2016.

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

To simplify this Franchise Disclosure Document, "Xtend Holdings" or "we" and similar words means **Xtend Holdings, LLC**, a Florida limited liability company. "You" and similar words means the person or persons, including a corporate or other legal entity, who buys the franchise. If "you" are a corporation, partnership, limited liability company or other entity, "you" includes all owners of any equity interest in the entity.

Beginning approximately April 6, 2007, our founder, Andrea Rogers began developing and testing a ballet barre focused exercise program, and thereafter in March 2008 formed an entity entitled Xtend Licensing, LLC and licensed her exercise concept on a very limited basis to a few studios as an add on to their other exercise offerings to test it in the marketplace. In March 2008, she also created Xtend Workout, LLC, a company she founded to hold the intellectual property she was developing separate from her operations. Xtend Licensing, LLC and Xtend Workout, LLC conducted business for approximately a year and a half. All the intellectual property has since been transferred to us. Once she developed and tested the model and potential brand, Xtend Holdings, LLC was formed. Xtend Licensing, LLC and Xtend Workout, LLC are our predecessors but are no longer actively used by us or Andrea Rogers for any purpose. Xtend Licensing conducted the type of business you will operate for a year and a half. It did not offer franchises of any kind. We have not conducted the type of business you will operate. Xtend Workout did not conduct the type of business you will operate; it only held intellectual property. It did not offer franchises of any kind. We are a Florida limited liability company that was formed on September 18, 2009 and do business as Xtend or Xtend Barre. Our principal business address is 21200 St. Andrews Blvd., Suite 15, Boca Raton, Florida 33433. As explained above, Xtend Workout LLC and Xtend Licensing, LLC are our only predecessors. We do not have any parents. We do not have any affiliates.

We have offered the franchise described in this disclosure document since October 2010. Until 2013, we also offered "participating center" franchises that allowed Pilates or fitness centers to provide Xtend Barre classes as an add on to their already existing activities. In 2013, we converted these participating center franchisees into licensees, limiting the offering and reducing support services. These licensees are referred to throughout this Disclosure Document as "licensees" or "our licensees." Although we and our predecessors have offered licenses in the past, without limiting our right to do so, neither we, nor our predecessors or affiliates plan to offer licenses in the future.

We may, in our sole discretion, offer you the right to enter into a multi-unit development agreement where you agree to develop a specific number of multiple Xtend studios in a designated geographic area and according to a specific schedule (a "Multi-Unit Development Agreement"). Should we enter into a Multi-Unit Development Agreement with you, each studio developed under the agreement must be governed by a separate franchise agreement (each a "Franchise Agreement"). You will be required to sign our then-current form of the franchise agreement for each studio you open. We do not conduct any other business activities. We have not offered franchises in other lines of business.

Our agents for service of process are disclosed in Exhibit A. Our agent for service of process at our address outlined above in the state of Florida is Andrea Rogers.

Xtend authorized studios teach multi-level classes geared to challenge bodies of any age, gender, or fitness background, based on principles of dance and Pilates. We offer a free-standing Xtend Barre studio that allows you to provide Xtend Barre classes at a single location branded under the name Xtend Barre. Xtend Barre offers brand recognition, website foundation, and marketing support for creation of a new business. The general market for the services offered by the Xtend Holdings program is the general public, focusing on those seeking to improve health. Often those with a background in dance and ballet show a special interest to this offering, but it appeals to all segments of the general population.

There are statutes and regulations that are common to all businesses, including those governing health and labor issues, zoning and safety that you must comply with as a franchisee. In addition, some states may require you to obtain business, occupational, and miscellaneous licenses. You may be subject to health club regulations in your state, city or county. These regulations may include registration and bonding requirements and may require training to use and maintain automated external defibrillators. You may have to pay a registration fee. Some states require training and certification in cardio pulmonary resuscitation (CPR). If you provide child care services in your studio, you may be required to obtain additional permits or licenses and comply with other requirements. You should consult with your own advisors and the government agencies in your state for information on how these laws apply to you and how to structure your arrangements with anyone who assists with your classes and customers, and the impact of such arrangements.

Your competitors include other health and fitness programs and health clubs, dance studios, personal trainers, yoga and Pilates studios.

ITEM 2:
BUSINESS EXPERIENCE

President and Founder: Andrea Leigh Rogers

In 2009 Andrea became our president. Prior to that time, Andrea was self-employed as a dance instructor and choreographer teaching dance classes to students across the US and Canada at numerous studios and locations since 2006. In 2006 Andrea became a comprehensive Classical Pilates Instructor and began teaching private and group classes. In 2007 she spent a year developing her first barre program which served as the foundation for Xtend Barre.

Director of Franchising and Licensing: Carisa Findley

Carisa became Director of Franchising and Licensing in April 2014. Prior to that time, Carisa was involved in barre studio management as the Mind Body Manager at Exhale Dallas from October 2012 to April 2014 and a barre instructor from November 2011 to October 2012. Prior to Exhale, Carisa served as a Spa Coordinator for Completely Bare from December 2010 to November 2011. From September 2009 to November 2010, Carisa led multiple teams as a manager of high-end media spas for B Ki. Prior to B Ki, Carisa spent five years, from

December 2004 to March 2009, with the fitness franchise Curves International as a Regional Operations Manager and Training Manager.

Director of Marketing: Tameka Linnell

Tameka became Director of Marketing in July 2016. Prior to joining Xtend, Tameka owned and managed a strategic marketing and consulting firm, The Human Collective, from April 2012-July 2016. From 2008 to April 2012, she was the Founder of Joon Skincare.

Board of Directors: Elizabeth Lorber

Elizabeth Lorber joined our Board of Directors in April 2014. Elizabeth has been a Portfolio Manager and Operating Executive at Integrity Square since 2013. She also served as our Interim CEO from April 2014 to December 2014. Prior to that, she served as an International Equity Research Analyst for OppenheimerFunds, Inc. from August 2004 to September 2012.

ITEM 3:
LITIGATION

In early 2011 we disclosed voluntarily to the State of Illinois that we had entered into five licenses in the state without registration and sought guidance on how to proceed. We were informed that the nature of the relationship was a franchise and we were obligated to register. On April 5, 2011, we entered into a Final Judgment and Consent Decree (Case Number 2011CH00452) which arose from our voluntary disclosure with the State of Illinois, which alleged that we violated the Illinois Franchise Disclosure Act, 815 ILCS 705/1 *et seq.*, by failing to register in Illinois before making sales to five franchisees. We accepted the order to cease and desist from all future registration and disclosure violations and to pay a penalty of $5,000 for the alleged violation.

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

ITEM 4:
BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5:
INITIAL FEES

Initial Franchise Fee

You pay a $37,000 lump sum initial franchise fee when you sign the Franchise Agreement.

The initial franchise fee is due in full once we have met our pre-opening obligations and represents payment to us for the right to use our unique business system and trademarks in the development and operation of your franchise. The initial fee also covers the cost of certain

materials, goods and services that we may provide to you before you open your location.

Your initial franchise fee covers the training of up to two individuals, but we also require eight additional instructors to be trained by us before you open. You must pay us a fee of $1,000 per instructor for this initial training for a total of $8,000 that must be paid to us.

You must also begin paying a monthly web-servicing and technology fee before you open. The monthly fee is $250 per month and the first payment is due beginning the 10th of the month following the date of your Franchise Agreement.

We have developed a line of merchandise and equipment described in Item 8, below. You must purchase these items from us. You are required to purchase a minimum amount of these items that we specify in our Operations Manual that may be amended from time to time. The approximate cost for these initial supplies is between $10,000 and $20,000. We also require you to purchase certain equipment from us. Your initial equipment cost for a free-standing studio will be between $10,000 and $15,000.

You must conduct a grand opening advertising and promotion program and must spend at least $5,000 for the grand opening of your studio. We have the right to require you to purchase grand opening advertising and promotional materials from us, our affiliates or our designees. Neither we nor our affiliate refund any payments for these materials. You may also incur expenses from other vendors and suppliers in your grand opening promotion.

Development Fee

If we, in our sole discretion, offer you the right to sign a Multi-Unit Development Agreement, you must pay a lump sum initial development fee equal to $16,000 multiplied by the number of Xtend Studios you agree to develop under the Multi-Unit Development Agreement. Our typical multi-unit development agreement requires the development of 3 to 5 Xtend Studios with a development fee ranging from $55,500 to $92,500, although the number of Xtend Studios and your corresponding fee may be higher. We will reduce by $18,500 the amount of the initial franchise fee due under each individual Franchise Agreement that you execute pursuant to the Multi-Unit Development Agreement, up to the total amount of your development fee.

None of these fees are refundable. The initial fee is uniform for all franchisees, although we reserve the right to offer temporary promotional deals or to adjust the terms of the Franchise Agreement to accommodate unique needs, features or requirements of a specific franchisee. The development fee is not uniform and will depend directly on the number of Xtend studios you agree to develop.

ITEM 6:
OTHER FEES

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Royalty/Monthly Fee	6% of monthly gross revenue with a minimum of $1,000 per month.	Monthly, charged to credit card on file on the 10th of each month (for prior month)	See Note 1
Marketing Fund Contribution	2% of monthly gross revenue	Monthly, charged to credit card on file on the 10th of each month (for prior month)	See Note 2
Local Advertising	1% of monthly gross revenue, with a minimum of $350 per month	Monthly	See Note 2
Renewal Franchise Fee	25% of then-current initial franchise fee (currently $9,250)	Upon renewal of Franchise Agreement, as outlined in your Franchise Agreement	See Note 3
Web-servicing and Technology Fee	$250 per month	Monthly, charged to credit card on file on the 10th of each month	See Note 4
Mindbody Software License	$85.50 to $148.50per month	Monthly, charged to credit card on file on the 10th of each month	See Note 5
Initial Teacher Training	$8,000 (includes 10 people), plus travel costs	Before and during training	See Note 6
Initial Business Operations Training	Travel costs	Before and during training	See Note 6
Studio Appraisal and Re-charge Training	$3,000 plus the current rate for training of each instructor, annually	Before and during training	See Note 7
Continuing Education Training	$250 to $1000 annually	Before and during training	See Note 8
Transfer Fee—Franchise Agreement	25% of then-current initial franchise fee (currently $9,250)	Upon transfer	See Note 9
Transfer Fee—Multi-Unit Development Agreement	$10,000	Upon transfer	See Note 9
Transfer expenses	Actual costs, up to $5,000	Upon transfer	See Note 9
Indemnification	Payment of Xtend Holdings losses and costs	Upon demand	See Note 10
Late Fee	Will vary according to the circumstances	As incurred	See Note 11
Termination Fee	50% of Remaining monthly fees and other fees	Upon demand after Termination if due to your default	See Note 12
Attorneys' Fees	Will vary according to the circumstances	As incurred	See Note 13

(1) Type of Fee	(2) Amount	(3) Due Date	(4) Remarks
Insurance	$250 to $600 monthly	As incurred	See Note 14
Replacement of Equipment	$150 to $1,000 annually	As incurred	See Note 15
Management Fee	10% of Gross Sales plus costs and expenses	As incurred	See Note 16
Additional Assistance	$300-$750 per day	As incurred	See Note 17
Studio upgrades	Will vary, but not more than $25,000 during each 5 year term	As incurred	See Note 18
Transferee Training Fee	$4,000 (includes owner and manager), plus travel costs	Before and during training	See Note 6
Relocation Fee	$5,000	Before relocation	See Note 19
Owners Conference	Actual travel costs	When scheduled	See Note 20
Non-compliance Fee	$100 per day of non-compliance	As incurred	See Note 21

All fees are imposed by and are payable to us, unless otherwise noted. All fees must be paid upon receipt of an invoice. However we may vary the frequency and method of payment. The initial franchise fee, annual fees, and equipment replacement fees are non-refundable. All other fees are refundable at our discretion. Fees are uniformly imposed.

Notes:

1. You must pay the royalty to us each month. This fee is calculated at six percent (6%) of your monthly revenue. However, your monthly royalty payment must be at least one thousand dollars ($1,000) each month. We will automatically charge your royalty payment to your credit card on file with us on the 10th of each month (for the prior month). If payment is not made as outlined here, we will be authorized to charge a late fee. Monthly revenue includes all sales of products, services and classes that you generate in connection with the operation of your studio, in any payment form. It includes all sales from any source, including sales generated from third parties such as, but not limited to, ClassPass, daily deal sites (*i.e.*, Groupon), or other third party vendors.

2. You must pay a marketing fee of 2% of your gross revenues to us for the system marketing fund. Other franchisees may contribute different amounts or percentages to the marketing fund. Contributions to the marketing fund shall apply to all franchisees and shall be used exclusively for advertising, marketing and public relations purposes, at our sole discretion, for the collective benefit of all participants of the system, including all franchisees and us. All sums paid to the marketing fund shall be recorded separately on our accounts. You may receive, no more often than annually beginning ninety (90) days after the end of our fiscal year, upon your written request, a report describing the marketing funds collected and costs incurred by the marketing fund. The marketing fund is not our asset and is not a trust. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the marketing fund in that year and we may make loans to the marketing fund (and the fund may borrow from us or other lenders) bearing reasonable interest to cover any deficits of the marketing fund or cause the fund to invest any surplus for future use by the fund. Any monies remaining in the fund at the end of any year shall

carry over to the next year.

You must spend a minimum of 1% or $350, whichever is greater, every month on local advertising, marketing and promotion within the area surrounding your studio. We reserve the right to form advertising cooperatives in the future. If we do so, you will be required to participate and will be credited if you contribute this local advertising amount (the greater of 1% or $350) to the advertising cooperative for having met your local advertising obligation. We reserve the right at any time, upon notice to you, to increase the amount of the marketing fee or the local advertising requirement. However, you will not be required to spend more than five percent (5%) of your studio's gross sales on the combination of: (i) marketing fund contributions; (ii) local advertising; and (iii) advertising cooperative contributions (if an advertising cooperative is established in the future).

3. You must pay the renewal fee, which amounts to 25% of our then-current initial franchise fee, to us upon renewal of your Franchise Agreement. Payment must be made within ten (10) days of your receipt of invoice, or we will be authorized to charge a late fee.

4. You must pay a web-servicing and technology fee of two hundred fifty dollars ($250) per month. This fee includes a license to use the franchise management software that we designate, as well as development and management of your website pages, your access to the Xtend Barre app, your access to the our required email platform, and all related improvements and technology updates. It also includes the incorporation and updating of widgets and software specific to your digital presence. We will automatically charge your payment to your credit card on file with us on the 10th of each month. The included franchise management software provides a format for managing your operations and marketing. We currently contract directly with the software provider and you make a monthly payment to us to cover this fee. We reserve the right to change our required system for tracking your operations and marketing and will notify you of any such change. We also reserve the right to require you to contract directly with the software provider and make payment directly to them in the future and to increase your web-servicing and technology fee if our costs increase.

5. You are required to use software from Mindbody, Inc. Mindbody collects your data on gross sales and other financial transactions. The cost of Mindbody software is a yearly subscription fee of $1,026 to 1,782 per franchisee, depending on which Mindbody platform you choose to subscribe to. We currently contract directly with Mindbody, Inc. and you make a monthly payment to us to cover this fee. We automatically charge your payment to your credit card on file with us on the 10th of each month. We reserve the right to change our required system for tracking gross sales and financial transactions, or to require you to contract directly with Mindbody, Inc. in the future, and will notify you of any such change. We also reserve the right to increase your monthly Mindbody fee if our costs increase.

6. All certified Xtend Barre trainers must be trained by us. Your initial franchise fee includes the cost of certification training for two people. You are required to have a minimum of eight additional Xtend Barre instructors trained at the initial training at a fee of one thousand dollars ($1,000) per individual. You are responsible for paying all associated travel, lodging and related expenses. In addition, we require you or your manager to attend initial business operations training at our corporate headquarters within three months prior to opening your studio. There is no additional fee for this business operations training. However, you are responsible for paying all associated travel, lodging and related expenses. We may also charge a fee for additional training we may require you and your personnel to attend in the future at our then current rate for providing such training. We may charge a separate fee for providing specialized training to you, your manager and instructors, or it may be provided free of charge.

All transferees must be trained by us. Transferee owners and their manager, if applicable, must pay a $4,000 transferee training fee and attend a 3-5 day training course at our corporate office. The length of transferee training will depend on the transferee's existing business experience and/or knowledge of the Xtend system, at our sole discretion. Transferees are also responsible for paying all associated travel, lodging and related expenses.

7. Three or four months after your studio opening, we will provide a studio appraisal/teacher "re-charge" training. A corporate liaison/teacher trainer will visit your studio for two days to appraise your studio and provide continued education training for your instructors. In addition to the $3,000 fee that you must pay, there is an instructor fee that must be paid by you or by your instructors, individually. This individual fee will vary depending on the courses taught. In addition, you may elect to hold, or we may, at our sole discretion, require your studio to host an additional studio appraisal/teacher re-charge. If you elect to hold this training, or if we require it, we will charge the same fee as the initial appraisal and training.

8. To maintain certification each year you and your trainers must participate in a certain amount of additional training and obtain continuing education credits ("CEC"). The cost of such additional training is not included in the initial franchise fee. All Xtend Barre instructors must maintain their certification by earning a set number of CEC's per year from Xtend Barre as outlined in the Operations Manual. Continuing education workshops are available online and at Xtend Barre conferences (see note 18).

9. You must pay the transfer fee to us at or prior to when you close the transfer, and payment of the fee is one of our conditions for approving the transfer. You must also pay all of our expenses incurred in connection with the proposed transfer, whether or not the transfer is completed, up to a maximum amount of $5,000. There are other conditions to your ability to transfer. See item 17.

10. You are required to defend Xtend Holdings and its representatives and pay for any claims and losses to them resulting from the operation of your business.

11. If you do not pay any amount when due, you must pay a late charge which will vary according to the circumstances but is typically 10% of the total amount of the late payment per month. You must also pay interest on any late payments at a rate of 18% per annum or the highest amount allowable by law.

12. If you are terminated for your defaults, we may invoice you for an amount equal to 50% of the remaining minimum monthly fees and other fees you would have otherwise paid had you remained operating for the term of the Franchise Agreement.

13. If there is a dispute between us, the prevailing party will be entitled to reasonable attorney's fees and costs. If we obtain injunctive relief against you because you breach the provisions of the Franchise Agreement or the Multi-Unit Development Agreement concerning use of our trademarks, trade secrets or confidential information or if you do not comply with your obligations under the Franchise Agreement or Multi-Unit Development Agreement upon termination or expiration, you must also reimburse us for our attorney's fees and costs.

14. You must hold insurance for the full term of the Franchise Agreement (see specific required limits in Item 8). We also require workers' compensation and employers' liability, and umbrella liability coverage, and we are permitted to change the required coverage upon notice to you.

15. We require that you purchase and maintain ballet barres, mirrors, studio sound system, mats and weights. You are also required to purchase all props required for Xtend Barre programming, including but not limited to Xtend branded balls, bands, yoga straps, and socks for use at your studio and for purchase by your customers.

16. We may assume management of your studio if: (i) you abandon or fail to actively operate your studio; or (ii) you fail to comply with the Franchise Agreement or System standards and do not cure the failure. We will exercise our right to assume management in 90-day increments, renewable for up to 1 year.

17. If you request additional assistance from us that requires us to send a corporate representative to your studio (such as additional on-the-ground site location assistance) or if we are required to send a corporate representative to your studio for additional assistance, we will charge you a fee of $300-$750 per day, depending on the level of assistance that you require, at our sole discretion, for the period during which our corporate representative is providing assistance. In addition, you must cover the travel and accommodation expenses for our corporate representative. For example, if your studio does not meet the performance standards we will outline in our Operations Manual, in addition to putting you in default under your Franchise Agreement, we may send a corporate representative to your studio to assess your studio and its operations during such default.

18. You must upgrade, update or replace your fixtures, equipment and other tangible property to conform to our then-current standards for similarly situated new studios, as contained in our Design Manual, at the halfway mark of your 5 year term (2.5 years after the date you sign your initial franchise agreement or renewal agreement) in addition to any updates that we may require at the end of your term as a prerequisite for renewal. We will not require you to spend more than $25,000, cumulatively, on these updates over the course of each 5 year term. This amount does not include any required expenditures for computer systems, improvements necessary to offer new services or products that we require, upgrades that you make voluntarily, normal maintenance, or for compliance with upgrade requirements at the time of any transfer.

19. If you wish to relocate your studio during the term of the Agreement, you must pay the relocation fee to us prior to our approval of your relocation, and payment of the fee is one of our conditions for approving the relocation. We reserve the right to change the relocation fee in the future. The current relocation fee is $5,000.

20. We will organize and hold a mandatory owners' conference from time to time, at a location to be determined by us based on input from franchisees and the Franchise Advisory Council. There is currently no fee for the owners' conference, aside from the travel, lodging and food expenses that you and/or your representatives will incur to attend. However, if you or your manager do not attend the owners' conference, we will assess a $1,000 penalty. We reserve the right to implement a fee for this or other events that we may establish in the future.

21. If you fail to comply with your obligations under the Franchise Agreement, we reserve the right to charge you a fee of $100 per day that you remain non-compliant. We will automatically charge this fee to the credit card on file with us as it is incurred.

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 Franchise Fee	$37,000	Lump Sum	At signing of Franchise Agreement	Us
Training Expenses *(Note 1)*	$8,000 to $22,000 (based on 8 participants)	As incurred	As incurred during training	Us, Airlines, hotels and restaurants
Real Estate and Leasehold Improvements *(Note 2)*	$60,000 to $350,000 (based on studio size)	As incurred	As incurred	Lessor/contractor
Lease Security Deposit (if required by landlord)	$5,000 to $10,000	As incurred	At signing of lease	Lessor
Initial Equipment *(Note 3)*	$10,000 to $15,000	Lump Sum	Before issuing order	Us or suppliers
Interior Signage	$750 to $1,500	Lump Sum	Before opening	Suppliers
Exterior Signage	$2,500 to $5,000	As incurred	Before opening	Suppliers
Grand Opening Advertising *(Note 4)*	$5,000 to $7,000	As incurred	Within 90 days of opening	Vendors
Opening Inventory *(Note 5)*	$10,000 to $20,000	As incurred	Before Opening	Us or our authorized suppliers
Furniture and Fixtures *(Note 6)*	$10,000 to $20,000	As incurred	Before Opening	Suppliers or Manufacturers
Insurance *(Note 7)*	$2,500 to $4,500	Annually	Before Opening	Vendor
Music Licensing Fees *(Note 8)*	$300 to $1,000	Annually	Before Opening	Performance Rights Organizations
Web-servicing and Technology Fees – 3 months (*Note 9)*	$750	Monthly	Monthly	Us
Mindbody Software License – 3 months *(Note 11)*	$256.50 to $445.50	Monthly	As incurred	Us
Additional Funds – 3 Months *(Note 12)*	$8,000 to $20,000	As incurred	As incurred	Employees, utilities and suppliers
TOTAL	$160,056.50 to $514195.50			

All figures in Item 7 are estimates only and the ranges represent the costs during your first three months of operation. Actual costs will vary for each franchisee depending on a number of factors. The amounts payable to Xtend Holdings are nonrefundable unless otherwise noted. The refundability of other amounts depends upon your agreement with the applicable supplier or other party. The figures in Item 7 are based on our experience with our company-owned studios, as well as information reported by existing franchisees.

Notes:

1. You will be required to undertake a 38 hour initial training course, which provides trainers with information not only on the exercises themselves, but on how to effectively teach them. The training will be conducted over a 5 day period and participants will then practice the material before submitting a tape for final evaluation. Training sessions will take place at a regional corporate training center (West Coast, Midwest, Northeast or Southeast United States). Initial training for up to two individuals is included in your initial franchise fee, but we also require training for 8 additional instructors at a cost of $1,000 per person, for a total of $8,000 that must be paid to us. You are also responsible for all travel related costs. We also require you or your manager to complete an additional 3-5 day training course (23-32 hours) on business operations at our corporate headquarters in Boca Raton, Florida. The length of your training will depend on your existing business experience and/or knowledge of the Xtend system, at our sole discretion. There is no additional charge for this training, although you are responsible for all travel related costs.

2. You will need a minimum of 1,500 total square feet with a minimum of 1,000 square feet allocated for the classroom and the remaining square feet to be a separate space for reception and retail. Your costs for real estate and leasehold improvements will vary greatly, depending on the size and geographic location of your studio. These estimates are based on a 1,200 to 3,000 square foot studio that begins construction from "vanilla box" (interior walls are complete and partitioned, heating and cooling is operational and distributed, ceiling and general lighting is in place and switched, and may have a bathroom). If your studio space is a different size or in a different condition prior to starting construction, your costs may vary. Typical studio sizes range from 1,500 to 3,000 square feet. We will provide guidance on the design and layout of any premises. We reserve the right to approve or deny any space intended to be used to offer the Xtend Barre system.

3. You must purchase the props and equipment that we designate from time to time in our Operations Manual and in our Design Manual. These may include barres, mirrors, sound system, mats, and weights. All required equipment must meet the specifications that we outline in our Manuals. All equipment must be purchased from us or our authorized vendor and must be well maintained and replaced if necessary.

4. This cost is for initial marketing and promotion material you will incur to conduct a grand opening and to develop customers for your location, including media costs and other advertising expenses. Grand openings are required.

5. You must also purchase a variety of supplies, including Xtend Barre props (such as Xtend Ball, Xtend Band, Xtend yoga strap, Xtend socks, Xtend stick, Xtend mats and Xtend stability balls), systems and other items for teaching Xtend classes and opening inventory for your retail shop. We specify our minimum purchasing requirements in our Operations Manual which we may revise from time to time. See Note 8 for information on music licenses.

6. You must purchase furniture and fixtures for your studio, such as customer seating, light fixtures, and merchandise storage for your retail shop, as outlined in our Design Manual. You must follow the specifications outlined in the Design Manual and all designs must be approved by us before you begin the build-out process for your Xtend Studio. You are responsible for hiring your own architect and general contractor. We will provide a general review of your initial designs and provide comments. We must approve any departures from the specifications outlined in our Design Manual.

7. You are required to purchase insurance for the full term of the Franchise Agreement (see specific required limits in Item 8). We require workers' compensation and employers' liability, and umbrella liability coverage, and we are permitted to change the required coverage upon notice to you. This fee may be paid over the term of the Agreement or as a lump sum. If you hire independent instructors, you will be responsible to ensure they hold independent liability insurance for their activities as well.

8. You are required to purchase a license from each of the performing rights organizations with licensing rights for the music you play in your Xtend Barre classes. The costs listed above are our best estimate of the costs you will incur for licensing fees for the three major performing rights organizations (ASCAP, BMI and SESAC) during the first three months of operating your studio. Your actual costs will depend on the music played, the number of locations you own, and whether you purchase monthly or annual licenses. You are responsible to purchase and maintain your own licenses.

9. You must pay a web-servicing and technology fee of two hundred fifty dollars ($250) per month. This fee includes a license to use the franchise management software that we designate, as well as development and management of your website pages, your access to the Xtend Barre app, your access to the our required email platform, and all related improvements and technology updates. It also includes the incorporation and updating of widgets and software specific to your digital presence. We will automatically charge your payment to your credit card on file with us on the 10th of each month. The included franchise management software provides a format for managing your operations and marketing. We currently contract directly with the software provider and you make a monthly payment to us to cover this fee. We currently derive profit from this arrangement, as disclosed in Item 8. We reserve the right to change our required system for tracking your operations and marketing and will notify you of any such change. We also reserve the right to require you to contract directly with the software provider and make payment directly to them in the future and to increase your web-servicing and technology fee if our costs increase.

10. You are required to use software from Mindbody, Inc. Mindbody collects your data on gross sales and other financial transactions. The cost of Mindbody software is a yearly subscription fee of $1,026 to 1,782 per franchisee. We currently contract directly with Mindbody, Inc. and you make a monthly payment to us to cover this fee. We automatically charge your payment to your credit card on file with us on the 10th of each month. We reserve the right to change our required system for tracking gross sales and financial transactions, or to require you to contract directly with Mindbody, Inc. in the future, and will notify you of any such change. We also reserve the right to increase your monthly Mindbody fee if our costs increase.

11. These miscellaneous start-up costs are our best estimate of such costs as your initial working capital, employee payroll, and unexpected expenses. You may have additional expenses. Your actual costs will depend on your management skill, experience and business acumen, your sales figures during the three month period, your ability to follow the Xtend Holdings system and local market and economic conditions. Xtend Holdings bases its estimate of these expenses on its prior experience with its franchisees.

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	$55,500 to $92,500	Lump Sum	At signing of Multi-Unit Development Agreement	Us
TOTAL	$55,500 to $92,500			

The amounts payable to Xtend Holdings are nonrefundable unless otherwise noted.

Notes:

Your Development Fee will vary, depending on the number of Xtend Studios that you agree to develop under your Multi-Unit Development Agreement. The Development Fee is equal to $18,500 multiplied by the number of Xtend Studios that you agree to develop under your Development Agreement. The typical number of Xtend Studios that we anticipate in any given Multi-Unit Development Agreement is between 3 and 5. As an example, if you agree to open four studios, your Development Fee would be $18,500 x 4 = $74,000. We will reduce by $18,500 the amount of the initial franchise fee due under each individual Franchise Agreement that you execute pursuant to the Multi-Unit Development, up to the total amount of your development fee.

You will also incur costs when opening each Xtend Studio you commit to develop under your Multi-Unit Development Agreement.

ITEM 8:
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Merchandise, Equipment, Props and Supplies

We are continuing to develop a line of merchandise and equipment that is an integral part of the Xtend Holdings system. Therefore, you must purchase these items from us. You must purchase certain props that we designate from time to time in our Operations Manual from us. We require that you have a minimum number of these items on hand, as specified in our Operations Manual which we may revise from time to time. All inventory items available for retail sale must be approved by us. We will derive revenue as a result of your purchases, at the time you purchase. In addition, we require the purchase of a specific type of music. In addition, you must purchase a license to play any music you use from each of the performing rights organizations with licensing rights to the specific songs you play in your classes. You are responsible to purchase and maintain your licenses. You must also pay a web-servicing and technology fee to us. This fee includes a license to use the franchise management software that we designate and the email platform that we designate in the operation of your studio. We currently contract directly with the software provider and the email platform provider and you make a monthly payment to us, although we reserve the right to require you to contract directly with the software provider and/or email platform provider and make payment directly to them in the future. We will derive revenue as a result of your web-servicing and technology fee.

You must purchase certain props that we designate from time to time in our Operations Manual, including sticks, stability balls, foam rollers, and resistance band systems, from our approved vendor. You may not purchase them from any other source. If we add new props, we may require you to purchase them from our approved vendor. We also recommend suppliers for equipment, décor and various studio setup. Neither we nor our officers own an interest in any of the suppliers we recommend. We do not use purchasing or distribution cooperatives, but we have negotiated supplies at a discount rate from various suppliers, as outlined in our Operations Manuals. We may derive revenue as a result of your purchases from suppliers and vendors. You must use Mindbody, Inc. software. We will derive revenue as a result of your use of Mindbody software.

Other than the equipment that you must purchase from us or from our approved vendor, as described above, you may purchase supplies and equipment from alternative suppliers. All other equipment and services used in the conduct of Xtend Barre classes must meet our specifications and standards, and you are recommended to purchase them from suppliers we designate or from suppliers that you select that meet our product specifications. We will make our criteria for approving suppliers available to you in our Operations Manual. If you choose to purchase items from suppliers other than those we recommend, you must demonstrate that the products offered meet our specifications and standards by submitting product details. We will notify you of our approval or disapproval of an alternative supplier within five business days of receiving product details. Once granted, we may revoke approvals of alternative suppliers for any reason, at our discretion, by notifying you in writing. We do not charge a fee to approve your purchase from alternative suppliers.

Our product specifications will be outlined in our Operations Manuals. We may update these specifications from time to time and will notify you of any such changes as they occur. We may also designate, by brand-name, equipment that you are required to use.

Studio Design

You must purchase certain furniture, fixtures and finishes described in our Design Manual in the build out and/or update of your studio. We outline the specifications for these items, the amounts you must purchase, and our recommended suppliers for these items in our Design Manual. We may update these specifications from time to time and will notify you of any such changes as they occur. We must approve the design of your studio before you begin the build-out process. You are responsible for hiring your own architect and general contractor. We will provide a general review of your initial designs and provide comments. We must approve any departures from the standards and specifications outlined in our Design Manual.

The furniture, fixtures and finishes used in your studio must meet our specifications and standards. You may purchase them from the suppliers/manufacturers we recommend or from suppliers/manufacturers that you select that meet our specifications. We will make our criteria for approving suppliers available to you in our Operations Manual. If you choose to purchase items from vendors other than those we recommend, you must demonstrate that the products or services offered meet our specifications and standards by submitting relevant details. We will notify you of our approval or disapproval of an alternative supplier within five business days of receiving these details. Once granted, we may revoke approvals of alternative suppliers for any

reason, at our discretion, by notifying you in writing. We do not charge a fee to approve your purchase from alternative suppliers.

Other

In addition to the restrictions on retail items above, you may not offer for sale from your studio any service or product without our prior written consent.

You will be provided with an xtendbarre.com webpage that will be maintained and updated by us based on the information you provide and will be accessible to the public to help promote your activities.

You must only use music from vendors that we designate in the conduct of your classes and other fitness programs. You must obtain a music license from ASCAP, SESAC, and/or BMI when using music for public performances in conducting your Xtend Barre classes.

You must purchase your marketing materials from a vendor that we designate. We do not currently, although we may in the future, derive revenue as a result of your purchase of these marketing materials. You only use pre-designated marketing materials and may not create your own.

After you execute the Franchise Agreement, you must obtain our consent to develop the location and facilities from which you will run Xtend Barre classes. We may require you to include certain terms in your lease including a conditional lease assignment to us or our nominee if your Franchise Agreement expires or is terminated (See Franchise Agreement, 3.2 and Exhibit F).

You must obtain the insurance coverage required by the Franchise Agreement from a carrier with a rating of at least A. The required coverage currently includes employer's liability (worker's compensation), with limits as required by state law, but no less than $1,000,000; comprehensive general liability insurance in the minimum amounts of $1,000,000 per occurrence and $2,000,000 general aggregate, including personal injury, contractual liability, products and completed operations and professional liability coverage, and with a maximum deductible for this coverage of $25,000; automobile liability insurance, including contractual liability, insuring owned, non-owned, hired and all vehicles used by your studio, with a combined single limit of not less than $1,000,000 ($1,000 maximum deductible) per occurrence; umbrella liability coverage with limits of $1,000,000 per occurrence and aggregate. The required coverage is subject to change and may be revised from time to time and updated in the Operations Manual. Your insurance policies must name us and our owners, officers, directors and employees as additional insureds (on a primary and non-contributory basis), and contain a waiver of subrogation in favor of us and our owners, officers, directors and employees. Before opening your studio, you must provide us with certificates of insurance for all policies. You must maintain this insurance in good standing and immediately notify us of any lapse, alteration or cancellation of any policy or coverage.

Our revenue from the sale of required supplies to our franchisees for 2016 was $165,000, or approximately 10% of our total revenue of $1,602,957.

We estimate that the cost of all required purchases will represent 75-85% or more of your total purchases in establishing the business and 30-40% or more of your total purchases during operation of the business.

We may receive a benefit from certain vendors to whom we refer you, including ADP payroll service, VistaPrint, and MindBody Online and other such goods and service providers. You are required to purchase goods and services from these vendors for certain items we designate from time to time, but can purchase other required items from other vendors we have approved. Other than as described above, we do not currently receive revenues from required purchases and leases of products and services, although we reserve the right to do so. We do not provide material benefits to you based on your purchase of particular products or services from particular suppliers.

ITEM 9:
FRANCHISEE'S OBLIGATIONS

These tables list 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 Agreement	Disclosure Document Item
a. Site selection/lease/premises	Franchise Agreement: 3.1, 3.2, 3.3 Multi-Unit Development Agreement: 4.2	Item 8 and 11
b. Pre-opening purchases/leases	Franchise Agreement: 3.2, 3.4, 3.5, 8.3, 8.4, 8.11 Multi-Unit Development Agreement: N/A	Item 5, 7 and 8
c. Site development	Franchise Agreement: 3.2, 3.4 Multi-Unit Development Agreement: 4.2	Item 7 and 11
d. Initial and ongoing training	Franchise Agreement: 2.1.1, 6 Multi-Unit Development Agreement: N/A	Item 11
e. Opening	Franchise Agreement: 3.5 Multi-Unit Development Agreement: 2.1, 4.3	Item 11
f. Fees	Franchise Agreement: 5 Multi-Unit Development Agreement: 6	Item 5, 6 and 7
g. Compliance with standards and policies/Manuals	Franchise Agreement: 3.5, 3.6, 8 Multi-Unit Development Agreement: N/A	Item 11
h. Trademarks and proprietary	Franchise Agreement: 10, 11	Item 13 and 14

Obligation	Section in Agreement	Disclosure Document Item
information	Multi-Unit Development Agreement: 8.1	
i. Restrictions on products/services offered	Franchise Agreement: 8.2, 8.3, 8.4 Multi-Unit Development Agreement: N/A	Item 16
j. Warranty and customer service requirements	Franchise Agreement: 8, 8.7 Multi-Unit Development Agreement: N/A	Item 11
k. Territorial development	Franchise Agreement: 8.9 Multi-Unit Development Agreement: 2, 4.3	Item 12
l. Ongoing product/service purchases	Franchise Agreement: 8 Multi-Unit Development Agreement: N/A	Item 8
m. Maintenance, appearance and remodeling requirements	Franchise Agreement: 3.6, 8.2, 8.3 Multi-Unit Development Agreement: N/A	Item 11
n. Insurance	Franchise Agreement: 8.9, 9 Multi-Unit Development Agreement: N/A	Item 8, 6 and 7
o. Advertising	Franchise Agreement: 8.11, 10, 13 Multi-Unit Development Agreement: N/A	Item 6 and 11
p. Indemnification	Franchise Agreement: 9.4 Multi-Unit Development Agreement: 7	Item 6
q. Owner's participation/management/ staffing	Franchise Agreement: 8.5, 8.6, 8.7 Multi-Unit Development Agreement: 3.1	Item 15
r. Records and reports	Franchise Agreement: 12 Multi-Unit Development Agreement: 5	Item 6
s. Inspections and audits	Franchise Agreement: 8.10 Multi-Unit Development Agreement: N/A	Item 6
t. Transfer	Franchise Agreement: 14 Multi-Unit Development Agreement: 10	Item 17
u. Renewal	Franchise Agreement: 4 Multi-Unit Development Agreement: N/A	Item 17
v. Post termination obligations	Franchise Agreement: 16 Multi-Unit Development Agreement: 13	Item 17
w. Non-competition covenants	Franchise Agreement: 17 Multi-Unit Development Agreement: 13	Item 17

Obligation	Section in Agreement	Disclosure Document Item
x. Dispute resolution	Franchise Agreement: 19.1 Multi-Unit Development Agreement: 15.1	Item 17

ITEM 10:
FINANCING

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

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:

Before you open your Xtend Studio, we will provide:

1) Assistance in selection of a site. However, it is your responsibility to locate and/or maintain a suitable site. We will provide assistance at no charge with site selection over the phone or by e-mail, but if you would like a corporate representative to assist you in your search on the ground, you may request such assistance for a fee of $300-$750 per day, depending on the level of assistance that you require, at our discretion, plus travel and accommodation expenses. You must obtain our consent to develop your site within 90 days after you sign the Franchise Agreement unless we give you written approval to extend your search. If you are unable to find a suitable site within 90 days, or within any extensions of this time frame that we approve in writing, we will give you notice of default under your Franchise Agreement and you will have 30 days to cure that default or take reasonable steps to demonstrate that you are curing that default. Generally, we do not own premises and lease them to you. We do not select a site or approve an area in which you select a site.

   In evaluating a proposed or existing site, we consider such factors as the general location and neighborhood, demographics, traffic patterns, parking, rent, size, layout and other physical characteristics. We must provide our consent for you to develop your site within 30 days after we receive notice of the location (See Franchise Agreement, Paragraph 3). If we do not consent to your proposed site, you will have an additional 30 days to find a new location and submit notice to us. If you fail to find a new location within the additional 30 days, we will give you a notice of default under your Franchise Agreement and you will have 30 days to cure that default or take reasonable steps to demonstrate that you are curing that default. Most of these services will be provided telephonically, and we are under no obligation to travel to the proposed site in person to give such guidance. We do not assist in conforming the premises to local ordinances and

building codes or obtaining required permits.

2) Guidance on the build out of your studio, including a Design Manual with specifications on studio design, furniture, fixtures and finishes. We must approve the design of your studio before you begin the build-out process. We will provide a general review of your initial designs and provide comments.

3) Access to a customizable Xtend Barre webpage. (See Franchise Agreement, Paragraph 13.2). The webpage provides data such as studio information, photos, and a link to the studio's Mindbody account that contains schedules and pricing. Your webpage can be modified by requesting that we update the data. The webpage will be made available to the public.

4) Ongoing instruction and training in Xtend Barre procedures, which may be via telephone and email at our discretion, and as described later in this Item (See Franchise Agreement, Paragraph 6). All training must be completed to our satisfaction.

5) Instruction and training in health and fitness, and the conduct of Xtend Barre classes, through a 38 hour training course held at one of our regional corporate training facilities. The training provides information in exercises, teaching techniques for beginners, intermediate and advanced clients. All training must be completed to our satisfaction. The training is evaluated and upon successful completion Xtend Barre certification and approval to operate is awarded. (See Franchise Agreement, Paragraph 6.1).

6) Instruction and training in business operations and guidance for you or your manager. This training is a 23-32 hour training course held at our corporate headquarters. The length of your training will depend on your existing business experience and/or knowledge of the Xtend system, at our sole discretion. The training provides guidance on business operations required for running your studio. All training must be completed to our satisfaction. (See Franchise Agreement, Paragraph 6.1).

7) A copy of the table of contents of our Operations Manual which contains standards and specifications and other operating requirements which we update periodically and which you must follow and is attached as Exhibit E to this Disclosure Document (See Franchise Agreement, Paragraph 7.1).

8) We provide further assistance with pre-opening publicity campaigns and your grand opening efforts (See Franchise Agreement, Paragraph 13).

9) We anticipate that all franchisees will begin operation of their franchise 90 to 120 days after they sign the Franchise Agreement and pay the initial franchise fee. The factors that affect this time are locating a satisfactory site, obtaining a lease, construction or improvements to the site, financing, obtaining building permits, zoning and local ordinances, weather conditions, shortages and any delays in installation of equipment, fixtures and signs.

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

Post-Opening Assistance

During the operation of your business, we will:

1) Provide periodic advice and consultation on the operation of your franchised business, communicate new developments, techniques, and improvements in services for the operation of your business (See Franchise Agreement, Paragraph 7.2).

2) Xtend Holdings may provide public relation activities and promotion of the Xtend Barre program through various media which may include newspapers, magazines, public appearances, celebrations, benefits and other special events (See Franchise Agreement, Paragraph 13).

3) Provide continuing education certification workshops that allow you to maintain your certification (anticipating 8 CECs per year are required to maintain your certification currently, which we may amend from time to time), which training will be provided generally for a fee. (See Franchise Agreement, Paragraph 6.3). All training must be completed to our satisfaction.

4) Provide periodic studio appraisal and instructor recharge training. (See Franchise Agreement, Paragraph 6.2).

5) Provide additional training in the Xtend Barre program and business as requested by you or if we determine it to be necessary, which additional training will generally require a fee payable to us at our then current rates (See Item 7). The additional training will be conducted at your business location or as we determine. If the training is conducted away from your business location, you will be responsible for all of your and your employees' expenses to attend the training program, including any lodging, transportation, food, etc. (See Franchise Agreement, Paragraph 6.3). If training is conducted at your business location, you will be responsible for all of our and our employees' lodging and transportation expenses to travel to your location. All training must be completed to our satisfaction.

6) Provide access to Xtend Barre props for you to purchase (Xtend Ball, Xtend Band, Xtend Yoga Strap, Xtend Stick and Xtend Socks) for use in your studio (See Franchise Agreement, Paragraph 8.3).

7) We may send our representatives to monitor your classes to determine whether or not you (or the instructor who conducts your classes) are conducting them in a manner consistent with the Xtend Barre system or we may monitor you and your instructors remotely (See Franchise Agreement, Paragraph 7.3).

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

Advertising

You may only use pre-designed ads/marketing material for your franchise and you must purchase these materials through our designated vendor, as named in the Operations Manual. We have no

obligation to spend any amount on advertising in the area in which you are located. We do not specify how you use the ads/marketing material that you purchase.

We require that you spend at least 1% of your monthly revenues, or $350, whichever is greater, each month on local advertising in the area surrounding your studio. In addition, you must contribute 2% of your monthly revenues to our system-wide marketing fund (as explained below). We do not currently have a cooperative advertising program, although we reserve the right to implement one in the future. If you propose to do any advertising or promotion for your studio outside of our designated and preapproved materials, you must submit your proposed advertising material and promotional plans to us for our written approval prior to their use. In addition, you must provide us, in writing, with your marketing plan at least 30 days prior to the execution of your plan. We will give our approval in writing within 2 weeks of the date you submit your marketing plan to us.

We reserve the right, at any time, to increase the amount you must contribute to the marketing fund, your local advertising expenditures, and advertising cooperative contributions, if we establish an advertising cooperative in the future. However, you will not be required to spend more than five percent (5%) of your studio's gross sales on the combination of marketing fund contributions, local advertising expenditures, and advertising cooperative contributions (if an advertising cooperative is established in the future).

We have an advertising council, currently comprised of five franchisees and two corporate representatives, that advises us on advertising policies. The five franchisee representatives are elected by vote of all franchisees. We may change or dissolve the council at any time. We may change the number of advertising council members, but not the portion of corporate representatives to franchisees.

You may advertise your franchise on the Internet, but only through your official Xtend Barre webpage, as maintained by us.

Marketing Fund

You must contribute 2% of your monthly revenue to the System-wide marketing fund (the "Fund"). Any franchised businesses owned by us will contribute to the Fund on the same basis as you. If there are any franchisor-owned outlets, they would also be required to contribute to the Fund on the same basis as you. Other franchisees may contribute different amounts or percentages of their gross revenues, depending on when they signed their franchise agreements or other factors.

The Fund is used for national, regional and/or local marketing, publicity and promotion relating to our business. Some portion of the Fund may be used for creative concept production, marketing surveys, test marketing and related purposes. We will administer the fund and determine, in our discretion, the manner in which the Fund will be spent and we may direct all advertising activities with discretion over creative concepts, materials and media used, as well as their placement and allocation. The Fund will not be audited. You may receive, once annually, an accounting of how advertising fees are spent if you request the accounting in writing. If there are funds left over at the end of any given year, those funds will be kept in the Fund and used in a subsequent year. If there is a deficiency at the end of any given year, the advertising fees for

the next year will be used to cover the deficiency. For the fiscal year ended on September 30, 2016 we spent the Fund as follows: 12% on production, 18% on media placement (including public relations), 1% on administrative expenses and 69% on other expenses (graphic design, social media, website development).

We may determine, in our discretion, the composition of all geographic and market areas for the implementation of these advertising and promotional activities. The Fund is intended to maximize general public recognition of the Marks, and patronage of all Xtend Barre franchises. We have no obligation to ensure that expenditures by the Fund, if developed, in or affecting any geographic area are proportionate or equivalent to contributions by franchisees operating in that geographic area, or that any franchised business will benefit directly or in proportion to its contributions to the Fund from the conduct of marketing programs, the development of advertising and marketing or the placement or advertising.

We do not use the Fund for advertising that is principally a solicitation for the sale of franchises.

Local Advertising

You must spend the greater of 1% of your gross revenue or $350 per month on local advertising in the area surrounding your studio. We do not dictate how you spend these funds, but we may require proof that you have spent a sufficient amount. If we implement an advertising cooperative in the future, we will require you to contribute this local advertising amount (the greater of 1% of your gross revenue or $350 per month) to the advertising cooperative.

Computers

You are required under the Franchise Agreement to have a computer system that has continuous access to the Internet and that is sufficient to operate under a software license agreement from Mindbody, Inc. The cost of this computer system generally ranges between $500 and $2000. Mindbody collects your data on gross sales and other financial transactions and we will have independent access to that data at all times. Your cost for Mindbody software is currently $85.50 to $148.50 per month, depending on which subscription plan you choose, and is paid to us. We contract directly with Mindbody, Inc. Neither we, nor any third party is obligated to provide ongoing maintenance, repairs, upgrades or updates to your computer system or software. You are not obligated to upgrade or update any system during the term of your franchise, except as required to support Mindbody software. If you choose to upgrade or update your systems, it may cost between $100 and $500 per year. We reserve the right to change the required system or software that we require you to use for tracking your financial information and will notify you of any such change in our requirements.

Operations Manual

The table of contents of our Operations Manual is found in Exhibit E to this Disclosure Document and lists the total number of pages and the number of pages devoted to subject as of September 30, 2016. As of September 30, 2016, the Operations Manual contained 151 total pages.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Teaching *The Xtend Barre* classes	38	20	Onsite at regional training centers or other approved location
General Business Operations and Reporting Operational programs, franchise software platforms, pre-opening procedures, sales strategies financial reporting obligations, franchisee compliance metrics, studio quality assurance program	23-32	29	Onsite at corporate office (for classroom training); Onsite at your studio (for on-the-job training)
Recharge Training: various topics related to teaching Xtend Barre classes	12-15	0	Onsite at your studio
Totals:	73-85	49	

Before you open the franchised business, you or your manager and all of your instructors (a minimum of 8 individuals, including you) must successfully complete our initial teaching training program. It is a training course conducted over 5 days. We offer initial training at least once per quarter. Within 60 days of completing your initial training, a test out tape must be submitted for evaluation. Upon successful completion, the participant will receive certification to instruct in Xtend Barre workout programs. Training will be conducted at one of our regional corporate training facilities. If travel to the training site is required, you must pay travel and living expenses for trainees. Christine Nowicki, Training Director, is responsible for all Xtend Barre system training and has been the Training Director since November, 2013. She is responsible for training regarding teaching Xtend Barre classes. Other of our employees and certified trainers may participate in providing and conducting aspects of the training program. All of our instructors have practical experience in the subject they teach and have been employed or contracted by us to perform such services. We charge $1,000 for training each instructor, however two individuals receive free training as part of the initial franchise fee. All of those who teach *Xtend Barre* classes must be certified by us prior to undertaking their teaching activities. All training must be completed to our satisfaction.

The cost of training for franchisees includes the cost of: (i) a copy of the Xtend Barre manual, including pictures and (ii) online video tutorials and lesson plans. Instructors who conduct Xtend Barre classes must have an Xtend Barre certification.

In addition to the teaching training, within 3 months before opening your studio, you or your manager must successfully complete our initial business operations training as outlined above. This training will be conducted onsite at our corporate office and the length of required training will depend on your existing business experience and/or knowledge of the Xtend

system. If travel to the training site is required, you must pay travel and living expenses for trainees. Carisa Findley, Director of Franchising and Licensing, is responsible for all Xtend Barre business operations training and has been the Director of Franchising and Licensing since April 2014. She is responsible for operations and training regarding running an Xtend Barre system business. Other of our employees may participate in providing and conducting aspects of the training program. All of our instructors have practical experience in the subject they teach and have been employed or contracted by us to perform such services. There is no additional charge for the business operations training—one individual (you or your manager) may attend for free, as part of the initial franchise fee. However, you must pay all travel, lodging and related costs. All training must be completed to our satisfaction.

Three or four months after your franchise opens for business, our representative will conduct a 2 day, on-site studio appraisal and instructor recharge course. All of your instructors are required to participate in this training. We charge $3,000 to cover the expenses of our representative, including food, travel and lodging. Additionally, we charge a fee for each of your instructors that participate, which will be based on our current rates. At the conclusion of the training, you will receive an assessment report detailing any changes that need to be implemented and outlining where your studio stands in relation to other studios at the 3-4 month point.

You are also required to participate in an annual studio appraisal and instructor recharge course.

In addition to the required training described above, Xtend Holdings may require or you may choose to attend the initial training again before renewing the Franchise Agreement at your own cost. Costs for repeating the initial training are the same as attending for the first time. Instructors must also participate in 8 hours of continuing education certification ("CEC") per year. CEC courses are offered throughout the year and are generally conducted online. The average cost for CECs is $35 per hour.

ITEM 12:
TERRITORY

Franchise Agreement

Your territory will be defined as a mapped area defined in Exhibit A of your Franchise Agreement, generally a radius of 1 mile, around your studio location (approved by us as described in Item 11 above) within which we agree not to conduct the Xtend Holdings business from a corporate location or to franchise someone else to do so, except as described below. However, if, at our sole discretion, your studio location is deemed to be in a "central business district," your territory will consist of your specific street address only, with no additional area. Depending on the demographics of the territory, it could encompass densely populated areas in major metropolitan areas. We reserve the right in densely populated areas, prior to the time of execution of your Franchise Agreement, to further limit the territory granted and will detail such limitations in an exhibit to the Franchise Agreement on a case by case basis that all the parties must agree to. (See Franchise Agreement, Paragraph 2.2).

You will not receive an exclusive territory regarding soliciting customers. Except as described above, you may face competition from other franchisees, from our licensees, from outlets that we

own, or from other channels of distribution or competitive brands that we own. We do not have the right to modify your Territory without your approval.

Your sales must be through channels of distribution that we have approved, and all of your sales will be to customers who visit your location in person. We reserve all rights that we do not grant to you. For example, we reserve all rights to the use of our name, to promote Xtend services and to sell Xtend branded products over the Internet and other means of electronic communication that are developed in the future. We are not required to compensate you for soliciting or accepting orders from inside your territory.

You must obtain our written consent and pay our relocation fee to relocate your business. We will base our approval of your relocation on the same criteria we use to evaluate your initial location: general location and neighborhood, demographics, traffic patterns, parking, rent, size, layout and other physical characteristics and the location of other franchisees. We may deny approval based on our reasonable business judgment. You may open an additional location in the territory, if we agree, and if you pay the initial franchise fee and sign our then-current form of Franchise Agreement for the second location.

You can offer Xtend Barre programs only at your franchised location. You do not have the right to use other channels of distribution such as the Internet, catalogs, telemarketing or other direct marketing (See Franchise Agreement, Paragraph 2.3).

As of the date this Disclosure Document, there are no franchisee options, rights of first refusal or similar rights to open additional franchises within any territory, except as described above.

We license existing fitness centers to use the Xtend method but do not currently have plans to establish other franchises or company-owned outlets to conduct a similar program or to sell similar services or products under a different trademark, or to do so through a different channel of distribution, although it may do so in the future.

There are no other circumstances that permit you to modify your territorial rights, unless you agree to them based on specific negotiation.

Multi-Unit Development Agreement

You will be granted a defined Development Area under your Multi-Unit Development Agreement. The size of your Development Area will depend on the number of studios you agree to develop, but will generally include at least 2 square miles. Your Development Area will be large enough to encompass the territories of the number of franchises to be developed under your Multi-Unit Development Agreement. Provided that you are in full compliance with your Multi-Unit Development Agreement, each Franchise Agreement, and all other agreements with us, we will not establish or operate, or allow anyone else to establish or operate, an Xtend Studio in your Development Area during the term of your Multi-Unit Development Agreement. You will not receive an exclusive Development Area regarding soliciting customers. Except as described above, you may face competition from other franchisees, from our licensees, from outlets that we own, or from other channels of distribution or competitive brands that we own. We do not have the right to modify your Development Area without your

approval, but you must comply with the Development Schedule or we will have the right to terminate your Multi-Unit Development Agreement.

Typically, your Development Territory will be a geographic area with a specific radius, or a specific city, county, or other political subdivision. We reserve the sole right to determine your Development Area before you sign your Multi-Unit Development Agreement. We may use such factors as site availability, demographics, and your ability to develop Xtend Studios within your Development Area, among other factors. Once your Multi-Unit Development Agreement terminates, your right to the Development Area also terminates, although your territorial rights under each Franchise Agreement still in effect will continue.

We reserve all rights that we do not grant to you. For example, we reserve all rights to the use of our name, to promote Xtend services and to sell Xtend branded products over the Internet and other means of electronic communication that are developed in the future. We are not required to compensate you for soliciting or accepting orders from inside your territory. We also reserve the rights to establish or to allow others to establish Xtend Studios outside your Development Area, to establish other franchises or company-owned outlets to conduct a similar program or to sell similar services or products under a different trademark, to acquire the assets or ownership interests of any business, to be acquired or become controlled by any other business, and to operate or grant someone else the right to operate any Xtend Studios that we acquire under our right of first refusal, and engage in any other activities that are not prohibited under the Multi-Unit Development Agreement.

There are no other circumstances that permit you to modify your Development Area, unless you agree to them based on specific negotiation. All written correspondence regarding your Development Area may be directed to Andrea Rogers, 21200 St. Andrews Blvd., Suite 15, Boca Raton, Florida 33433.

ITEM 13:
TRADEMARKS

We grant you the right to conduct business offering a fitness program under the name "Xtend" or "Xtend Barre." You must also use other marks which we develop or prescribe to identify your business and its services and products. By mark or trademark, we mean trade names, trademarks, service marks and logos used to identify your business, its services and its products.

We own the rights to the following registrations with the U.S. Patent and Trademark Office (USPTO):

Mark	Class	Registration Number	Registration Date
Xtend Barre	**41**	3971678	May 31, 2011
Xtend	**41**	3831831	August 10, 2010
Meet you at the Barre	**41**	3831713	August 10, 2010
Your Body on Point	**41**	4714032	March 31, 2015

Each of these trademarks is registered on the principal register. We have filed all required affidavits for each of these trademarks.

You must follow our rules when you use these trademarks. You cannot use a name or mark as part of a corporate or other entity name or with modifying words, designs or symbols except for those which we license to you. You may not use our trademarks in the sale of an unauthorized product or service or in a manner not authorized by us in writing.

There are no currently effective material determinations of the USPTO, the trademark trial and appeal board, the trademark administrator of any state or any court, or any pending infringement, opposition or cancellation or any pending material litigation in federal or state court involving the principal trademarks.

Your right to use our trademarks is derived solely from the Franchise Agreement and is limited to your conduct of business in compliance with the Franchise Agreement and all applicable standards, specifications, operating procedures and rules that we require. Your unauthorized use of our marks will constitute a breach of the Franchise Agreement and an infringement of our rights in the marks. Your use of our marks and any goodwill established by your use will benefit us exclusively. The Franchise Agreement does not confer any goodwill or other interests in our marks on you other than the right to operate your franchise in compliance with the Franchise Agreement. All provisions of the Franchise Agreement applicable to our marks will apply to any additional proprietary trade and service marks and commercial symbols that we authorize for use by you in the future.

We have the right to require you to modify or discontinue use of any of our marks or use one or more additional or substitute trade or service marks if we determine that it becomes advisable at any time. In that case, you must comply with our directions to modify or discontinue the use of the mark or use one or more additional or substitute trade or service marks within a reasonable time after notice from us.

You agree to promptly notify us of any suspected infringements, imitations, or suspected unauthorized use of the marks, or any challenges to the validity, our ownership of, right to use and license others to use, or to your use of, the marks. You acknowledge we have the sole right to institute, defend, direct, and control any judicial, arbitration, and administrative proceedings and actions involving the marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the marks. We have the right to defend you against any third-party claim, suit, or demand arising out of your use of the marks at our sole cost. If we undertake the defense or prosecution of any judicial, arbitration, or administrative proceedings or actions affecting the marks, you are required to cooperate with us in these proceedings or actions and you agree to all documents and to do those acts and things as may, in our opinion, be necessary to comply with this requirement, including being named as a nominal party in these proceedings or actions. We will indemnify you for any reasonable damages or expenses incurred by you, due to any judicial, arbitration, or administrative proceedings or actions involving the marks.

To our actual knowledge, there are no superior prior rights or infringing uses which could materially affect your use of any of our marks in any state and there are no currently effective

agreements that significantly limit your rights to use or license the use of trademarks listed in this section in a manner material to the franchise.

ITEM 14:
PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not currently own any patents. We claim copyrights in our operations manual and training manual, specifications and materials including written details of our exercise routine. We have not registered these copyrights with the U.S. Registrar of Copyrights.

As long as you are not in breach of your Franchise Agreement, you have the right to use the Xtend Barre exercise routines.

You must notify us immediately when you learn about a challenge to your use of our copyrighted materials. We will defend you against claims of infringement if you are using the copyrighted material as required by the Franchise Agreement, contingent upon you notifying us of any infringement. You must assist us in protecting any of our rights, at our expense.

If you learn about a third party's use of these copyrighted materials which you believe to be unauthorized, you must notify us immediately. We will decide whether or not to take action against the third party, and you must assist us, at our expense, if it does so.

If we decide to add, modify or discontinue the use of anything covered by a copyright, you must also do so at your expense.

We do not know of any infringing uses that could materially affect your use of our copyrighted materials.

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

Franchise Agreement

Although we recommend that you personally supervise and participate in the franchised business, you are not required to do so. However, you are required to complete the training program. The business must be directly supervised "on-premises" by a manager who has successfully completed our training program and has been approved by us. If you are a business entity, the manager need not have an equity interest in your business. The manager must also sign a written confidentiality agreement. All trainers of the Xtend Barre exercise method must be certified by us.

Xtend Holdings may also require you, or your owners, if you are an entity, to sign a personal guarantee.

Multi-Unit Development Agreement

You must use your best efforts in exercising your development rights under the Multi-Unit Development Agreement and you may not subcontract or delegate any of your obligations under the Multi-Unit Development Agreement.

Xtend Holdings may also require you, or your owners, if you are an entity, to sign a personal guarantee.

ITEM 16:
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

We require you to offer and sell only those goods and services that we approve (see Items 7 and 8).

You must offer all goods and services that we designate periodically as required for franchisees in the Operations Manual from your studio location. If we add additional exercise programs or routines to our system, within three months you must complete any required training related to the services and must offer any associated products at your studio. You may not sell the required products on a website or otherwise via the Internet. You may only sell items that we approve. You may not design or sell your own Xtend-branded items. 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 Xtend 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.

Xtend Holdings may add new services or products that you may be required to offer.

ITEM 17:
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

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.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
a. Length of the franchise term	Franchise Agreement: Recital, 4.1 Multi-Unit Development Agreement: 2.2	5 years. Term ends on opening date of last Xtend Studio covered by Development Schedule or on the last day listed on the Development Schedule
b. Renewal or extension of the term	Franchise Agreement: 4.1 Multi-Unit Development Agreement: N/A	If you meet certain conditions, you may renew the Franchise Agreement for on additional term of 5 years.
c. Requirements for franchisee to renew or extend	Franchise Agreement: 4.1 Multi-Unit Development Agreement: N/A	You must notify us within 180 days of expiration of the Term, you must not have received any default notices during the Term, you must have made all required payments during the term, you will be current on the most recent training and/or attend additional training at our discretion, your location is current in its design, you pay the renewal fee, you sign a new franchise agreement (which may contain materially different terms and conditions), you provide us a release in our standard form.
d. Termination by franchisee	Franchise Agreement: 15.6 Multi-Unit Development Agreement: N/A	You have the right to terminate if we are in default and fail to cure that default.
e. Termination by franchisor without cause.	Franchise Agreement: 6 Multi-Unit Development Agreement: N/A	We can terminate the agreement if you fail to successfully complete training We may not terminate without cause.
f. Termination by franchisor with cause.	Franchise Agreement: 3.1, 15 Multi-Unit Development Agreement:	We can terminate if you default or if the events described in g or h occur.
g. "Cause" defined- curable defaults.	Franchise Agreement: 3.1, 15.2 Multi-Unit Development Agreement: 11.2	You have 10 days to cure nonpayment of fees and up to 30 days for other types of noncompliance, except those listed in h. You have 10 days to cure nonpayment of fees, 15 days to cure failure to file required reports or documentation, and up to 30 days for other types of noncompliance, except those listed in h.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
h. "Cause" defined noncurable defaults.	Franchise Agreement: 15.1	Noncurable defaults: insolvency or an assignment for benefit of creditors; abandonment; your material misrepresentation to us; felony conviction or no contest plea or conduct; unauthorized transfer or termination of this or any other agreement with us, unauthorized use of trademarks or unauthorized disclosure of intellectual property; failure for three days to comply with regulations or laws after notification from authorities..
	Multi-Unit Development Agreement: 11.1	Noncurable defaults: insolvency or an assignment for benefit of creditors; failure to comply with your Development Schedule; your material misrepresentation to us; felony conviction or no contest plea or conduct; unauthorized transfer or termination of this or any other agreement with us; unauthorized use of trademarks or unauthorized disclosure of intellectual property; failure any three times in a year to pay financial obligations; failure to comply with any Franchise Agreement without timely curing; failure any three times in a calendary year to comply with the Multi-Unit Development Agreement, even if cured
i. Franchisee's obligations at termination/non-renewal	Franchise Agreement: 16	Discontinue use of all trademarks, cease providing our branded services, cease to represent yourself as an authorized provider, remove all signs and other display of our name, transfer name registrations that include our trademarks, refund money paid by customers for our branded services, cease using the website we provide, remove all branded equipment, fixtures and props, return the operations manual to us and all other documents including out trade secrets, pay all amounts due to us.
	Multi-Unit Development Agreement:	Cease exercising development rights; cease to represent yourself as an Xtend developer; return Confidential Information; pay all amounts due to us; comply with all provisions of Multi-Unit Development Agreement that survive termination.
j. Assignment of contract by franchisor	Franchise Agreement: 14.4	No restriction on our right to assign.
	Multi-Unit Development Agreement: 10.4	No restriction on our right to assign.
k. "Transfer" by franchisee – defined	Franchise Agreement: 14	Includes transfer of the Franchise Agreement, franchised business or ownership of franchisee.
	Multi-Unit Development Agreement: 10	Includes transfer of interest in the Multi-Unit Development Agreement; ownership interest in developer, its business or its development rights.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
l. Franchisor approval of transfer by franchisee	Franchise Agreement: 14.1	You must obtain our written consent to all transfers. You must give us 30 days' notice before the transfer and include details of the transferee and the transfer provisions. We have 45 days to approve or disapprove any transfer.
	Multi-Unit Development Agreement: 10.2	You must obtain our written consent to all transfers. You must give us 30 days' notice before the transfer and include details of the transferee and the transfer provisions. We have 45 days to approve or disapprove any transfer.
m. Conditions for franchisor approval of transfer	Franchise Agreement: 14.2	Transferee meets our standards to be a franchisee; transferee successfully completes our training; transferee is acquiring your location; transferee assumes all obligations under the agreement; our transfer fee is paid; you must not be in default under the agreement; the studio meets our requirements; transferee signs our most current form of franchise agreement and updates the studio to our then-current standards and specifications; you must sign a general release.
	Multi-Unit Development Agreement: 10.2	Transferee meets our current standards for new Developers; transferee successfully completes our training; transferee must comply with our standards regarding involvement in competitive businesses; transferee assumes all obligations under the agreement; our transfer fee is paid; you must not in default under any agreement with us; you must pay our expenses incurred in connection with the transfer; transferee signs our most current transfer agreement; you must sign a general release.
n. Franchisor's right of first refusal to acquire franchisee's business	Franchise Agreement: 14.1	We can match any offer for your business at the time you seek approval for any transfer.
	Multi-Unit Development Agreement: 11.1	We can match any offer for your business at the time you seek approval for any transfer.
o. Franchisor's option to purchase franchisee's business	Franchise Agreement: 15.7	We have the right to assume your lease at expiration or termination of the Franchise Agreement only and to negotiate terms for purchase of any fixtures, equipment or other materials we may wish to keep at the site.
	Multi-Unit Development Agreement: 11.5	We have the right to purchase any or all assets used in Xtend Studios in your Development Area if we terminate the Multi-Unit Development Agreement.
p. Death or disability of franchisee	Franchise Agreement: 14.3	In the event of your death or incapacity, your executor or representative must transfer your interest to a qualified transferee within 240 days..

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Multi-Unit Development Agreement: 10.3	In the event of your death or incapacity, your executor or representative must transfer your interest to a qualified transferee within 240 days
q. Non-competition covenants during the term of the franchise	Franchise Agreement: 17, 17.1	You may not be involved in any business similar to ours. This applies to all of your owners.
	Multi-Unit Development Agreement: 9, 13.1	You may not be involved in any business similar to ours. This applies to all of your owners.
r. Non-competition covenants after the franchise is terminated or expires	Franchise Agreement: 17, 17.2	No competing business for 2 years within 25 miles of another Xtend business or your prior location.
	Multi-Unit Development Agreement: 13.1	No competing business for 2 years within 25 miles of another Xtend business or your Development Area.
s. Modification of the agreement	Franchise Agreement: 17.5, 19.2	No modifications generally without a writing signed by you and us, except that we may update the Operations Manual or adjust the non-compete provisions.
	Multi-Unit Development Agreement: 13.5, 15.2	No modifications generally without a writing signed by you and us, except that we may reduce the scope of the covenant against competition or the covenant against solicitation.
t. Integration/ merger clause	Franchise Agreement: 20	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Franchise Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
	Multi-Unit Development Agreement: 16	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law). No other representations or promises will be binding. Nothing in the Multi-Unit Agreement or in any other related written agreement is intended to disclaim representations made in the franchise disclosure document. Any representations or promises outside of the Franchise Disclosure Document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Franchise Agreement: 19.1	The parties must agree to participate in mediation and binding arbitration in Florida for any dispute that does not include injunctive relief or specific performance actions.

PROVISION	SECTION IN FRANCHISE OR OTHER AGREEMENT	SUMMARY
	Multi-Unit Development Agreement: 15.1	The parties must agree to participate in mediation and binding arbitration in Florida for any dispute that does not include injunctive relief of specific performance actions.
v. Choice of forum	Franchise Agreement: 19.1 Multi-Unit Development Agreement: 15.1	Florida, subject to state law. Florida, subject to state law
w. Choice of law	Franchise Agreement: 19.1 Agreement: 15.1	Florida, subject to state law.
	Multi-Unit Development	Florida, subject to state law.

ITEM 18:
PUBLIC FIGURES

We do not use any public figures to promote our franchise.

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.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised businesses. 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 franchise, however, we may provide you with the actual records of that business. 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 Andrea Rogers at 21200 St. Andrews Blvd., Suite 15, Boca Raton, Florida 33433, 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 Start of the Year	Outlets at End of the Year	Net Change
Franchised	2014	18	23	5
	2015	23	25	2
	2016	25	23	-2
Company Owned	2014	2	0	-2
	2015	0	1	1
	2016	1	1	0
Total	2014	20	23	3
	2015	23	26	3
	2016	26	24	-2

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

State	Year	Number of Transfers
California	2014	0
	2015	2
	2016	2
Tennessee	2014	0
	2015	1
	2016	0
Utah	2014	0
	2015	1
	2016	0
Total	2014	0
	2015	4
	2016	2

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

State	Year	Outlets Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Fran-chisor	Ceased Operations – Other Reason	Outlets End Year
California	2014	7	0	0	0	0	0	7
	2015	7	2	0	0	0	0	9
	2016	9	0	0	0	0	0	7
Colorado	2014	0	1	0	0	0	0	1
	2015	0	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
District of Columbia	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Florida	2014	2	1	0	0	0	1[1]	2
	2015	2	0	0	0	0	0	2
	2016	2	0	1	0	0	1	0
Louisiana	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Maryland	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	1	0
Massachusetts	2014	0	0	0	0	0	0	0
	2015	0	0	0	0	0	0	0
	2016	0	2	0	0	0	0	2
Michigan	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
New York	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
North Carolina	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Oregon	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 Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Fran-chisor	Ceased Operations – Other Reason	Outlets End Year
Tennessee	2014	1	0	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Utah	2014	2	0	0	0	0	0	2
	2015	2	0	0	0	0	0	2
	2016	2	0	0	0	0	0	2
Virginia	2014	0	1	0	0	0	0	1
	2015	1	0	0	0	0	0	1
	2016	1	1	0	0	0	0	2
Totals	2014	18	6	0	0	0	1	23
	2015	23	2	0	0	0	0	25
	2016	25	3	1	0	0	2	23

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

State	Year	Outlets Start of Year	Outlets Opened	Termi-nations	Non-Renewals	Reacquired by Fran-chisor	Ceased Operations – Other Reason	Outlets End Year
Florida	2014	2	0	0	0	0	2[2]	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1
Totals:	2014	2	0	0	0	0	2	0
	2015	0	1	0	0	0	0	1
	2016	1	0	0	0	0	0	1

Table No. 5
Projected Openings

State	Franchise Agreements signed but Outlet not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected Company Owned Outlets in the Next Fiscal Year
Alabama	1	0	0
Arizona	1	1	0
California	1	3	0
Florida	0	3	0
Georgia	0	1	0
Illinois	0	2	0
Kentucky	0	1	0
Maryland	0	1	0
Massachusetts	0	2	0
Michigan	0	1	0
New Jersey	1	2	0
New York	1	3	0
Pennsylvania	0	1	0
Texas	0	3	0
Virginia	0	1	0
Washington	0	1	0
Total	5	26	0

Note:

1. Our Boynton Beach, FL franchised location converted to a licensed location during 2014.

2. One of our prior owners operated two franchised studios in Florida. These are listed above as follows: (i) the first studio is listed in Table 1 as a franchised studio opening in 2014 and in Table 4 as a company-owned studio having ceased operations in 2014; and (ii) the second studio is listed it Table 4 as a company-owned studio having ceased operations in 2014. Both of these studios ceased to be affiliated with Xtend in 2016 and are listed in Table 1 as ceased operations in 2016.

All numbers are as of September 30, 2016.

Attached to this Disclosure Document as Exhibit G is a current list of the names, addresses and telephone numbers of all existing franchisees and of all franchisees who terminated, canceled, did not renew, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year. No franchisees have failed to communicate with us within 10 weeks of the issuance date of this disclosure document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with Xtend Barre. You may wish to speak with current and former franchisees, but be aware that not all of those franchisees will be able to communicate with you.

Provisions restricting franchisees' ability to speak with you about their experience are not common. No franchisees have signed such provisions within the last three years.

Xtend Barre created and supports the Franchise Advisory Council (the "FAC"):

Franchise Advisory Council
21200 St. Andrews Blvd., Suite 15
Boca Raton, FL 33433
Telephone: (561) 609-6420
Email: info@xtendbarre.com

We recognize the FAC and may consult with it on a wide range of matters that affect the Xtend system. The FAC's role is merely advisory and the FAC has no authority to make final decisions on behalf of Xtend.

ITEM 21:
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit B are our audited, fiscal year end financials as of September 30, 2016, 2015 and 2014.

ITEM 22:
CONTRACTS

The following agreements are attached to this disclosure document in the pages immediately following:

Exhibit C	Franchise Agreement
Exhibit D	Multi-Unit Development Agreement
Exhibit H	General Release

ITEM 23:
RECEIPT

The last two pages of this disclosure document are copies of a detachable acknowledgment of receipt. Please sign and return us our copy of the receipt (Copy for Xtend Holdings, LLC), and sign and retain for your records your copy of the receipt (Copy for Prospective Franchisee).

EXHIBIT A
LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	California Commissioner Department of Business Oversight	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 Phone: (866) 275-2677
Hawaii	Hawaii Commissioner of Securities	King Kalakaua Building 335 Merchant Street, Room 205 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland	Maryland Securities Commissioner Office of the Attorney General	200 St. Paul Place Baltimore, MD 21202
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 500 St. Paul, MN 55101-2198
New York (State Administrator)	Office of the New York State Attorney General Investor Protection Bureau Franchise Section	120 Broadway, 23rd Floor New York, NY 10271-0332 Phone: (212) 416-8236 Fax: (212) 416-6042
New York (Agent)	Attention: New York Secretary of State New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 Phone: (518) 473-2492
North Dakota	Securities Commissioner	North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fifth Floor, Dept 414 Bismarck, ND 58505-0510 Phone: (701) 328-4712
Rhode Island	Director, Department of Business Regulation	1511 Pontiac Avenue Cranston, RI 02920
South Dakota	Director of the Division of Securities	445 East Capitol Avenue Pierre, SD 57501-3100
Virginia (State Administrator)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804-371-9733)
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804-371-9733)
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501
Wisconsin	Administrator, Division of Securities, Department of Financial Institutions	345 W Washington Ave #3 Madison, WI 53703

EXHIBIT B

AUDITED FINANCIAL STATEMENTS

Horkey & Associates, P.A.
Certified Public Accountants

Frank J. Horkey, CPA, CFST* - fhorkey@horkeycpa.com

William Diamond, CPA, CFST* - wdiamond@horkeycpa.com
Linda M. Arnold, CPA - larnold@horkeycpa.com

* Certified in Florida Sales Tax

AUDITOR'S CONSENT

Horkey & Associates, P.A. consents to the use, in the Franchise Disclosure Document issued by Xtend Holdings, LLC ("Franchisor") on December 27, 2016, as it may be amended, of our report dated December 22, 2016, relating to the financial statements of Franchisor for the period ending September 30, 2016 and 2015 and of our report dated January 24, 2016, relating to the financial statements of Franchisor for the period ending September 30, 2015 and 2014.

Horkey & Associates, P.A.

Certified Public Accountants
Plantation, Florida
December 27, 2016

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CPA
America Counts on CPAs

7301 NW 4th Street Suite 102 Plantation FL 33317-2234
Telephone: 954 742-3001 Facsimile: 954 572-3057
FEI # 65-0266803

XTEND HOLDINGS, LLC

CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2016 AND 2015

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Horkey & Associates, P.A.
Certified Public Accountants

Frank J. Horkey, CPA, CFST* - fhorkey@horkeycpa.com

William Diamond, CPA, CFST* - wdiamond@horkeycpa.com
Linda M. Arnold, CPA - larnold@horkeycpa.com

* Certified in Florida Sales Tax

INDEPENDENT AUDITOR'S REPORT

To the Boards of Directors and Members of
Xtend Holdings, LLC
Xtend St. Andrews LLC
Xtend Barre Australia Holdings PTY LTD

We have audited the accompanying consolidated financial statements of Xtend Holdings, LLC (Florida LLC) and its wholly owned subsidiaries Xtend St. Andrews LLC (Florida LLC) and Xtend Barre Australia Holdings PTY LTD (Australian private proprietary company), (collectively, the Company) which are comprised of the consolidated balance sheet as of September 30, 2016 and 2015, and the related consolidated statements of operations and changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); 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 these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Xtend Holdings, LLC, Xtend St. Andrews LLC and Xtend Barre Australia Holdings PTY LTD as of September 30, 2016, and the consolidated results of its operations, changes in member's equity and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Telephone: 954 742-3001 Facsimile: 954 572-3057
FEI #65-0266803

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the consolidating balance sheet and consolidating statement of operations and members' equity is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Hankey & Associates, P.A.

Plantation FL
December 22, 2016

XTEND HOLDINGS, LLC
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30 , 2016 AND 2015

ASSETS

	2016	2015
Current assets:		
Cash	$ 256,033	$ 181,086
Accounts receivable		
net of allowance for doubtful accounts	120,985	16,914
Related party receivable	-	50,000
Inventories	149,459	83,519
Prepaid expenses	115,826	13,020
Total current assets	642,303	344,539
Property and equipment- net of accumulated depreciation	417,906	527,881
Other Assets		
Intangible assets- net of accumulated amortization	249,406	88,472
Investments in joint ventures	118,522	32,034
Deposits	23,999	23,999
Total other assets	391,927	144,505
Total assets	$ 1,452,136	$ 1,016,925

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:		
Accounts payable	$ 134,011	$ 50,211
Accrued expenses	138,600	37,938
Notes payable and current portion of long term debt	86,476	-
Current deferred rent	24,968	24,968
Total current liabilities	384,055	113,117
Long term liabilities		
Notes payable	81,954	-
Long term deferred rent	66,581	91,549
	148,535	91,549
Members' equity	919,546	812,259
Total liabilities and members' equity	$ 1,452,136	$ 1,016,925

See Accompanying Notes to Consolidated Financial Statements

XTEND HOLDINGS, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY
YEARS ENDED SEPTEMBER 30 , 2016 AND 2015

	2016	2015
Retail & training revenue		
Retail and wholesale sales	$ 562,429	$ 459,158
Training services	577,143	343,610
Total retail & training revenue	1,139,572	802,768
Cost of retail & training revenue		
Cost of retail and wholesale sales	287,113	113,098
Cost of training services	274,798	203,085
Total cost of retail & training revenue	561,911	316,183
Gross Profit	577,661	486,585
Other revenue		
Franchise income	491,006	295,294
Renewal fees	180,111	69,575
Memberships	316,756	-
Other income	37,423	5,186
	1,025,296	370,055
Total revenue	1,602,957	856,640
Operating expenses:		
Selling and marketing	229,363	247,402
Professional fees	262,633	129,888
Occupancy costs	164,901	98,928
Other	478,265	301,983
Compensation and benefits	653,456	465,960
Total operating expenses	1,788,618	1,244,161
Operating (loss) income	(185,661)	(387,521)
Other income (expense)		
Cost of franchise territory repurchase	(306,000)	-
Foreign currency translation adjustment	(1,142)	-
	(307,142)	-
Net income (loss)	(492,803)	(387,521)
Members' equity, beginning of year	812,259	301,773
Sale of membership units	600,000	900,000
Distributions	-	(1,993)
Members' equity, end of year	$ 919,456	$ 812,259

See Accompanying Notes to Consolidated Financial Statements

XTEND HOLDINGS, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30 , 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Net (loss) income	$ (492,803)	$ (387,521)
Adjustments to reconcile net income to net cash		
(used in) provided by operating activities:		
Depreciation and amortization	125,645	51,803
Bad debt expense		23,709
Decrease (increase) in:		
Accounts receivable	(104,070)	(2,874)
Inventory	(65,940)	(52,112)
Prepaid expenses	(102,806)	(13,020)
(Decrease) increase in:		
Accounts payable	83,801	64,672
Accrued expenses	100,662	5,664
Deferred revenue	-	(8,440)
Net cash (used in) provided by operating activities	(455,511)	(318,119)
Cash flows from investing activities:		
Tenant improvement reimbursement	-	116,516
Investment in joint venture	(86,488)	(32,034)
Increase in deposits	-	(23,999)
Purchase of goodwil and capital assets	(176,516)	(623,156)
Net cash (used in) provided by investing activities	(263,004)	(562,673)
Cash flows from financing activities:		
Issuance of related party receivable	-	(50,000)
Use of deferred rent revneue	(24,968)	-
Proceeds from long term debt	263,000	-
Payment on long term debt	(94,570)	-
Collection of related party receivable	50,000	100,000
Capital contributions by owners	600,000	900,000
Distributions	-	(1,993)
Net cash provided by (used in) financing activities	793,462	948,007
Net increase (decrease) in cash	74,947	67,215
Cash, beginning of year	181,086	113,871
Cash, end of year	$ 256,033	$ 181,086

See Accompanying Notes to Consolidated Financial Statements

NOTE 1 – NATURE OF BUSINESS

Xtend Holdings, LLC (Holdings) (the parent) was incorporated in the state of Florida as a Limited Liability Company on September 18, 2009 to develop, manage and operate the franchisor system used to support the franchisees and to sell Xtend Barre® Free-Standing Franchises and Participating Centers, as well provide Training Services to trainers.

Xtend St. Andrews, LLC (St. Andrews) was incorporated in the State of Florida in January 2015 to own and operate a model franchise unit in Boca Raton Florida. St. Andrews is a wholly owned subsidiary of Holdings.

Xtend Barre Australia Holdings PTY LTD (XB Australia) was formed as an private proprietary company in Australia in January 2016 to assume the assets and operations of the previous master franchisor in Australia (See Notes 8 and 11)

Holdings, St. Andrews and XB Australia are referred to collectively as the Company.

Xtend Barre® offers a Free-Standing Studio franchise program and, until 2013, a Participating Center franchise program. In 2013, all Participating Centers were converted to a license program.

The Xtend Training program is comprised of a 38-hour comprehensive training course that provides trainers with information not only on the exercises themselves, but "how to effectively teach them". In addition, trainers are given information on how to modify exercises for beginners and special populations and how to progress exercises for the advanced clients.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
These financial statements include the assets and operations of Holdings and its wholly owned subsidiaries St. Andrews and XB Australia, All significant intercompany transactions and balances have been eliminated in consolidation. The financial statements of XB Australia have been prepared using accounting principles generally accepted in Australia and then converted to United States GAAP.

Use of Estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash
The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The carrying amount of cash equivalents approximates fair value due to the short maturity of those instruments. There were no cash equivalents at September 30, 2016 and 2015.

Accounts Receivable and Allowance for Doubtful Accounts
The accounts receivable are due from franchisees for initial franchise fees and renewals, individuals for training services provided and for retail sales. The accounts receivable for franchises are collateralized by the franchise unit. Management individually reviews all account receivable balances and estimates the portion, if any, of the balance that will not be collected. As of September 30, 2016 and 2015 the allowance for doubtful accounts was $9,764 and $10,453, respectively.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Inventories
Inventories consist of primarily of clothing, exercise props, training manuals and DVD's as of September 30, 2016 and 2015, and is stated at the lower of cost or market using the first-in, first-out ("FIFO") method.

Intangible Assets
The Company assesses intangible assets at least annually for impairment and any such impairment is recognized in the period identified. The Company evaluated its intangible assets for the year ended September 30, 2016, with no impairment loss recognized. Intangible assets consist of $91,000 of costs incurred for the Company's purchase of a studio design layout that will be used in all studios and $167,000 goodwill paid by Holdings to establish XB Australia. The Company amortization of the design layout during the years ended September 30, 2016 and 2015 was $6,067 and $2,528, respectively..

Capital Assets
Buildings, infrastructure, equipment and leasehold improvements are capitalized at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized whereas costs incurred for repairs and maintenance are expensed as incurred.

The asset capitalization threshold is $750 with an estimated useful life of greater than one year. Depreciation is recorded using the straight-line method over the estimated useful life of the asset or in the case of leasehold improvements, the shorter of useful life or lease term.

Advertising
The Company expenses advertising costs as they are incurred. Advertising expense for the years ended September 30, 2016 and 2015 were $341,436 and $247,402, respectively.

Freight Billed to Customers
Freight billed to customers is considered sales revenue and the related freight costs as a cost of sales included in the accompanying income statements. For the years ended September 30, 2016 and 2015, the Company had $15,018 and $17,415, respectively, in shipping revenue.

Income Taxes
Holdings and St Andrews are both LLCs. St Andrews, as a wholly owned subsidiary, is a disregarded entity for federal tax purposes and is therefore included on the Holdings return. Holdings is treated as a partnership for federal tax purposes.. In lieu of corporation income taxes, the members of a partnership are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

XB Australia is subject to taxation in Australia. No provision for income taxes or deferred tax benefit has been provided since XB Australia operated for only six months and at a loss during the year ended September 30, 2016 and there is no certainty that it will generate profits in the near future to use a deferred tax benefit.

The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. As of September 30, 2016 and 2015, the Company has no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company is no longer subject to income tax examinations by tax authorities for years prior to 2012.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Franchise Revenue Recognition Policy

Revenue earned includes initial franchise fees, franchising renewal fees, royalty fees, and training service income. Revenues are recognized in the period in which they are earned. Franchise fee revenue is recognized and fully earned upon the signing and acceptance of the franchise agreement and franchise fee by both parties.. Continuing fees are recognized as earned, with an appropriate provision for estimated uncollectible amounts charged to general and administrative expense. The Company recognizes renewal fees in income when a renewal agreement becomes effective. For the years ended September 30, 2016 and 2015, there was no deferred revenue related to renewal fees recognized. Costs and expenses are recognized during the period in which they are incurred.

Foreign Currency Translation

The company conducts business in other countries through either wholly owned subsidiaries (XB Australia) or a joint venture in the United Kingdom. As a result, certain transactions denominated in the currencies of those countries, including certain payables, being outstanding at any one time. The company does not engage in hedging activities to offset the risk of exchange rate fluctuations on these transactions. During the year ended September 30, 2016, the company had immaterial net foreign exchange losses of $1,142 which would normally be included in Other comprehensive income and as separate line in the equity section of the balance sheet, but rather are included in Other income (expense) on the statement of operations and in members' equity on the balance sheet.

The foreign currency balances and transactions were translated using the current or presentation currency method..

Reclassifications

Certain reclassification have been made to the 2015 balances on the balance sheet, statement of operations and statement of cash flows related distributions to conform to the 2016 presentation.

Date of Management Review

The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements considers events through December 22, 2016 the date at which the financial statements were available to be issued.

Push Down Accounting

Holdings formed XB Australia to acquire the assets of the previous master franchisor in Australia. As a result of the transaction, XB Australia was established with a contribution by Holdings of $167,000 of goodwill.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of cash. The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of September 30, 2016 and 2015 there were no uninsured cash balances.

NOTE 4 – FAIR VALUE DISCLOSURE

The carrying value of cash, accounts receivable, related party receivable, inventory and accounts payable approximate their fair value due to their short maturities.

NOTE 5 – PROPERTY AND EQUIPMENT

Major classes of property and equipment and their estimated useful lives are as follows:

Classification	Esimtaed Useful Life In Years	2016
Leasehold/buildings improvements	5	$ 505,114
Furniture and fixtures	5	42,998
Office and computer equipment	3-5	28,722
Signage	5	9,925
		586,759
Accumulated depreciation and amortization		(168,853)
Net property and equipment		$ 417,906

Total depreciation and amortization expense for the yeras ended September 30, 2016 and 2015 was $125,645 and $51,803, respectively.

NOTE 6 – FRANCHISE REVENUE

Until 2013, the Company offered two types of franchise programs: (i) Free-Standing Studio program ("FS") studio that allows a franchisee to provide Xtend Barre classes at a single location branded under the name "Xtend Barre" and a (ii) Participating Center program ("PC") a center that provides Xtend Barre classes as an additional offering at an already existing, separately branded fitness location. Beginning January 1, 2013, the PC franchise program was replaced with a licensing agreement program in which the PC is allowed to offer such classes at their facility and must be taught by certified instructors.

The current FS franchise agreements require the franchisee to pay an initial fee of $32,000 as well as a continuing monthly royalty fee of 4% of revenue or $1,000 per month, whichever is greater upon singing the Franchise Agreement. The current PC license agreements require licensee to pay an initial licensing fee of $499 and a monthly fee of $250 for up to 25 Xtend Barre classes per month.

When an FS franchise is sold, the Company agrees to provide certain services to the franchisee, including assistance with site selection, training, systems implementation, and design of a quality control program. The Company recognizes initial fees as revenue when received, which is generally within 10 days of the signature of the Franchise Agreement. Continuing fees are recognized as earned. The Company recognizes renewal fees in income when a renewal agreement becomes effective.

A franchisee may generally renew its agreement upon its expiration, so long as the franchisee is in compliance with the Franchise Agreement, subject to Company approval and renewal fee payment. Direct costs of sales and servicing of franchise and license agreements are charged to operating expenses as incurred.

NOTE 7 – LEASE OBLIGATIONS

The Company leases office space and model studio space under an operating lease that commenced in September 2014 and expires in May 2020. The Company built out and equipped this space at a cost of approximately $561,000, and received a reimbursement from the landlord of approximately $125,000 for these tenant improvements. The rent commenced at the completion of the build out and opening of the Studio in June 2015. This tenant improvement reimbursement is treated as a rent adjustment in deferred revenue and in being amortized as a reduction in rent expense at the rate of $2,081 per month.. Total rent expense under this agreement for the year ended September 30, 2016 and 2015 was $138,690 and $56,462, respectively, net of the deferred rent amortization and is included in occupancy on the statements of operations.

In December 2013, the Company entered into an agreement for distribution services, including rental of warehouse space to store and process its inventory. The agreement is on a month-to-month basis and monthly fees are based on quantity and volume of orders. Total rent expense under this agreement totaled $23,521 and $10,432 for the years ended September 30, 2016 and 2015, respectively, and is included in occupancy costs on the statements of operations.

NOTE 7 – LEASE OBLIGATIONS (CONTINUED)

Total rent expense for the years ended September 30, 2016 and 2015, respectively, was $158,876 and $92,810, and is included in occupancy costs on the statements of operations.

Minimum annual rent commitments under the operating lease noted above are as follows:

Periods Ending September 30,	Amount
2017	$ 161,837
2018	165,899
2019	170,063
2020	100,641
	$ 598,440

NOTE 8 – NOTES PAYABLE

The Company has one long term note payable. The original note was for $180,000, is payable at $5,000 per month over three years and bears no interest. Since the payments were non-interest bearing, an imputed interest factor of 5% was applied, which resulted in the note being recorded at $167,000 (See Note 10).

In addition, the Company has a short term non-interest bearing note payable of $32,000 due in February 2017.

Note payable are schedule to mature as follows:

Periods Ending September 30,	Amount
2017	$ 86,476
2018	57,264
2019	24,690
	168,430
Less Current portion	(86,476)
	$ 81,954

NOTE 9 – MEMBERS' EQUITY

Holdings is a limited liability company and maintains separate capital accounts for each member, who is credited for capital contributions and each member's share of profits, and is debited for distributions and each member's share of losses. Profits and losses are allocated to the members in accordance with their respective percentage ownership interest.

On April 15, 2014, a previously unrelated third party (investor) invested $800,000 in Holdings in exchange for 40,000 Class A Membership Units. Of this amount, $700,000 was received by September 30, 2014 and the remaining $100,000 is recorded as a related party receivable on the balance sheet at September 30, 2014. This receivable was collected during the year ended September 30, 2015.

During the year ended September 30, 2015 the investor invested an additional $500,000, bringing its membership interest to 49%, with the founder retaining 51% of the membership interest. Subsequent to this investment, later in the year ended September 30, 2015, $400,000 of non-voting participating preferred units were issued to the investor with a warrant exercisable only upon change of control or ultimate sale of the company. This warrant allows the investor to purchase up to 4% of the outstanding Class A and Class B membership units on a fully diluted basis Of the $400,000, the Company received $350,000 by September 30, 2015 and the remaining $50,000 is recorded as a related party receivable on the balance sheet at September 30, 2015. This receivable was collected during the year ended September 30, 2016.

During the year ended September 30, 2016 the same third party invested an additional $600,000 in exchange for 13,111 redeemable Class C membership units with warrants allowing it to purchase up to 6% of the outstanding Class A and Class B membership units on a fully diluted basis.

The Company Amended and Restated its Operating Agreement in April 2014 and again in July 2016 to reflect these capital account changes among other changes.

NOTE 10 – FRANCHISE TERRITORY REPURCHASES

To strengthen its competitive position and better allocate certain franchise territories, Holdings, during the year ended, September 30, 2016, reacquired certain franchise territorial rights from franchisees. The purchase price was $473,000, of which $306,000 was recorded in the statement of operations as cost of franchise territory repurchase and $167,000 was treated as contribution to a new formed subsidiary in Australia. The payment terms of the transactions were that $274,000 was paid during the year ended September 30, 2016 and the remaining $168,430 was recorded as notes payable at September 30, 2016 (See Note 8).

NOTE 11 – COMMITMENTS AND CONTINGENCIES

From time to time, the Company may become subject to threatened and/or asserted claims arising in the ordinary course of business. Management is not aware of any matters, either individually or in the aggregate, that are reasonably likely to have a material adverse effect on the Company's financial condition, results of operations or liquidity.

Holdings has invested in Xtend Barre UK Limited, which in turn is an 11.76 percent partner in a UK company. This UK company, which is located in London, England is developing a flagship studio there. Holdings has completed its financial obligation to the joint venture in accordance with the agreement and budget. The UK studio opened In June 2016 and had limited operations through September 30, 2016: therefore Holdings has not recorded any allocated share of income or loss.

SUPPLEMENTARY INFORMATION
CONSOLIDATING FINANCIAL STATEMENTS

XTEND HOLDINGS, LLC
CONSOLIDATING BALANCE SHEETS
SEPTEMBER 30 , 2016 AND 2015

ASSETS

	Xtend Holdings LLC	Xtend St. Andrews, LLC	Xtend Barre Australia Holdings PTY LTD	Elimination	Consolidated
Current assets:					
Cash	$ 173,490	$ 43,964	$ 38,579	$ -	$ 256,033
Accounts receivable- net of allowance for doubtful accounts	175,706		66,744	(121,465)	120,985
Related party receivable	-	-	-	-	-
Inventories	129,942	19,517	-	-	149,459
Prepaid expenses	115,826	-	-	-	115,826
Total current assets	594,964	63,481	105,323	(121,465)	642,303
Property and equipment- net of accumulated depreciation	14,769	403,137	-	-	417,906
Other Assets					
Intangible assets- net of accumulated amortization	82,406	-	167,000	-	249,406
Investment in subsidiaries	494,950	-	-	(494,950)	-
Investments in joint ventures	118,522	-	-	-	118,522
Deposits	-	23,999	-	-	23,999
Total other assets	695,878	23,999	167,000	(494,950)	391,927
Total assets	$ 1,305,611	$ 490,617	$ 272,323	$ (616,415)	$ 1,452,136

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:					
Accounts payable	$ 94,298	$ 1,763	$ 159,415	$ (121,465)	$ 134,011
Accrued expenses	123,427	-	15,173	-	138,600
Notes payable and current portion of long term debt	86,476	-	-	-	86,476
Current deferred rent	-	24,968	-	-	24,968
Total current liabilities	304,201	26,731	174,588	(121,465)	384,055
Long term liabilities					
Notes payable	81,954	-	-	-	81,954
Long term deferred rent	-	66,581	-	-	66,581
Total long term liabilities	81,954	66,581	-	-	148,535
Members' equity	919,456	397,305	97,735	(494,950)	919,546
Total liabilities and members' equity	$ 1,305,611	$ 490,617	$ 272,323	$ (616,415)	$ 1,452,136

XTEND HOLDINGS, LLC
CONSOLIDATING STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY
YEAR ENDED SEPTEMBER 30 , 2016

	Xtend Holdings LLC	Xtend St. Andrews, LLC	Xtend Barre Australia Holdings PTY LTD	Elimination	Consolidated
Retail Revenue					
Retail and wholesale sales	$ 396,516	$ 149,049	$ 97,056	$ (80,192)	$ 562,429
Training services	368,810	114,385	93,948	-	577,143
Total retail and training revenue	765,326	263,434	191,004	(80,192)	1,139,572
Cost of retail and training revenue					
Cost of retail and wholesale sales	$ 195,417	$ 82,719	$ 89,169	$ (80,192)	287,113
Cost of training services	102,551	146,668	25,579	-	274,798
Total cost of retail and training revenue	297,968	229,387	114,748	(80,192)	561,911
Gross Profit	467,358	34,047	76,256	-	577,661
Other Revenue					
Franchise income	545,083	-	179,461	(233,538)	491,006
Renewal fees	179,546	-	565	-	180,111
Memberships	-	316,756	-	-	316,756
Other	16,958	195	20,270	-	37,423
Total other revenue	741,587	316,951	200,296	(233,538)	1,025,296
Total Revenue	1,208,945	350,998	276,552	(233,538)	1,602,957
Operating expenses:					
Selling and marketing	188,520	35,906	238,475	(233,538)	229,363
Franchise costs	-	-	-	-	-
Professional fees	238,270	8,828	15,535	-	262,633
Occupancy costs	36,874	121,274	6,753	-	164,901
Other	278,115	160,781	39,369	-	478,265
Compensation and benefits	525,912	82,968	44,576	-	653,456
Total operating expenses	1,267,691	409,757	344,708	(233,538)	1,788,618
Operating Income (loss)	(58,746)	(58,759)	(68,156)	-	(185,661)
Other income (expense)					
Costs of franchise territory repurchase	(306,000)	-	-	-	(306,000)
Foreign currency translation adjustment	57	-	(1,199)	-	(1,142)
Equity in earnings of subsidiaries	(128,114)	-	-	128,114	-
Total other income (expense)	(434,057)	-	(1,199)	128,114	(307,142)
Net income (loss)	(492,803)	(58,759)	(69,355)	128,114	(492,803)
Members' equity, beginning of year	812,259	446,964	-	(446,964)	812,259
Sale of membership units	600,000	-	-	-	600,000
Investment by parent	-	9,100	167,090	(176,190)	-
Distributions	-	-	-	-	-
Members' equity, end of year	$ 919,456	$ 397,305	$ 97,735	$ (495,040)	$ 919,456

XTEND HOLDINGS, LLC

CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2015 AND 2014

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Horkey & Associates, P.A.
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Members of
Xtend Holdings, LLC and Xtend St. Andrews LLC

We have audited the accompanying consolidated financial statements of Xtend Holdings, LLC and its wholly owned subsidiary Xtend St. Andrews LLC (both Florida LLCs), (collectively, the Company) which are comprised of the consolidated balance sheet as of September 30, 2015, and the related consolidated statements of operations and members' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 entity'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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Xtend Holdings, LLC and Xtend St. Andrews LLC as of September 30, 2015, and the consolidated results of its operations and its cash flows for the year then ended n accordance with accounting principles generally accepted in the United States of America.

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FEI # 65-0266803

CPA
America Counts on CPAs

Report on Consolidating Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in the consolidating balance sheet and consolidating statement of operations and members' equity is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual companies, and it is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Prior Period Financial Statements

The financial statements of Xtend Holdings, LLC as of September 30, 2014, were audited by other auditors whose report dated December 15, 2014 expressed an unmodified opinion on those statements.

Horkey & Associates, P.A.

Plantation FL
January 24, 2016

XTEND HOLDINGS, LLC
CONSOLIDATED BALANCE SHEETS
SEPTEMBER 30 , 2015 AND 2014

ASSETS

	2015	2014
Current assets:		
Cash	$ 181,086	$ 113,871
Accounts receivable-		
net of allowance for doubful accounts	16,914	37,748
Related party receivable	50,000	100,000
Inventory	83,519	31,407
Prepaid Expenses	13,020	-
Total current assets	344,539	283,026
Property and equipment- net of accumulated depreciation	527,881	-
Other Assets		
Intangible assets- net of accumulated amortization	88,472	45,000
Investments in joint ventures	32,034	-
Deposits	23,999	-
Total other assets	144,505	45,000
Total assets	$ 1,016,925	$ 328,026

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:		
Accounts payable	$ 50,211	$ 8,476
Accrued expenses	37,938	9,337
Deferred revenue	-	8,440
Current deferred rent	24,968	-
Total current liabilities	113,117	26,253
Long term deferred rent	91,549	-
Members' equity	812,259	301,773
Total liabilities and members' equity	$ 1,016,925	$ 328,026

See Accompanying Notes to Consolidated Financial Statements

XTEND HOLDINGS, LLC
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN MEMBERS' EQUITY
YEARS ENDED SEPTEMBER 30, 2015 AND 2014

	2015	2014
Revenues	$ 1,172,823	$ 914,370
Operating expenses:		
Selling and marketing	247,402	290,314
Franchise costs	316,183	302,037
Professional fees	129,888	171,792
Occupancy costs	98,928	31,479
Other	301,983	153,740
Compensation and benefits	465,960	262,130
Total operating expenses	1,560,344	1,211,492
Net (loss) income	(387,521)	(297,122)
Members' equity, beginning of year	301,773	158,330
Sale of membership units	900,000	800,000
Distributions	(1,993)	(359,435)
Members' equity, end of year	$ 812,259	$ 301,773

See Accompanying Notes to Consolidated Financial Statements

XTEND HOLDINGS, LLC
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30 , 2015 AND 2014

	2015	2014
Cash flows from operating activities:		
Net (loss) income	$ (387,521)	$ (297,122)
Adjustments to reconcile net income to net cash		
(used in) provided by operating activities:		
Depreciation and amortization	51,803	-
Bad debt expense	23,709	15,839
Decrease (increase) in:		
Accounts receivable	(2,874)	(26,049)
Inventory	(52,112)	5,606
Prepaid expenses	(13,020)	-
(Decrease) increase in:		
Accounts payable	64,672	(4,816)
Accrued expenses	5,664	9,337
Deferred revenue	(8,440)	6,839
Net cash (used in) provided by operating activities	(318,119)	(290,366)
Cash flows from investing activities:		
Tenant improvement reimbursement	116,516	-
Investment in joint venture	(32,034)	-
Increase in deposits	(23,999)	-
Purchase of capital assets	(623,156)	(45,000)
Net cash used in investing activities	(562,673)	(45,000)
Cash flows from financing activities:		
Issuance of related party receivable	(50,000)	(100,000)
Collection of related party receivable	100,000	-
Sale of membership units	900,000	800,000
Distributions	(1,993)	(359,435)
Net cash provided by (used in) financing activities	948,007	340,565
Net increase (decrease) in cash	67,215	5,199
Cash, beginning of year	113,871	108,672
Cash, end of year	$ 181,086	$ 113,871

See Accompanying Notes to Consolidated Financial Statements

NOTE 1 – NATURE OF BUSINESS

Xtend Holdings, LLC (Holdings) was incorporated in the State of Florida as a Limited Liability Company on September 18, 2009 to develop, manage and operate the franchisor system used to support the franchisees and to sell Xtend Barre® Free-Standing Franchises and Participating Centers, as well provide Training Services to trainers.

Xtend St. Andrews, LLC (St. Andrews) was incorporated in the State of Florida in January 2015 to own and operate a model franchise unit in Boca Raton, Florida. St. Andrews is a wholly owned subsidiary of Holdings.

Holdings and St. Andrews are referred to collectively as the Company.

Xtend Barre® offers a Free-Standing Studio franchise program and, until 2013, a Participating Center franchise program. In 2013, all Participating Centers were converted to a license program.

The Xtend Training program is comprised of a 38-hour comprehensive training course that provides trainers with information not only on the exercises themselves, but "how to effectively teach them". In addition, trainers are given information on how to modify exercises for beginners and special populations and how to progress exercises for the advanced clients.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation
These financial statements include the assets and operations of Holdings and St. Andrews, its wholly owned subsidiary. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates
The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash
The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. The carrying amount of cash equivalents approximates fair value due to the short maturity of those instruments. There were no cash equivalents at September 30, 2015 and 2014.

Accounts Receivable and Allowance for Doubtful Accounts
The accounts receivable are due from franchisees for initial franchise fees and renewals, individuals for training services provided and for retail sales. The accounts receivable for franchises are collateralized by the franchise unit. Management individually reviews all account receivable balances and estimates the portion, if any, of the balance that will not be collected. As of September 30, 2015 and 2014 the allowance for doubtful accounts was $10,453 and $0, respectively.

Inventories
Inventories consist of primarily of clothing, exercise props, training manuals and DVD's as of September 30, 2015 and 2014, and is stated at the lower of cost or market using the first-in, first-out ("FIFO") method.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Intangible Assets
The Company assesses intangible assets at least annually for impairment and any such impairment is to be recognized in the period identified. The Company evaluated its intangible assets for the year ended September 30, 2015, with no impairment loss recognized. Intangible assets consist of $91,000 of costs incurred for the Company's purchase of a studio design layout that will be used in all studios. The Company began amortization of the design layout during the year ended September 30, 2015 and recorded $2,528 in amortization during the year.

Capital Assets

Buildings, infrastructure, equipment and leasehold improvements are capitalized at historical cost or estimated historical cost. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized whereas costs incurred for repairs and maintenance are expensed as incurred.

The asset capitalization threshold is $750 with an estimated useful life of greater than one year. Depreciation is recorded using the straight-line method over the estimated useful life of the asset or in the case of leasehold improvements, the shorter of useful life or lease term.

Advertising
The Company expenses advertising costs as they are incurred. Advertising expense for the years ended September 30, 2015 and 2014 were $165,236 and $115,369, respectively.

Freight Billed to Customers
Freight billed to customers is considered sales revenue and the related freight costs as a cost of sales included in the accompanying income statements. For the years ended September 30, 2015 and 2014, the Company had $17,415 and $13,127, respectively, in shipping revenue.

Income Taxes
Holdings and St Andrews are both LLCs. St Andrews, as a wholly owned subsidiary, is a disregarded entity for federal tax purposes and is therefore included on the Holdings return. Holdings is treated as a partnership for federal tax purposes.. In lieu of corporation income taxes, the members of a partnership are taxed on their proportionate share of the Company's taxable income. Therefore, no provision or liability for federal income taxes has been included in the financial statements.

The Company records a liability for uncertain tax positions when it is probable that a loss has been incurred and the amount can be reasonably estimated. As of September 30, 2015 and 2014, the Company has no liabilities for uncertain tax positions. The Company continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings.

The Company is no longer subject to income tax examinations by tax authorities for years prior to 2011.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED

Franchise Revenue Recognition Policy
Revenue earned includes initial franchise fees, franchising renewal fees, royalty fees, and training service income. Revenues are recognized in the period in which they are earned. Franchise fee revenue is recognized and fully earned upon the signing and acceptance of the franchise agreement and franchise fee by both parties. Continuing fees are recognized as earned, with an appropriate provision for estimated uncollectible amounts charged to general and administrative expense. The Company recognizes renewal fees in income when a renewal agreement becomes effective. For the years ended September 30, 2015 and 2014, there was no deferred revenue related to renewal fees recognized. Costs and expenses are recognized during the period in which they are incurred. Deferred revenue related to training service income at September 30, 2015 and 2014 totaled $0 and $8,440, respectively.

Reclassifications
Certain reclassification have been made to the 2014 balances on the balance sheet, statement of operations and statement of cash flows related distributions to conform to the 2015 presentation.These reclassifications increased the previously reported net loss from $216,522 to $297,122 by reclassifying $80,600 previously reported as distributions to compensation. In addition, the $243,800 previously reported as redemption of membership units by the Company was reclassified to distributions. These reclassifications have no impact on the previously stated total members' equity.

Date of Management Review
The Company evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements considers events through January 24, 2016 the date at which the financial statements were available to be issued.

NOTE 3 – CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially subject the Company to concentration of credit risk consist principally of cash. The Company maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. Accounts are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. As of September 30, 2015 and 2014 there were no uninsured cash balances.

NOTE 4 – FAIR VALUE DISCLOSURE

The carrying value of cash, accounts receivable, related party receivable, inventory and accounts payable approximate their fair value due to their short maturities.

NOTE 5 – PROPERTY AND EQUIPMENT

Major classes of property and equipment and their estimated useful lives are as follows:

Classification	Estimated Useful Life In Years	2015
Leasehold/building improvements	5	$ 505,114
Furniture and fixtures	5	31,942
Office and computer equipment	3-5	30,175
Signage	5	9,925
		577,156
Accumulated depreciation and amortization		(49,275)
Net property and equipment		$ 527,881

Total depreciation and amortization expense for the years ended September 30, 2015 and 2014 was $51,803 and $0, respectively.

NOTE 6 – FRANCHISE REVENUE

Until 2013, the Company offered two types of franchise programs: (i) Free-Standing Studio program ("FS") studio that allows a franchisee to provide Xtend Barre classes at a single location branded under the name "Xtend Barre" and a (ii) Participating Center program ("PC") a center that provides Xtend Barre classes as an additional offering at an already existing, separately branded fitness location. Beginning January 1, 2013, the PC franchise program was replaced with a licensing agreement program in which the PC is allowed to offer such classes at their facility and must be taught by certified instructors.

The current FS franchise agreements require the franchisee to pay an initial fee of $32,000 as well as a continuing monthly royalty fee of 4% of revenue or $1,000 per month, whichever is greater upon signing the Franchise Agreement. The current PC license agreements require licensee to pay an initial licensing fee of $499 and a monthly fee of $250 for up to 25 Xtend Barre classes per month.

When an FS franchise is sold, the Company agrees to provide certain services to the franchisee, including assistance with site selection, training, systems implementation, and design of a quality control program. The Company recognizes initial fees as revenue when received, which is generally within 10 days of the signature of the Franchise Agreement. Continuing fees are recognized as earned. The Company recognizes renewal fees in income when a renewal agreement becomes effective.

A franchisee may generally renew its agreement upon its expiration, as long as the franchisee is in compliance with the Franchise Agreement, subject to Company approval and renewal fee payment. Direct costs of sales and servicing of franchise and license agreements are charged to operating expenses as incurred.

Revenue consisted of the following for the years ended September 30:

	2015	2014
Training services revenue	$ 343,610	$ 346,660
Franchise fees	295,158	337,642
Retail income revenue	459,158	168,252
Renewal fees	69,711	37,868
Other revenue	5,186	23,948
Total revenue	$ 1,172,823	$ 914,370

NOTE 6 – LEASE OBLIGATIONS

The Company leases office space and model studio space under an operating lease that commenced in September 2014 and expires in May 2020. The Company built out this space at a cost of approximately $561,000, and received a reimbursement from the landlord of approximately $125,000 for these tenant improvements. The rent commenced at the completion of the build out and opening of the Studio in June 2015. This tenant improvement reimbursement is treated as a rent adjustment in deferred revenue and in being amortized as a reduction in rent expense at the rate of $2,081 per month. Total rent expense under this agreement for the year ended September 30, 2015 was $56,462, net of the deferred rent amortization and is included in occupancy costs on the statements of operations.

In December 2013, the Company entered into an agreement for distribution services, including rental of warehouse space to store and process its inventory. The agreement is on a month-to-month basis and monthly fees are based on quantity and volume of orders. Total rent expense under this agreement totaled $23,521 and $10,432 for the years ended September 30, 2015 and 2014, respectively, and is included in occupancy costs on the statements of operations.

Total rent expense for the years ended September 30, 2015 and 2014, respectively, was $92,810 and $30,852 and is included in occupancy costs on the statements of operations.

Minimum annual rent commitments under the operating lease noted above are as follows:

Periods Ending September 30,	Amount
2016	$ 157,874
2017	161,837
2018	165,899
2019	170,063
2020	100,641
	$ 756,314

NOTE 7 – MEMBERS' EQUITY

The Company is a limited liability company and maintains separate capital accounts for each member, who is credited for capital contributions and each member's share of profits, and is debited for distributions and each member's share of losses. Profits and losses are allocated to the members in accordance with their respective percentage ownership interest.

On December 31, 2013, two of the members redeemed 30% member interest back to the remaining member for $243,800. This amount was included in distributions in the year ended September 30, 2014.

On April 15, 2014, a previously unrelated third party invested $800,000 in the Company in exchange for 40,000 Class A Membership Units. Of this amount, $700,000 was received by September 30, 2014 and the remaining $100,000 is recorded as a related party receivable on the balance sheet at September 30, 2014. This receivable was collected during the year ended September 30, 2015.

During the year ended September 30, 2015 the same third party invested an additional $500,000 bringing membership interest to 49% with the founder retaining 51% of the membership interest. Subsequent to this investment, later in the year ended September 30, 2015, $400,000 of non-voting participating preferred units were issued with a warrant exercisable only upon change of control or ultimate sale of the Company. Of the $400,000, the Company received $350,000 by September 30, 2015 and the remaining $50,000 is recorded as a related party receivable on the balance sheet at September 30, 2015.

The Company Amended and Restated its Operating Agreement in April 2014 and the term of the Company was amended to continue until December 31, 2099, unless dissolved earlier under the terms of the Agreement.

NOTE 8 – COMMITMENTS AND CONTINGENCIES

From time to time, the Company may become subject to threatened and/or asserted claims arising in the ordinary course of business. Management is not aware of any matters, either individually or in the aggregate, that are reasonably likely to have a material adverse effect on the Company's financial condition, results of operations or liquidity.

Holdings has invested in Xtend Barre UK Limited, which in turn is an 11.76 percent partner in a UK company. This UK company, which is located in London, England is developing a flagship studio there. Holdings has an obligation to fund an additional $80,000 as part of the joint venture agreement and budget. At September 30, 2015 the UK operation was in the design and construction phase and had no operations, therefore Holdings has not recorded any allocated share of income or loss.

SUPPLEMENTARY INFORMATION
CONSOLIDATING FINANCIAL STATEMENTS

XTEND HOLDINGS, LLC
CONSOLIDATING BALANCE SHEET
SEPTEMBER 30 , 2015

ASSETS

	Xtend Holdings, LLC	Xtend St. Andrews, LLC	Elimination	Consolidated
Current assets:				
Cash	$ 158,409	$ 22,677	$ -	$ 181,086
Accounts receivable- net of allowance for doubtful accounts	16,914	-	-	16,914
Related party receivable	50,000	-	-	50,000
Inventory	83,519	-	-	83,519
Prepaid Expenses	-	13,020	-	13,020
Total current assets	308,842	35,697	-	344,539
Property and equipment- net of accumulated depreciation	24,096	503,785	-	527,881
Other Assets				
Intangible assets- net of accumulated amortization	88,472	-	-	88,472
Investments in subsidiaries	446,964	-	(446,964)	-
Investments in joint ventures	32,034	-	-	32,034
Deposits	-	23,999	-	23,999
Total other assets	567,470	23,999	(446,964)	144,505
Total assets	$ 900,408	$ 563,481	$ (446,964)	$ 1,016,925

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:				
Accounts payable	$ 50,211	$ -	$ -	$ 50,211
Accrued expenses	37,938		-	37,938
Current deferred rent	-	24,968	-	24,968
Total current liabilities	88,149	24,968	-	113,117
Long term deferred rent	-	91,549	-	91,549
Members' equity	812,259	446,964	(446,964)	812,259
Total liabilities and members' equity	$ 900,408	$ 563,481	$ (446,964)	$ 1,016,925

XTEND HOLDINGS, LLC
CONSOLIDATING STATEMENT OF OPERATIONS
SEPTEMBER 30 , 2015

	Xtend Holdings, LLC	Xtend St. Andrews, LLC	Elimination	Consolidated
Revenues	$ 1,029,975	$ 163,301	$ (20,453)	$ 1,172,823
Operating expenses:				
Selling and marketing	243,329	4,073	-	247,402
Franchise costs	305,794	30,842	(20,453)	316,183
Professional fees	129,661	228	-	129,889
Occupancy costs	51,301	47,627	-	98,928
Other	246,620	55,362	-	301,982
Compensation and benefits	384,142	81,818	-	465,960
Total operating expenses	1,360,847	219,950	(20,453)	1,560,344
Operating income (loss)	(330,872)	(56,649)	-	(387,521)
Other Income (Expense)				
Equity in earnings of subsidiaries	(56,649)	-	56,649	-
Net (loss) income	(387,521)	(56,649)	56,649	(387,521)
Members' equity, beginning of year	301,773	-	-	301,773
Sale of membership units	900,000	-	-	900,000
Investment by parent	-	503,613	(503,613)	-
Distributions	(1,993)	-	-	(1,993)
Members' equity, end of year	$ 812,259	$ 446,964	$ (446,964)	$ 812,259

EXHIBIT C

FRANCHISE AGREEMENT

Free-Standing Studio Franchise Agreement

BETWEEN

XTEND HOLDINGS, LLC
A Florida limited liability company
21200 St. Andrews Blvd., Suite 15
Boca Raton, Florida 33433
Telephone: (561) 609-6420Website: www.xtendbarreworkout.com

AND

«STUDIO»
«ADDRESS»
«City_State_Zip_Code»
«PHONE_NUMBER»
«EMAIL»

Date of Franchise Agreement

_____, 20____

XTEND

FRANCHISE AGREEMENT—FREE-STANDING STUDIO

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Xtend FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is between **XTEND HOLDINGS, LLC.**, a Florida limited liability company, with its principal business address at 21200 St. Andrews Blvd., Suite 15, Boca Raton, Florida 33433 (referred to in this Agreement as "Franchisor"), and «STUDIO», a [_____ Corporation], whose principal address is «ADDRESS» «City_State_Zip_Code» (referred to in this Agreement as "Franchisee," "You" and like terms). You and the Franchisor are collectively referred to herein as the "Parties."

Except as otherwise provided in this Agreement, the term (the "Term") of this Agreement begins on the Agreement Date and ends five (5) years from the execution date (the "Expiration Date"). "You" and "Franchisee" as used in this Agreement mean the individuals, corporation, partnership, or limited liability company referred to as the Franchisee in this paragraph of this Agreement. The Parties agree to the following background.

A. Franchisor has developed a physical fitness barre workout method of instruction and teaching that combines dance and Pilates. The method and offering includes intellectual property and related teaching methodologies, philosophies, instructing methods, lesson plans, marketing materials and business systems referred to as the System as further defined below. Franchisor is authorized to grant franchisees the right to teach a multi-level class geared to challenge bodies of any age, gender, or fitness background, based on principles of dance and Pilates within our System.

B. Franchisor offers a Free-Standing Xtend studio franchise that allows a franchisee to provide Xtend classes at a single location branded under the name "Xtend".

C. Franchisor is willing to license the right to use the System and the Marks to allow Franchisee to develop and operate a branded studio upon the terms and subject to the conditions set forth herein.

Based upon the representations, warranties, and covenants in this Agreement and subject to this Agreement, Franchisor and the Franchisee agree as follows:

1. **DEFINED TERMS**

1.1. **Affiliate.** An "affiliate" shall mean an entity or person controlling, controlled by, or under common control with, another entity or person.

1.2. **Agreement.** The "Agreement" shall mean this franchise agreement between you and the Franchisor.

1.3. **Agreement Date.** The "Agreement Date" shall mean the date as set forth in the cover page of this Agreement.

1.4. **Monthly Fee.** The "Monthly Fee" is the amount due each month to continue to use the license, due ten (10) days after the end of the month during the term of this Agreement. This Monthly Fee is your ongoing royalty amount due.

1.5. **Studio Location.** The "Studio Location" is the location from where you will operate and offer XTEND studio; is subject to the Franchisor's consent to develop; and is set forth in Exhibit A to this Agreement. The Studio Location may also be referred to from time to time as the free-standing studio.

1.6. **Territory.** The "Territory" shall mean that designated area, if any, about or around your Studio Location as determined by you and the Franchisor and that is set forth in Exhibit A to this Agreement. The Territory shall not include any geographic area in the territory of any other franchisee operating under a franchise agreement with the Franchisor in which a radius has been granted (unless otherwise permitted by the Franchisor in writing).

1.7. **Expiration Date.** The "Expiration Date" shall mean the date on which the Term of this Agreement ends, as set forth in the opening paragraph of this Agreement.

1.8. **Franchisee.** "Franchisee" shall mean you, the individual(s), corporation, partnership, or limited liability company referred to in the opening paragraph of this Agreement.

1.9. **Franchisee Member.** "Franchisee Member" shall mean each owner of any interest, directly or indirectly, in any corporation, partnership, or limited liability company that is the Franchisee.

1.10. **Franchisor.** The "Franchisor" shall mean Xtend Holdings, LLC, doing business as Xtend or Xtend Barre® Franchising as set forth in the opening paragraph of this Agreement and its permitted successor and assigns.

1.11. **Guarantor.** "Guarantor" shall mean each person who signs the Personal Guarantee Agreement attached as Exhibit C to this Agreement, including all Franchisee Members.

1.12. **Incapacity.** "Incapacity" shall mean the death or physical or mental incapacity of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of your business operated under this Agreement.

1.13. **Initial Franchise Fee.** The "Initial Franchise Fee" shall mean the non-refundable fee in the amount set forth in Paragraph 5 below.

1.14. **Franchised Services.** "Franchised Services" are those services and products, described in the Manual or authorized in writing by the Franchisor from time to time, that are authorized by Franchisor to be provided to customers of your Studio Location under the System, including, without limitation, the Xtend Barre workout system.

1.15. **Manager.** The "Manager" is the individual primarily responsible for the day-to-day management of your Studio Location.

1.16. **Operations Manual.** The "Operations Manual" or "Manual" is the written description of the System, and of mandatory standards, specifications, policies, and procedures imposed by the Franchisor, and relating to, the Marks and System.

1.17. **Marks.** The "Marks" are certain registered and unregistered trade names, service marks, trademarks, logos, emblems, trade dress, and indicia of origin, including, without limitation, the mark, Xtend® and Xtend Barre®, as are now designated or as may in the future be designated by the Franchisor in writing for use in connection with the System. The System is identified by the Marks. A list of current Marks is outlined in Exhibit B.

1.18. **Primary Franchisee Member.** The "Primary Franchisee Member" is a Franchisee Member identified in Exhibit D.

1.19. **Renewal Agreement.** The "Renewal Agreement" is the Franchisor's then-current franchise agreement for free-standing studios and all additional agreements and exhibits then required by the Franchisor at the time you renew the rights under this Agreement, which will supersede this Agreement in all respects and the terms of which may differ substantially from the terms of this Agreement, as described more fully in Paragraph 4 below.

1.20. **Renewal Franchise Fee.** The "Renewal Franchise Fee" is the non-refundable fee at the then current amount as more fully set forth in Paragraph 4 below.

1.21. **Renewal Notice.** "Renewal Notice" shall mean your written notice informing the Franchisor of your decision to exercise your renewal option according to Paragraph 4 below.

1.22. **Renewal Notice Deadline.** "Renewal Notice Deadline" shall mean the date that is 180 days prior to the Expiration Date.

1.23. **System**. The "System" is the format and operating system designed to provide customers access to the Xtend Barre® system and other approved activities. The System consists of uniform standards and procedures

for the marketing and operation of, and procedures, business practices, and management methods for, an Xtend exercise system and business, which include use of the Marks and the offer and sale of Xtend classes and methods. The System includes but is not limited to sales and marketing materials, curricula and instructional materials; procedures for staff recruitment and training; training for you and your designated Xtend instructors; standards and specifications for inventory, supplies, equipment, furniture, and fixtures for your Studio Location as a free-standing studio; promotional materials; marketing and advertising techniques and materials; design specifications; and accounting, business, and administrative systems as appropriate given your existing business activities; all of which may be changed, improved, substituted and further developed by the Franchisor from time to time. The Franchisor has the right, in its sole and absolute discretion, to supplement, modify, and delete from, the System at any time; and, upon written notice to you, you agree promptly to comply with all requirements of the Franchisor in that regard, including, without limitation, offering and selling new products and services as the Franchisor specifies.

1.24. **Term.** "Term" shall mean the term of this Agreement as set forth in the opening paragraph of this Agreement.

1.25. **Transfer.** "Transfer" shall mean the direct, indirect, or contingent sale, assignment, transfer, conveyance, gift, pledge, mortgage or other encumbrance (whether by or among any of your Franchisee Members or others and whether by agreement or by law) of any interest in the Franchisee, this Agreement, any asset of your Studio Location impacting this Agreement, any share of stock in a corporate Franchisee, any membership interest in a limited liability company Franchisee, or any partnership interest in a partnership Franchisee.

1.26. **Transfer Fee.** A "Transfer Fee" is a fee payable to the Franchisor as described in Paragraph 14 below in the event of a Transfer.

1.27. **Transferee.** "Transferee" shall mean any person or entity to which any Transfer is made under this Agreement.

1.28. **You.** The term, "you", shall mean the Franchisee, the individuals, corporation, partnership, or limited liability company referred to in the opening paragraph of this Agreement.

2. GRANT

2.1. **License.** Subject to the limitations set forth in this Agreement, Franchisor hereby grants to you, a limited, non-transferable license to use the System and Marks for the Term of this Agreement at the Studio Location outlined in Exhibit "A" of this Agreement, conditioned upon the following:

2.1.1. Prior to utilizing its rights under the grant, you must be suitably trained by Franchisor in the use and instruction of the Xtend method and operation under the System. The training shall be completed within two (2) months of the execution of this Agreement, unless otherwise agreed by both Parties in writing. If you do not attend or successfully complete the required training, Franchisor may unilaterally terminate this Agreement without liability to Franchisee and you will furnish to Franchisor a release of all claims (except for claims which cannot be released pursuant to an applicable franchise law statute)..

2.1.2. You may only use the System at the Studio Location and you should expect that your sales will be to customers who visit your location in person.

2.1.3. You abide by the terms of this Agreement and the Operations Manual, as it may be modified from time to time.

2.2. **Territory**. Franchisor will not establish or operate, or license any other party to establish or operate, a Xtend franchise within your Territory as outlined in Exhibit "A" during the Term and while you are in compliance with the terms of this Agreement. You will not receive any exclusive rights or territory regarding soliciting customers as customers are free to participate in classes at any location regardless of their residence. Except as provided above, you may face competition for other franchisees or other channels of distribution.

2.3. **Reservation of Rights**. Franchisor reserves all rights that it does not grant to you and it is not restricted in any manner from engaging in any business activity whatsoever that is not expressly prohibited in by this Agreement. For example, and without limiting the foregoing, Franchisor reserves the right to: (i) own and operate, and authorize others to own and operate Xtend Studios outside the Studio Location; (ii) the use of its name, to promote Xtend branded services and to sell Xtend branded products over the Internet and other means of electronic communication that are developed in the future; (iii) establish, in the future other franchises or company-owned outlets to conduct a similar program or to sell similar services or products under a different trademark, or to do so through a different channel of distribution; (iv) acquire the assets or ownership interests of businesses; (v) be acquired or become controlled by any other business; (vi) operate or grant any third party the right to operate any Xtend Studios that Franchisor or Franchisor's designees acquire as a result of the exercise of a right of first refusal or purchase right under this Agreement. You can only offer the Xtend programs at your Studio Location. You do not have the right to use channels of distribution other than the Studio Location.

3. SITE LOCATION, MAINTENANCE AND OPENING

3.1. **Selection and Consent to Develop**. You are responsible for locating, obtaining financing for, securing appropriate zoning and permits for and equipping the site for your studio. You agree to provide Franchisor with all relevant information concerning the proposed site including the zoning of the site, demographic information about the surrounding area, locations of any fitness and exercise businesses, traffic flow, parking, rent, size, layout and such other information as Franchisor may require which may include details about the general location and neighborhood, demographics, traffic patterns, parking, rent, size, layout and other physical characteristics. Franchisor will provide its consent or non-consent for you to develop the proposed site within thirty (30) days after it receives notice thereof and all relevant information. Franchisee must obtain Franchisor's consent to a site for the Franchised Business within ninety (90) days after execution of this Agreement, unless Franchisor gives you written approval to extend such time. If you do not submit a proposed site to Franchisor or receive written consent to develop from Franchisor to extend your search within sixty (60) days after the date of this Agreement, this Agreement will terminate upon your failure to cure such default within thirty (30) days after receiving notice of such default, in accordance with Section 15.2. If this Agreement is terminated pursuant to this Section, provided you furnish to Franchisor a release of all claims (except for claims which cannot be released pursuant to an applicable franchise law statute), you will receive a refund of all fees paid, less our administrative costs in processing your franchise application. Franchisor's consent to develop a site is not a guarantee of your success at any particular location and you accept all risk pertaining to the decision of where to locate your studio.

3.2. **Lease**. You may not sign a lease or contract for the location without receiving Franchisor's prior written consent. The lease or contract must contain Landlord's Consent to Assignment, attached as Exhibit E to this Agreement, and such additional terms and conditions as Franchisor may require to provide for the protection of Franchisor's rights and interests, including the following:

3.2.1. the landlord's acknowledgment that the Franchisee shall not assign or transfer the lease or any of its rights thereunder or grant any sublease thereunder without the prior written consent of the Franchisor; and

3.2.2. the landlord's consent to Franchisee's use of such signage as the Franchisor may require.

3.3. **Lease Cost**. You are responsible for all costs associated with the negotiation of the lease. All amounts spent by the Franchisor to cure any breach by Franchisee of the lease for the site of the studio shall be due to the Franchisor from Franchisee upon the Franchisor's written demand.

3.4. **Site Development**. Franchisee shall develop the site in accordance with Franchisor's requirements, as specified by Franchisor in the Operations Manual and Design Manual. Franchisee shall be solely responsible for obtaining the architectural plans for the location, although Franchisor reserves the right to require Franchisee to obtain an architect from a designated list. The architectural plans and studio design are subject to Franchisor's prior written approval. All signage at the Studio Location shall conform to Franchisor's specifications. Franchisee shall also provide Franchisee with written specifications for the construction, equipping and fixturization of the site in the form of renderings.

3.5. **Opening**. Franchisee shall not begin offering Franchised Services from its Studio Location until Franchisor has given its approval in writing. Franchisor may require that Franchisor or its representative conduct an on-site inspection prior to giving its approval.

3.6. **Relocation**. Franchisee may not relocate its operations from the Studio Location to another location, or open additional locations, without Franchisor's prior written consent and without paying Franchisor a relocation fee that it sets from time to time, currently $5,000.

3.7. **Maintenance**. You shall maintain in good condition and in excellent repair, continually during the Term of this Agreement, the Studio Location (including, without limitation, its fixtures and utilities), the fixtures and equipment in the Studio Location, and the signs in and at your Studio Location. You shall adhere to all standards, specifications, and procedures at your Studio Location for its signs, fixtures, and equipment as described in the Manual, or as otherwise required by the Franchisor in writing from time to time for free-standing studios.

3.8. **Standard Revisions**. The Franchisor has the sole and absolute right, at any time, to modify, add to, or delete from, the Manual, the standards, specifications, policies, and procedures fixtures and equipment for the System and its Studio Locations. If the Franchisor modifies, adds to, or deletes from, these standards, specifications, and procedures, you shall promptly upgrade, refurbish, and improve the Studio Location, the signs in and at your studio, and the fixtures and equipment at your studio as required by the Franchisor in writing, and discontinue the use of any unauthorized signs, fixtures, or equipment within thirty days' notice, or other reasonable notice provided by Franchisor in writing. In addition to any updates we require from time to time, you must upgrade, update or replace your fixtures, equipment and other tangible property to conform to our then-current standards for similarly situated new studios, as contained in our Design Manual, at the halfway mark of your 5 year term (2.5 years after the date you sign this Agreement) in addition to any updates that we may require at the end of your term as a prerequisite for renewal. Franchisor will not require you to spend more than $25,000, cumulatively, on these updates, over the course of each 5 year term. This amount does not include any required expenditures for computer systems, improvements necessary to offer new services or products that we require, upgrades you make voluntarily, normal maintenance, or for compliance with upgrade requirements at the time of any transfer.

4. RENEWAL

4.1. **Renewal.** As outlined above, the initial term of this Agreement is five (5) years. Subject to the conditions in this Paragraph 4.1, you will have the right to renew the rights under this Agreement for one additional term of five (5) years. Each of the following conditions shall be met prior to renewal, each of which is a material condition to your right to renew described in this Paragraph 4.1:

4.1.1. No later than 180 days before the Expiration Date, but not more than 240 days before the Expiration Date, you shall give the Franchisor a Renewal Notice;

4.1.2. During the Term of this Agreement, you shall not have received notice of a material default under this Agreement (whether cured or not) of any obligation in this Agreement, or any other agreement between you or any of your affiliates and the Franchisor or any of its affiliates. Without any further notice to you, upon your receipt of a notice of such default, you will have waived conclusively your right to renew this Agreement under this Paragraph 4.1;

4.1.3. During the Term of this Agreement, you shall have satisfied fully all monetary and all other obligations to the Franchisor and its affiliates within the time periods required by the Franchisor and its affiliates;

4.1.4. At the Franchisor's option, before the Renewal Notice Deadline, you and your staff or instructors shall have completed any initial and/or ongoing training the Franchisor is requiring for its then-current franchisees, or any additional training that Franchisor may require of you, at Franchisor's discretion, or you shall have made arrangements to comply fully with such requirements within a time period and in a manner satisfactory the Franchisor;

4.1.5. Before the Renewal Notice Deadline, if required by Franchisor after its inspection of your Studio Location, you shall have remodeled your Studio Location to comply fully with the Franchisor's then-current standards and specifications for free-standing studios. You must submit a site-specific scope of work to us and you must receive our approval in writing before beginning any remodeling work;

4.1.6. Before the Expiration Date, you pay to the Franchisor or its designee a non-refundable Renewal Franchise Fee, determined by Franchisor from time to time, currently 25% of the then-current initial franchise fee (currently $9,250).

4.1.7. Before the Expiration Date, you execute the Renewal Agreement, which shall supersede completely this Agreement and may contain terms, obligations, annual renewal fee, and other fees and expenses that are significantly different from, in addition to, or less favorable to you than, those in this Agreement. The Renewal Agreement shall not require payment of an initial franchise fee in addition to the Renewal Franchise Fee. If you renew as described in this Paragraph 4.1, the Franchisor shall execute the Renewal Agreement and, after the Expiration Date, shall deliver one fully executed copy to you;

4.1.8. Before the Renewal Notice Deadline, you shall supply the Franchisor with evidence satisfactory to it of your compliance with the Franchisor's then-current qualification requirements and all other requirements;

4.1.9. You and each of your Franchisee Members and Guarantors shall execute the Franchisor's then-current release of the Franchisor and the Franchisor's affiliates, and their respective present and past officers, directors, employees, and agents, when you give the Franchisor the Renewal Notice and when you execute the Renewal Agreement, to the extent not prohibited by applicable law. You agree the requirements of this Paragraph to provide the Franchisor with a release when you give the Franchisor the Renewal Notice and when you execute the Renewal Agreement are material conditions to your renewal and your failure to comply with these requirements will terminate your right to renew this Agreement.

4.2. **Non-renewal.** If, for any reason, this Agreement expires or is terminated or you do not timely fulfill each and all of the conditions to renewal as described in this Paragraph 4, your renewal option shall terminate immediately as of the date of the expiration or termination of this Agreement. Upon such termination or expiration, you shall comply fully with all the terms and conditions of this Agreement that survive its termination or expiration, including, without limitation, Paragraph 16 below.

5. FEES

5.1. **Franchise Fee.** In consideration of the rights granted in this Agreement, you shall pay to the Franchisor when or before you execute this Agreement a non-refundable, Initial Franchise Fee in the amount of $32,000.00. Receipt of your Initial Franchise Fee is due upon execution of this Agreement. The Initial Franchise Fee is waived, if you are renewing a franchise agreement and have paid the Renewal Franchise Fee due under your agreement. The entire Initial Franchise Fee or Renewal Franchise Fee is fully earned by the Franchisor upon execution of this Agreement for administrative and other expenses incurred by the Franchisor and for development opportunities lost or curtailed as a result of the rights granted to you.

5.2. **Monthly Fee.** You will pay monthly, due to the Franchisor on the tenth day of each month, during the term of this Agreement, a non-refundable monthly fee in an amount equal to six percent (6%) of your monthly revenue. However, in any event, your monthly fee must be at least $1,000 per month. If six (6%) percent of your revenues is less than $1,000 in any month, you must pay this minimum $1,000 amount. This payment is your continuing royalty payment for participation in the System. Payment of the monthly fee shall be automatically charged to your credit card on file by the tenth day of each month. Your monthly revenue is the aggregate amount of all sales of Xtend products, services and classes in connection with the operation of your studio, whether for cash or credit, but excluding all federal, state or municipal sales, use or service taxes. Your monthly revenue includes all sales from any source, including any sales generated from third parties such as, but not limited to, ClassPass, Groupon, or other third party vendors.

5.3. **Web-Servicing and Technology Fee.** You shall pay monthly, due to the Franchisor on the tenth day of each month during the term of this Agreement, a non-refundable monthly web-servicing and technology fee in the amount that we designate, currently of $250 per month. Payment of the web-servicing and technology fee shall be automatically charged to your credit card on file by the tenth day of each month.

5.4. **Interest; Late Fee.** Any monthly fees or other payment due the Franchisor that is not paid when due shall be subject to the then-current Franchisor imposed late fee and shall bear daily interest at the rate of 18% per annum (beginning immediately following the date the amount is due), or the highest rate permitted by applicable law, whichever is less. Currently, in addition to interest payable, in the event Franchisor fails to receive payment of monthly fees or any other expenses or fees outlined in this Agreement within 10 days of when it is due, you must pay a late fee equal to 10% of the total amount due, which amount must be paid and is recalculated for each month it remains late. Entitlement to such late fee and interest shall be in addition to any other remedies the Franchisor may have under this Agreement or at law or in equity. This Paragraph shall not bind the Franchisor to accept any payment after its due date and acceptance of partial payment shall not be deemed an accord and satisfaction, unless a formal understanding is separately signed by both parties.

5.5. **Non-Compliance Fee**. If Franchisor determines at any time that you are not in compliance with this Agreement, it will charge you a fee of $100 per day that you remain in non-compliance, as determined at our sole discretion. Nothing in this Section 5.5 limits any of Franchisor's other rights and remedies available under the terms of this Agreement. You agree that this non-compliance fee is intended to compensate us for expenses or losses we incur as a result of your non-compliance and is not considered a penalty or an expression of the total amount of such damages. Franchisor reserves the right to change or eliminate this charge in its sole discretion.

5.6. **Payment Terms.** All monthly payments and other amounts due under this Agreement must be paid by credit card or by electronic funds transfer (EFT). You will execute all banking forms, documents, and any other agreements, and will take all other actions necessary, to facilitate credit card and EFT payments to us, including but not limited to, the Authorization Agreement for Prearranged Payments attached to this Agreement as Exhibit G. You authorize us to charge your credit card for all ongoing fees and to debit your account for any amounts due by EFT. We may require you to pay any amounts due under this Agreement or otherwise by means other than EFT whenever we deem appropriate, and you agree to comply with our payment instructions. You shall pay promptly to the Franchisor or its designee when due and without prior demand or notice the monthly fee due and payable to the Franchisor under this Agreement. You shall pay promptly to the Franchisor or its designee upon written notice to you all other amounts due to the Franchisor and its affiliates for products or services purchased by you from the Franchisor or its affiliates or vendors hereunder; and any monies advanced by the Franchisor or its affiliates to you, or which the Franchisor or its affiliates have paid, or become obligated to pay, on your behalf hereunder. If you are delinquent in any payment to the Franchisor, the Franchisor has the right to apply any of your payments to any late fee, interest charge, or past due indebtedness. Neither you nor any of your affiliates shall have any right to withhold any payment of any monthly fee or any other monies due to the Franchisor or any of its affiliates on any grounds (including, without limitation, any claim or counterclaim by you under this Agreement or by you or any of your affiliates under any agreement between you or your affiliates and the Franchisor or any of its affiliates, or otherwise). Neither you nor any of your affiliates shall have any right to set-off any amount due to the Franchisor or any of its affiliates by you or any of your affiliates against any monetary claim by you or any of your affiliates against the Franchisor or its affiliates.

6. TRAINING

6.1. **Initial Training Requirements.** Before you open to the public at your Studio Location or otherwise engage in business under the System, a minimum of ten individuals, including you, must complete the Franchisor's initial training program to the Franchisor's satisfaction. Franchisor shall have the right, during the initial training program, to further evaluate your fitness to operate under this Agreement, including without limitation competence to teach classes in accordance with the System. In the event you fail to successfully complete all aspects of the initial training program, Franchisor shall have the right to terminate this Agreement or require other certified instructors to conduct any classes at your studio. Only certified Xtend instructors may conduct classes at your studio, and all certified Xtend instructors must be trained by the Franchisor and have other required certifications Franchisor may require from time to time. All initial training will be conducted over a 4-5 day period and participants must then practice the material and submit a tape for final evaluation by Franchisor. All initial training

sessions will take place at one of Franchisor's regional corporate training facilities (West Coast, Midwest, Northeast or Southeast United States).

Before you open to the public at your Studio Location or otherwise engage in business under the System, you or your manager must also complete our initial training that provides franchisees with information on how to operate a fitness related business and related matters (instructors are not required to participate in this portion of training). This business training will be conducted over a 3 day period (or longer if we deem necessary, based on your business experience and/or knowledge of the Xtend system) at our corporate headquarters. This additional training is mandatory for you as a franchisee of a free-standing studio.

6.1.1. The cost of initial training fees for two individuals is included in your Initial Franchise Fee. You agree to pay Franchisor a fee of $1,000 per additional instructor that attends the initial teacher training, for a minimum fee of $8,000. All subsequent initial training of new instructors will be at a fee of $1,000 per participant.

6.2. **Studio Appraisal and Instructor Recharge.**

6.2.1. You must participate in the Franchisor's annual two day appraisal of your studio which includes additional mandatory training for your instructors. The first appraisal shall occur three months or longer after the opening of your studio. You agree to pay Franchisor a fee of $3,000 for the cost of this appraisal and training. An additional fee for each instructor, which Franchisor will determine based on current market rates, may be paid by you or by each individual instructor, at your option. You agree that you will implement any changes that Franchisor requires as a result of the annual appraisal to bring your studio into compliance with the System.

6.3. **Ongoing Training Requirements.** Franchisor may charge a fee for additional training Franchisor may require you and your personnel to attend in the future. To maintain certification each year you must participate in a certain amount of additional training and obtain continuing education credits ("CEC"). The cost of such training is not included in the initial franchise fee. All Xtend instructors and franchisees must maintain their certification by earning a set number of CECs per year from Franchisor as outlined in the Manual. Continuing education workshops are available online and at Xtend conferences. Franchisor may charge a separate fee for providing specialized training to you, your Manager and instructors, or it may be provided free of charge. Continuing training other than as provided for above will be provided at Franchisor's then current rates. In addition to the above additional training that is required annually, the Franchisor has the right, in its sole and absolute discretion:

6.3.1. To require that you attend any additional initial or subsequent training program;

6.3.2. To require you and any of your full-time or part-time staff or instructors to attend other continuing training, meetings, workshops, and the Franchisor's franchise convention from time to time;

6.3.3. To require you or your designee to attend any required meetings, including but not limited to, monthly calls and mandatory owners' conferences. If you or your designee do not attend any mandatory owners' conference, we will assess a $1,000 penalty.

6.3.4. To determine the curricula, standards, location, direction, manner of instruction, class size, and all other aspects of all training, meetings, workshops, and conventions conducted by the Franchisor; and

6.3.5. To require you to pay to the Franchisor or its designee the then-current training fee for each trainee attending any portion of any training required by the Franchisor. The Franchisor has the right, but not the obligation, to exempt any Franchisee Member from this requirement.

6.4. **Other Training Expenses.** You shall be solely responsible to pay all costs, fees and expenses related to you or your employees training, including, without limitation, both your and their salaries and expenses for travel, food, and lodging if necessary, as well as Franchisor's or Franchisor's employees' expenses for travel and

lodging if training is provided at your studio. The cost of initial training fees for two individuals is included in your Initial Franchise Fee. All additional initial training or continuing training will be provided at Franchisor's then current fees.

7. FRANCHISOR'S DUTIES

7.1. **Manual.** Before you begin offering Franchised Services, the Franchisor will lend you one copy of the Manual for your use during the Term of this Agreement. The Manual includes proprietary and confidential operating information which Franchisor may amend from time to time. The Manual outlines mandatory specifications, standards, operating procedures and rules for the System. All such specifications, standards, operating procedures and rules prescribed in the Manual, or otherwise communicated to Franchisee in writing, shall constitute requirements of this Agreement and shall be kept confidential by Franchisee. Franchisee acknowledges and agrees that the Manual may be modified from time to time to reflect changes in the standards of authorized services or the System. All modifications to the Manual shall be binding upon Franchisee upon being delivered to Franchisee. The Manual is, and shall remain, the property of Franchisor. Franchisee shall promptly return the Manual to the Franchisor upon termination or expiration of this Agreement.

7.2. **Ongoing Guidance**. During the term of this Agreement, Franchisor will, to the extent determined necessary by Franchisor, provide you periodic advice and consultation on the delivery of the Franchised Services at your studio, and to communicate new developments, techniques, and improvements in services for the operation of your delivery of such services.

7.3. **Monitoring**. Franchisor may send its representatives to monitor classes to determine whether Franchisee (or the instructor who conducts those classes) at the studio are conducting them in a manner consistent with the System or we may monitor you and your instructors remotely to assist you in improving your Franchised Services. Representatives of Franchisor may attend any class at any time, at no cost to Franchisor.

8. FRANCHISEE'S DUTIES

8.1. **Manner of Operation.** At all times during the Term of this Agreement, you shall operate your Studio Location in strict compliance with the standards, specifications, procedures, and policies described in this Agreement, in the Manual, and required by the Franchisor in writing from time to time relating to the Franchised Services; you shall refrain from deviating from such standards, specifications, procedures, and policies without the Franchisor's prior, written consent regarding Franchised Services; you may use your Studio Location for activity other than for Franchised Services even though it is a branded Xtend studio, provided the other activities are health related and typical for a health and fitness facility and with the prior approval of the Franchisor, which will not be unreasonably withheld. You may not offer any other ballet barre related exercise workout options.

8.2. **Services and Products.** You agree to offer to customers all products and services designated by Franchisor from time to time that pertain to the Franchised Services, and shall provide such products and services strictly in accordance with the standards and specifications described in the Manual and the training programs. You agree not to deviate from the standards, specifications and operating procedures set forth in this Agreement and the Manual in order to ensure uniformity and quality of services offered to the public under the Marks for the Franchised Services. If at any time Franchisor adds additional services to the Franchised Services, within no more than three months of the addition of such services you are required to complete any training required by Franchisor associated with such additional services and to purchase all products necessary to provide the services as directed by Franchisor. You may not offer for sale from your studio any service or product without our prior written consent.

8.3. **Product Purchase**. You are required to purchase Xtend branded balls, bands, mats, yoga straps, sticks, socks and other goods for use at your studio and for purchase by your customers. You must purchase all such items and any other goods or services only from suppliers we designate which may include or be limited to us or our affiliates. The sale of all other retail items must be in accordance with the Franchisor's specifications, as outlined in the Manual, or must be approved in writing by Franchisor. Without limitation to the foregoing, we are or may be continuing to develop a line of merchandise and equipment that are an integral part of the System. Therefore, you must purchase these items from us or our affiliate.

All other equipment and services used in the conduct of Xtend classes must meet our specifications and standards, and you purchase them from suppliers we designate or from suppliers that you select that meet our specifications for suppliers. We specifically require that you purchase and maintain ballet barres, mirrors, studio sound system, mats and weights at your studio. The method to seek approval of a supplier is outlined in the Manual. We may also designate, by brand-name, equipment that you are required to use. You understand and agree that we and our affiliates may mark and profit on the sale of goods or services to you, and that we and our affiliates may obtain and retain rebates or other forms of consideration from any supplier.

8.4. **Music**. You must only use music from vendors that we approve in the conduct of your classes and other fitness programs. To use the approved music as part of your classes or to publically play the music in your studio, you are required to secure the appropriate music licenses from the appropriate music licensing organizations. You agree that you will secure and maintain the required licenses for the music used in your operations.

8.5. **Supervision.** You shall use your best and continuing efforts to promote and develop the System and Franchised Services at your Studio Location. You must be involved in the day-to-day operations of the studio or shall appoint a Manager trained to conduct such activities to run the day to day operations, and shall devote your full time and best efforts to the operation and management of your Studio Location or ensure your Manager dedicates such efforts on your behalf.

8.6. **Primary Franchise Member**. If you are a corporation, partnership, or limited liability company, you shall designate, in writing, a Primary Franchisee Member using the attached Exhibit D. The Primary Franchisee Member is the person whom the Franchisor may contact at any time with regard to this Agreement and the Franchised Services. The Franchisor is not obligated to discuss this Agreement or the Franchised Services with any Franchisee Member other than the Primary Franchisee Member.

8.7. **Customer Relations; Staffing.** You shall maintain a competent, conscientious, trained staff at the Studio Location, and only Xtend trained staff shall provide Franchised Services. You shall take such steps as are necessary to ensure that your employees, treat all customers courteously, fairly and provide Franchised Services in an honest, ethical, and non-discriminatory manner; not withhold any material information from your customers or potential customers; not advertise in a deceptive, misleading, or unethical manner; render competent, prompt, courteous, and knowledgeable service; and meet such minimum standards as the Franchisor may establish in the Manual or in writing from time to time. You and your employees shall handle all customer complaints, refunds, credits and other adjustments in a manner that will not detract from the name and goodwill of the Franchisor. You shall be solely responsible for all employment decisions and functions of the studio including, without limitation, those related to hiring, firing, training, wage and hour requirements, record-keeping, supervision, and discipline of employees and you shall inform your employees as to such requirement. No Franchisor advice and no training program conducted, supplied, or recommended by the Franchisor shall reduce in any way your sole responsibility for your employment and management of your staff.

8.8. **Confidentiality of Customer Information.** You acknowledge and agree you are solely responsible to maintain the confidentiality of all customer information that is intended to remain confidential from information you may obtain by virtue of accepting applications or other documents on behalf of the customer typically treated as confidential unless the customer authorizes you to disclose such information. You agree to take all steps necessary to protect such information and agree not to share any details of customer's sensitive, confidential or proprietary information with any individual or entity unless legally compelled or otherwise authorized by the customer to do so.

8.9. **Licensing and Compliance with Good Business Practices.** To the extent required by law or otherwise to conduct the activities of your studio, you shall obtain the necessary business and related licenses. If you are required to be accredited or licensed, you shall comply with the requirements to obtain and maintain such licensing in full force and effect continually during the Term of this Agreement. You shall be responsible to pay for any and all licensing fees and expenses and all ongoing fees. You further agree to operate in full compliance with all applicable laws, ordinances, by-laws and regulations, including, without limitation, occupational hazards and health, privacy, worker's compensation insurance, unemployment insurance and withholding and payment of federal and state income taxes and social security taxes.

8.10. **Inspection.** You shall permit the Franchisor and its agents and designees to enter upon the Studio Location at any reasonable time for the purpose of conducting inspections of the Franchised Services and your overall business operations at your studio; shall cooperate fully with the Franchisor and its agents and designees in such inspections by rendering such assistance as they may request; and, upon notice from the Franchisor or its agents or designees, and without limiting the Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. If your studio fails to meet certain performance criteria outlined in our Operations Manual, besides receiving a notice of default, you shall permit the Franchisor or its agents and designees to enter your studio at any reasonable time for purposes of assessing your studio and its operations. If Franchisor or its agents and designees perform such an assessment due to your underperformance, you agree to pay us a management fee between three hundred and seven hundred fifty dollars ($300-$750) per day, depending on the level of assistance that you require, at our discretion, plus direct out-of-pocket costs and expenses, for the period of time during which we or our agents and designees are at your studio for purposes of the assessment.

8.11. **Marks.** You shall ensure that all advertising and promotional materials, signs, decorations, and other items specified by the Franchisor bear the Marks in the form, color, location, and manner prescribed by the Franchisor and in no other way and must purchase all signage and printed materials from Franchisor designated and approved suppliers.

8.12. **Minimum Working Capital.** You will maintain at all times sufficient working capital to operate your studio without interruption, which shall not be less than ten thousand dollars ($10,000). We reserve the right to increase this figure from time to time, and you agree to comply with such increased minimum working capital requirements.

8.13. **Pricing**. We will periodically set a minimum price that you may advertise for products and services offered by your studio. You agree not to advertise the products or services below such minimum advertised price and acknowledge that doing so is a breach of this Franchise Agreement.

8.14. **Change, Amendment, Improvement, or Deletion.** You will not implement any change, amendment, or improvement to the System, or deletion from the System, without the express prior written consent of the Franchisor. You shall notify the Franchisor in writing of any change, amendment, or improvement to the System, or any deletion from the System, you propose to make, and you shall promptly provide to the Franchisor at your sole expense such proposed change, amendment, improvement, or deletion, and such information as the Franchisor requests regarding the proposed change, amendment, improvement, or deletion. You waive all moral rights in and to any change, amendment, or improvement to the System. You acknowledge and agree that the Franchisor shall have no obligation to implement any change, amendment, or improvement to the System, or deletion from the System, proposed by you; and that the Franchisor has the right to incorporate any such proposed change, amendment, or improvement to the System, or deletion from the System, and shall thereupon obtain all right, title, and interest therein without any compensation to you.

8.15. **Minimum Gross Revenues.** You must meet certain required gross revenue requirements, as follows: (i) in the second full calendar year following the year that your studio opens, your gross revenue must be at least 50% of the average gross revenues of all franchisees who have been open at least one full calendar year; and (ii) in the third full calendar year following the year that your studio opens, your gross revenue must be at least 70% of the average gross revenue of all franchisees who have been open at least one full calendar year. If you fail to meet these minimum gross revenue requirements for two consecutive calendar years, your Territory may be reduced in size at our discretion. If you fail to meet these minimum gross revenue requirements for three consecutive years, we will consider such failure to be a material default of this Agreement.

9. INSURANCE AND INDEMNIFICATION

9.1. **Minimum Insurance.** You shall be solely responsible to secure, prior to commencement of any operations under this Agreement, and to maintain, in full force and effect continually during the Term of this Agreement, at your sole expense, an insurance policy or policies insuring you and the Franchisor and their respective employees against any demand or claim with respect to personal injury, death, or property damage, or any loss, liability, or expense whatsoever arising or occurring upon, or in connection with, the Studio Location or the

Franchised Services. You shall at all times during the Term maintain in effect a policy or policies of commercial general liability insurance with an aggregate limit to be outlined by Franchisor in the Manual or the Franchisor's then-current insurance requirements. Franchisor has the right to modify, add to, or delete from, such insurance requirements from time to time in writing. The Franchisor does not represent that such insurance will insure you against any insurable risk.

9.2. **Requirements**. Any insurance policy and all certificates of insurance covering your studio location and the Franchised Services shall name the Franchisor as an additional insured. You agree that failure to obtain such minimum insurance required herein is a material breach of this Agreement; and failure to name the Franchisor as an additional insured is a material breach of this Agreement.

9.3. **Further Obligations.** Your obligation to obtain and maintain the insurance policy or policies in the amounts specified in the Manual, or otherwise in writing shall not be limited in any way by reason of any insurance that may be maintained by the Franchisor, nor shall your performance of that obligation relieve you of any liability under the indemnity provisions set forth below.

9.4. **Indemnification.**

9.4.1. You, and not the Franchisor, are solely responsible for all losses, damages, and liabilities to your customers, potential customers, employees, agents, instructors and vendors and to all others, and for all damages to property, and for all physical and mental injury and illness and death of persons arising out of, or with, your acts; and for your compliance with all federal, state, and local laws, statutes, codes, rules, regulations, and standards. You, and not the Franchisor, are solely responsible for any and all fraudulent acts and practices committed by you, your staff, agents, suppliers, and vendors in connection with all consumer transactions in, and related to, the studio. You agree the Franchisor is, in no regard, a supplier in any consumer transaction conducted by you, your staff, agents, suppliers, or vendors. For all time, you shall indemnify and hold harmless the Franchisor and its affiliates and their respective present and past directors, stockholders, officers, employees, and agents from and against all claims, demands, losses, obligations, costs, attorneys' and accountants' fees and expenses, court costs, expenses, liabilities, debts, and damages of every kind and nature resulting or arising, directly or indirectly, from your acts, the conduct of your business hereunder, and from any violation of this Agreement, any federal, state, or local laws, statute, code, rule, regulation, or standard by you, your business, your studio, your employees and agents, and from claims by any federal, state, or local governmental agency, bureau, or board and by any person, vendor, landlord, or other individual or entity, whether occasioned by neglect, omission, willful act, or otherwise, including, without limitation, all costs, including attorneys' and accountants' fees and expenses, of defending against them.

9.4.2. You shall advise Franchisor immediately if a notice is received that a claim has been or may be filed with respect to a matter covered by this Agreement, and you shall immediately assume the defense thereof at your sole cost and expense. At your sole expense, the Franchisor will endeavor to cooperate with you and your counsel in the defense and settlement, if any, of all such claims. In any event, the Franchisor will have the right, through counsel of its choice, to control any matter to the extent it could directly or indirectly in any way affect the Franchisor or its affiliates or their present or past officers, directors, employees, agents, successors, or assigns.

10. MARKS

10.1. **Use.** With respect to your use of the Marks, you agree that:

10.1.1. The Franchisor has the sole and absolute right to approve any use of the Marks and any object using or exhibiting the Marks, including, without limitation and by way of example, all signs, decorations, stationery, business cards, brochures, forms, and web sites; and in every medium, including, without limitation, print, audio, video, electronic, and Internet;

10.1.2. You shall not do or permit any act or thing to be done in derogation of the Marks or of any Franchisor rights to the Marks;

10.1.3. You shall not use the Marks in any business other than in connection with your Studio Location for the Franchised Services; and you shall use the Marks only for the operation of the Franchised Services and only from the Studio Location, in advertising or marketing for your studio;

10.1.4. You shall not use the Marks to incur any obligation or indebtedness for the Franchisor;

10.1.5. You shall not, directly or indirectly, at any time cause or permit any act impairing or tending to impair the Franchisor's right, title, or interest in the Marks;

10.1.6. You shall use only the Marks designated by the Franchisor, and shall use them only in the manner authorized and permitted by the Franchisor;

10.1.7. You shall not use the Marks in connection with the Internet or with anything related to the Internet, including reservation or use of domain names, as part of an electronic mail address or any other form of identification in an electronic medium, without the Franchisor's prior written approval;

10.1.8. In connection with your studio, you shall not use the name "Xtend " alone, or any trademark, service mark, logotype, symbol, or other mark that is not part of the Marks or that is confusingly similar to the Marks, and you shall not use the Marks or any trademark, service mark, logotype, symbol, or other mark that the Franchisor determines, in its sole and absolute discretion, may be confusingly similar to any of the Marks in connection with any other business in which you have an interest;

10.1.9. In the adoption of a corporate, partnership, or limited liability company name, you shall not use any of the Marks, any variations or abbreviations of the Marks, or any words or symbols deemed by the Franchisor to be confusingly similar to the Marks, including, without limitation, the words, "Xtend", "Xtend Barre", or any combination of these with or without prefix or suffix, whether in English or any other language;

10.1.10. You shall identify yourself as the operator of the studio branded as an Xtend studio (in the manner required by the Franchisor from time to time) in conjunction with any use of the Marks, including, without limitation, on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations at the Studio Location as the Franchisor may approve in writing from time to time;

10.1.11. Your right to use the Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of rights of the Franchisor; and

10.1.12. You shall execute any documents deemed necessary by the Franchisor to obtain protection for the Marks or to maintain their continued validity and enforceability.

10.2. **Acknowledgments.** You expressly understand and acknowledge that:

10.2.1. All ownership, right, title, and interest to the Marks are vested solely in the Franchisor or its affiliates, and the Franchisor has the right to use, and license others to use, the Marks;

10.2.2. All goodwill created by your use of the Marks shall inure exclusively to the Franchisor;

10.2.3. You disclaim any right, title, and interest in the Marks and any goodwill derived from them;

10.2.4. You shall not assert any claim to any goodwill, reputation, or ownership of the Marks by virtue of your licensed or franchised use of them or otherwise;

10.2.5. You have no right to restrict the Franchisor, any Franchisor affiliate, or any other Franchisor authorized franchisee from using the Marks in any way not prohibited by this Agreement; and

you shall not contest, directly or indirectly, the validity of, or the Franchisor's or its affiliates' ownership of, or right to use and to license others to use, the Marks;

10.2.6. You shall not in any way dispute or impugn the validity of the Marks;

10.2.7. You irrevocably waive any right for compensation by the Franchisor and by any Franchisor affiliate that you may have for any goodwill created by your use of the Marks;

10.2.8. The Marks are valid and serve to identify the System and those who are authorized to operate under the System; and

10.2.9. Immediately upon expiration or termination of this Agreement for any reason, you shall not use the Marks, or dispute or impugn the rights of the Franchisor, the Franchisor's affiliates, its franchisees, licensees, or other authorized users, to use the Marks for any purpose.

10.3. **Infringement.** You shall promptly notify the Franchisor of any suspected infringements, imitations, or suspected unauthorized use of the Marks, or any challenges to the validity, the Franchisor's ownership of, right to use and license others to use, or to your use of, the Marks. You acknowledge the Franchisor has the sole right to institute, defend, direct, and control any judicial, arbitration, and administrative proceedings and actions involving the Marks, including any settlement. The Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. The Franchisor has the right to defend you against any third-party claim, suit, or demand arising out of your use of the Marks at Franchisor's sole cost. If the Franchisor undertakes the defense or prosecution of any judicial, arbitration, or administrative proceedings or actions affecting the Marks, you shall cooperate with the Franchisor in these proceedings or actions and you agree to execute at your sole expense all documents and to do those acts and things as may, in the opinion of the Franchisor's counsel, be necessary to comply with this provision, including being named as a nominal party in these proceedings or actions. The Franchisor will indemnify you for any reasonable damages or expenses incurred by you, due to any judicial, arbitration, or administrative proceedings or actions involving the Marks.

11. INTELLECTUAL PROPERTY

You acknowledge that there is information disclosed by Franchisor pursuant to this Agreement, during the initial training program, in the Manual and otherwise (including, without limitation, the material, curriculum documents, lesson plans, training material, marketing materials, audiovisual components, emails, handouts, other Proprietary Information, methods of service, sources and suppliers of equipment and, in general, methods, techniques, formulas, formats, specifications, standards, procedures, know-how, information systems and knowledge of the System and the entire contents of the Manual), that is proprietary, confidential or a trade secret or other intellectual property of Franchisor**.** You agree to maintain the absolute confidentiality of all such information during and after the term of this Agreement and agree not to use any such information in any other business or in any manner not specifically authorized or approved in writing by Franchisor. You may not make copies of such information or divulge such information to any other person. You agree to require any other person involved in providing Franchised Services who will have access to any confidential information or intellectual property of the system to sign a confidentiality agreement in a form acceptable to Franchisor.

12. REPORTING AND RECORD KEEPING

12.1. **Computer System.** You are required to have a computer system that has continuous access to the Internet and that is sufficient to operate under a software license agreement from Mindbody, Inc. You agree to be solely responsible for the cost of your computer system and the cost of maintaining a license to use the required software. Franchisor is not obligated to provide ongoing maintenance, repairs, upgrades or updates to your computer system or software. You are not obligated to upgrade or update any system during the term of this Franchise Agreement, except as required under the license agreement with Mindbody, Inc. Although we currently require you to use Mindbody, Inc. software, we reserve the right, upon notice to you, to change our required computer system and/or software.

12.1.1. **Software**. Mindbody, Inc. collects your data on gross sales and other financial transactions and you agree that Franchisor will have access to that data at all times. In addition, you agree that Franchisor will own and have access to any and all client information collected by Mindbody, Inc. You agree to grant access to Franchisor by executing and submitting to the supplier any documentation required by Mindbody, Inc. for third party access and by providing your account information, including your username and password, to us within 30 days of executing your agreement with the supplier. You agree to send a copy of any such executed documentation to Franchisor. Franchisor may require you to report client information collected by Mindbody, Inc. from time to time. You agree to comply with any such reporting requirements. We currently contract directly with Mindbody, Inc. You agree that you will make a monthly payment to Franchisor to cover this fee. We reserve the right to require you to contract directly with Mindbody, Inc. or any required software, or to increase your monthly software fee if our costs increase.

12.1.2. **Other Third Party Vendors**. You may use other third party vendors to make sales, or to otherwise provide services to your clients. You agree that Franchisor will have access to any data, financial transactions, client details, or other information collected by any third party vendors that you use. You agree to grant access to Franchisor by executing and submitting to any third party vendor the documentation required by that vendor for third party access and by providing your account information, including your username and password, to us within 30 days of executing your agreement with the third party vendor. You agree to send a copy of any such executed documentation to Franchisor. You agree to report and pay Monthly Fees on any revenue from third party vendors on a monthly basis, or as required by Franchisor from time to time.

12.2. **Financial Statements**.

12.2.1. **Monthly Statements.** Franchisee shall deliver to Franchisor, by the 15th of each month for the previous month, a monthly profit and loss statement regarding all of its activities. This monthly statement must include all revenue generated through the sale of goods and services at Franchisee's studio, including all revenue generated through all fitness aggregators, including but not limited to, ClassPass, and revenue generated through all third party sale sites.

12.2.2. **Annual Statements.** Franchisee shall deliver to Franchisor an annual profit and loss statement regarding all of its activities at the free-standing studio in a form designated or approved by Franchisor within thirty (30) days after the close of each calendar year during the term of this Agreement.

12.2.3. These reports will be requested for benchmarking purposes and to allow Franchisor to provide greater details in its later franchise disclosure documents should Franchisor ever opt to provide financial performance representations to future potential franchisees. In addition, you agree that Franchisor has the right to share this financial information with other owners within the System for purposes of studio performance rankings Franchisee shall also submit to Franchisor such other financial and non-financial reports and information as Franchisor may request from time to time. These statements and reports shall be certified as true and correct by Franchisee. Each such report shall be in the form and present the information required by or described in the Manual.

12.3. **Disclosure**. Franchisor may be required by law, regulation or other legal requirement, or may deem it advisable, to disclose information regarding you or the operation of the studio, including without limitation, earnings or other financial performance information. You agree that Franchisor shall be entitled to disclose such information and that Franchisor shall have the right to determine the extent and manner in which such disclosure will be made. If Franchisor does not have the information necessary for the disclosure Franchisor determines it will make, you agree to provide such information to Franchisor promptly upon Franchisor's request.

12.4. **Client Information.** Franchisor owns and has access to, all client information, including, without limitation, email addresses and other client contact information that you collect. Franchisor reserves the right to directly contact clients.

13. ADVERTISING AND PROMOTION

13.1. **Advertising Requirement**. You agree to advertise and promote your studio actively and diligently during the Term of this Agreement and in conformity with this Agreement, the Manual, and the Franchisor's written direction. Franchisor will provide you pre-designed advertisements and marketing material for use. You may not use any advertising or marketing materials other than those designated by Franchisor and you must purchase these materials through our designated vendor. Franchisor has no obligation to spend any amount on advertising in the area in which you are located. You must conduct a grand opening as outlined below and you must contribute to the marketing fund as outlined below. You must submit your proposed marketing plan to Franchisor at least thirty (30) days prior to executing the marketing plan. You must receive Franchisor's written approval prior to executing the marketing plan. We will provide our written approval within two (2) weeks of receiving your proposed marketing plan. If you propose to do any advertising or promotion for your studio, you must submit your proposed advertising material and promotional plans to Franchisor for written approval prior to their use in the manner outlined in the Manual.

13.2. **Internet**. You may not create your own website for your studio. You must provide all information and other content required in the Operations Manual to Franchisor and Franchisor will create a page for your specific studio on its website. Any requested changes to the webpage must be submitted to Franchisor.

13.3. **Grand Opening**. You are required to conduct a pre-opening and grand opening campaign and to expend at least $5,000 on those efforts within 90 days of opening for business. Franchisor will provide you support and guidance in how to conduct such activities.

13.4. **Marketing Fund**. Subject to the limits established in Section 13.7, you must contribute the amount we designate (currently 2% of your monthly gross revenue) on a monthly basis to our System-wide or other marketing fund. Franchisor is permitted at any time to aggregate or disaggregate funds to create on or more marketing funds for one or more systems, wherever located. Franchisor agrees that contributions to the marketing fund shall apply to all franchisees and shall be used for advertising, marketing and public relations purposes for the collective benefit of all participants of the System, including all franchisees, Franchisor and Franchisor's affiliates, except for such reasonable salaries, administrative costs and overhead (calculated on a fully allocated basis), if any, as the Franchisor may incur in activities reasonably related to the administration or direction of the marketing fund. All sums paid to the marketing fund if ever developed shall be recorded separately on Franchisor's accounts. You may receive, no more often than annually beginning ninety (90) days after the end of Franchisor's fiscal year, and only upon your written request, a report describing the marketing funds collected and costs incurred by the marketing fund. The marketing fund if created will not be Franchisor's asset. Neither would the marketing fund be a trust, and Franchisor will not owe you fiduciary obligations because of Franchisor's maintaining, directing or administering the fund or for any other reason. Franchisor may spend in any fiscal year an amount greater or less than the aggregate contributions to the marketing fund in that year and Franchisor may make loans to the marketing fund (and the fund may borrow from Franchisor or other lenders) bearing reasonable interest to cover any deficits of the marketing fund or cause the fund to invest any surplus for future use by the fund. Any monies remaining in the fund at the end of any year shall carry over to the next year. Franchisor may incorporate the marketing fund or operate it through a separate entity, whichever Franchisor deems appropriate. The successor entity will have all of the rights and duties specified in this Paragraph. Franchisor undertakes no obligation to ensure that expenditures by the marketing fund are proportionate or equivalent to contributions by franchisees or that any franchisee will benefit direct or in proportion to its contribution to the fund from the conduct of marketing programs or the placement of advertising.

13.5. **Local Advertising and Advertising Cooperatives**. Subject to the limits established in Section 13.7, you must spend the amount we designate (currently 1% of your monthly gross revenue, or $350, whichever is greater) on a monthly basis on local advertising, marketing and promotion within the area surrounding your studio. We reserve the right to form advertising cooperatives in the future. If we do so, you will be required to participate. The amounts you contribute to any advertising cooperative, if established, will be credited toward the amount you must spend on local advertising (currently 1% of your monthly gross revenue, or $350, whichever is greater).

13.6. **Your Participation in Marketing Events**. You agree to fully participate in all advertising, marketing and promotions activities we may from time to time require. You may not conduct any advertising, marketing or promotions activities that we have not authorized in writing. You acknowledge and agree that we may use your studio, including but not limited to, in connection with promotional events and for the general promotion and enhancement of the System.

13.7. **Required Advertising Cap**. We reserve the right at any time, upon notice to you, to increase the amount of: (i) marketing fund contributions; (ii) required local advertising expenditures; and (iii) advertising cooperative contributions (if we establish an advertising cooperative); provided, that in no event will you be required to contribute to all of the foregoing advertising vehicles, in the aggregate, more than five percent (5%) of your studio's gross sales annually, unless the members of an advertising cooperative in which you are required to participate vote to increase contributions to the advertising cooperative.

14. TRANSFER OF INTEREST

14.1. **Transfer by You.** This Agreement is personal to you. The Franchisor enters into this Agreement in reliance upon, and in consideration of, your skills, qualifications, and representations and the trust and confidence reposed in you by the Franchisor. You may not conduct a Transfer without first obtaining the Franchisor's written approval and complying with the terms of this Paragraph 14. Any purported Transfer not having the prior, written consent of the Franchisor shall be null and void and shall constitute a material breach of this Agreement, for which the Franchisor may immediately terminate this Agreement, without opportunity to cure. Franchisor reserves the right of first refusal to purchase any interest in this Agreement from you on the same terms and conditions you offer to any third party.

14.2. **Conditions for Transfer by You.** You shall give the Franchisor written notice of any proposed Transfer at least 30 days before such transfer is proposed to take place. Such notice shall provide the following: (a) the name and address of the proposed Transferee and the price and terms of the Transfer and a copy of the proposed sales contract with all its attachments, if any; (b) a complete and accurate description of the ownership interest proposed for Transfer in a form required by Franchisor; (c) any related information and documentation reasonably requested by the Franchisor; and (d) at the time you submit such notice, full payment of the Transfer Fee required by Paragraph 14.2.3 below. The Franchisor shall have 45 days from receipt of such notice and the Transfer Fee, and receipt of all information and documentation requested by the Franchisor under this Paragraph 14.2 to approve or disapprove the Transfer or to give you notice of its intent to exercise its right of first refusal to purchase the site on the same terms. The Franchisor shall not unreasonably withhold its consent to any Transfer, but the Franchisor may, in its sole and absolute discretion, require any or all of the following as conditions of its approval, each of which is a material condition to the Transfer. If you fail to fulfill any of the following conditions, the Franchisor shall have the right to refuse any proposed Transfer:

14.2.1. The proposed Transferee is approved as a franchisee under the Franchisor's standards then in effect, including requirements about financial condition, character, managerial commitment, and other conditions and standards that the Franchisor may then be applying to new franchisees;

14.2.2. The proposed Transferee shall have completed the Franchisor's initial training program for new franchisees and qualify as an Xtend instructor or hire a certified Xtend instructor to provide the Franchised Services; or alternatively at Franchisor's option, shall have agreed, in writing, to complete said training within a time period satisfactory to the Franchisor;

14.2.3. The proposed Transferee shall be acquiring your studio that is an Studio Location, shall have assumed in writing for the benefit of the Franchisor all your obligations under this Agreement and, unless exempted by the Franchisor in writing, the proposed Transferee shall execute the Franchisor's then-current franchise agreement, which may include terms materially different from the assumed agreement that may be less favorable than granted to you in this Agreement; except its term may be for the unexpired Term of this Agreement. You shall pay to the Franchisor or its designee a Transfer Fee equal to Franchisor's then current Transfer Fee, plus all of Franchisor's expenses incurred in connection with the proposed transfer, whether or not the transfer is completed, up to a maximum amount of $5,000. Neither

you nor the Transferee shall be responsible to pay any initial franchise fee, notwithstanding any provision to the contrary contained in the then-current franchise agreement.

14.2.4. You shall not be in default of this Agreement; and neither you nor any of your affiliates shall be in default under any agreement between you or any of your affiliates and the Franchisor or any of its affiliates or vendors. All obligations of you and all your affiliates to the Franchisor and its affiliates (including, without limitation, monetary obligations), whether arising under (a) this Agreement; (b) any agreement between you or any of your affiliates and the Franchisor or any of its affiliates; or (c) otherwise, are fully satisfied at, or before, the effective date of the transfer;

14.2.5. Your studio complies fully with the Franchisor's then-current standards and specifications;

14.2.6. Before or at the time the Transfer becomes effective, you, the proposed Transferee, and the Franchisor shall execute the Franchisor's then-current consent to transfer agreement;

14.2.7. When you notify the Franchisor of your intent to Transfer and at the time of the effective date of the Transfer, you and each of your Franchisee Members and Guarantors shall execute the Franchisor's then-current release of the Franchisor and the Franchisor's affiliates, and their respective present and past officers, directors, employees, and agents, releasing any and all claims against the Franchisor and its affiliates, and their respective present and past officers, directors, shareholders, agents, and employees, to the extent not prohibited by applicable law;

14.2.8. You shall remain liable for all your obligations under this Agreement before the effective date of the Transfer and all provisions of this Agreement that, by their nature, survive the expiration or termination of this Agreement, and, at your sole cost, shall execute promptly any and all instruments requested by the Franchisor to evidence such liability;

14.2.9. If the proposed assignment is to a corporation, limited liability company, or other entity formed solely for convenience of your ownership, the Transferee corporation or limited liability company and all of its owners shall assume and agree to be bound by, and to perform all the terms of, this Agreement;

14.3. **Incapacity.** Upon the Incapacity of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of your business operated under this Agreement, the executor, administrator, or representative of such person must promptly notify the Franchisor, and must transfer such interest to a third party approved by the Franchisor (a) before the Expiration Date or (b) within 240 days after such Incapacity, whichever occurs first. During the period between such Incapacity and such transfer, such executor, administrator or personal representative must fulfill your obligations hereunder; and any failure to do so shall constitute a default under this Agreement for which the Franchisor may terminate this Agreement immediately upon written notice to you or to your heirs or beneficiaries or to your executor, administrator, or personal representative. In the case of transfer by will or intestate inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Paragraph 14, the executor, administrator, or personal representative of the decedent must still transfer the decedent's interest to another party approved by the Franchisor (a) before the Expiration Date or (b) within 240 days after such Incapacity, whichever occurs first, which disposition shall be subject to all the terms and conditions for Transfers contained in this Agreement. If the interest is not so transferred or assigned (a) before the Expiration Date or (b) within 240 days after such Incapacity, whichever occurs first, the Franchisor may terminate this Agreement immediately upon written notice to you.

14.4. **Assignment by Franchisor.** The Franchisor has the absolute right to transfer, assign, or sell, by agreement or by law, directly, indirectly, or contingently, this Agreement and any right and obligation under this Agreement.

15. TERMINATION

The following provisions are in addition to and not in limitation of any other rights and remedies Franchisor may

have at law or in equity, all of which are expressly reserved. The exercise by Franchisor of any right or remedy shall not be deemed an election of remedies.

15.1. **With Notice and No Opportunity to Cure**. This Agreement shall immediately terminate on delivery of notice of termination to you upon the occurrence of any of the following events, each of which is deemed to be an incurable breach of this Agreement and each of which is deemed to be "good cause." If you:

15.1.1. become insolvent or admit in writing your inability to pay your debts as they mature, or makes an assignment for the benefit of creditors, files a petition under any bankruptcy act, receivership statute, or the like or if such a petition is filed by a third party, or if an application for a receiver is made by anyone and such petition or application is not resolved favorably to you within ninety (90) days;

15.1.2. failing to operate at your studio for five (5) consecutive business days or for any shorter period in such circumstances that render reasonable the conclusion that you do not intend to continue operating your existing business, unless such failure is due to force majeure or similar reasons beyond your reasonable control;

15.1.3. have made any material misrepresentation or omission in the application for the Franchise or in any report that your submit to Franchisor pursuant to this Agreement;

15.1.4. are convicted by a trial court of or plead no contest to a felony or other crime or offense or engage in conduct that reflects materially and unfavorably upon the operation and reputation of Franchisor or the System, or if any principal of Franchisee is convicted of or pleads no contest to a felony or other crime or offense or engages in such conduct;

15.1.5. attempt to make or makes an unauthorized assignment, encumbrance or other transfer of Franchisee's rights or obligations under this Agreements a party to any other agreement with Franchisor or its affiliates that is terminated for Franchisee's breach thereof;

15.1.6. make any unauthorized use of the Marks or intellectual property or make any duplication or disclosure of any intellectual property including but not limited to any portion of the Manual;

15.1.7. fail for a period of three (3) days after notification of noncompliance, to comply with any law or regulations applicable to the operation of your studio; or

15.1.8. fail to timely pay any of your financial obligations to Franchisor, even if timely cured in each instance.

15.2. **With Notice and an Opportunity to Cure.** This Agreement shall terminate upon Franchisee's failure to cure any of the following, each of which is deemed to be "good cause":

15.2.1. noncompliance with any requirement in this Agreement (including the Manual) not listed in Subsection 15.1 above prescribed by Franchisor within thirty (30) days after notice thereof is delivered to Franchisee; or

15.2.2. failure to make payments to Franchisor for any amounts due within ten (10) days after notice thereof is delivered to you.

15.3. **Cross Default.** Any default by you under any other agreement between the Franchisor or its affiliates as one party and you or any of your Franchisee Members or any of your or their affiliates as the other party that is material as to permit the Franchisor to terminate, or declare a default under, such other agreement shall be deemed to be a default of this Agreement, and the Franchisor shall have the right, at its option, to terminate this Agreement, effective immediately upon notice to you.

15.4. **Limits.** The description of any default in any Franchisor notice to you shall not preclude the Franchisor from specifying additional or supplemental defaults in any action or proceeding under this Agreement.

15.5. **Limitation of Services or Benefits.**

15.5.1. If you are in receipt of a notice of default issued pursuant to either (a) Paragraph 15.1 above, or (b) Paragraph 15.2 above and have not cured within the time period permitted in such notice, you agree the Franchisor has the right, in its sole and absolute discretion, temporarily or permanently, fully or partially, to limit, curtail, or remove certain services or benefits provided or required to be provided to you under this Agreement or under any other agreement between you and the Franchisor in lieu of exercising its right to terminate this Agreement pursuant to its terms.

15.5.2. Any services or benefits removed, curtailed, refused, or limited under this Paragraph 15.5 may be reinstated at any time by the Franchisor in its sole and absolute discretion and you hereby agree to accept immediately any such reinstatement of any services or benefits so removed, curtailed, refused, or limited. If the Franchisor reinstates any services or benefits, it has no obligation to provide you any service or benefit previously removed, curtailed, refused, or limited pursuant to this Paragraph 15.5.

15.5.3. Nothing in this Paragraph 15.5 constitutes a waiver of any right or remedy of the Franchisor under this Agreement or at law or in equity or under any other agreement between you and the Franchisor, including, without limitation, the right to terminate this Agreement under Paragraphs 15.1 and 15.2 hereof.

15.6. **Franchisee Right to Terminate.** Franchisor will be in default under this agreement if it materially breaches a provision contained herein. Franchisors failure to cure such default within 30 days of receipt of written notice or, if such default cannot be cured within 30 days, to provide proof to you of franchisors efforts which are reasonably calculated to cure such default, will give you good cause to terminate this agreement. You must provide franchisor written notice of any termination which must state the grounds and will be effective 10 days after delivery. Your termination rights are in addition to any other rights or remedies available to you.

15.7. **Right to Assume the Lease.** In the event Franchisor terminates your rights under the Agreement for any reason, Franchisor may, but is not required to, assume your lease and continue operations at the studio directly or through a third party, including a new franchisee. Franchisor will negotiate with you separately the reasonable price for the equipment, fixtures and other items it may wish to retain at the site. You agree to cooperate with Franchisor in the smooth transition of operations at your Studio Location if Franchisor opts to assume your lease and take over operations.

15.8. **Right to Assume Management.** If: (a) you abandon or fail to actively operate your studio; or (b) you fail to comply with any provision of this Agreement or any System standard and do not cure the failure, to the extent that such failure is curable, within the time period we specify in our notice to you, we have the right, but not the obligation, without waiving our right to terminate under this Section 15, to enter the premises of the Studio 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, for 90-day increments, renewable for up to a total of one year. If we or our designee assumes the management of your studio under this Section 15.8, you agree to pay us (in addition to other amounts due under this Agreement) a management fee equal to ten percent (10%) of gross sales, plus direct out-of-pocket costs and expenses, for the period of time during which we or our designee manage your studio. If we or our designee assume the management of your studio, you agree that we or our designee will have a duty to use reasonable efforts in managing your studio. We will not be liable to you or your owners and you will indemnify us 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 our designee manage your studio.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

16.1. **Obligations.** Upon termination or expiration of this Agreement for any reason, your rights to use the Marks and System shall terminate immediately, and, at your sole expense:

16.1.1. You shall cease immediately any use of the Marks and System in any manner whatsoever. We shall have the right to enter your studio to verify you have ceased your use of the Marks and to remove all remaining Marks or items containing the Marks.

16.1.2. You shall cease immediately providing Franchised Services.

16.1.3. You shall immediately, and for all time thereafter, cease to represent that you are operating as an authorized provider of Xtend services or activities or that you are or were an Xtend Barre® franchisee at your studio.

16.1.4. Within 5 days of the expiration or termination of this Agreement for any reason:

16.1.4.1. You shall remove all signs and other things that display to the public, your staff, and your customers that your studio offered or offers franchised services;

16.1.4.2. You shall take such actions as may be necessary or required by the Franchisor to cancel any assumed name registration or equivalent registration obtained by you that contains the Marks and you shall furnish the Franchisor with evidence satisfactory to the Franchisor of compliance; and

16.1.4.3. You shall immediately refund any and all monies paid to you by your present and past customers in advance for Franchised Services that have not been rendered, or transfer the customer's account to your transferee if agreed to by the customer.

16.1.5. Immediately upon expiration or termination of this Agreement for any reason:

16.1.5.1. You shall cease using any Franchise provided Web Site;

16.1.5.2. You shall remove all Marks from any web site, web pages, e-mail addresses, and domain names, whether or not authorized by the Franchisor, used by you in connection with the Franchised Services under the System;

16.1.6. You shall remove all System required and branded fixtures, equipment and props, including any ballet barre and fully de-identify the studio of all Marks, trade dress and trade secrets;

16.1.7. You shall not use, or disclose to others, anything in the Manual or any Franchisor trade secret, operating instruction, or business practice. At your sole expense, you shall return to the Franchisor the Manual, all copies, summaries, and extracts from it, and all other material containing any Franchisor trade secret, operating instruction, and business practice relating to the operation of the Franchised Services or System (and any copies and summaries thereof, even if such copies or summaries were made in violation of this Agreement), all of which are acknowledged to be trade secrets and the intellectual property of the Franchisor.

16.1.8. You shall pay immediately all sums due to the Franchisor and its affiliates under this Agreement (if any).

16.1.9. You shall comply with all provisions of this Agreement that survive its termination and expiration, including the non-compete covenants in Paragraph 17 below.

16.1.10. If you continue to operate or subsequently begin to operate any other business, you agree not to use any reproduction, counterfeit, copy, or colorable imitation of the Marks or System, either in connection with such other business or the promotion thereof, that, in the Franchisor's sole and absolute discretion, may possibly cause confusion, mistake, or deception, or that, in the Franchisor's sole and absolute discretion, may possibly dilute the Franchisor's rights in or to the Marks.

16.1.11. You shall comply with each and all of the provisions in this Paragraph 16.1 at your sole expense. You agree that time is of the essence in your complying with each and all of the provisions of this Paragraph 16.1.

16.2. **Additional Obligation upon Termination Due to Your Default.** If your contract is terminated due to your default before your Term expires, you will be assessed an early termination fee of 50% of the monthly fees you would be required to pay for the remainder of the Term. You shall pay this amount within 10 days of receipt of an invoice provided by Franchisor. Additionally, you shall pay to the Franchisor or its designee all other damages and costs and expenses, including all attorneys' and accountants' fees and expenses, related to the termination that are incurred by the Franchisor. Said payment shall be in addition to any other relief available under this Agreement or at law or in equity

16.3. **Survival of Obligations.** The expiration or termination of this Agreement shall not relieve you of any of your obligations to the Franchisor existing at the time of such expiration or termination, or terminate your obligations that, by their nature, survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall be without prejudice to the Franchisor's rights against you. The Franchisor has no obligation to inform you of your obligations or of the termination of any of your rights under this Agreement.

17. COVENANTS

17.1. **Representations.** You agree that you and your Franchisee Members will receive certain valuable information about the System, and that this information would not have been given to you or them, without your execution of this Agreement; that this information has been developed by the Franchisor over a number of years at great effort and expense and that all of this information constitutes valuable information, which are trade secrets of the Franchisor. After conducting an independent investigation of the Franchisor and the Xtend Barre® concept before the Agreement Date, you acknowledge that you and all your Franchisee Members had limited or no experience in the type of exercise offering found within the System, and that such experience, if any, was not comparable to that provided under the System; and it would take considerable time and effort for you or your Franchisee Members to develop knowledge and experience comparable to that provided under the System. You agree that gaining access to tools and opportunities of the System is a primary reason for your execution of this Agreement and that the training and the knowledge that will be imparted to you and your Franchisee Members are essential to the provision of the Franchised Services at a branded and standard designed studio and would not be so imparted, except for execution of this Agreement. You agree that you and all your Franchisee Members have earned a livelihood before entering into this Agreement and have the skills to do so in the future, if the non-competition provisions in this Paragraph 17 shall be enforced against you or them. You agree that the representations in this Paragraph 17 all survive the expiration or termination of this Agreement.

17.2. **In-Term Covenant against Competition.** Except as otherwise approved in writing by the Franchisor, you covenant and agree that, during the Term of this Agreement, you and the Franchisee Members shall not, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, maintain, advise, invest in, operate, engage in, be employed by, be a consultant to, loan money to, provide any assistance to, be a franchisee of, or have any interest in (as owner, guarantor, or otherwise) any business that is the same as, or similar to, an Xtend offering, including but not limited to providing ballet barre workouts, exercise routines or training in methods that offers services or products the same as or similar to those offered by an Xtend studio.

17.3. **Post-Term Covenant against Competition.** Except as otherwise approved in writing by the Franchisor, you shall not, for a continuous uninterrupted period of 2 years commencing upon (a) any Transfer having the effect of (i) transferring this Agreement, (ii) changing control of you, or (iii) changing the ownership of this Agreement, (b) termination or expiration of this Agreement (regardless of the cause for termination or expiration), or (c) a final order of a duly authorized court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Paragraph 17.3, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person or entity, own, maintain, advise, invest in, operate, engage in, be employed by, be a consultant to, loan money to, provide any assistance to, be a franchisee of, or have any interest in (as owner, guarantor, or otherwise) any business (a) that is the same as, or similar to, an Xtend studio, including but not limited to providing ballet barre workouts, exercise routines or training in methods that offers services or products the same as or similar to those offered by an Xtend studio; and (b) which business is, or is intended to be, located in or within:

17.3.1. The Studio Location;

17.3.2. A radius of 25 miles from the Studio Location;

17.3.3. A radius of 25 miles from any Xtend franchisee location (whether it be a licensee or a free-standing studio).

17.4. **Exceptions.** Paragraph 17.1 above shall not apply to your ownership of a less than 5% beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

17.5. **Modification.** The Franchisor has the right, but not the obligation, during the Term of this Agreement or afterwards, to reduce the scope of any covenant in this Paragraph 17 or any portion of any covenant in this Paragraph 17, without your consent, effective immediately upon receipt by you of written notice; and you shall comply immediately with any covenant as so modified, which shall be fully enforceable without regard to any other provision of this Paragraph 17.

17.6. **No Defense.** You agree that the existence of any claim you may have against the Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Franchisor of the covenants in this Paragraph 17.

17.7. **Individuals' Covenants.** Upon request, you shall obtain and furnish to the Franchisor an executed Confidentiality and Non-Competition Agreement in a form acceptable to Franchisor from your spouse, the Franchisee Members, the spouses of the Franchisee Members, your manager, the spouses of the Guarantors, and any employees having access to any of the Franchisor's confidential information. In every instance you agree to have all instructors working for you either as employees or as independent contractors sign a Non-Competition Agreement in a form acceptable to Franchisor that you may be required to enforce to protect your own operations and clients.

17.8. **Costs and Expenses.** You agree to pay to the Franchisor or its designee all costs and expenses, including, without limitation, attorneys' and accountants' fees and expenses, incurred by the Franchisor in connection with, or related to, enforcement of this Paragraph 17.

18. NOTICES

Any notice or payment required to be given to either party is properly given and effective (a) on the date of delivery if delivered in person or (b) one business day after deliver by reputable overnight courier, such as FedEx, all fees postage paid, to the respective addresses given below, or to another address as is designated by written notice given to the other party. The notice addresses are as follows:

In the case of Franchisee:

«STUDIO»
«ADDRESS»
«City_State_Zip_Code»
«PHONE_NUMBER»

In the case of Franchisor:

Xtend Holdings, LLC
21200 St. Andrews Blvd., Suite 15
Boca Raton, Florida 33433

19. MISCELLANEOUS

19.1. **Governing Law and Dispute Resolution**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida as it applies to a contract made and performed in such state. In the event of a dispute between the Parties, both agree to first try to amicably resolve the dispute.

19.1.1. **Required Mediation**. If the dispute cannot be amicably resolved, before initiating binding arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions (as outlined below), provided that the party seeking mediation notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by all parties. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures. Any mediation will be conducted exclusively at a neutral location within 25 miles of Franchisor's then-current headquarters. Franchisee shall bear all expenses of traveling to the location of mediation. Mediation is a compromise negotiation for purposes of the federal and state rules of evidence, and the entire process is confidential and shall be non-binding. Both parties shall bear their own mediation expenses, including costs and attorney's fees, as well as equally splitting the mediator fee and mediator costs. If mediation does not resolve the matter, the parties may proceed to binding arbitration as outlined below.

19.1.2. **Dispute Procedure**. The Franchisee must strictly follow the process outlined above and is precluded from filing an arbitration claim until the parties have attended the mandatory mediation contemplated above. If Franchisor is the complaining party, following Franchisor providing written notice to Franchisee, if Franchisee fails to respond and/or fails to schedule or attend the required mediation within 30 days from receipt of notice, Franchisor may proceed immediately to binding arbitration as outlined below, with no mediation being required.

19.1.3. **Resolution under Arbitration**. Arbitration will be held before, and in accordance with the arbitration rules of Franchise Arbitration and Mediation, Inc. (FAM) or its successor. The parties may agree to arbitration before any other body, but the decision must be mutually agreed upon or arbitration must remain before FAM. The parties shall agree upon a single arbitrator. If the parties cannot agree upon the arbitrator then the senior most officer, director or manager of the association under which the arbitration is to take place shall choose a neutral and disinterested arbitrator and such choice shall be final and binding upon the parties. Any arbitration must be conducted by a single arbitrator with experience related to franchising or licensing. Any party may be represented by counsel and may, with permission of the arbitrator, bring persons appropriate to proceeding. The arbitrator's award will be in writing. On request by any party to the arbitration, the arbitrator will provide to all disputants a reasoned opinion with findings of fact and conclusions of law, and the party so requesting will pay the arbitrator's fees and costs connected therewith. There will be no right to appeal the final award, except as otherwise permitted by applicable law. Any arbitration will be conducted exclusively at a neutral location within 25 miles of Franchisor's then-current headquarters.

19.1.3.1. The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties. The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction. The arbitrator will have the right to award the "prevailing party" his, her, or its costs, fees, reasonable attorney's fees, expert witness fees, and the like.

19.1.4. **Disputes Not Subject to the Mediation/Arbitration Process**. The following claims are not subject to the mediation and arbitration provisions of this section:

19.1.4.1. An order of injunctive relief and any related incidental damages;

19.1.4.2. An action for disputes or claims related to or based on the Marks ro the intellectual property;

19.1.4.3. An order enforcing any covenant not to compete; and

19.1.4.4. An order to prevent the disclosure or misuse of confidential information or trade secrets.

Either party may bring a claim based on the foregoing in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, or in the United States District Court for the Southern District of Florida. The parties hereby waive any objection to the venue of any such suit, action or proceeding and the right to assert that such forum is not a convenient forum; and irrevocably consent to the jurisdiction of the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, or the United States District Court for the Southern District of Florida and agree that service of process upon it delivered by a reputable courier to its address indicated in the Notice paragraph of this Agreement shall be deemed in every respect effective service of process upon it in any suit, action or proceeding.

19.1.5.

19.2. **Modifications**. This Agreement may not be modified except by a writing signed by authorized representatives of both parties. It is agreed that no use of trade or other regular practice or method of dealing between the parties hereto shall be used to modify, interpret, supplement, or alter in any manner the terms of this Agreement.

19.3. **Attorneys' Fees**. In the event any action or claim is brought by either Party to enforce its rights under this Agreement (including any agreement to participate in binding arbitration), the prevailing Party in any such action shall be entitled to recover from the non-prevailing party all reasonable fees, costs, and expenses of counsel (at pre-trial, trial and appellate levels). If Franchisor is required to seek injunctive relief against you for misuse of the Marks, trade secrets or other confidential of proprietary information, or if you do not comply with the obligations upon termination or expiration of the Agreement and Franchisor is required to enjoin your continued activities, you must reimburse Franchisor its reasonable attorneys' fees and costs in obtaining such injunctive or related relief.

19.4. **Independent Contractors**. The parties are independent contractors, and no agency, partnership, joint venture, or employee-employer relationship is intended or created by this Agreement. Neither party shall make any warranties or representations on behalf of the other party.

19.5. **Waiver**. Any Party to this Agreement may extend the time for or waive the performance of any of the obligations of the other, waive any inaccuracies in the representations or warranties by the other, or waive compliance by the other with any of the covenants or conditions contained in this Agreement. Any such extension or waiver shall be in writing and signed by the Parties. No such waiver shall operate or be construed as a waiver of any subsequent act or omission of the Parties.

19.6. **Severability**. The invalidity or unenforceability of any one or more of the words, phrases, sentences, clauses, or sections contained in this Agreement shall not affect the validity or enforceability of the remaining provisions of this Agreement or any part of any provision, all of which are inserted conditionally on their being valid in law, and in the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid or unenforceable, this Agreement shall be construed as if such invalid or unenforceable word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted or shall be enforced as nearly as possible according to their original terms and intent to eliminate any invalidity or unenforceability.

19.7. WAIVER OF JURY TRIAL. **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.**

19.8. **Independent Investigation and Advice of Counsel**. You represent that you have been accorded ample opportunity to ask the Franchisor all questions about this Agreement and its exhibits, and the Franchisor has answered all these questions to your full and complete satisfaction; and that you have conducted an independent investigation of the business contemplated by, and the activities to be conducted under, this Agreement; and that you have been accorded ample opportunity to consult with counsel of your own choosing about the risks of entering into

this Agreement; and that you have had the Franchisor's Franchise Disclosure Document and all its exhibits and this Agreement and all its exhibits with ample opportunity to have it reviewed by counsel of your own choosing.

19.9. **Business Risk.** You agree that the business franchised under this Agreement and the activities required hereunder involve risks that make your success largely and principally dependent on your abilities and services and on any persons you employ.

19.10. **Disclaimer.** You represent that you have not received from the Franchisor or any present or past Franchisor affiliate or any of their present or past directors, stockholders, officers, employees, or agents any written or oral statement, representation, or warranty inconsistent with, or contradictory to anything in this Agreement or the Franchise Disclosure Document, or any other agreement and all exhibits to all such documents;

19.11. **Survival**. All covenants, agreements, representations and warranties made in this Agreement or otherwise made in writing by any party pursuant to this Agreement shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement.

19.12. **Execution in Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

20. ENTIRE AGREEMENT

This agreement and its exhibits and the MANUAL constitute the entire agreement of the parties and there are no other written or oral understandings between the parties related to the subject matter of the agreement, except that you acknowledge the franchisor has relied on your representations made prior to execution of this agreement. Nothing in this Agreement or any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

IN WITNESS WHEREOF, the parties have executed this Agreement, as of the date first written above.

	Franchisee
Xtend Holdings, LLC	**«STUDIO»**
_____	By: _____
Andrea Rogers, Manager	(Signature)
	Name: _____
	(Please Print)
	Title: _____

EXHIBIT A

STUDIO LOCATION

1. STUDIO LOCATION. You, as Franchisee, shall establish a studio and provide Xtend services, and use the System and Marks solely in connection with your Studio Location at the address set forth below:

«ADDRESS»
«LOCATION»

2. TERRITORY. Your Territory has been defined based on an area around your Studio Location as follows:

[Insert description of area or radius, if any]

Notwithstanding the foregoing, the Territory shall not include any geographic area in the designated territory of any other franchisee operating under an Xtend franchise agreement in which a designated territory has been granted (unless otherwise permitted by the Franchisor in writing).

3. TIMELINE. Pursuant to Section 3.1 of the Franchise Agreement, you must comply with the timeline below in securing and opening your Studio Location.

Date by which Studio Location is to be secured:

Date by which Studio Location is to be opened:

The Franchisor has not made, and does not make any representation or forecast about your Studio Location or Territory or the success or profitability of your Franchised Services and activities in it.

IN WITNESS WHEREOF, you and the Franchisor have executed this Exhibit A on the Agreement Date.

Xtend Holdings, LLC	«STUDIO»
_____	_____
By:_____	By:_____
Its: _____	Its: _____

EXHIBIT B

LICENSED TRADEMARK

MARK:	XTEND
REGISTRATION NUMBER:	3831831
REGISTRATION DATE:	August 10, 2010

MARK:	XTEND a complete body workout
REGISTRATION NUMBER:	3567616
REGISTRATION DATE:	January 27, 2009

MARK:	XTEND BARRE
REGISTRATION NUMBER:	3971678
REGISTRATION DATE:	May 31, 2011

MARK:	MEET YOU AT THE BARRE
REGISTRATION NUMBER:	3831713
REGISTRATION DATE:	August 10, 2010

MARK:	PILATES AND DANCE AMPLIFIED
REGISTRATION NUMBER:	3831711
REGISTRATION DATE:	August 10, 2010

MARK:	BARRE STICK
REGISTRATION NUMBER:	4385750
REGISTRATION DATE:	August 13, 2013

MARK:	YOUR BODY ON POINT
REGISTRATION NUMBER:	4714032
REGISTRATION DATE:	March 31, 2015

EXHIBIT C

GUARANTEE AGREEMENT

In consideration of, and in order to induce Xtend Holdings, LLC (the "Franchisor") to execute the franchise agreement (the "Agreement"), each of the undersigned personally, unconditionally, and irrevocably, jointly and severally, accept and agree that they shall be bound by, and perform according to, each and all of the provisions, covenants, payment obligations and conditions of the Agreement executed between the Franchisor and the Franchisee (as defined in the Agreement), for the operation of an Xtend Studio Location.

Upon demand by the Franchisor, the undersigned will immediately make each payment required of Franchisee under the Agreement. The undersigned hereby waive any right to require the Franchisor to: (a) proceed against Franchisee for any payment required under the Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guarantee, the Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agree to defend, indemnify, and hold the Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, attorneys' and accountants' fees and expenses, costs of investigation, and court costs expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned that arose from events that occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with the governing law and dispute resolution provisions of the Agreement. Notices under this Guarantee shall be furnished to the undersigned in accordance with the notice provisions of the Agreement at the addresses described below.

THE BALANCE OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

I have read and understand the Agreement and this Guarantee Agreement. I have a copy of the Agreement and this Guarantee Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed your signature and provide your notice address.

In the Presence of:	PERSONAL GUARANTORS
	«OWNER»
	Address
	Individually
	Address
	Individually
	Address

EXHIBIT D

PRIMARY FRANCHISE MEMBER

Name of Primary Franchise Member Franchisor is to communicate with:

«OWNER»

Contact details of Primary Franchise Member:

Address: _____

_____

Telephone: _____

Cell Phone: _____

Facsimile: _____

E-mail: _____

EXHIBIT E

LANDLORD'S CONSENT TO ASSIGNMENT

_____ ("Landlord") hereby consents to an Assignment of the lease agreement ("Lease Agreement") to Xtend Holdings, LLC ("Franchisor") for the purpose of securing the obligations of - _____ ("Lessee" and Franchisor's franchisee) to the Franchisor. In the event of Lessee's breach of the Lease Agreement, Landlord shall not take any action to terminate said lease without first giving the Franchisor thirty (30) days' notice of such breach and an opportunity, but not the obligation, to cure said breach within such notice period. Landlord agrees that if Lessee defaults under the Lease Agreement, or if Lessee defaults under its franchise agreement with Franchisor, Franchisor shall have the right, but not the obligation, for forty-five (45) days after termination of the Lease Agreement or default under the franchise agreement with Franchisor, to take possession of the premises and assume or reassign the Lease Agreement, or to sublet the premises to another franchisee for the remaining term of the Lease Agreement; provided that the Landlord shall have the right to reasonably approve such reassignment or subletting. Landlord further covenants that so long as the Franchisor has not entered into possession of the leased premises it shall not be liable for rent or any other obligation under the Lease Agreement, but that Lessor shall look to Lessee for all obligations under the Lease Agreement. Notices to Franchisor shall be sent to:

Xtend Holdings, LLC,
21200 St. Andrews Blvd., Suite 15
Boca Raton, Florida 33433.

Dated this ___ day of _____, 20__.

LANDLORD:

By: _____

Its: _____

STATE OF _____)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20___ by _____.

My Commission Expires:

_____

_____
NOTARY PUBLIC
Residing at _____

[Notary Seal]

EXHIBIT F

THIRD PARTY VENDOR INFORMATION

Pursuant to Section 12.1.2 of the Franchise Agreement, you must provide us access to your account with any third party vendors that you use to sell classes or otherwise provide services to your clients (including but not limited to ClassPass and Groupon). We require you to provide your username and password within 30 days of entering into your agreement with each third party vendor. Please complete and return this form for each third party vendor.

Franchisee Name: _____

Studio Name: _____

Third Party Vendor: _____

Username: _____

Password: _____

EXHIBIT G

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS

AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS
(DIRECT DEBITS)

[Important Instructions for Completing this Form: Before we process your Franchise Agreement, we request that you sign and return this authorization. If you have any questions about what this form means, you should get advice from your lawyer, your accountant or your bank.]

Your Name (or name of legal entity on Franchise Agreement): _____

Your Social Security Number (or legal entity Federal Tax ID Number): _____

Name on Bank Account (if different than above): _____

The undersigned ("ACCOUNT HOLDER") hereby authorizes Xtend Holdings, LLC ("COMPANY") to initiate debit entries and/or credit correction entries to ACCOUNT HOLDER's checking and/or savings account(s) listed below at the bank, credit union or other depository listed below ("BANK") and to debit such account per COMPANY's instructions for any and all amounts due to COMPANY. The ACCOUNT HOLDER understands that all amounts debited from the account below will be credited to COMPANY's account. **INSTEAD OF COMPLETING THE INFORMATION REQUIRED ON THE FOLLOWING FOUR LINES, YOU MAY ATTACH A CANCELLED OR VOIDED CHECK TO THIS AUTHORIZATION, BECAUSE A VOIDED CHECK INCLUDES ALL OF THIS INFORMATION.**

_____	_____
NAME OF BANK	Branch
_____	_____ _____
City	State Zip Code
_____	_____
Telephone Number of Bank	Contact Person at Bank
_____	_____
Bank Transit/ABA Number	Account Number

This authority is to remain in effect until BANK has received joint written notice from COMPANY and ACCOUNT HOLDER of the ACCOUNT HOLDER's termination. Any termination notice must be given in a way as to give BANK a reasonable opportunity to act on it. If a debit entry is initiated to ACCOUNT HOLDER's account in error, ACCOUNT HOLDER shall have the right to have the amount of the error credited to the account by BANK, if (a) within fifteen (15) calendar days following the date on which BANK sent to ACCOUNT HOLDER a statement of account or a written notice regarding such entry or (b) forty-five (45) days after posting, whichever occurs first, ACCOUNT HOLDER shall have sent to BANK a written notice identifying such entry, stating that such entry was in error and requesting BANK to credit the amount thereof to such account. These rights are in addition to any rights ACCOUNT HOLDER may have under federal and state banking laws.

COMPANY will use the information provided by ACCOUNT HOLDER only for the purpose of processing transactions pursuant to this authorization. COMPANY will not share your personal or account information with third parties unless required to do so by government or court order. COMPANY will take all reasonable precautions to secure and maintain the confidentiality of ACCOUNT HOLDER's personal and account information provided herein.

_____
ACCOUNT HOLDER

By: _____

Title: _____

Date: _____

XTEND HOLDINGS, LLC CREDIT CARD AUTHORIZATION FORM

In order for Xtend Holdings, LLC ("COMPANY") to accept and bill your credit card, please complete all fields below, sign, date and email to: cristina@xtendstudios.com. Please provide the following information as it appears on your credit card. All information is strictly confidential and COMPANY adheres to the highest standards for data protection.

Contact/Billing Information: (as shown on credit card)

Individual/Legal Entity Name:_____

Contact Name:_____ Telephone Number:_____

Billing Address:_____

City:_____ State_____ Zip:_____

Email:_____ Facsimile:_____

Credit Card Type: [ ] Visa [ ] Master Card (only Visa and Master Card are accepted)

Card Holder Name (as shown on credit card):_____

Credit Card #:_____ Expiration Date:_____

Credit Card Security Code:_____

AUTHORIZATION AND ACKNOWLEDGEMENT FOR MONTHLY RECURRING BILLING: I hereby authorize COMPANY to charge the indicated credit card on a monthly basis for the amount due as provided above. This Recurring Payment Authorization/Periodic Charge shall remain in force for the entire term, and any renewals of the Franchise Agreement, unless otherwise agreed to by COMPANY in writing. I will not dispute COMPANY's monthly recurring billing with my credit card issuer without first making a good faith effort to remedy the situation directly with COMPANY. I guarantee and warrant that I am the legal card holder for this credit card and that I am legally authorized to enter into this billing arrangement with COMPANY as further specified above.

By completing and signing below, you grant COMPANY the right to charge your credit card on a monthly basis for the above referenced amount.

_____ _____

Signature of Card Holder Date:

Franchise Name:_____

EXHIBIT H

ACKNOWLEDGEMENT OF PROSPECTIVE FRANCHISEE

ACKNOWLEDGEMENT OF PROSPECTIVE FRANCHISEE

This Acknowledgement of Prospective Franchisee (this "Acknowledgment") is hereby executed by _____ (referred to hereinafter as "Franchisee," "you" and like terms).

By dating, initialing and signing below, you hereby represent and acknowledge the following with respect to your purchase of a Franchise from Xtend Holdings, LLC ("Franchisor"):

1. I first met face-to-face meeting with Franchisor or a representative of Franchisor to discuss the possible purchase of a Franchise on _____.

   Franchisee's Initials _____

2. I received Franchisor's Franchise Disclosure Document on _____.

   Franchisee's Initials _____

3. I received a complete copy of the version of Franchisor's Franchise Agreement to which this Acknowledgment is an Exhibit on _____.

   Franchisee's Initials _____

4. Prior to the date of this Acknowledgment, I have not signed a Franchise Agreement or any other binding document (not including the receipt page) with Franchisor.

   Franchisee's Initials _____

5. The earliest date on which I delivered cash, check or other consideration to Franchisor or any representative of Franchisor was on (if none, please write NONE) _____.

   Franchisee's Initials _____

6. I understand that no refunds will be provided other than as outlined in the Franchise Agreement.

   Franchisee's Initials _____

7. No promises, agreements, contracts, commitments, understandings, side-deals, options, rights-of-first-refusal or otherwise have been made to or with me with respect to any matter, including, but not limited to, any representations or promises regarding advertising; marketing; site location; operational assistance; any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects; or otherwise. Other than those representations expressly set forth in the Franchise Agreement, the Franchise Disclosure Document, or a written addendum thereto I have not relied in any way on any representations with respect to this franchise, and no oral written or visual claim or representation which contradicted, expanded upon or was inconsistent with the Franchise Disclosure Document or the Franchise Agreement or the Exclusive Area Development Agreement was made to me by any person or entity associated with Franchisor, except as follows (if none, please write NONE): _____
   _____
   _____
   _____

   Franchisee's Initials _____

8. No contingency, condition, prerequisite, prior requirement, proviso, reservation, impediment, stipulation, provision or otherwise exists with respect to any matter (including but not limited to obtaining financing, selection, purchase, lease or otherwise of a site, operational matters or otherwise) and/or with respect to my fully performing all of my obligations under the Franchise Agreement and/or any other documents to be executed by me nor have I relied in any way on any such, except as expressly set forth in a writing signed by me and Franchisor, except as follows (if none, please write NONE): _____

_____

_____

_____

Franchisee's Initials _____

YOU UNDERSTAND AND AGREE TO EACH OF THE FOREGOING AND CERTIFY EACH STATEMENT IN THIS ACKNOWLEDGEMENT TO BE TRUE, CORRECT AND COMPLETE.

IN WITNESS WHEREOF, you have executed this Acknowledgment on the date set forth below.

FRANCHISEE:

_____

Name: _____

Title: _____

Date: _____

EXHIBIT I

MINDBODY SERVICE – FRANCHISEE PARTICIPATION AGREEMENT

MINDBODY SERVICE – FRANCHISEE PARTICIPATION AGREEMENT

This FRANCHISEE PARTICIPATION AGREEMENT ("**Agreement**") is a legal agreement between the MINDBODY entity specified in Section 10 of Article IX below ("**MINDBODY**", "**we**" or "**our**") and the business or individual ("**Franchisee"** or "**you**" or "**your**" as grammatically appropriate) that has been designated by Franchisor (defined below) to receive services from MINDBODY (the "**MINDBODY Services**") pursuant to a Master Terms of Service agreement ("**Master Agreement**") between Franchisor and MINDBODY. MINDBODY and you are sometimes referred to in this Agreement individually as a "**Party**" and collectively as the "**Parties**".

PLEASE CAREFULLY READ THIS AGREEMENT. YOUR USE OF THE MINDBODY SERVICES IS CONDITIONED UPON YOUR ACCEPTANCE OF THIS AGREEMENT WITHOUT MODIFICATION. IF YOU DO NOT AGREE TO THIS AGREEMENT, YOU MAY NOT ACCESS OR USE THE MINDBODY SERVICES.

BACKGROUND

A. The MINDBODY Services include an online software suite that permits service providers in the wellness industry to manage certain functions of their businesses (e.g., online booking, scheduling, payment processing, and marketing tools) and permits individuals and entities to schedule and purchase products and services from those service providers, utilizing the MINDBODY Services platform.

B. Franchisor has identified you as one of its franchisees or affiliates that is authorized to receive the MINDBODY Services.

C. Your eligibility to access and use the MINDBODY Services is expressly conditioned on your acceptance and ongoing compliance with the terms of this Agreement and Franchisor's continuing authorization to deliver the MINDBODY Services to you.

AGREEMENT

NOW THEREFORE for good and valuable consideration the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I. Definitions

For the purposes of this Agreement, the following capitalized terms shall have the meanings set forth for each of them below:

1. "**Aggregated Data**" means anonymized, aggregated data derived by or through the operation of the MINDBODY Services that is created by or on behalf of MINDBODY and that does not reveal any personally identifying information.

2. "**Cardholder Data**" means credit card numbers, expiration dates, billing addresses, and cardholder names as entered by End Users and/or you. Cardholder Data is a subset of Service Data.

3. **"Confidential Information"** means (a) any software utilized by MINDBODY in the provision of the MINDBODY Services and its respective source code and (b) each Party's business or

technical information, including but not limited to the Documentation, information relating to software plans, designs, costs, prices and names, business opportunities, personnel, research, development or know-how that is designated by the disclosing Party as "confidential" or "proprietary" or the receiving Party knows or should reasonably know is confidential or proprietary.

4. **"Documentation"** means MINDBODY's online user guides, documentation, and help and training materials, as may be updated by MINDBODY from time to time, accessible at www.mindbodyonline.com, and any other materials provided by MINDBODY as part of the MINDDBODY Services.

5. "**Franchisor**" means the third party that (a) has entered into the Master Terms of Service Agreement with MINDBODY, and (b) has identified you as one of its franchisees or affiliates that is authorized to receive the MINDBODY Services.

6. "**End User**" means an individual who is authorized by you to use a MINDBODY Service and to whom you (or we upon request) have provided a user identification and password. End Users may include but are not limited to your employees, consultants, contractors and agents.

7. "**Effective Date**" means the date on which this Agreement becomes effective, as specified in Section 1 of Article VIII below.

8. "**HIPAA**" means the United States Health Insurance Portability and Accountability Act.

9. "**MINDBODY Data**" means any data or information collected by MINDBODY independently and without access to, reference to or use of any of Service Data, including, without limitation, any data or information MINDBODY obtains about End Users through the MINDBODY Mobile App (whether the same as Service Data or otherwise).

10. "**MINDBODY Mobile App**" means the consumer-facing, downloadable mobile app made available by MINDBODY and known as "MINDBODY Mobile App" (and its successor products), which allows consumers to access the MINDBODY Services platform.

11. "**PCI DSS**" means the requirements of the Payment Card Industry Data Security Standard, as detailed on www.pcisecuritystandards.org.

12. "**Privacy Policy**" means the MINDBODY Privacy Policy accessible at www.mindbodyonline.com/privacy-policy (or such other URL as specified by MINDBODY), as may be updated by MINDBODY from time to time.

13. "**Service Data**" means any data, information or content submitted by or for you to the MINDBODY Services or collected and processed by or for you through the MINDBODY Services. Service Data excludes Aggregated Data.

14. "**Third Party Offerings**" means any third party products, applications, websites, implementations or services, including loyalty programs, that the MINDBODY Services link to, or that interoperate with or are used in conjunction with the MINDBODY Services.

ARTICLE II. Service Data

1. Service Data.

a. Cardholder Data. You are solely responsible for any liability resulting from the mishandling of Cardholder Data by you. You agree that you will comply with the PCI DSS with respect to all credit cards processed via your MINDBODY Services account.

b. Other Service Data. Franchisor owns all Service Data. You acknowledge that your right to access, use, copy, modify and/or delete the Service Data is expressly conditioned on Franchisor's authorization, which may be revoked at its sole discretion. You further acknowledge and agree that Franchisor may access, use, copy, modify and/or delete the Service Data, at its sole discretion. You must obtain permission from Franchisor in writing prior to granting any third party access to the Service Data or providing any copies of the Service Data to any third party. You are solely responsible for resolving any dispute regarding ownership of Service Data between you and any third party, including Franchisor, and agree that MINDBODY shall have no obligation to be involved in any such dispute.

c. Data Export. You may download reports containing commonly requested portions of Service Data using the reporting and exporting tools provided as part of the MINDBODY Services, but you may not obtain a complete copy of Service Data via the MINDBODY Services or from MINDBODY's Customer Support without Franchisor's prior written approval. You are responsible for maintaining the security of any of Service Data in your possession.

d. Unauthorized Disclosure. If either Party believes that there has been a disclosure of Service Data in a manner not authorized under this Agreement, such Party shall promptly notify the other Party. Additionally, each Party will reasonably assist the other Party in remediating or mitigating any potential damage, including any notification which should be sent to individuals impacted or potentially impacted by such unauthorized disclosure.

2. MINDBODY Services.

a. Your Obligations. You are solely responsible for your use of the MINDBODY Services and compliance with this Agreement. Without limiting the foregoing, you shall: (a) have sole responsibility for the accuracy, quality, and legality of the Service Data and your collection and use of the Service Data; (b) prevent unauthorized access to, or use of, the MINDBODY Services, and notify MINDBODY promptly of any such unauthorized access or use; (c) comply with all applicable laws when using the MINDBODY Services, including those related to data privacy and transmission of personal data, (d) have sole responsibility for obtaining, maintaining and paying for any hardware, telecommunications, Internet and other services needed to use the MINDBODY Services, and; (e) comply with the Restrictions on Use set forth in section 2.b. below.

b. Restrictions on Use. You will not: (i) submit any infringing, obscene, defamatory, threatening, or otherwise unlawful or tortious material to the MINDBODY Services, including material that violates privacy rights; (ii) interfere with or disrupt the integrity or performance of the MINDBODY Services or the data contained therein; (iii) attempt to gain access to the MINDBODY Services or related systems or networks in a manner not permitted by this Agreement; (iv) post, transmit or otherwise make available through or in connection with the MINDBODY Services any virus, worm, Trojan horse, Easter egg, time bomb, spyware or other harmful computer code, files, scripts agents or programs; (v) restrict or inhibit any other

person or entity from using the MINDBODY Services; (vi) remove any copyright, trademark or other proprietary rights notice from the MINDBODY Services; (vii) frame or mirror any portion of the MINDBODY Services, or otherwise incorporate any portion of the MINDBODY Services into any product or service; (viii) systematically download and store MINDBODY Services content; or (ix) use any robot, spider, site search/retrieval application or other manual or automatic device to retrieve, index, "scrape," "data mine" or otherwise gather MINDBODY Services content, or reproduce or circumvent the navigational structure or presentation of the MINDBODY Services. Notwithstanding subsection (ix) above, and subject to compliance with any instructions posted in the robots.txt file located in the root directory of any Website, MINDBODY grants to the operators of public search engines permission to use spiders to copy materials from the Website for the sole purpose of (and solely to the extent necessary for) creating publicly available, searchable indices of such materials, but not caches or archives of such materials. MINDBODY reserves the right to revoke these permissions at any time and without notice.

c. **HIPAA.** HIPAA imposes rules to protect certain personal health information or "PHI" as that term is defined under HIPAA. If you are subject to HIPAA, you must notify MINDBODY and enter into a Business Associate Agreement ("**BAA**") in the form provided by MINDBODY, prior to accessing or using the Services. You are solely responsible for determining whether you are subject to HIPAA. You may request a BAA by emailing privacy@mindbodyonline.com.

d. **Modifications to the Services.** MINDBODY may modify, add, or remove features or functions to or from the MINDBODY Services, or to provide programming fixes, enhancements, updates and upgrades, to the software supporting delivery of the MINDBODY Services, with or without notice to you.

e. **Personal Information.** The Privacy Policy governs how MINDBODY collects and uses personal information that is submitted through the MINDBODY Services. By accessing or using the MINDBODY Services, you agree to that you have read and accept the Privacy Policy.

f. **Intellectual Property Policy.** MINDBODY respects the intellectual property rights of others and will investigate and respond to notices of alleged infringement that are properly submitted in accordance with our Intellectual Property Policy accessible at https://www.mindbodyonline.com/terms-of-service/copyright (or such other URL as specified by MINDBODY), as may be updated by MINDBODY from time to time. Any data or information submitted to the MINDBODY Services is subject to our Intellectual Property Policy.

g. **Third Party Offerings**. We or third party providers may make Third Party Offerings available through the MINDBODY Services or otherwise in connection with using the MINDBODY Services. Third Party Offerings are not "MINDBODY Services" under the Agreement and we do not warrant or support Third Party Offerings or other non-MINDBODY products or services, whether or not they are provided by a member of our partner network or otherwise designated as "recommended" or "approved" by MINDBODY. Any procurement by you of a Third Party Offering, and any exchange of data between you and a third party provider, is solely between you and the third party provider. If you enable or install any Third Party Offering for use with the MINDBODY Services, you agree that we may allow the third party provider to access Service Data as required for the interoperation of that Third Party Offering with the MINDBODY Service, and we are not responsible for any disclosure, modification or

deletion of Service Data resulting from such access. We may restrict or disable access to any Third Party Offerings that are made available through the MINDBODY Services without notice and for any reason, including if the provider ceases to make it available. YOUR USE OF THIRD PARTY OFFERINGS IS AT YOUR OWN RISK AND IS SUBJECT TO ANY ADDITIONAL TERMS, CONDITIONS AND POLICIES APPLICABLE TO SUCH THIRD PARTY OFFERINGS (SUCH AS TERMS OF SERVICE OR PRIVACY POLICIES OF THE PROVIDERS OF SUCH THIRD PARTY OFFERINGS).

h. Payment Services. MINDBODY offers the ability to process payments through the MINDBODY Services ("**Payment Services**"). Payment Services are provided by our third party payment processor partners and are deemed to be Third Party Offerings for all purposes under this Agreement. Any procurement by you of Payment Services will be subject to a separate merchant agreement which will be solely between you and the third party payment processor. If you use Payment Services you agree that you and your End Users will comply with the terms and conditions of any applicable merchant agreements and all applicable card network rules, policies, laws and regulations, at all times while using such Payment Services.

ARTICLE III. Proprietary Rights

1. **MINDBODY Intellectual Property**. MINDBODY owns all right, title and interest in and to the MINDBODY Services, MINDBODY Data and Aggregated Data. Subject to the limited rights expressly granted hereunder, MINDBODY reserves all rights, title and interest in and to the MINDBODY Services and Documentation, including all related intellectual property rights.

2. **License Grant**. MINDBODY hereby grants you a non-exclusive, non-transferable, right to use the MINDBODY Services and Documentation, solely for your internal business purposes during the term of this Agreement, and subject to its terms.

3. **License Restrictions.** You will not: (a) modify, copy or create any derivative works based on the MINDBODY Services; (b) license, sublicense, sell, resell, rent, lease, transfer, assign, distribute, time share, offer in a service bureau, or otherwise make the MINDBODY Services available to any third party, other than End Users as permitted herein; (c) reverse engineer or decompile any portion of the MINDBODY Services, including but not limited to, any software utilized by MINDBODY in the provision of the MINDBODY Services; (d) access or use (or allow a third party to access or use) the MINDBODY Services for competitive analysis or to build any competing products or services; (e) copy any features, functions, integrations, interfaces or graphics of the MINDBODY Services; or (f) otherwise use or exploit the MINDBODY Services in any manner not expressly permitted by this Agreement.

ARTICLE IV. Confidential Information

A Party will not disclose or use any Confidential Information of the other Party except: (a) as reasonably necessary to perform its obligations or exercise any rights granted pursuant to this Agreement; (b) with the other Party's prior written permission; or (c) to the extent required by law or order of a court or other governmental authority or regulation. Each Party agrees to protect the other Party's Confidential Information in the same manner that it protects its own Confidential Information of like kind, but in no event using less than a commercially reasonable standard of care. Confidential Information will not include any information that: (a) is or becomes generally known to the public without breach of any

obligation owed to the disclosing Party; (b) was known to a Party prior to its disclosure by the other Party without breach of any obligation owed to the other Party; (c) was independently developed by a Party without breach of any obligation owed to the other Party; or (d) was or is received from a third party without breach of any obligation owed to the other Party. For clarity, nothing in this Section will restrict MINDBODY with respect to MINDBODY Data or Aggregated Data.

ARTICLE V. Disclaimer of Warranties

TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, MINDBODY MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHERWISE, AND SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO THE MINDBODY SERVICES AND/OR RELATED DOCUMENTATION. MINDBODY DOES NOT WARRANT THAT YOUR USE OF THE MINDBODY SERVICES WILL BE SECURE, TIMELY, ERROR-FREE OR UNINTERRUPTED, OR THAT THE MINDBODY SERVICES ARE OR WILL REMAIN UPDATED, COMPLETE OR CORRECT, OR THAT THE MINDBODY SERVICES WILL MEET YOUR REQUIREMENTS OR THAT THE SYSTEMS THAT MAKE THE MINDBODY SERVICES AVAILABLE (INCLUDING WITHOUT LIMITATION THE INTERNET, OTHER TRANSMISSION NETWORKS, AND YOUR LOCAL NETWORK AND EQUIPMENT) WILL BE UNINTERRUPTED OR FREE FROM VIRUSES OR OTHER HARMFUL COMPONENTS. THE MINDBODY SERVICES AND ANY OTHER PRODUCTS AND THIRD PARTY MATERIALS ARE PROVIDED ON AN "AS IS" AND "AS AVAILABLE" BASIS AND SOLELY FOR YOUR USE IN ACCORDANCE WITH THIS AGREEMENT. ALL DISCLAIMERS OF ANY KIND (INCLUDING IN THIS SECTION AND ELSEWHERE IN THIS AGREEMENT) ARE MADE ON BEHALF OF BOTH MINDBODY AND ITS AFFILIATES AND THEIR RESPECTIVE SHAREHOLDERS, DIRECTORS, OFFICERS, EMPLOYEES, AFFILIATES, AGENTS, REPRESENTATIVES, CONTRACTORS, LICENSORS, SUPPLIERS AND SERVICE PROVIDERS (COLLECTIVELY, THE "**MINDBODY PARTIES**").

ARTICLE VI. Limitation of Liability

MINDBODY EXPRESSLY DISCLAIMS ANY AND ALL LIABILITY AND WILL NOT BE RESPONSIBLE FOR ANY DAMAGES OR LOSS CAUSED, OR ALLEGED TO BE CAUSED, BY THE TRANSMISSION OF CARDHOLDER DATA PRIOR TO ITS ENCRYPTION AND RECEIPT BY SERVER(S) OWNED OR CONTROLLED BY MINDBODY. THE EXCLUDED DAMAGES WILL INCLUDE, WITHOUT LIMITATION, DAMAGES RESULTING FROM FRAUD, EMBEZZLEMENT, THEFT, IDENTITY THEFT, OR INVASION OF PRIVACY.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, IN NO EVENT WILL THE MINDBODY PARTIES' AGGREGATE LIABILITY, COLLECTIVELY, FOR ALL CLAIMS ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER IN CONTRACT, TORT OR OTHERWISE, EXCEED THE SUBSCRIPTION FEES ACTUALLY PAID BY FRANCHISOR APPLICABLE TO YOUR MINDBODY SERIVCES ACCOUNT DURING THE TWELVE (12) MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE INCIDENT. ALL LIMITATIONS OF LIABILITY OF ANY KIND (INCLUDING IN THIS SECTION AND ELSEWHERE IN THIS AGREEMENT) APPLY WITH RESPECT TO BOTH MINDBODY AND THE MINDBODY PARTIES.

IN NO EVENT WILL ANY MINDBODY PARTIES HAVE ANY LIABILITY FOR ANY INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, OR FOR ANY LOST PROFITS, LOSS OF USE, DATA OR OPPORTUNITIES, COST OF DATA RECONSTRUCTION, COST OR PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, WHETHER IN CONTRACT, TORT OR OTHERWISE, ARISING OUT OF, OR IN ANY WAY CONNECTED WITH THE SERVICES OR THIRD PARTY OFFERINGS, INCLUDING BUT NOT LIMITED TO THE USE OR INABILITY TO USE THE SERVICES, ANY INTERRUPTION, INACCURACY, ERROR OR OMISSION, EVEN IF MINDBODY, ITS LICENSORS OR SUBCONTRACTORS HAVE BEEN PREVIOUSLY ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES.

THE FOREGOING EXCLUSIONS OR LIMITATIONS MAY NOT APPLY TO THE EXTENT PROHIBITED BY APPLICABLE LAW.

ARTICLE VII. Indemnification.

You agree to indemnify, defend, and hold harmless the MINDBODY Parties from and against any and all third party claims alleged or asserted against any of them, and all related charges, damages and expenses (including, but not limited to, reasonable attorneys' fees and costs) arising from or relating to: (a) any actual or alleged breach by you or any End User of any provisions of this Agreement; (b) a claim that Service Data, or that your use of any MINDBODY Service in breach of this Agreement, violates such third party's data privacy rights or intellectual property rights; (c) any dispute between you and any other party, including without limitation Franchisor, regarding ownership of or access to the Service Data; or (d) any negligent or intentional misconduct by you or any End User.

ARTICLE VIII. Term and Termination

1. **Effective Date**. If you are a first time user of the MINDBODY Services, the Effective Date shall be the date on which you accept this Agreement (e.g., by clicking an "I Accept" button if presented digitally, or by signing and delivering a copy of this Agreement to MINDBODY). If you have been provided with access to and/or use of the MINDBODY Services prior to the date on which this Agreement is presented to you for your review and acceptance, then by accepting this Agreement, you are also agreeing that this Agreement shall apply retroactively such that the Effective Date shall be deemed to be the date on which you first accessed or used the MINDBODY Services.

2. **Term.** The term of this Agreement shall commence on the Effective Date, and continue until the earlier of: (a) the date on which Franchisor revokes your right to receive the MINDBODY Services, (b) the expiration or termination of the Master Agreement, or (c) the date MINDBODY terminates this Agreement in accordance with Section 3 of this Article.

3. **Termination by MINDBODY.** MINDBODY may limit, suspend, or terminate your use of the MINDBODY Services (a) upon Franchisor's instruction, (b) if MINDBODY believes that you are materially breaching any provision of this Agreement, or (c) if MINDBODY is required to do so by applicable law.

4. **Survival.** Article I, Article II, Section 1 of Article III, Section 3 of Article III, Article IV, Article V, Article VI, Article VII, Section 1 of Article VIII, this Section 5 of Article VIII, and Article IX, shall survive any termination of this Agreement.

ARTICLE IX. Miscellaneous

1. **Mandatory Informal Dispute Resolution.** If you have any dispute with MINDBODY arising out of or relating to this Agreement, you agree to notify MINDBODY in writing with a brief, written description of the dispute and your contact information, and MINDBODY will have thirty (30) days from the date of receipt within which to attempt resolve the dispute to your reasonable satisfaction. If the Parties are unable to resolve the dispute through good faith negotiations over such thirty (30) day period under this informal process, either Party may pursue resolution of the dispute in accordance with the arbitration agreement below.

2. **Governing Law.** This Agreement will be governed by and interpreted in accordance with the internal laws of the State of California without regard to conflicts of laws principles. The U.N. Convention on the International Sale of Goods will not apply.

3. **Arbitration Agreement.** ALL DISPUTES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR ANY ASPECT OF THE RELATIONSHIP BETWEEN YOU AND MINDBODY, WHETHER BASED IN CONTRACT, TORT, STATUTE, FRAUD, MISREPRESENTATION OR ANY OTHER LEGAL THEORY, THAT ARE NOT RESOLVED PURSUANT TO SUBSECTION 1 ABOVE WILL BE RESOLVED THROUGH FINAL AND BINDING ARBITRATION BEFORE A NEUTRAL ARBITRATOR INSTEAD OF IN A COURT BY A JUDGE OR JURY, AND MINDBODY AND YOU EACH HEREBY WAIVE THE RIGHT TO TRIAL BY A JURY. YOU AGREE THAT ANY ARBITRATION UNDER THIS AGREEMENT WILL TAKE PLACE ON AN INDIVIDUAL BASIS; CLASS ARBITRATIONS AND CLASS ACTIONS ARE NOT PERMITTED AND YOU ARE AGREEING TO GIVE UP THE ABILITY TO PARTICIPATE IN A CLASS ACTION. The arbitration will be administered by the American Arbitration Association under its Commercial Arbitration Rules and Mediation Procedures (currently accessible at www.adr.org/aaa/faces/rules/searchrules/rulesdetail?doc=ADRSTG_004130) as amended by this Agreement. Any arbitration hearing will be held in San Luis Obispo County, California. The applicable governing law will be as set forth in subsection 1 above (provided that with respect to arbitrability issues, federal arbitration law will govern). The arbitrator's decision will follow the terms of this Agreement and will be final and binding. The arbitrator will have authority to award temporary, interim or permanent injunctive relief or relief providing for specific performance of this Agreement, but only to the extent necessary to provide relief warranted by the individual claim before the arbitrator. The award rendered by the arbitrator may be confirmed and enforced in any court having jurisdiction thereof.

4. **Entire Agreement.** This Agreement constitutes the entire agreement between the Parties with respect to its subject matter, and supersedes all prior and contemporaneous agreements, proposals or representations, written or oral, concerning its subject matter. Without limiting the foregoing, you acknowledge that you are not a party to or intended beneficiary of the Master Agreement and have no rights under that agreement.

5. **Waiver and Severability**. No waiver of any provision of this Agreement by MINDBODY will be effective unless in writing and signed by MINDBODY. No waiver by either Party of any breach or default hereunder will be deemed to be a waiver of any preceding or subsequent breach or default. If any provision of this Agreement is held by a court of competent jurisdiction to be contrary to law, the provision will be modified by the court and interpreted so as best to accomplish the objectives of the original provision to the fullest extent permitted by law, and the remaining provisions of this Agreement will remain in effect.

6. **No Assignment.** You may not assign, delegate or transfer this Agreement in whole or in part, without MINDBODY's prior written consent.

7. **Relationship.** The Parties are independent contractors. Nothing in this Agreement shall constitute a joint venture, partnership, or agency relationship between MINDBODY and you, or authorize either Party to make any representation on behalf of or in any way to bind the other Party to any obligation of any kind, express or implied, to any third party, or to incur any liability on behalf of the other Party.

8. **Amendments.** MINDBODY may, in its sole discretion, supplement or modify this Agreement upon written notice to you. Any new or modified version of this Agreement will be effective upon the earlier of your acceptance of those terms or your continued use of the MINDBODY Services following delivery of notification of such change. If you do not agree to be bound by any such changes to this Agreement, your sole and exclusive remedy is to immediately stop all use of the Services. Any other modifications to this Agreement must be in writing and executed by duly authorized representatives of each of the Parties.

9. **Electronic Communications and Signatures.** You agree to the use of electronic communication in order to enter into this Agreement, and to the electronic delivery of notices, policies and records of transactions initiated or completed through the MINDBODY Services. Furthermore, you hereby waive any rights or requirements under any laws or regulations in any jurisdiction that require an original (non-electronic) signature or delivery or retention of non-electronic records, to the extent permitted under applicable law. Except as specified otherwise in this Agreement, any notice from you to MINDBODY under this Agreement shall be sent via registered mail or nationally recognized overnight courier to the following address: MINDBODY, Inc., Attn: Legal Department, 4051 Broad Street, Suite 220, San Luis Obispo, CA 93401.

10. **MINDBODY Entity.** The table below sets forth the MINDBODY entity you have entered into this Agreement with ("**MINDBODY Entity**") depending on where you are domiciled:

If you are domiciled in:	**The MINDBODY Entity is:**
Australia or New Zealand and their respective territories	MINDBODY, Pty Ltd, an Australian proprietary limited company
United States and its territories, and all other countries	MINDBODY, Inc., a Delaware corporation

EXHIBIT D

MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

BETWEEN

XTEND HOLDINGS, LLC
A Florida limited liability company
21200 St. Andrews Blvd., Suite 15
Boca Raton, Florida 33433
Telephone: (561) 391-7990
Website: www.xtendbarreworkout.com

AND

«MULTI-UNIT DEVELOPER»
«ADDRESS»
«City_State_Zip_Code»
«PHONE_NUMBER»
«EMAIL»

Date of Multi-Unit Development Agreement

_____, 20____

Development Area

_____

XTEND

MULTI-UNIT DEVELOPMENT AGREEMENT

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Xtend MULTI-UNIT DEVELOPMENT AGREEMENT

THIS MULTI-UNIT DEVELOPMENT AGREEMENT (the "**Agreement**") is between **XTEND HOLDINGS, LLC.**, a Florida limited liability company, with its principal business address at 21200 St. Andrews Blvd., Suite 15, Boca Raton, Florida 33433 (referred to in this Agreement as "Franchisor" or "we" or "us" or "Xtend"), and «MULTI-UNIT DEVELOPER», a [_____ Corporation], whose principal address is «ADDRESS» «City_State_Zip_Code» (referred to in this Agreement as "Developer," "You" and like terms). You and the Franchisor are collectively referred to herein as the "Parties."

1. BACKGROUND AND PURPOSE

1.1. Franchisor is in the business of granting to qualified individuals or entities, franchises (each a "Franchise") to operate a studio (an "Xtend Studio") using Franchisor's registered and unregistered trademarks, and other trademarks, trade names, service marks, trademarks, logos, emblems, and the like that Franchisor authorizes from time to time (the "Marks") and its distinctive physical fitness barre workout method of instruction and teaching, including intellectual property and related teaching methodologies, philosophies, instructing methods, lesson plans, marketing materials and business systems (the "System"). Franchisor grants each Franchise solely pursuant to a written franchise agreement signed by both Parties (the "Franchise Agreement").

1.2. Franchisor may also grant, in its sole discretion, the right to acquire multiple Franchises for the development and operation of Xtend Studios within a defined geographic area (the "Development Area") pursuant to an agreed upon schedule (the "Development Schedule").

1.3. Developer desires to acquire and develop multiple Franchises and Xtend agrees to grant such rights under the terms and conditions contained in this Agreement.

Based upon the representations, warranties, and covenants in this Agreement and subject to this Agreement, Franchisor and Developer agree as follows:

2. GRANT OF DEVELOPMENT RIGHTS; TERM

2.1. **Development Rights.** Subject to the limitations set forth in this Agreement, Franchisor hereby grants to you the right, and you undertake the obligation, to acquire Franchises to develop and operate Xtend Studios (the "Development Rights") within the Development Area described in Attachment A and in strict compliance with the Development Schedule set forth in Attachment A. Your Development Rights are limited to the rights to acquire Franchises in accordance with this Agreement and your Development Schedule. The rights to develop and operate each individual Franchise and to use Franchisor's Marks are granted only pursuant to individual Franchise Agreements.

2.2. **Term.** Except as otherwise provided in this Agreement, the Development Rights shall commence on the date of this Agreement (the "Effective Date") and continue until the earlier of: (i) the date on which the last Xtend Studio listed on your Development Schedule is open for regular business or (ii) the last day listed on your Development Schedule (the "Term"). You shall have no right to renew or extend the Term or the rights herein granted.

2.3. **Development Area**. Provided that you are in full compliance with this Agreement, each Franchise Agreement, and all other agreements with Franchisor, Franchisor will not, during the Term, establish or operate, or license any other party to establish or operate, an Xtend Studio within your Development Area, as outlined in Attachment A. You will not receive any exclusive rights or Development Area regarding soliciting customers as customers are free to participate in classes at any location regardless of their residence. Except as provided above, you may face competition from other franchisees or other channels of distribution.

2.4. **Reservation of Rights**. Franchisor reserves all rights that it does not grant to you and it is not restricted in any manner from engaging in any business activity whatsoever that is not expressly prohibited in by this Agreement or any Franchise Agreement. For example, and without limiting the foregoing, Franchisor reserves the right to: (i) own and operate, and authorize others to own and operate Xtend Studios outside the Development Area; (ii) the use of its name, to promote Xtend branded services and to sell Xtend branded products over the Internet and other means of electronic communication that are developed in the future, whether inside or outside of the Development Area; (iii) establish, in the future, whether inside or outside of the Development Area, other franchises or company-owned outlets to conduct a similar program or to sell similar services or products under a different trademark, or to do so through a different channel of distribution; (iv) acquire the assets or ownership interests of businesses, whether inside or outside of the Development Area; (v) be acquired or become controlled by any other business, whether inside or outside of the Development Area; (vi) operate or grant any third party, whether inside or outside of the Development Area, the right to operate any Xtend Studios that Franchisor or Franchisor's designees acquire as a result of the exercise of a right of first refusal or purchase right under this Agreement or any Franchise Agreement.

3. DEVELOPER'S DUTIES

3.1. **Best Efforts; No Delegation.** At all times during the Term of this Agreement, you shall use your best and continuing efforts to exercise your Development Rights in strict compliance with this Agreement and with the Development Schedule outlined in Attachment A. You may not subcontract or delegate any of your obligations under this Agreement to any third parties.

3.2. **Minimum Working Capital.** You will maintain, at all times throughout the Term, sufficient working capital to meet your obligations under this Agreement. Franchisor reserves the right to establish and modify specific working capital requirements from time to time, and you agree to comply with such liquidity requirements. Franchisor reserves the right to require you to provide updated financial statements and to review any such financial statements prior to Franchisor's approval or execution of any Franchise Agreement contemplated under this Agreement.

3.3. **Guarantee.** You (or the persons Franchisor designates, if you are a corporation, partnership, limited liability company, or other form of business entity) will execute an agreement, in the form set forth in Attachment C (the "Guarantee Agreement") wherein you agree to be bound, personally, unconditionally, irrevocably, and jointly and severally, by all provisions of this Agreement.

3.4. **Business Entity.** If you are a corporation, partnership, limited liability company, or other form of business entity, you agree and represent that:

3.4.1. Your owners and their interests as of the Effective Date are set forth on Attachment B; and

3.4.2. You will designate, in writing, an individual (the "Managing Developer") using Attachment D. The Managing Developer must be approved by Franchisor and must have the authority to deal with Franchisor on behalf of Developer in all matters arising under or relating to this Agreement. The Franchisor is not obligated to discuss this Agreement or the Development Rights with any Developer Member other than the Managing Developer.

4. EXERCISE OF DEVELOPMENT RIGHTS

4.1. **Execution of Franchise Agreements**. Simultaneously with the execution of this Agreement, you must sign and deliver to Franchisor a Franchise Agreement for the first Franchise you are obligated to acquire under your Development Schedule. For each subsequent Franchise, prior to signing a lease or contract for the location, but subsequent to your receipt of Franchisor's then current franchise disclosure document and the passage of the mandatory minimum waiting period, you must sign Franchisor's then-current franchise agreement, which may include terms materially different from, and that may be less favorable to you than the franchise agreement in effect on the Effective Date of this Agreement.

4.2. **Site Selection and Consent to Develop**. You are responsible providing Franchisor with the information it requests, including the information required under your individual Franchise Agreements, for each Xtend Studio site you propose. Franchisor will provide its consent or non-consent to develop the proposed site within thirty (30) days after it receives notice thereof and all relevant information. You must obtain Franchisor's consent to a site for each Xtend Studio within ninety (90) days after execution of the corresponding Franchise Agreement, unless Franchisor gives you written approval to extend such time, pursuant to the terms of the Franchise Agreement. Franchisor's consent to develop a site is not a guarantee or representation of any kind of your success at any particular location and you accept all risk pertaining to the decision of where to locate your studio.

4.3. **Development Schedule.** You agree to comply with the Development Schedule, as set forth in Attachment A to this Agreement.

4.3.1. Franchisor does not make any representations with regard to the number of Xtend Studios that your Development Area can support or with regard to the number of suitable sites for Xtend Studios within your Development Area. You must conduct your own independent investigation to determine whether you can satisfy the terms of your Development Schedule.

4.3.2. Franchisor will determine whether you have met your development obligations under this Agreement based on the number of Xtend Studios that are open for business and operating in the regular course of business as of each date listed on your Development Schedule as described on Attachment A. For purposes of the Development Schedule, the number of Xtend Studios operating must be operated pursuant to a fully signed and effective Franchise Agreement and a fully paid fee, with all operations in compliance with the applicable Franchise Agreement. You may request an extension for any period on your Development Schedule by submitting a written request to Franchisor at least ninety (90) days prior to the date listed on your Development Schedule. Franchisor will grant the extension request if you can demonstrate the need based on forces beyond your control. Franchisor will not grant an extension for a period longer than one hundred eighty (180) days. Any extension granted will not impact the remainder of your Development Schedule.

4.3.3. If you fail to comply with the Development Schedule, in addition to exercising its rights under this Agreement, including terminating this Agreement as outlined in Paragraph 11 below, Franchisor may elect, in its sole discretion, to reduce the size of, or reconfigure, or terminate your rights within, your Development Area.

5. REPORTING AND RECORD KEEPING

5.1. **Business Plan.** Before executing this Agreement, you must submit to Franchisor a business plan showing your projected revenues, costs, staffing and operations in exercising the Development Rights. Within 90 days after the Effective Date, you must submit to Franchisor an updated business plan that includes detailed revenue projections for your activities under this Agreement, including the Xtend Studios to be developed under this Agreement. Within 90 days after the start of each calendar year during the Term, you must submit to Franchisor an updated business plan that covers actual results for the previous year and projections for the then-current year. Although Franchisor may review and provide comments on your business plan, it does not make any guarantees or representations, express or implied, with respect to your ability to meet your business plan. You are solely responsible for achieving the business plan you develop.

5.2. **Financial Statements**.

5.2.1. **Quarterly Statements**. You shall deliver to Franchisor, a quarterly profit and loss statement regarding all of its activities.

5.2.2. **Annual Statements**. You shall deliver to Franchisor, within 30 days after the close of each calendar year during the Term of this Agreement, an annual profit and loss statement, a statement regarding the source and use of funds, and a balance sheet that include all of its activities.

5.2.3. **Purposes/Other Reports**. These reports will be requested for benchmarking purposes and to allow Franchisor to provide greater details in its later franchise disclosure documents should Franchisor ever opt to provide financial performance representations to future potential franchisees and/or area developers. Developer shall also submit to Franchisor such other financial and non-financial reports and information as Franchisor may request from time to time. These statements and reports shall be certified as true and correct by Developer and shall be in the form and format that Franchisor reasonably specifies.

5.3. **Disclosure**. Franchisor may be required by law, regulation or other legal requirement, or may deem it advisable, to disclose information regarding you or your operations, including without limitation, earnings or other financial performance information. You agree that Franchisor shall be entitled to disclose such information and that Franchisor shall have the right to determine the extent and manner in which such disclosure will be made. If Franchisor does not have the information necessary for the disclosure Franchisor determines it will make, you agree to provide such information to Franchisor promptly upon its request.

6. FEES

In consideration of the rights granted in this Agreement, on execution you shall pay to Franchisor a non-refundable development fee in an amount equal to $18,500 multiplied by the number of Xtend Studios required to be opened pursuant to your Development Schedule (the "Development Fee"). This Development Fee is fully earned by Franchisor upon execution of this Agreement and is not refundable in part or in whole, even if you choose not to ultimately develop the number of Xtend Studios outlined in the Development Schedule. Franchisor will reduce by $18,500 the amount of the Initial Franchise Fee due under each individual Franchise Agreement that you execute pursuant to this Agreement, except that aggregate amount of all such reductions cannot exceed the total amount of your Development Fee.

7. INDEMNIFICATION

7.1. **Indemnification.** You agree to indemnify, defend, and hold harmless Franchisor, its affiliates and their respective stockholders, directors, officers, employees, agents, and assignees (the "Indemnified Parties"), for, and hold the Indemnified Parties harmless against, any loss, liability, taxes, or damages (actual or consequential) and all reasonable costs and expenses of defending any claim brought against any of them or any action in which any of them is named as a party (including, without limitation, reasonable accountants', attorneys', and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses), which any of them may suffer, sustain, or incur by reason of, arising from, or in connection with any of your acts, omissions, or activities or the acts, omissions, or activities of any of your employees or independent contractors, unless (and then only to the extent that) the loss, liability, taxes, damages, and reasonable costs and expenses are determined to be caused solely by the Indemnified Party's negligence or willful misconduct in a final, un-appealable ruling issued by a court or arbitrator with competent jurisdiction. Each Indemnified Party shall have the right to defend any such claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

7.2. **Notice.** You shall advise Franchisor immediately if a notice is received that a claim has been or may be filed with respect to a matter covered by this Agreement, and you shall immediately assume the defense thereof at your sole cost and expense. At your sole expense, the Franchisor will endeavor to cooperate with you and your counsel in the defense and settlement, if any, of all such claims. In any event, the Franchisor will have the right, through counsel of its choice, to control any matter to the extent it could directly or indirectly in any way affect the Franchisor or its affiliates or their present or past officers, directors, employees, agents, successors, or assigns.

8. CONFIDENTIAL INFORMATION

8.1. **Confidential Information.** All information that Franchisor furnishes to you, whether orally or in writing, including, without limitation, this Agreement, the Franchise Agreement, the System, methods, techniques, formulas, formats, specifications, standards, material, curriculum documents, lesson plans, training material, marketing materials, audiovisual components, emails, handouts, sources and suppliers of equipment, procedures, know-how, information, trade secrets, methods of business management, sales and promotion techniques, plans, specifications, knowledge of and experience in franchise operation, or any other forms of business information, whether or not marked as confidential, shall be considered confidential (collectively, the "Confidential Information"). You acknowledge and agree that the Confidential Information is proprietary, includes Franchisor's trade secrets, and you (and your shareholders, partners, members and managers, if you are a business entity) agree that you: (i) shall not use the Confidential Information in any other business or capacity other than to the extent necessary to exercise your Development Rights or as permitted under your Franchise Agreements; (ii) shall not disclose, reveal or share the Confidential Information, except to your employees or contractors who have a need to know such Confidential Information for purposes of this Agreement and who are under a duty of confidentiality no less restrictive than your obligations hereunder, or to entities or individuals specifically authorized by Franchisor in advance; and (iii) shall adopt and implement all procedures prescribed from time to time by Franchisor to prevent unauthorized use or disclosure of the Confidential Information. All Confidential Information is and will remain Franchisor's sole property. You agree to return to Franchisor or destroy, at its election, all Confidential Information in your possession or control and permanently erase all electronic copies of such Confidential Information promptly upon Franchisor's request or upon termination of this Agreement, whichever comes first, and, at its request, will provide written certification that you have complied with this obligation.

8.2. **Innovations.** 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 or not protectable intellectual property, must be promptly disclosed to Franchisor and will be deemed Franchisor's sole and exclusive property. You hereby waive all moral rights in and to such Improvements and 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, waiving all moral rights therein, and that, to the extent that you, your employees, or your contractors are deemed to have any interest in such Innovations, you will assign such interests to Franchisor. You agree to execute such documents and perform such actions as Franchisor may reasonably request in obtaining and enforcing such ownership rights in and to the Innovations. Your obligation with respect to these ownership rights shall continue beyond the expiration or termination of this Agreement.

9. EXCLUSIVE RELATIONSHIP

Franchisor has entered into this Agreement with you on the condition that you will deal exclusively with Franchisor. Therefore, during the Term of this Agreement, neither you, nor any of your owners or the immediate family members of any of the foregoing will:

(a) have any direct or indirect interest as a disclosed or beneficial owner in a "Competitive Business," wherever located or operating, defined as any business that provides or franchises ballet barre workouts, exercise routines or training in methods that offers services or products the same as or similar to those offered by an Xtend studio;

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

(c) divert or attempt to divert any actual or potential business related to, or any customer or account of, the Developer or the Franchisor, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of the Franchisor, to any Competitive Business;

(d) without obtaining the employer's or former employer's prior written permission, directly or indirectly solicit or employ any person who is employed by Franchisor or a franchise owner within the immediately preceding 24 months;

(e) 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 or in which any such person is employed;

(f) interfere with Franchisor's relationships with vendors, suppliers or consultants; or

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

Notwithstanding the foregoing, you shall not be prohibited from owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

10. TRANSFER OF INTEREST

10.1. **Transfer by You.** This Agreement is personal to you. The Franchisor enters into this Agreement in reliance upon, and in consideration of, your skills, qualifications, and representations (or those of your owners, if applicable) and the trust and confidence reposed in you by the Franchisor. You may not transfer any interest in this Agreement, or any ownership interests in you, the business operated under this Agreement, any of your assets, or your Development Rights, without first obtaining the Franchisor's written approval and complying with the terms of this Paragraph 10. Any purported transfer not having the prior, written consent of the Franchisor shall be null and void and shall constitute a material breach of this Agreement, for which the Franchisor may immediately terminate this Agreement, without opportunity to cure. Franchisor reserves the right of first refusal to purchase any interest in this Agreement from you on the same terms and conditions you offer to any third party.

10.2. **Conditions for Transfer by You.** You shall give the Franchisor written notice of any proposed transfer contemplated in Section 10.1 (a "Transfer") at least 30 days before such transfer is proposed to take place. Such notice shall provide the following: (a) the name and address of the proposed transferee (the "Transferee") and the price and terms of the Transfer and a copy of the proposed sales contract with all its attachments, if any; (b) a complete and accurate description of the proposed Transfer in a form required by Franchisor; (c) any related information and documentation reasonably requested by the Franchisor; and (d) at the time you submit such notice, full payment of the transfer fee required by Paragraph 10.2.5 below (the "Transfer Fee"). The Franchisor shall have 45 days from receipt of such notice and the Transfer Fee, and receipt of all information and documentation requested by the Franchisor under this Paragraph 10.2 to approve or disapprove the Transfer or to give you notice of its intent to exercise its right of first refusal to purchase the site on the same terms. The Franchisor shall not unreasonably withhold its consent to any Transfer, but the Franchisor may, in its sole and absolute discretion, require any or all of the following as conditions of its approval, each of which is a material condition to the Transfer. If you fail to fulfill any of the following conditions, the Franchisor shall have the right to refuse any proposed Transfer:

10.2.1. The proposed Transferee meets Franchisor's standards then in effect, including requirements about financial condition, character, managerial commitment, and other conditions and standards that the Franchisor may then be applying to new Developers;

10.2.2. The proposed Transferee shall have completed the Franchisor's initial training program for new franchisees and in business operations; or alternatively at Franchisor's option, shall have agreed, in writing, to complete said training within a time period satisfactory to the Franchisor;

10.2.3. The proposed Transferee (or its owners, if it is a business entity) and its immediate family members must not have an interest or be engaged in activities which would violate the restrictions regarding Competitive Businesses as described in Paragraph 9 above;

10.2.4. The proposed Transferee shall assume in writing for the benefit of the Franchisor all your obligations under this Agreement and, unless exempted by the Franchisor in writing, the proposed Transferee shall execute the Franchisor's then-current multi-unit development agreement, which may include terms materially different from the assumed agreement that may be less favorable than granted to you in this Agreement; except its term shall be for the unexpired Term of this Agreement;

10.2.5. You shall pay to the Franchisor or its designee a Transfer Fee equal to Franchisor's then-current Transfer Fee for multi-unit developers, plus, in either case, any applicable taxes, plus all of Franchisor's expenses incurred in connection with the proposed transfer, whether or not the transfer is completed, up to a maximum amount of $5,000.

10.2.6. You shall not be in default of this Agreement or any other agreement between you and the Franchisor or any of its affiliates or vendors. All of your obligations to the Franchisor and its affiliates (including, without limitation, monetary obligations), whether arising under (a) this Agreement; (b) any agreement between you and the Franchisor or any of its affiliates; or (c) otherwise, are fully satisfied at, or before, the effective date of the transfer;

10.2.7. You must pay all of Franchisor's expenses incurred in connection with the proposed transfer, whether or not the transfer is completed, up to a maximum amount of three thousand dollars ($3,000).

10.2.8. Before or at the time the Transfer becomes effective, you, the proposed Transferee, and the Franchisor shall execute the Franchisor's then-current consent to transfer agreement;

10.2.9. When you notify the Franchisor of your intent to Transfer and at the time of the effective date of the Transfer, you and each of your members and guarantors shall execute the Franchisor's then-current release of the Franchisor and the Franchisor's affiliates, and their respective present and past officers, directors, employees, and agents, releasing any and all claims against the Franchisor and its affiliates, and their respective present and past officers, directors, shareholders, agents, and employees, to the extent not prohibited by applicable law; and

10.2.10. You shall remain liable for all your obligations under this Agreement before the effective date of the Transfer and all provisions of this Agreement that, by their nature, survive the expiration or termination of this Agreement, and, at your sole cost, shall execute promptly any and all instruments requested by the Franchisor to evidence such liability.

10.3. **Incapacity.** Upon the incapacity of any person with an interest in this Agreement, in you, or in all or substantially all of the assets of your business operated under this Agreement, the executor, administrator, or representative of such person must promptly notify the Franchisor, and must transfer such interest to a third party approved by the Franchisor (a) before the Expiration Date or (b) within 240 days after such incapacity, whichever occurs first. During the period between such incapacity and such transfer, such executor, administrator or personal representative must fulfill your obligations hereunder; and any failure to do so shall constitute a default under this Agreement for which the Franchisor may terminate this Agreement immediately upon written notice to you or to your heirs or beneficiaries or to your executor, administrator, or personal representative. In the case of transfer by will or intestate inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Paragraph 10, the executor, administrator, or personal representative of the decedent must still transfer the decedent's interest to another party approved by the Franchisor (a) before the Expiration Date or (b) within 240 days after such incapacity, whichever occurs first, which disposition shall be subject to all the terms and conditions for Transfers contained in this Agreement. If the interest is not so transferred or assigned (a) before the Expiration Date or (b) within 240 days after such incapacity, whichever occurs first, the Franchisor may terminate this Agreement immediately upon written notice to you.

10.4. **Assignment by Franchisor.** Franchisor has the absolute right to transfer, assign, or sell, by agreement or by law, directly, indirectly, or contingently, this Agreement and any right and obligation under this Agreement.

10.5. **Public or Private Offerings.** Because it can reflect upon Franchisor and its System, you may not, without Franchisor's prior written consent, engage in a public offering of securities or a private offering requiring an offering memorandum or prospectus.

11. TERMINATION

The following provisions are in addition to and not in limitation of any other rights and remedies Franchisor may have at law or in equity, all of which are expressly reserved. The exercise by Franchisor of any right or remedy shall not be deemed an election of remedies.

11.1. **With Notice and No Opportunity to Cure**. This Agreement shall immediately terminate on delivery of notice of termination to you upon the occurrence of any of the following events, each of which is deemed to be an incurable breach of this Agreement and each of which is deemed to be "good cause." If you (or any of your owners, if you are a business entity):

11.1.1. become insolvent or admit in writing your inability to pay your debts as they mature, or makes an assignment for the benefit of creditors, files a petition under any foreign, state or United States bankruptcy act, receivership statute, or the like or if such a petition is filed by a third party, or if an application for a receiver is made by anyone and such petition or application is not resolved favorably to you within ninety (90) days;

11.1.2. fail to comply with the Development Schedule and such failure continues for a period of 30 days after written notice from Franchisor (except if the failure is the direct result of a "Casualty Event," which includes a fire, tornado, hurricane, flood, earthquake or similar natural disaster not within your control, and you are using good faith efforts to cure the failure);

11.1.3. have made any material misrepresentation or omission in the application for the Franchise or in any report that your submit to Franchisor pursuant to this Agreement;

11.1.4. are convicted by a trial court of or plead no contest to a felony or other crime or offense or engage in conduct that reflects materially and unfavorably upon the operation and reputation of Franchisor or the System, or if any of your principals is convicted of or pleads no contest to a felony or other crime or offense or engages in such conduct;

11.1.5. attempt to make or makes an unauthorized assignment, encumbrance or other transfer of your rights or obligations under this Agreements a party to any other agreement with Franchisor or its affiliates that is terminated for your breach thereof;

11.1.6. make any unauthorized use of the Marks or intellectual property or make any duplication or disclosure of any Confidential Information;

11.1.7. fail to timely pay any of your financial obligations to Franchisor, even if timely cured in each instance;

11.1.8. fail to comply with any provision of any Franchise Agreement and do not cure such failures within the applicable cure period, if any; or

11.1.9. receive written notice from Franchisor of your failure any 3 times in a calendar year to comply with this Agreement, even if timely cured in each instance.

11.2. **With Notice and an Opportunity to Cure.** This Agreement shall terminate upon your failure to cure any of the following, each of which is deemed to be "good cause." If you (or any of your owners, if you are a business entity):

11.2.1. fail to comply with any requirement in this Agreement not listed in Subsection 11.1 above prescribed by Franchisor within 30 days after notice is delivered to you;

11.2.2. 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 15 days following notice; or

11.2.3. fail to make payments to Franchisor for any amounts due within 10 days after notice is delivered to you.

11.3. **Cross Default.** Any default by you under any other agreement between the Franchisor or its affiliates as one party and you or any of your members or any of your or their affiliates as the other party that is material as to permit the Franchisor to terminate, or declare a default under, such other agreement shall be deemed to be a default of this Agreement, and the Franchisor shall have the right, at its option, to terminate this Agreement, effective immediately upon notice to you.

11.4. **Limits.** The description of any default in any Franchisor notice to you shall not preclude the Franchisor from specifying additional or supplemental defaults in any action or proceeding under this Agreement.

11.5. **Option to Purchase.** Upon termination of this Agreement for any reason other than as a result of the termination of a Franchise Agreement, Franchisor or its assignee shall have the option, exercisable by giving written notice to you within 60 days from the date of termination, to purchase from you any or all of the assets used in your Xtend Studios in your Development Area. "Assets," as defined in this paragraph, will include leasehold improvements, equipment, computer hardware, furniture, fixtures, signs, inventory, materials, supplies, and the lease or sublease for the premises. If you, any of your owners, or your or their affiliate own the premises of any such Xtend Studio, Franchisor shall enter into a lease for the premises on commercially reasonable terms. Franchisor shall have the unrestricted right to assign this option to purchase. Franchisor or its assignee will be entitled to all customary warranties and representations concerning its asset purchase, including representations and warranties as to ownership, condition and title to assets, liens and encumbrances on the assets, validity of contracts and agreements, and liabilities inuring to Franchisor or affecting the assets, contingent or otherwise.

11.5.1. **Purchase Price**. The purchase price for the Assets of each Xtend Studio will be their fair market value (but the purchase price of all resalable products and supplies bearing Franchisor's logos or Marks will be their original purchase price), determined in a manner consistent with reasonable depreciation, but the purchase price will not contain any factor or increment for any trademark, service mark or other commercial symbol used in the operation of the Xtend Studio, or goodwill or "going concern" value of the Xtend Studio, and further provided that Franchisor may exclude from the assets purchased any equipment, furniture, fixtures, signs and inventory that are not approved as meeting then-current System standards. The length of the remaining term of the lease for the premises of the Xtend Studio will also be considered in determining the fair market value. Franchisor may reduce the purchase price by the cost of any capital improvements necessary to bring the Xtend Studio into conformity with Franchisor's then-current System standards and it shall have the right to set off against and reduce the purchase price by any and all amounts that you owe to Franchisor and the amount of any liabilities assumed by Franchisor. If Franchisor and you are unable to agree on the fair market value of the assets, the fair market value will be determined by an independent appraiser jointly selected by Franchisor and you, and if they are unable to agree on an appraiser, Franchisor and you will each select one appraiser, who will jointly select a third appraiser, and the parties will share equally fees and expenses of any appraiser jointly selected, but each must pay for any separately elected appraiser individually. Nothing contained in this Agreement will restrict the manner in which the appraisers so selected value the Assets.

11.5.2. **Payment Terms**. The closing of the purchase will take place no later than 90 days after you receive notice of the exercise of this option to purchase. Franchisor will have the option of paying the purchase price at the closing, or in 12 equal monthly installments of principal and interest calculated at the rate of twelve percent (12%) per annum, with the first installment due at the closing. If the purchase price is paid at the closing (in cash, cash equivalents or marketable

securities of equal value), at the closing, you will deliver instruments transferring to Franchisor or its assignee: (a) good and merchantable title to the assets purchased, free and clear of all liens and encumbrances (other than liens and security interests, acceptable to Franchisor or its assignee), with all sales and other transfer taxes paid by you; (b) all licenses and permits for the Xtend Studios which may be assigned or transferred; and (c) the leases or subleases for the premises of the Xtend Studios. If the purchase price is paid in installments (in cash, cash equivalents or marketable securities of equal value), at the closing, you will deliver the same instruments to Franchisor as those described above, except that the documents may reserve liens and encumbrances for your benefit relating to the installments. You and Franchisor will, prior to closing, comply with the applicable bulk sales provisions of the Uniform Commercial Code of the state in which the Xtend Studios are located. If you cannot deliver clear title to all of the purchased assets or if there are other unresolved issues, the closing of the sale will be accomplished through an escrow.

11.5.3. **Miscellaneous**. If Franchisor or its assignee exercises this option to purchase, pending the closing of the purchase as provided, Franchisor will have the right to appoint a manager to maintain the operation of your Xtend Studio. Alternatively, Franchisor may require you to close the Xtend Studio during the time period without removing any assets from the premises. You will maintain in force all insurance policies required under this Agreement until the date of the closing. If the premises are leased, if necessary, Franchisor agrees to use reasonable efforts to effect a termination of the existing lease for the premises and to enter into a new lease on reasonable terms with the lessor. If Franchisor is unable to enter into a new lease, Franchisor will indemnify you from any liability of the business arising from the conduct of the business under the lease from the date Franchisor assumes possession of the premises.

12. OBLIGATIONS UPON TERMINATION OR EXPIRATION

12.1. **Obligations.** Upon termination or expiration of this Agreement for any reason:

12.1.1. Your rights under this Agreement shall cease and you are no longer entitled to exercise the Development Rights;

12.1.2. You shall immediately and for all time thereafter, cease to represent that you are a developer of Xtend studios, except as allowed under any then-effective Franchise Agreements;

12.1.3. At your sole expense, you must return all Confidential Information in your possession or control, except the Confidential Information that you are permitted to use under any then-effective Franchise Agreements;

12.1.4. You shall pay immediately all sums due to the Franchisor and its affiliates under this Agreement (if any); and

12.1.5. You shall comply with all provisions of this Agreement that survive its termination and expiration.

12.2. **Survival of Obligations.** The expiration or termination of this Agreement shall not relieve you of any of your obligations to the Franchisor existing at the time of such expiration or termination, or terminate your obligations that, by their nature, survive the expiration or termination of this Agreement. The expiration or termination of this Agreement shall be without prejudice to the Franchisor's rights against you. The Franchisor has no obligation to inform you of your obligations or of the termination of any of your rights under this Agreement.

13. COVENANTS

13.1. **Covenant against Competition.** Except as otherwise approved in writing by the Franchisor, you and your owners agree that, for a continuous uninterrupted period of 2 years commencing upon (a) any Transfer having the effect of (i) transferring this Agreement, (ii) changing control of you, or (iii) changing

the ownership of this Agreement, (b) termination or expiration of this Agreement (regardless of the cause for termination or expiration), or (c) a final order of a duly authorized court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Paragraph 13, neither you, nor any of your owners (or your or their immediate family members) shall either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with, any person or entity, own, maintain, advise, invest in, operate, engage in, be a consultant to, loan money to, provide any assistance to, be a franchisee of, or have any interest in (as owner, guarantor, or otherwise) any Competitive Business which is, or is intended to be, located in or within:

13.1.1. Your Development Area; or

13.1.2. A radius of 25 miles from any Xtend Studio (whether it be a licensee or a free-standing studio).

13.2. **Covenant against Solicitation.** You and your owners further agree that, except as otherwise approved in writing by the Franchisor, for a continuous uninterrupted period of 2 years commencing upon (a) any Transfer having the effect of (i) transferring this Agreement, (ii) changing control of you, or (iii) changing the ownership of this Agreement, (b) termination or expiration of this Agreement (regardless of the cause for termination or expiration), or (c) a final order of a duly authorized court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to enforcement of this Paragraph 13, neither you nor, nor any of your owners (or your or their immediate family members) shall:

13.2.1. without obtaining the employer's or former employer's prior written permission, directly or indirectly solicit or employ any person who is employed by Franchisor or a franchise owner as (a) a general manager or assistant manager at any Xtend Studio; (b) any person having responsibility for overseeing or supervising the operation of multiple Xtend Studios; or (c) any of Franchisor's or its affiliates' officers, directors or employees;

13.2.2. interfere with Franchisor's relationships with vendors, suppliers or consultants; or

13.2.3. engage in any other activity which might injure the goodwill of the Marks or the System.

If you fail to comply with Paragraph 13.2.1, you agree to pay Franchisor an amount equal to 200% of the annual salary of such person.

13.3. **Representations.** You agree that you and, your owners and the immediate family members of each have earned a livelihood before entering into this Agreement and have the skills to do so in the future, if the non-competition provisions in this Paragraph 13 shall be enforced against you or them. You agree that the representations in this Paragraph 13 all survive the expiration or termination of this Agreement.

13.4. **Exceptions.** Paragraph 13.1 above shall not apply to your ownership of securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding.

13.5. **Modification.** The Franchisor has the right, but not the obligation, during the Term of this Agreement or afterwards, to reduce the scope of any covenant in this Paragraph 13 or any portion of any covenant in this Paragraph 13, without your consent, effective immediately upon receipt by you of written notice; and you shall comply immediately with any covenant as so modified, which shall be fully enforceable without regard to any other provision of this Paragraph 13.

13.6. **No Defense.** You agree that the existence of any claim you may have against the Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by the Franchisor of the covenants in this Paragraph 13.

13.7. **Individuals' Covenants.** Upon request, you shall obtain and furnish to the Franchisor an executed Confidentiality and Non-Competition Agreement in a form acceptable to Franchisor from your spouse,

your members, the spouses of your members, your manager, the spouses of any of your guarantors, and any employees having access to any of the Franchisor's Confidential Information. Such agreements may not restrict in any way such person's right to become owners or acquire ownership interests in any Xtend Studios. You must also require all employees to execute non-disclosure and non-solicitation covenants in a form acceptable to Franchisor. You must provide Franchisor with copies of all such agreements upon request.

13.8. **Costs and Expenses.** You agree to pay to the Franchisor or its designee all costs and expenses, including, without limitation, attorneys' and accountants' fees and expenses, incurred by the Franchisor in connection with, or related to, enforcement of this Paragraph 13.

14. NOTICES

Any notice or payment required to be given to either party is properly given and effective (a) on the date of delivery if delivered in person or (b) one business day after deliver by reputable overnight courier, such as FedEx, all fees postage paid, to the respective addresses given below, or to another address as is designated by written notice given to the other party. The notice addresses are as follows:

In the case of Developer:

«DEVELOPER»
«ADDRESS»
«City_State_Zip_Code»
«PHONE_NUMBER»

In the case of Franchisor:

Xtend Holdings, LLC
21200 St. Andrews Blvd., Suite 15

Boca Raton, Florida 33433

15. MISCELLANEOUS

15.1. **Governing Law and Dispute Resolution**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Florida as it applies to a contract made and performed in such state. In the event of a dispute between the Parties, both agree to first try to amicably resolve the dispute.

15.1.1. **Required Mediation**. If the dispute cannot be amicably resolved, before initiating binding arbitration, the parties agree to mediate any dispute that does not include injunctive relief or specific performance actions (as outlined below), provided that the party seeking mediation notify the other party of its intent to mediate prior to the termination of this Agreement. Mediation will be conducted by a mediator or mediation program agreed to by all parties. Persons authorized to settle the dispute must attend any mediation session. The parties agree to participate in the mediation proceedings in good faith with the intention of resolving the dispute if at all possible within 30 days of the notice from the party seeking to initiate the mediation procedures. Any mediation will be conducted exclusively at a neutral location within 25 miles of Franchisor's then-current headquarters. Franchisee shall bear all expenses of traveling to the location of mediation. Mediation is a compromise negotiation for purposes of the federal and state rules of evidence, and the entire process is confidential and shall be non-binding. Both parties shall bear their own mediation expenses, including costs and attorney's fees, as well as equally splitting the mediator fee and mediator costs. If mediation does not resolve the matter, the parties may proceed to binding arbitration as outlined below.

15.1.2. **Dispute Procedure**. The Franchisee must strictly follow the process outlined above and is precluded from filing an arbitration claim until the parties have attended the mandatory mediation contemplated above. If Franchisor is the complaining party, following Franchisor providing written notice to Franchisee, if Franchisee fails to respond and/or fails to schedule or attend the required mediation within 30 days from receipt of notice, Franchisor may proceed immediately to binding arbitration as outlined below, with no mediation being required.

15.1.3. **Resolution under Arbitration**. Arbitration will be held before, and in accordance with the arbitration rules of Franchise Arbitration and Mediation, Inc. (FAM) or its successor. The parties may agree to arbitration before any other body, but the decision must be mutually agreed upon or arbitration must remain before FAM. The parties shall agree upon a single arbitrator. If the parties cannot agree upon the arbitrator then the senior most officer, director or manager of the association under which the arbitration is to take place shall choose a neutral and disinterested arbitrator and such choice shall be final and binding upon the parties. Any arbitration must be conducted by a single arbitrator with experience related to franchising or licensing. Any party may be represented by counsel and may, with permission of the arbitrator, bring persons appropriate to proceeding. The arbitrator's award will be in writing. On request by any party to the arbitration, the arbitrator will provide to all disputants a reasoned opinion with findings of fact and conclusions of law, and the party so requesting will pay the arbitrator's fees and costs connected therewith. There will be no right to appeal the final award, except as otherwise permitted by applicable law. Any arbitration will be conducted exclusively at a neutral location within 25 miles of Franchisor's then-current headquarters.

15.1.3.1. The arbitrator will have the right to make a determination as to any procedural matters as would a court of competent jurisdiction. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the dispute between the parties. The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction. The arbitrator will have the right to award the "prevailing party" his, her, or its costs, fees, reasonable attorney's fees, expert witness fees, and the like.

15.1.4. **Disputes Not Subject to the Mediation/Arbitration Process**. The following claims are not subject to the mediation and arbitration provisions of this section:

15.1.4.1. An order of injunctive relief and any related incidental damages;

15.1.4.2. An action for disputes or claims related to or based on the Marks ro the intellectual property;

15.1.4.3. An order enforcing any covenant not to compete; and

15.1.4.4. An order to prevent the disclosure or misuse of confidential information or trade secrets.

Either party may bring a claim based on the foregoing in the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, or in the United States District Court for the Southern District of Florida. The parties hereby waive any objection to the venue of any such suit, action or proceeding and the right to assert that such forum is not a convenient forum; and irrevocably consent to the jurisdiction of the Circuit Court of the Fifteenth Judicial Circuit in and for Palm Beach County, Florida, or the United States District Court for the Southern District of Florida and agree that service of process upon it delivered by a reputable courier to its address indicated in the Notice paragraph of this Agreement shall be deemed in every respect effective service of process upon it in any suit, action or proceeding.

15.2. **Modifications**. This Agreement may not be modified except by a writing signed by authorized representatives of both parties. It is agreed that no use of trade or other regular practice or method of dealing between the parties hereto shall be used to modify, interpret, supplement, or alter in any manner the terms of this Agreement.

15.3. **Attorneys' Fees**. In the event any action or claim is brought by either Party to enforce its rights under this Agreement (including any agreement to participate in binding arbitration), the prevailing Party in any such action shall be entitled to recover from the non-prevailing party all reasonable fees, costs, and expenses of counsel (at pre-trial, trial and appellate levels). If Franchisor is required to seek injunctive relief against you for misuse of the Marks, trade secrets or other confidential of proprietary information, or if you do not comply with the obligations upon termination or expiration of the Agreement and Franchisor is required to enjoin your continued activities, you must reimburse Franchisor its reasonable attorneys' fees and costs in obtaining such injunctive or related relief.

15.4. **Independent Contractors**. The parties are independent contractors, and no agency, partnership, joint venture, or employee-employer relationship is intended or created by this Agreement. Neither party shall make any warranties or representations on behalf of the other party.

15.5. **Waiver**. Any Party to this Agreement may extend the time for or waive the performance of any of the obligations of the other, waive any inaccuracies in the representations or warranties by the other, or waive compliance by the other with any of the covenants or conditions contained in this Agreement. Any such extension or waiver shall be in writing and signed by the Parties. No such waiver shall operate or be construed as a waiver of any subsequent act or omission of the Parties.

15.6. **Severability**. The invalidity or unenforceability of any one or more of the words, phrases, sentences, clauses, or sections contained in this Agreement shall not affect the validity or enforceability of the remaining provisions of this Agreement or any part of any provision, all of which are inserted conditionally on their being valid in law, and in the event that any one or more of the words, phrases, sentences, clauses or sections contained in this Agreement shall be declared invalid or unenforceable, this Agreement shall be construed as if such invalid or unenforceable word or words, phrase or phrases, sentence or sentences, clause or clauses, or section or sections had not been inserted or shall be enforced as nearly as possible according to their original terms and intent to eliminate any invalidity or unenforceability.

15.7. **WAIVER OF JURY TRIAL**. **EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATED TO THIS AGREEMENT.**

15.8. **Independent Investigation and Advice of Counsel**. You represent that you have been accorded ample opportunity to ask the Franchisor all questions about this Agreement and its exhibits, and the Franchisor has answered all these questions to your full and complete satisfaction; and that you have conducted an independent investigation of the business contemplated by, and the activities to be conducted under, this Agreement; and that you have been accorded ample opportunity to consult with counsel of your own choosing about the risks of entering into this Agreement; and that you have had the Franchisor's Franchise Disclosure Document and all its exhibits and this Agreement and all its exhibits with ample opportunity to have it reviewed by counsel of your own choosing.

15.9. **Business Risk.** You agree that the business franchised under this Agreement and the activities required hereunder involve risks that make your success largely and principally dependent on your abilities and services and on any persons you employ.

15.10. **Disclaimer.** You represent that you have not received from the Franchisor or any present or past Franchisor affiliate or any of their present or past directors, stockholders, officers, employees, or agents any written or oral statement, representation, or warranty inconsistent with, or contradictory to anything in this Agreement or the Franchise Disclosure Document, or any other agreement and all exhibits to all such documents;

15.11. **Survival**. All covenants, agreements, representations and warranties made in this Agreement or otherwise made in writing by any party pursuant to this Agreement shall survive the execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement.

15.12. **Execution in Counterparts**. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

16. ENTIRE AGREEMENT

This agreement and its exhibits constitute the entire agreement of the parties and there are no other written or oral understandings between the parties related to the subject matter of the agreement, except that you acknowledge the franchisor has relied on your representations made prior to execution of this agreement. Nothing in this Agreement or any related agreement is intended to disclaim the representations made by Franchisor in its franchise disclosure document.

IN WITNESS WHEREOF, the parties have executed this Agreement, as of the date first written above.

Xtend Holdings, LLC

_____

Andrea Rogers, Manager

«DEVELOPER»

By:_____
(Signature)

Name:_____
(Please Print)

Title:_____

ATTACHMENT A

DEVELOPMENT AREA AND DEVELOPMENT SCHEDULE

1. **Development Area.** Your Development Area is: _____ _____, as depicted on the attached map. If your Development Area is identified by political subdivisions, the boundaries will be considered fixed as of the date of this Agreement.

2. **Development Schedule.** You must meet the following Development Schedule as outlined below (to be completed before the execution of this Agreement):

Studio Number	Site Control Date	Construction Start Date	Studio Opening Date

For purposes of this Attachment A, "Site Control Date" shall mean the date on which your lease begins.

IN WITNESS WHEREOF, the parties have executed this Attachment A on the Agreement Date.

Xtend Holdings, LLC

_____
Andrea Rogers, Manager

«DEVELOPER»

By:_____
(Signature)

Name:_____
(Please Print)

Title:_____

MAP OF DEVELOPMENT AREA

ATTACHMENT B

ENTITY INFORMATION AND OWNERSHIP

If you are an entity, Franchisor requires the following information regarding your corporate form and ownership:

Entity form (corporation, LLC, partnership, etc.): _____

Date of formation: _____

Incorporated or formed under the laws of the State of: _____

	Owner's Name	Type and Percentage of Interest	
Managing Developer: (as defined in Section 3.3.3)	_____	_____	___%
Other Owners:	_____	_____	___%
	_____	_____	___%
	_____	_____	___%

IN WITNESS WHEREOF, the parties have executed this Attachment B on the Agreement Date.

Xtend Holdings, LLC

_____
Andrea Rogers, Manager

«DEVELOPER»

By:_____
(Signature)

Name:_____
(Please Print)

Title:_____

ATTACHMENT C

GUARANTEE AGREEMENT

In consideration of, and in order to induce Xtend Holdings, LLC (the "Franchisor") to execute that certain Multi-Unit Development Agreement, dated _____ (the "Agreement"), each of the undersigned personally, unconditionally, and irrevocably, jointly and severally, accept and agree that they shall be bound by, and perform according to, each and all of the provisions, covenants, payment obligations and conditions of the Agreement executed between the Franchisor and the Developer (as defined in the Agreement).

Upon demand by the Franchisor, the undersigned will immediately make each payment required of Developer under the Agreement. The undersigned hereby waive any right to require the Franchisor to: (a) proceed against Developer for any payment required under the Agreement; (b) proceed against or exhaust any security from Developer; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer. Without affecting the obligations of the undersigned under this Guarantee, the Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust, or compromise any claims against Developer. The undersigned waive notice of amendment of the Agreement and notice of demand for payment by Developer, and agree to be bound by any and all such amendments and changes to the Agreement.

The undersigned hereby agree to defend, indemnify, and hold the Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, attorneys' and accountants' fees and expenses, costs of investigation, and court costs expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Agreement, any amendment thereto, or any other agreement executed by Developer referred to therein.

This Guarantee shall terminate upon the termination or expiration of the Agreement, except that all obligations and liabilities of the undersigned that arose from events that occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with the governing law and dispute resolution provisions of the Agreement. Notices under this Guarantee shall be furnished to the undersigned in accordance with the notice provisions of the Agreement at the addresses described below.

THE BALANCE OF THIS PAGE IS LEFT BLANK INTENTIONALLY.

I have read and understand the Agreement and this Guarantee Agreement. I have a copy of the Agreement and this Guarantee Agreement.

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed your signature and provided your notice address.

In the Presence of:

PERSONAL GUARANTORS

_____

_____
Name

_____
Signature

_____
Address

_____

_____
Name

_____
Signature

_____
Address

_____

_____
Name

_____
Signature

_____
Address

ATTACHMENT D

MANAGING DEVELOPER

Name of Managing Developer Franchisor is to communicate with:

Contact details of Managing Developer:

Address: _____

_____

Telephone: _____

Cell Phone: _____

Facsimile: _____

E-mail: _____

EXHIBIT E

OPERATIONS MANUAL —TABLE OF CONTENTS

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EXHIBIT F

STATE SPECIFIC ADDENDA

CALIFORNIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

NOTE: 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 FRANCHISE DISCLOSURE DOCUMENT.

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added:

1. No person identified 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 78a *et seq*., suspending or expelling such person from membership in such association or exchange.

2. California Business and Professions Code Sections 20000 through 20043 provide rights to you concerning termination, transfer or nonrenewal of a franchise. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

3. Item 5 of the FDD is amended to state: Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business. Payment of your multi-unit development fee is postponed until after all of franchisor's initial obligations are complete and your first studio under the Multi-Unit Development Agreement is open for business.

4. The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec. 101 *et seq*.).

5. The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under California Law.

6. The Franchise Agreement requires dispute resolution by litigation in Palm Beach County, Florida, with the costs being borne by the nonprevailing party. You are encouraged to consult private legal counsel to determine the applicability of California and federal laws to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

7. The Franchise Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under California law.

8. You must sign a general release if you transfer your franchise. California Corporations Code 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code 31000 through 31516). Business and Professions Code 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code 20000 through 20043).

9. The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

10. THE CALIFORNIA INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE FRANCHISE DISCLOSURE DOCUMENT. SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE DEPARTMENT OF BUSINESS OVERSIGHT BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

11. OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. ANY COMPLAINTS CONCERNING THE

CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT AT www.dbo.ca.gov .

XTEND HOLDINGS FRANCHISE AGREEMENT

AMENDMENT FOR CALIFORNIA

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Free-Standing Studio Franchise Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Franchisee**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. **Due Date for Franchise Fee**. Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**FRANCHISEE:**
Xtend Holdings, LLC	Name of Franchisee
_____	_____
Andrea Rogers, President	Signature

XTEND HOLDINGS MULTI-UNIT DEVELOPMENT AGREEMENT

AMENDMENT FOR CALIFORNIA

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Multi-Unit Development Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Developer**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. **Due Date for Franchise Fee**. Payment of all multi-unit development fees is postponed until after all of franchisor's initial obligations are complete and franchisee's first Studio under the Agreement is open for business.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**DEVELOPER:**
Xtend Holdings, LLC	Name of Developer
_____	_____
Andrea Rogers, President	Signature

HAWAII ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Registered agent in the state authorized to receive service of process:

Hawaii Commissioner of Securities
King Kalakaua Building
335 Merchant Street, Room 205
Honolulu, HI 96813

ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

1. The following is inserted after the third paragraph under the sub-heading "Risk Factors" at the cover page of this disclosure document:

   "The Risk Factors set forth above may be affected by Illinois law, 815 ILCS §§ 705/4 and 705/41."

2. The following is inserted at the end of **Item 1**:

   "All physical fitness facilities in Illinois must comply with the Physical Fitness Services Act (815 ILCS 6450) and the Physical Fitness Facility Medical Emergency Preparedness Act (210 ILCS 74).

   The Physical Fitness Services Act requires the following: (1) written contracts, (2) cancellation requirements (within 3 days or if the consumer moves), (3) that contracts cannot be for more than $2,500 per person per year; (4) cancellation provisions for centers not yet opened if not opened within 12 months, (5) escrow of all money received prior to the opening, and (6) a person trained in CPR on the premises at all times when people can be working out.

   The Physical Fitness Facility Medical Emergency Preparedness Act requires: (1) a medical emergency plan, (2) at least one automated external defibrillator, and (3) staff training on CPR and AEDs."

3. The following is inserted at the end of the first paragraph of **Item 5:**

   The Illinois Attorney General's Office has imposed this requirement that we defer payment of your initial fees until you have opened for business due to our financial condition.

4. The following is inserted at the end of the first paragraph under "Development Fee" in **Item 5:**

   Payment of your multi-unit development fee is postponed until after all of franchisor's initial obligations are complete and your first studio under the Multi-Unit Development Agreement is open for business.

5. The following paragraphs are inserted at the end of **Item 17**:

   "The conditions under which your franchise can be terminated and your rights upon non-renewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20."

   "Provisions regarding jurisdiction and venue and choice of law are affected by Illinois law, 815 ILCS §§ 705/4 and 705/41, respectively."

XTEND HOLDINGS FRANCHISE AGREEMENT

AMENDMENT FOR ILLINOIS

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Free-Standing Studio Franchise Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Franchisee**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. **Due Date for Franchise Fee**. Your Initial Franchise Fee shall not be due until Xtend has met its preopening obligations, as described in the Franchise Disclosure Document, and until you are open for business.

2. **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois as it applies to a contract made and performed in such state. In the event of a dispute between the Parties, both agree to first try to amicably resolve the dispute and may voluntarily agree to participate in mediation or binding arbitration. If the dispute cannot be amicably resolved, or if either party chooses not to voluntarily participate in mediation or binding arbitration, you and Franchisor each hereby (a) agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted exclusively in the state or federal courts of Illinois; (b) waive any objection to the venue of any such suit, action or proceeding and the right to assert that such forum is not a convenient forum; and (c) irrevocably consent to the jurisdiction of the state or federal courts of Illinois and agree that service of process upon it delivered by a reputable courier to its address indicated in the Notice paragraph of this Agreement shall be deemed in every respect effective service of process upon it in any suit, action or proceeding.

3. **Waivers Void.** Any condition, stipulation or provision in the Agreement requiring Franchisee to waive his or her rights under the Illinois Franchise Disclosure Act (the "Act") or any other Illinois law shall be void. Such a waiver of rights does not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act and does not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**FRANCHISEE:**
Xtend Holdings, LLC	Name of Franchisee
_____	_____
Andrea Rogers, President	Signature

XTEND HOLDINGS MULTI-UNIT DEVELOPMENT AGREEMENT

AMENDMENT FOR ILLINOIS

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Multi-Unit Development Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Developer**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. **Due Date for Development Fee**. Payment of all multi-unit development fees is postponed until after all of franchisor's initial obligations are complete and franchisee's first Studio under the Agreement is open for business.

2. **Governing Law**. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Illinois as it applies to a contract made and performed in such state. In the event of a dispute between the Parties, both agree to first try to amicably resolve the dispute and may voluntarily agree to participate in mediation or binding arbitration. If the dispute cannot be amicably resolved, or if either party chooses not to voluntarily participate in mediation or binding arbitration, you and Franchisor each hereby (a) agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted exclusively in the state or federal courts of Illinois; (b) waive any objection to the venue of any such suit, action or proceeding and the right to assert that such forum is not a convenient forum; and (c) irrevocably consent to the jurisdiction of the state or federal courts of Illinois and agree that service of process upon it delivered by a reputable courier to its address indicated in the Notice paragraph of this Agreement shall be deemed in every respect effective service of process upon it in any suit, action or proceeding.

3. **Waivers Void.** Any condition, stipulation or provision in the Agreement requiring Developer to waive his or her rights under the Illinois Franchise Disclosure Act (the "Act") or any other Illinois law shall be void. Such a waiver of rights does not prevent any person from entering into a settlement agreement or executing a general release regarding a potential or actual lawsuit filed under any of the provisions of the Act and does not prevent the arbitration of any claim pursuant to the provisions of Title 9 of the United States Code.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**DEVELOPER:**
Xtend Holdings, LLC	Name of Developer
_____	_____
Andrea Rogers, President	Signature

MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

1. Pursuant to COMAR 02.02.08.16L, the general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The provision in the franchise agreement providing for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law.

4. The entire first paragraph of **Item 5** of the disclosure document is deleted and replaced with the following:

   You pay a $32,000 lump sum initial franchise fee. Based on the financial information submitted, the Commissioner has determined that all fees paid to us by you, including payments for goods and services received from us before your business opens, shall be deferred pending satisfaction of all or our pre-opening obligations to you.

XTEND HOLDINGS FRANCHISE AGREEMENT

AMENDMENT FOR MARYLAND

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Free-Standing Studio Franchise Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Franchisee**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. **Release, Estoppel or Waiver of Liability**. All representations requiring Franchisee to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. **Venue**. Franchisee may bring lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **Statute of Limitations**. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. **Fee Deferral**. Payment of all of Franchisee's initial fees and payments are due once Xtend has met its pre-opening obligations and once Franchisee is open for business.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**FRANCHISEE:**
Xtend Holdings, LLC	Name of Franchisee
_____	_____
Andrea Rogers, President	Signature

XTEND HOLDINGS MULTI-UNIT DEVELOPMENT AGREEMENT

AMENDMENT FOR MARYLAND

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Multi-Unit Development Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Developer**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. **Release, Estoppel or Waiver of Liability**. All representations requiring Developer to assent to a release, estoppels or waiver of liability are not intended to nor shall they act as a release, estoppels or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

2. **Venue**. Developer may bring lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

3. **Statute of Limitations**. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

4. **Fee Deferral**. Payment of all of Developer's initial fees and payments are due once Xtend has met its pre-opening obligations and once Developer is open for business.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**DEVELOPER:**
Xtend Holdings, LLC	Name of Developer
_____	_____
Andrea Rogers, President	Signature

MINNESOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added:

1. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

2. With respect to the franchises governed by Minnesota law, the franchisor will comply with Minnesota Statute Section 80C.14, Subd. 3-5, which require (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and (2) that consent to the transfer of the franchise will not be unreasonably withheld.

3. The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name. Minnesota considers it unfair not to protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).

4. You must sign a general release if you transfer your franchise. Minnesota Rules 2860.4400(D) voids this general release.

5. With respect to the franchises governed by Minnesota law, any limitations of claims must comply with Minnesota Statutes Section 80C.17, Subd. 5.

NEW YORK ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added:

1. Except as disclosed in **Item 3** of the disclosure document, neither we, our predecessors, affiliates or any person identified in **Item 2** of this disclosure document:

   A. Has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against it or him alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

   B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten (10) year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

   C. Is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, trade practice law, or 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 as a result of a concluded or pending action or proceeding brought by a public agency.

2. Except as disclosed in **Item 4** of the disclosure document, during the fifteen (15) year period immediately preceding the date of this disclosure document, neither we, our predecessors, affiliates or any person identified in **Item 2** of this disclosure document has been adjudged bankrupt or reorganized due to insolvency or been a principal officer of any company or a general partner in any partnership at or within 1 year of the time that such company or partnership was adjudged bankrupt or reorganized due to insolvency or is otherwise subject to any pending bankruptcy or reorganization proceeding.

3. You will not be required to indemnify us for any claims arising out of a breach of the Franchise Agreement by us or other civil wrongs committed by us.

4. We will not make any changes to the Operations Manual which would impose an unreasonable economic burden on you or unreasonably increase your obligations under the Franchise Agreement.

5. We will not assign any of our rights under the Franchise Agreement except to an assignee who, in our good faith judgment, is willing and able to assume our obligations under the Franchise Agreement.

6. Any release executed in connection with the Franchise Agreement is subject to the proviso that 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; it being the intent of this proviso that the non-waiver provisions of Sections 687.4 and 687.5 of the General Business Law of New York State be satisfied.

7. You may terminate the Franchise Agreement and any ancillary agreements upon any other grounds available by law.

8. The summary in **Item 17.w.**, Choice of Law, is amended to state the following:

   Florida law applies unless governed by applicable federal law. The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon Franchisee by the General Business Law of the State of New York.

NORTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

As a supplement to the information disclosed in this disclosure document, the following additional paragraphs are added:

1. Item 5 of the FDD is amended to state: Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business. Payment of your multi-unit development fee is postponed until after all of franchisor's initial obligations are complete and your first studio under the Multi-Unit Development Agreement is open for business.

2. All covenants restricting competition shall be subject to NDCC Section 9-08-06.

3. The Franchise Agreement requires arbitration in the State of Florida. This provision may not be enforceable under North Dakota law.

4. The Franchise Agreement requires dispute resolution the State of Florida. This provision may not be enforceable under North Dakota law.

5. The Franchise Agreement contains a liquidated damages clause and termination penalties. Under North Dakota law, certain liquidated damages clauses and termination penalties are unenforceable.

6. The Franchise Agreement requires application of the laws of the State of Florida. This provision may not be enforceable under North Dakota law.

7. North Dakota law prohibits the franchisor from requiring waiver of a jury trial or waiver of exemplary and punitive damages.

8. You must sign a general release if you transfer your franchise. North Dakota law voids a waiver of certain rights under a general release.

9. With respect to the franchises governed by North Dakota law, any limitations of claims must comply with North Dakota law and applicable statutes of limitations.

RHODE ISLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

1. §19-28.1-14 of the Rhode Island Franchise Investment Act (the "Act") in part 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."

2. §19-28.1-15 of the Act voids any condition, stipulation or provision requiring you to waive your rights under the Act. Such a waiver of rights in the franchise agreement does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate the Act or a rule or order under the Act and shall not affect the settlement of disputes, claims or civil lawsuits arising or brought under the Act.

XTEND HOLDINGS FRANCHISE AGREEMENT

AMENDMENT FOR RHODE ISLAND

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Free-Standing Studio Franchise Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Franchisee**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. **Governing Law**. The Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Rhode Island as it applies to a contract made and performed in such state. In the event of a dispute between the Parties, both agree to first try to amicably resolve the dispute and may voluntarily agree to participate in mediation or binding arbitration. If the dispute cannot be amicably resolved, or if either party chooses not to voluntarily participate in mediation or binding arbitration, you and Franchisor each hereby (a) agree that any legal suit, action or proceeding arising out of or relating to this Agreement shall be instituted exclusively in the state or federal courts of Rhode Island; (b) waive any objection to the venue of any such suit, action or proceeding and the right to assert that such forum is not a convenient forum; and (c) irrevocably consent to the jurisdiction of the state or federal courts of Rhode Island and agree that service of process upon it delivered by a reputable courier to its address indicated in the Notice paragraph of this Agreement shall be deemed in every respect effective service of process upon it in any suit, action or proceeding.

2. **Waivers Void.** Any condition, stipulation or provision in the Agreement requiring Franchisee to waive his or her rights under the Rhode Island Franchise Investment Act (the "Act") shall be void. Such a waiver of rights does not negate or act to remove from judicial review any statement, misrepresentations or action that would violate the Act or a rule or order under the Act and does not affect the settlement of disputes, claims or civil lawsuits arising or brought under the Act.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**FRANCHISEE:**
Xtend Holdings, LLC	Name of Franchisee
_____	_____
Andrea Rogers, President	Signature

SOUTH DAKOTA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

1. The entire first paragraph of **Item 5** of the disclosure document is deleted and replaced with the following:

   You pay a $32,000 lump sum initial franchise fee. Based on the financial information submitted, the Director has determined that all fees paid to us by you, including payments for goods and services received from us before your business opens, shall be deferred pending satisfaction of all or our pre-opening obligations to you.

VIRGINIA ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for Xtend Holdings, LLC for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

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 ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Additional Disclosure. The following statement is added to Item 5:

"The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement."

XTEND HOLDINGS FRANCHISE AGREEMENT

AMENDMENT FOR VIRGINIA

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Free-Standing Studio Franchise Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Franchisee**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**FRANCHISEE:**
Xtend Holdings, LLC	Name of Franchisee
_____	_____
Andrea Rogers, President	Signature

XTEND HOLDINGS MULTI-UNIT DEVELOPMENT AGREEMENT

AMENDMENT FOR VIRGINIA

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Multi-Unit Development Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Developer**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

1. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial development fee and other initial payments owed by developers to the franchisor until the franchisor has completed its pre-opening obligations under the development agreement.

IN WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**DEVELOPER:**
Xtend Holdings, LLC	Name of Developer
_____	_____
Andrea Rogers, President	Signature

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, shall prevail.

2. A release or waiver of rights executed by you shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act may not be enforceable.

3. Transfer fees are collectable to the extent that they reflect our reasonable estimated or actual costs in effecting a transfer.

4. Payment of all initial fees is postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

XTEND HOLDINGS FRANCHISE AGREEMENT

AMENDMENT FOR WASHINGTON

This Amendment ("**Amendment**") is effective as of _____, 20___ to that certain Free-Standing Studio Franchise Agreement dated _____, 20___ ("**Agreement**") by and between Xtend Holdings, LLC, a Florida limited liability company ("**Xtend**"), and _____ ("**Franchisee**"). Notwithstanding any provisions in the Agreement, Xtend and Franchisee hereby agree to the following:

The state of Washington has a statute, RCW 19.100.180 which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration 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 the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW shall prevail.

A release or waiver of rights executed by a franchisee shall not include rights under the Washington Franchise Investment Protection Act except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, rights or remedies under the Act such as a right to a jury trial may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Payment of all initial fees are postponed until after all of franchisor's initial obligations are complete and franchisee is open for business.

WITNESS WHEREOF, the Parties have executed this Amendment to be effective as of the date set forth below:

Date: _____

XTEND:	**FRANCHISEE:**
Xtend Holdings, LLC	Name of Franchisee
_____	_____
Andrea Rogers, President	Signature

WISCONSIN ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

XTEND HOLDINGS, LLC

1. The Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and supersedes any provisions contained in the franchise or license agreement that are inconsistent with that Law.

EXHIBIT G

INFORMATION ON FRANCHISEES

Owner	Studio	Location	State	Phone
Bronwen Finta / Keri McGuire	Raising the Barre LLC dba Xtend Barre By the Sea	3712 Arapaho Place Carlsbad, CA 92010	CA	(714) 235-9525
Keri McGuire	Barre None, LLC dba Xtend Barre Encinitas	613 Westlake Street; Encinitas, CA 92024	CA	(760) 436-4700
William Hipwell / Cara Hipwell	Sand Barre LLC dba Xtend Barre La Verne	7501 Brydon Road La Verne, CA 91750	CA	(909) 392-4560
Traci Greninger	Dance To Express LLC dba Xtend Barre Mission Viejo (S Corp)	27722 Vista Del Lago Suite B 19 Mission Viejo, CA 92629	CA	(949) 206-0238
Angie Nobile / Sara Peelle	Xtend Barre Scripps Poway	12265 Scripps Poway Park Unit 112 Poway, CA 92064	CA	(619) 886-1599
Cara Hipwell	Sand Barre LLC dba Xtend Barre Rancho Cucamonga	9090 Milliken Ave #140 Rancho Cucamonga, CA 91730	CA	(909) 392-7543
Stacy Marie Tomaselli	SJ Barre, LLC Xtend Barre Seal Beach	308 Main Street Seal Beach CA 90740	CA	(858) 449-9920
April Norris	Aprillyn Enterprises LLC dba Xtend Barre Highlands Ranch	3620 Highlands Ranch Pkwy #103 Highlands Ranch, CO 80126	CO	(303) 791-2100
Kelly Griffith	Fuel Pilates, LLC dba Xtend Barre DC	1228 Blagden Alley NW Washington DC 20001	DC	(202) 333-0071
Natalie DeJean	Foundation Pilates, LLC dba Xtend Barre Lafayette	116 Rue Promenade #4 Lafayette, Louisiana 70508	LA	(337) 280-3960
Kim Munoz	Xtend Barre New Orleans, LLC	3225 Danny Pk Suite 201 Metairie, LA 70002	LA	(504) 621-5066
Amanda Cort	AKC VENTURES LLC dba Xtend Barre Newbury St	160 Commonwealth Avenue 504 Boston, Massachusetts 02116	MA	(617) 538-4032
Christina Zichelle	CZ HEIGHTS LLC dba Xtend Barre Burlington	100 Pier 4 Blvd., Unit 1704 Boston, Massachusetts 02210	MA	617-571-0425
Angie Nobile	Ballet Barre LLC Xtend Barre Rochester Hills	1484 N. Rochester Rd. Rochester Hills, MI 48307	MI	(248) 805-1617
Shawna Baker	NayBu LLC Charlotte, NC	110 Metroplitan Ave, Suite 190 Charlotte, NC 28204	NC	(704) 989-4777
Kristine Storie	New Heights Studios LLC Xtend Barre Brooklyn Heights	147 Remson Street Brooklyn, NY 11201	NY	(718) 522-2580
Sara Peelle	Pilates Barre, LLC dba Xtend Barre Beaverton	12305 SW Horizon Blvd., Suite 15 Beaverton, OR 97007	OR	(541) 543-3199
Jessica Natonick	Pulse Nation LLC dba Xtend Barre Portland	3050 SE Division Street, Suite 150 Portland, OR 97202	OR	(732) 547-4049

Kristie Naes	Fitnaes Inc. dba Xtend Barre Nashville	1109 Davenport Blvd. Suite 1000 Franklin, TN 37069	TN	(615) 472-1267
Marie Lloyd/Keri McGuire	Lloyd Publishing dba Xtend Barre Provo	4801 N. University Ave. #410 Provo Utah USA 84604	UT	(805) 657-9529
Holly Strasburg / Keri McGuire	Slim Gym LLC, dba Xtend Barre Salt Lake City	3061 South 300 West, Salt Lake City, UT 84115	UT	(801) 979-0193
Kelly Wilkinson	WILKINSON BARRE, LLC dba Xtend Barre Arlington	4638 Strathblane Place Alexandria, Virginia 22304	VA	(202) 327-3514
Natalie Strahorn	The Bare Studio LLC Xtend Barre Old Town	1701 Duke Street, Suite 160 Alexandria, VA 22314	VA	(571) 317-7005

FORMER FRANCHISEES

In 2016, the following franchisees who had their outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under their franchise agreement.

OWNER	STUDIO	LOCATION		PHONE	REASON
Rachael Blumberg	XP Square LLC dba Xtend Barre West Hollywood	8254 Melrose Ave Los Angeles, CA 90046	CA	(323) 782-1770	Ceased Operation-Other
Kendra Koder	K Barre LLC dba Xtend Barre Camino Del Sur	16775 Vista Summit Ramona, CA 92065	CA	(858) 254-8657	Ceased Operation-Other
Stacie Willhite-Mauro	Xtend Barre Delray	14859 Lyons Road, Suite 130 Delray, FL 33446	FL	(561) 699-0029	Terminated
Stefanie Ellis	Xtend Barre West Palm Beach	3030 South Dixie Highway West Palm Beach, FL 33405	FL	(561) 833-4144	Ceased Operation-Other
Deborah Devoe	RyCon Enterprises, LLC dba Xtend Barre Bel Air	1601 Hawkburg Ct. Bel Air, MD 21015	MD	(410) 419-4893	Ceased Operation-Other

EXHIBIT H

GENERAL RELEASE

THIS GENERAL AGREEMENT (the "**Agreement**") is made and entered into as of this _____ day of _____, 20__, by and among Xtend Holdings, LLC (the "**Franchisor**), and _____ (the "**Franchisee**"), whose principal address is _____ regarding the Franchise Agreement entered into between the parties on _____, pertaining to operations of an Xtend Barre franchise in _____ (the "Franchise Agreement").

A. Franchisee and Franchisor wish to mutually renew the Franchise Agreement; and

B. Franchisee has agreed to waive all possible claims it may have against Franchisor during the now expiring term of the Franchise Agreement as consideration for renewal of the Franchise Agreement.

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. General Release. Franchisee on Franchisee's behalf and for any of Franchisee's shareholders, partners, officer, directors, employees agents, successors, assigns, heirs, executors and administrators of any of them (if any) (the "**Franchisee Parties**"), hereby remise, release, and forever discharge generally the Franchisor and any affiliate, wholly-owned or controlled corporation, subsidiary, successor or assign thereof and any shareholder, officer, director, employee, or agent of any of them (the "**Franchisor Parties**"), from any and all claims, demands, damages, and injuries, whether presently known or unknown, suspected or unsuspected, disclosed or undisclosed, actual or potential, which any of the Franchisee Parties may have, or may hereafter claim to have had or to have acquired against the Franchisor Parties other of whatever kind or character arising out of or related to the franchised location, the Franchise Agreement, or other agreements between the Franchisee and any of the Franchisor Parties related to the franchised location or the Franchise Agreement, and arising from or related to any period prior to and including the date hereof (the "**Released Claims**"), including generally any and all claims at law or in equity, those arising under the common law or state or federal statutes, rules or regulations such as, by way of example only, franchising, securities and antitrust statutes, rules or regulations, in any way arising out of or connected with the Released Claims, and further promise never from this day forward, directly or indirectly, to institute, prosecute, commence, join in, or generally attempt to assert or maintain any action arising from or related to the Released Claims against any of the Franchisor Parties, in any court or tribunal of the United States of America, any state thereof, or any other jurisdiction. **Not released by the Franchisee Parties are (1) claims arising from their obligations or performance under this Agreement, and (2) any claims arising from or related to any relationship or agreement between them not included in the Released Claims.**

2. Indemnification. Franchisee, for itself, its heirs, successors and assigns, agrees to indemnify and hold harmless each of the Franchisor Parties against any and all liabilities, damages, actions, claims, costs (including reasonable attorneys' fees) or expenses of any nature resulting, directly or indirectly, from any misrepresentations under this Agreement or any assignment agreement signed concurrently with this Agreement; or (ii) any claim, suit or proceeding initiated by or for a third party or third parties, now or in the future, that arises out of or relates to Franchisee's operation of the franchised location under the Franchise Agreement prior to the termination.

3. Franchisee Post-Termination Obligations. Franchisee acknowledges and agrees that those obligations and duties which have effect on a post-execution basis and which are expressly set forth in the Franchise Agreement or implied by their nature therein shall be performed and observed hereafter to the extent and for a term as expressed or implied in the Franchise Agreement.

4. Miscellaneous. This Agreement, and the documents referred to herein, constitute the entire agreement among the parties with respect to the subject matter hereof. No amendment will be binding unless in writing and signed by the party against whom enforcement is sought.

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound hereby, have executed this Assignment to be effective as of the date first set forth above.

Franchisee:

By: _____

Title: _____

Franchisor: Xtend Holdings, LLC

By: _____

Title: _____

EXHIBIT I

RECEIPT

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us in connection with the proposed franchise sale. Under New York, Washington and Wisconsin law, if applicable, this period may be 10 business days, which could be longer than 14 calendar days. In addition, under New York law, if applicable, we may be required to provide this disclosure document to you at your first personal meeting to discuss the franchise.

If we do 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 those state administrators listed on **Exhibit A**. We authorize the respective state agencies identified on **Exhibit A** to receive service of process for us in the particular state.

The franchisor is Xtend Holdings, LLC, located at 21200 St. Andrews Blvd., Suite 15, Boca Raton, Florida 33433. Its telephone number is (561) 609-6420.

Our franchise sellers involved in this offering and selling the franchise to you are listed below (with address and telephone number), or will be provided to you separately before you sign a franchise agreement

Andrea Rogers, 21200 St. Andrews Blvd., Suite 15, Boca Raton, FL 33433, (561) 609-6420
Elizabeth Lorber, 21200 St. Andrews Blvd., Suite 15, Boca Raton, FL 33433, (561) 609-6420
Carisa Findley, 21200 St. Andrews Blvd., Suite 15, Boca Raton, FL 33433, (561) 609-6420

_____

I have received a disclosure document with an issuance date of December 27, 2016 that included the following Exhibits:

A. State Administrators/Agents for Service of Process
B. Audited Financial Statements
C. Franchise Agreement
D. Operations Manual—Table of Contents
E. State-Specific Addenda
F. Information on Franchisees
G. General Release
H. Copies of Receipt

Date: _____ Your name (please print): _____

Your signature _____

You should return one copy of the signed receipt either by signing, dating, and mailing it to Xtend Holdings, LLC, at 21200 St. Andrews Blvd., Suite 15, Boca Raton, Florida 33433, or by faxing a copy of the signed receipt to Xtend Holdings, LLC at (561) 609-6420. You may keep the second copy for your records.

RECEIPT

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 we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us in connection with the proposed franchise sale. Under New York, Washington and Wisconsin law, if applicable, this period may be 10 business days, which could be longer than 14 calendar days. In addition, under New York law, if applicable, we may be required to provide this disclosure document to you at your first personal meeting to discuss the franchise.

If we do 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 those state administrators listed on **Exhibit A**. We authorize the respective state agencies identified on **Exhibit A** to receive service of process for us in the particular state.

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_____

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H. Copies of Receipt

Date: _____ Your name (please print): _____

Your signature: _____

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