



Company Overview

New York based **eXertion** is a new company poised to become the premiere operator of **movement** and **active play** facilities **targeted entirely to the tween/teen demographic** (aged eight to seventeen). The company's strategy is based on establishing a **facility in NYC (specifically in the borough of Brooklyn)** as its flagship operating entity, and growing both nationally and globally through an **expedited, controlled franchise model**. To date, there are very few direct competitors that market **exclusively** to this demographic. Conservative estimates project that the company (**operating as a single facility**) will deliver **profitability by the end of year two**; with the introduction of a **franchise model in year three adding significant profitability**. Already established partnerships with fitness and technology experts, as well as community leaders, adolescents, and parents provide continuous guidance and support for the facility.

Recent scrutiny surrounding the childhood obesity epidemic and the lack of school-based physical education programs were the driving forces behind conceptualization of the business model. **eXertion** generates opportunity for investment in a **socially responsible cause by providing a value proposition to both communities and shareholders**. Our mission provides a solution to a prevalent social problem, while simultaneously giving investors a prime opportunity to **quickly seize and dominate** a virtually pristine segment of the fitness/wellness market **worth over \$41.4 Billion in the United States and over \$68 Billion globally**.

Through our inter-disciplinary approach, we are creating an entirely new model of healthy living for this, and future generations.

By offering a unique environment through the combination of interactive, **specialized fitness programs, state-of-the-art electronic gaming equipment, and nutritional guidance**, **eXertion** is creating *the* opportunity to allow *every* child to excel by **listening to their desires**.

Management sees a sustainable opportunity in combating the childhood obesity epidemic, which has skyrocketed in recent years. **Childhood obesity has more than tripled in the past three decades**, according to the Center for Disease Control. Several comprehensive community efforts to reduce obesity have been initiated by both the public and private sectors, but **the challenge lies in finding activities that introduce the positive experience of movement to a population that has developed little interest in physical activity**. The "at-risk" population was born after the implementation of digital technology. They spend minimal time outdoors, unless adults organize activities for them. They can't imagine life without cell phones, video games, or computers. The key to ensuring **sustained interest** in exercise is **packaging fitness in a way that is engaging to the participants**. **eXertion, understanding the psychology** that motivates tweens and teens, is **using technological advances to attract them**. Our technology will be partnered with innovative non-electronic programming options - including play-based fitness, mind-body exercise, exploratory movement/dance, strength training, nutritional counseling, offerings for young people with special needs, and much more. In other words - **eXertion is employing eXercise by disguise!**

Our society is drastically changing. **Thirty years ago, most kids led lives that kept them at a healthy weight**. Kids walked to and from school every day, ran around at recess, participated in gym class, and played for hours after school before dinner. Meals were home-cooked with reasonable portion sizes and there was always a vegetable on the plate. Eating fast food was rare and snacking between meals was an occasional treat. **Today, kids experience a very different lifestyle**. Walks to and from school have been replaced by car and bus rides. Gym class and after-school sports have been cut; afternoons are now spent with TV, video games, and the internet. Parents are busier than ever and families eat fewer home-cooked meals. Snacking between meals is now commonplace.

We will transform the way present and future generations view exercise by literally reintroducing the forgotten element of play into their everyday lifestyles. The facility will **meet the demands of this generation** and **REVAMP their mindset**. We present a product that they will deem "sophisticated" and "cool"- one that can be easily accepted -to the point of becoming a necessity.



MISSION:

Our pledge is to increase physical activity and solid nutritional habits in our projected demographic. Our absolute focus will be to drive our offerings through innovative and well researched ideas that will evolve into new and progressive programs for our customers. **This strategy will provide significant benefits and will allow us to achieve long-term operating advantages through a cost-effective, multi-disciplinary approach.**

Within ten years' time eXertion will be the benchmark for the new active lifestyle of the tween/teen sector.

ENVISION the following:

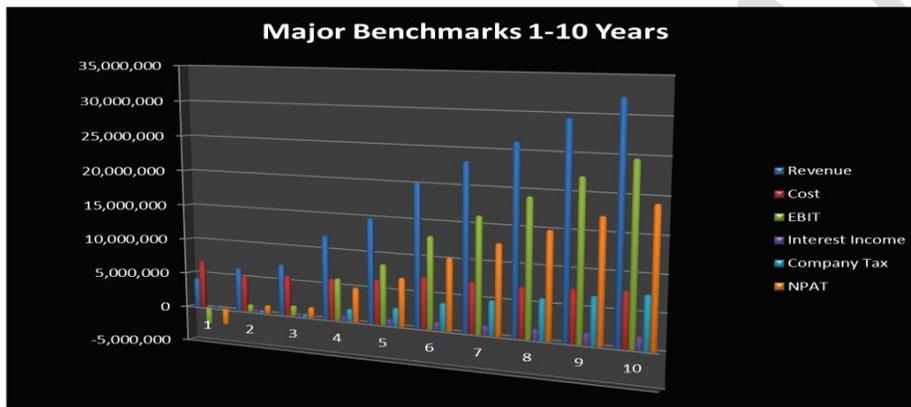
1. A ground floor glass encased facility **completely** focused on the interest, preferences, and demands of the tween/teen sector; designed with a futuristic thematic element.
2. A wholly interactive arena complete with state of the art technology, flat screen televisions and video games, including:
 - a. Dance Dance Revolution
 - b. Kinect
 - c. Wii Fit
 - d. Video game equipped cardio equipment, Lightspace Wall, Trazer, Blu Fit, Makoto Arena, and Three Kick
3. A nutritional food bar.
4. Nutritional experts on staff to educate today's adolescents on healthy eating habits.
5. **Usage of a highly customizable, trademarked program (The FUNction Method), developed by our Chief Operating Officer, Dr. Kwame M. Brown**, for the younger set (8-11) based on the combination of play theory and movement development. The need for **"Active Play" is the idea behind FUNction**. Not everyone makes the team, and not everyone gets the high level of instruction that sometimes comes with this selection. But kids want to have fun and play. **FUNction** is an innovative program that based on the following:
 - a. The fact that kids need **play and freedom** to explore.
 - b. The fact that kids need to efficiently learn **basic movement patterns** like running, jumping, climbing, squatting, lunging, throwing, catching, pushing, pulling, and rotating.
 - c. FUNction Coachable Moments, which are moments where the Play Leader recognizes, and uses to step in and give young people little "hints" at movement strategies during and between familiar childhood games like tag, four square, "steal the bacon", and tug of war.
 - d. New, unique games and experiences that have never existed before like "Make Your Own Obstacle Course", "Slingshot", and "Gymnasium Wakeboarding".
6. A rock climbing wall.
7. Group fitness offerings including weight training, Zumba, Cardio Kickboxing, break dancing, Free Flowing Dance, Yoga and Pilates.
8. Programs designed specifically by our **Director of Physical Education, Eric Chessen** for the Autism and Special Needs populations.
 - a. The employment of the **PAC (Physical, Adaptive, and Cognitive)** program.
 - b. Utilization of historical data to track improvement abilities.
9. Ongoing assessment of health and performance via well trained, responsible, concerned, involved, talented, engaging young professionals.
10. A personalized web based mobile and online application that tracks the healthy lifestyle goals and achievements of every member.



Financial Overview

Our core objective is to build a healthy, vibrant company that offers unparalleled services to the tween/teen demographic. We aim to build a company first in its class that: **builds brand; attracts the highest quality of staff; offers supreme level service to its customers; and generates healthy revenues with excellent shareholder value.**

The business model encapsulates several streams of revenue attained over ten years, mitigating financial risk, and reliance on membership and monthly fees that are typical revenue components of mainstream gyms



Management is confident that there will be multiple exit strategies over the next five to ten years for investors to realize returns during the investment cycle. Investors will **gain a minimum of 31.4% return on investment** and will have the option of exiting within five years of initial investment; the project is expected to have an **IRR rising to 52.5%** by end of year ten.

- We seek a partner, or partners in a consortium, willing to invest \$6,000,000;
 - ❑ \$6,000,000M on execution of the Shareholder’s Agreement **OR**;
 - ❖ \$4,000,000m on execution of Shareholders Agreement
 - ❖ with remaining balance \$2,000,000M on commencement of year3 - for franchise expansion
- In exchange for 49% of eXertion
 - ❑ Voting rights for the full 49% stake upon execution of the Shareholder’s Agreement through a combination of “Class A” full ordinary shares and “Class D” voting shares
 - ❑ Class D” voting shares will convert to full “Class A” when final instalment is made.
 - ❑ Two full voting seats on the Board of Directors.





Founding Executive Management Team

Elizabeth Spratt, Founder and Chief Marketing Officer

I initially learned of the impending childhood obesity epidemic in 2004, while studying for my Masters in Public Health. It wasn't until **First Lady Michelle Obama** initiated her **Let's Move!** campaign in early 2010, that I realized ***the future of an entire generation was at risk for severe physical and emotional setbacks*** due our nation's fledging health problems. An avid fitness and healthy lifestyle proponent myself, I knew it was time to take action.

As an adolescent I was blessed with natural athletic ability, and as a result, was constantly involved in sports-related activities. I truly believe that the cohesion associated with group activities allowed me to transition smoothly through my school years. I was always engaged, which in turn gave me a secure sense of self, a feeling of camaraderie, and a healthy outlook on life. **Unfortunately, my experience is not the case for every child.** Through **extensive volunteer work** with organizations like ***New York Cares, Keen New York, and Sunrise Day Camp for Children with Cancer, I saw that adolescents who lack athletic prowess fall to the wayside, and are offered very little opportunities for exercise based activities.*** Considering my own experiences, I was able to see the injustice; why should any child be given an advantage over another? **There should be a centralized place where all kids can play.** It was this exact sentiment that brought about the creation of eXertion.

Having spent half of my career in the non-profit/healthcare arena and half as a Marketing Associate, I realized a viable opportunity to create a profitable, socially conscious business model. Over the past year, my vision has been validated by fitness industry experts, school based professionals, respective industry reports, market trends, and most importantly by adolescents themselves. After a laborious, but fulfilling journey, I am proud to present eXertion; and the seasoned, experienced management team with whom I am working to turn my vision into a reality...

James Maranis, Chief Executive Officer

James Maranis is currently a **Principle** of FourBells Advisory Services. He has extensive experience in managing and leading companies in the financial and media sector (s); with a specific emphasis in helping companies to expand into global markets. His background includes consulting, strategy, Global Business Development, and guidance on major project initiatives. Prior to joining FourBells, Mr. Maranis was **CEO** of Razor Risk Technologies, a provider of Risk Management software to global banking and clearing exchanges. In this position Mr. Maranis was responsible for leading the company through four global acquisitions and establishing operations in major markets, including NY, UK and Asia Pacific.

Dr. Kwame M. Brown, Chief Operating Officer

Dr. Brown has an extensive and widely varied history in neural development, parks and recreation facility operations/program management (facilities as large as 90,000 square feet), curriculum design and organizational development. He has been an integral part of management teams presiding over major facility operations and refurbishments. As Founder and Principal of Move Theory, he advises several nonprofits such as **KaBOOM!** and **INOVA Health Systems** on obesity prevention strategies. He has conducted workshops on the subject all over the United States, including the **Global Summit on Childhood, Play On,** and **University of California at Berkeley.** More on Dr. Brown can be found at www.drkwamebrown.com

Eric Chessen, Director of Physical Education

Eric Chessen, M.S., is the Founder of **Autism Fitness.** An **Exercise Physiologist** with an extensive background in Behavior Therapy, Eric has spent a decade developing and implementing successful fitness programs for the autism and special needs populations. His interdisciplinary method is the **first of its kind** to develop individualized exercise and movement programs for individuals with autism and track progress that is both standardized and meaningful. In addition to working with his athletes, Eric presents and consults with parents, educators, behavior therapists, OT/PTs, and fitness professionals worldwide. He is the creator of the Autism Fitness Toolbox (including the PAC Profile and Chessen Matrix), which has been implemented in schools and facilities around the U.S. More on Eric can be found at www.autismfitness.com



Further company information can be obtained by contacting the company directly. Detailed documentation available for review and contact information is outlined below;

Document Name	Description
1. Business Case	Detailed description of the market research, goals, strategic road-map, and objectives of the company.
2. Operations Procedures	A day to day operational outlook of the company, staff responsibilities, budgetary expenditures, and overall facilities' management.
3. Shareholder Agreement (s)	Outlines commitment to shareholder (s), shareholder (s) responsibilities, voting rights, and the management's commitment to shareholder (s) expectations.
4. Implementation Plan	Requirements for the facility prior launch date, in accordance with the business plan and facility design.
5. Go To Market and Risk Mitigation Documentation	Executable market approach; risk mitigation applied across all revenue components, in line with market variables.
6. Detailed Financial Model	Detailed financials, revenues, staff, shock factors and assumptions. Looks at a month by month twelve month forecast; followed by a three, five and ten year forecast.
7. Market Analysis and Strategic Outline	Analysis, review, and substantiation of market drivers
8. HR Policy	Breakdown of procedures, staff, delegations, and management of the company's staff.
9. Management Resumes	In-depth bios of the management team
10. CAD Design/Facility layout	Patented design of facility layout.

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