



FRANCHISE DISCLOSURE DOCUMENT

BB FRANCHISING LLC
(A Delaware Limited Liability Company)

1320 North Route 59, Unit 110
Naperville, IL 60563
Tel (708) 497-9579

Email: Ownership@brainbalancecenters.com
www.brainbalance.com

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We grant franchises the right to operate Brain Balance® Centers that offer an effective and replicable non-medical, non-pharmaceutical program designed to help people become more focused, improve their performance, and exhibit positive behavior, resulting in enhanced communication and social interaction skills. The Brain Balance Program® is a comprehensive, individualized program that integrates physical and cognitive exercises with nutrition guidance in order to promote optimum brain and body function. The goal of the Brain Balance Program® is to strengthen connections within the brain to improve a range of negative symptoms and behaviors. We grant some franchisees the right to provide these services pursuant to third party payor contracts. We also grant some franchisees the right to provide these services in a virtual format in other geographic territories.

The total investment necessary to begin operation of a Brain Balance® Center ranges from \$221,503 to \$503,681. This includes \$62,500 in initial fees that must be paid to the franchisor. The total investment necessary to begin operation of a Brain Balance® Satellite Center ranges from \$126,695 to \$309,740. This amount includes \$42,500 in initial fees that must be paid to the franchisor. The total investment necessary to opt into the Third-Party Billing Program for your Brain Balance Center ranges from \$3,500 to \$9,500. There is no initial fee that must be paid to the franchisor. The total investment necessary to offer your Brain Balance® Center services on a virtual basis in other territories is \$3,500 to \$9,500. This amount includes \$3,500 in initial fees that must be paid to the franchisor.

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 at least 14 calendar days before you sign a binding agreement with or make any payment to the franchisor or any affiliate in connection with the

proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss availability of disclosures in different formats, contact Slav Sobkov at 1320 North Route 59, Unit 110, Naperville, IL 60563 and (708) 497-9579.

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 contracts 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. Information comparing franchisors is available. Call your state agency or conduct research on the Internet for sources of information. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," is available from the Federal Trade Commission (FTC). You can contact the FTC at 1-877-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, DC 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. In addition, there may be laws on franchising in your state. Ask your state agencies about them.

The issuance date is: May 26, 2026

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How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits, or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Exhibits G-1, G-2, and H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Brain Balance[®] Center business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Brain Balance[®] Center unit franchisee?	Item 20 or Exhibits G-1, G-2, and H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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

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Special Risks to Consider About This Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Delaware. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Delaware than in your own state.
2. **Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the Franchise Agreement, even if your spouse has no ownership interest in the franchise. This Guarantee will place both your and your spouse's marital and personal assets (perhaps including your house) at risk if your franchise fails.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see Item 21) calls into question the Franchisor's financial ability to provide services and support to you.
5. **Sales Performance Requirement.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.
6. **Third-Party Payer Program Risk.** Participation in third-party payer or insurance programs involves regulatory, operational, and financial risks. These programs may require compliance with healthcare laws, payer requirements, and additional operational standards. We do not guarantee that you will qualify for, participate in, or receive reimbursement from any such programs.

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

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Schedule 1 – Franchise Territory

Exhibit 1 – Application License Agreement

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

The Franchisor

BB Franchising LLC (“BBF”, “we”, or “us”), a Delaware limited liability company, was organized on November 13, 2007, and conducts its business under that name. Our principal business address is 1320 North Route 59, Unit 110, Naperville, IL 60563. We do business under the name Brain Balance® and Brain Balance® Centers. Our business is limited to offering franchises for operating centers that offer an effective and replicable non-medical, non-pharmaceutical program designed to help people become more focused, improve their performance, and exhibit positive behavior, resulting in enhanced communication and social interaction skills. The Brain Balance Program® is a comprehensive, individualized program that integrates sensory motor stimulation, cognitive exercises, physical exercises, cognitive protocols, and nutrition recommendations. The goal of the Brain Balance Program® is to strengthen connections in the brain that improves a range of negative symptoms and behaviors and promotes optimum brain and body function.

BBF does not grant franchises in other lines of business. We have not offered franchises in any other line of business, except as follows. From January 2008 to December 31, 2014, we allowed licenses for the operation of Brain Balance Centers that provided the Brain Balance Program® but did not use our name.

Our agents for service of process are listed in Exhibit D.

Our Parents, Predecessors, and Affiliates

We have two parent companies. BB InvestCo, L.P. is a Delaware limited partnership. The principal business address of BB InvestCo., L.P., is 1320 North Route 59, Unit 110, Naperville, IL 60563. BB InvestCo., L.P. controls Brain Balance Holdings, Inc., a Delaware corporation, which owns BBF. The principal business address of Brain Balance Holdings, Inc. is 1320 North Route 59, Unit 110, Naperville, IL 60563.

Our predecessor is Brain Balance, Inc. (“BBI”). BBI was a New York corporation, incorporated on August 24, 2006. BBI’s principal business address was 1091 Further Rd., North Woodmere, NY 11581. The predecessor opened the first Brain Balance® Center in 2006 and had, between December 2006 and November 2008, licensed the protocols used in the Program to independently owned licensees that operated Brain Balance® Centers. As of December 31, 2011, there were no BBI licensees in operation. Through an Asset Purchase Agreement entered into in July 2008, our predecessor sold substantially all of its business assets related to the operation of its company-owned Brain Balance® Center to BBF. As part of that transaction, BBI granted BBF a non-exclusive perpetual license to use and develop the Brain Balance Program® protocols and trademarks, including Brain Balance Program®. On October 7, 2011, BBF entered into an Asset Purchase Agreement, which supersedes and replaces the prior license agreement, through which BBF purchased from BBI all of the intellectual property owned by BBI, including Brain Balance Program® protocols and trademarks, Brain Balance Program®, and ®, franchised to you. Effective January 1, 2015, BBF entered into a Trademark Assignment Agreement, through which BBF

assigned to Brain Balance Holdings, Inc. all of its rights to the trademarks, including Brain Balance® & Design and Brain Balance Program®.

Except as described above, BBI has not offered franchises for Brain Balance® Centers or any other business or has engaged in any other business. As of the date of this Disclosure Document, we do not operate any company-owned Brain Balance® Centers, however, since April 2020, our Affiliate, BB Corporate LLC has provided direct to consumer virtual programs outside of territories owned and operated by franchisees. This program is currently inactive but may resume operations at the discretion of BB Corporate LLC.

We have two affiliates. Brain Balance CIN, LLC (“CIN”), is a Delaware limited liability company, organized on August 21, 2025. CIN operates the clinically operated network that franchisees who opt in to the Third-Party Billing Program will join. Brain Balance MSO, LLC (“MSO”) is a Delaware limited liability company, organized on September 10, 2025. MSO manages services for CIN, including revenue cycle management services. Both CIN and MSO hold registered offices at 1320 North Route 59, Unit 110, Naperville, IL 60563.

The Franchise Offered

We offer franchises to operate Brain Balance® Centers. A Brain Balance Center offers the Brain Balance Program® which is an individualized program that integrates several protocols (the "Licensed Technology") including sensory-motor stimulation, cognitive exercises, physical exercises, and nutritional recommendations. It is designed to help people struggling with a range of challenges related to neurodevelopment, mental health, and learning and behavioral disorders—both diagnosed and undiagnosed.

The Brain Balance Program® assesses the functional abilities of a person and applies sensory-motor stimulation, cognitive exercises, physical exercises, and nutritional recommendations. As such, we provide a holistic approach to improve brain connectivity with a multi-modal comprehensive program.

We offer the Brain Balance Program® to both children and adults, although children make up the majority of our enrolled students.

If you already own a Center and have operated it for at least one year, we may approve you to operate a satellite center concept (“Brain Balance® Satellite Center”). A satellite location can only be located within the Franchisee’s existing market. Brain Balance® Satellite Centers are facilities that only deliver programming and do not handle lead intake or assessment of prospective enrolling families, post-program assessments, or administrative functions, so they are smaller and have fewer features.

Digital Marketing Territories

We may also, in our discretion, offer franchisees the opportunity to expand their operations by marketing and providing the Brain Balance Program® on a limited, virtual basis to clients located outside of the territory granted to their franchised business in a geographic area that is outside of the territory of any existing franchisees in our system. If you acquire the right to offer the Brain Balance Program® in geographic areas other than your assigned territory (“Digital Marketing

Territories”), you will be able to provide assessments and our program services to enrolled students who reside in these areas via virtual meeting platforms. These rights, if granted, are limited in scope, and do not permit you to establish or operate any physical location or provide in-person services outside your Territory. They are more limited in length of term than the standard rights established in the Franchise Agreement. Any such rights are subject to additional terms, conditions, fees, and performance requirements, and may be modified or revoked by us, as described in the Digital Marketing Territories Addendum.

Although we may make exceptions under extraordinary circumstances, in general we will only grant Digital Marketing Territories to existing franchisees who meet our minimum criteria for performance and operational readiness based on their performance in their standard Brain Balance® Center. We evaluate a franchisee’s ability to enroll students, have strong student outcomes, have reliable staffing, good lead response times, and full compliance with our operational standards in determining eligibility.

Third-Party Payer and Clinically Integrated Network Initiatives

In November 2025, we entered the pilot testing phase of a program (the “Third-Party Billing Program”) that Third-Party Billing Program allows eligible franchisees who choose to participate and meet our requirements to offer Brain Balance Program® services to individuals whose private insurance covers the Brain Balance Program®. Participation is currently limited to franchisees operating in Florida, Ohio, and Texas. If you will operate in one of these states, or if we expand this program to your state, you will be eligible to participate in this program.

Franchisees who opt in to the pilot program for the Third-Party Billing Program will still be able to offer the same services at their Center that they always have, but they will need to comply with additional requirements including HIPAA compliance and the use of electronic health records. As of the date of this Disclosure Document, we do not have agreements with any insurers to reimburse for the Brain Balance Program and there is no assurance that we will be able to contract with insurers who will reimburse for services you provide to your customers.

We have established affiliated entities, CIN and MSO, to support initiatives related to quality improvement, data integration, and potential participation in third-party payer programs.

To participate, we will require you to meet additional qualifications and execute agreements attached in this disclosure document that relate to this program. Participation may be subject to payer approval, regulatory requirements, and market conditions.

Industry-Specific Regulation

In some states, because you work directly with children, you and your employees who interact with children will be considered mandated reporters who are required to report instances of child abuse or neglect. You are required to operate your Franchised Business in accordance with the provisions of federal, state, and local laws and regulations governing wages, working conditions, health, sanitation, smoking, fire and safety, employment, discrimination, privacy, taxes, and environmental requirements.

Franchisees who participate in the Third-Party Billing Program will need to comply with the Health Insurance Portability and Accountability Act (HIPAA), which includes the use of electronic health records. They will also need to have facilities that are compliant with the Americans With Disabilities Act (ADA), and their information technology systems will need to be compliant with certain security protocols, known as the SOC 2 standard. They will also need to ensure that their employees who provide the Brain Balance Program® to enrollees whose insurance will pay for services have the required certifications required in the payer agreement. Examples of this depend on jurisdiction, but include Registered Behavior Technician (RBT) Occupational Therapist (OT), Board Certified Behavior Analyst (BCBA). In Wisconsin, they will need to comply with Wis. Stats. § 609.24 and the notice posting requirements of Wis. Admin. Code INS 9.35(1m), as and when applicable.

Competition

The market for the services provided by your Center is established and consists of people who may or may not be diagnosed with developmental delays or challenges resulting from neurological and physiological delays and adults who struggle with attention, cognition, impulsivity, and executive functions. Your competitors will include online service providers who focus on specific areas of concern such as attention or anxiety; counseling services to help with behavior recommendations; Supplemental Learning Centers (SLCs) providing academic tutoring with assistance for diagnosed conditions; medical providers including occupational therapy, physical therapy, nutritional counseling, speech counseling, or other specialized therapies.

ITEM 2 BUSINESS EXPERIENCE

Chairman: ALEEM CHOUDHRY

Aleem Choudhry co-founded Crane Street Capital in 2009 and serves as the managing partner. He has over 21 years of private equity and transaction experience. Mr. Choudhry currently works from Prague, Czech Republic.

Director: NADINE FAHOUM-NACAR

Nadine Fahoum-Nacar is a Partner at Crane Street Capital. She joined the firm in 2017. She brings extensive experience in operations, marketing, and investment management to the firm. Ms. Fahoum-Nacar currently works from Brussels, Belgium.

Director: DR. BEN LITALIEN, CFE

Dr. Litalien has served as Director of Brain Balance Holdings, Inc. since June 2016. He is also the founder and President of Franchise Well, LLC and has been since October 2008. Ben is an Adjunct Instructor at Georgetown University in Washington, DC since September 2008. He is also an Adjunct Associate Professor at The University of Maryland Global Campus in Adelphi, Maryland and has been since October 2010. Ben is Chief Development Officer of Daddy's Franchising and a Director since August 2021. Ben has served as Chief Development Officer for fit20 USA Franchising, LLC since January 2018. He has been a Director of JIBU Holdings, LLC since January 2014. Except as otherwise stated, Ben has served in the above positions from his offices in Stafford, Virginia.

Director: PATRICIA B. MILLER

Ms. Miller has served as a Board Director of Brain Balance Holdings, Inc., since January 2015, working from Naples, Florida and Wayne Pennsylvania. She has served on the Board of KSS Preschools since January 2020. Ms. Miller also serves on the Board of Chancelight Behavior Health, Therapy and Education since October 2021. Ms. Miller is on the Board of The Gardner School since 2023. From January 2018 to present, she also serves on the Board for The Ohio State University School of Communications Development as well as PathwaysPA since 2009.

Chief Executive Officer: MARGARET FORD

Ms. Ford started as the Chief Executive Officer of BB Franchising in June 2024, and currently works from Oxnard, California. Before joining Brain Balance, Ms. Ford served as a Finance Executive at the Walt Disney Company from August 2022 to June 2024 in Burbank, California, leading the financial planning and analysis of the studio's television projects. Prior to that, she worked as Chief Operating Officer at Equitas Academy Charter Schools Inc., in the Pico Union community of Los Angeles, California from June 2018 to August 2022, leading the operations and finance teams for 6 schools, 225 staff members and \$40 million.

Chief Financial Officer: KIMBERLY MALANDRINO

Mrs. Malandrino has been the Chief Financial Officer of Brain Balance since November 2022, and currently works from Winfield, Illinois. She joined Brain Balance as the Controller in November 2021. Before joining Brain Balance, Mrs. Malandrino served from February 2015 through August 2020 as Business Unit Controller for Martindale-Nolo, an Internet Brands company, which acquired Total Attorneys in February 2015.

Chief Operating Officer: SLAV SOBKOV

Slav Sobkov started as the Chief Operating Officer of Brain Balance in April 2026, and currently works from Indio, California. Prior to joining Brain Balance, Mr. Sobkov consulted with Green Dot Public Schools on technology and operational system implementations, and before that served as Vice President of Finance at ExED, supporting Charter School Organizations through financial strategy, operations, and organizational growth initiatives. **Chief Program Officer: REBECCA R. JACKSON**

Dr. Jackson took on the role of VP of Program and Outcomes in October of 2018 and became Chief Program Officer in July 2023, and currently works from Cary, North Carolina.

Chief Marketing Officer: KAREN RUSSELL

Karen Russell joined Brain Balance in September of 2022, as Vice President of Brand and Public Relations, and currently works from Chicago, Illinois. Before Brain Balance, Karen was the marketing director, brand and creative strategy, for Adtalem Global Education from March 2019 to September 2022 where she was responsible for building and activating their portfolio of healthcare education brands (Chamberlain University, Ross University School of Medicine, Ross University School of Veterinary Medicine, Walden University).

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

U.S. Bankruptcy Court Eastern District of North Carolina, Raleigh Division, Bankruptcy Petition Case No. 30-0289805-DMW. On August 21, 2020, Rebecca R. Jackson and her spouse filed a voluntary petition as debtors for Chapter 7 bankruptcy protection in the state of North Carolina. Rebecca Jackson is the Chief Program Officer of the franchisor. Her business address is 1320 North Route 59, Unit 110, Naperville, IL 60563. The court issued a discharge of debtors on February 23, 2021.

Except as stated, no bankruptcy information is required to be disclosed in this item.

ITEM 5 INITIAL FEES

Standard Brain Balance® Center

The initial uniform franchise fee for a Brain Balance® Center is \$45,000 and is payable in a lump sum at the time you sign the Franchise Agreement. You are also required to license the proprietary software ("Software") from the Franchisor under the Application License Agreement pay the Franchisor \$15,000 for the Initial Technology Fee, and pay the Franchisor a prorated amount of the \$2,500 Annual Technology Fee for the balance of the first year of operation at the time the Software is activated.

If you are a party to an existing Franchise Agreement with us for a Brain Balance® Center and wish to acquire an additional franchise to open additional standard Center(s), we will reduce the franchise fee per additional unit based on the following scale:

Units	Initial Fee	Initial Technology Fee	Annual Technology Fee
2-5	\$40,000	\$15,000	\$2,500
6-10	\$35,000	\$15,000	\$2,500
11 or more	\$30,000	\$15,000	\$2,500

Brain Balance® Satellite Center

A satellite center concept ("Brain Balance® Satellite Center") is available to Franchisees who currently own at least one Standard franchise location for a minimum of 12 months, are in good standing with no franchise agreement defaults, are not on a payment plan for royalties and have a minimum of \$480,000 in revenue per franchise location during the prior 12-month period. A satellite location can only be located within the Franchisee's existing market. Brain Balance® Satellite Centers are facilities that only deliver programming and do not handle lead intake or assessment of prospective enrolling families, post-Program assessments, or administrative functions, so they are smaller and have fewer features. The initial franchise fee for a Brain Balance® Satellite Center is \$25,000. You are also required to license the proprietary software

("Software") from the Franchisor under the Application License Agreement and pay the Franchisor \$15,000 for the Software Fee, both of which will be prorated based upon the remaining term of the Standard Center's Franchise Agreement. You would also pay the Franchisor a prorated amount of the \$2,500 Annual Technology Fee and CRM License Fee for the balance of the first year of operation at the time the Software is activated.

We refer to both types of centers collectively as "Centers" in this Disclosure Document.

For all Centers, the initial fee, including the Initial Technology Fee, is fully earned and non-refundable when paid.

Digital Marketing Territory

If you and we agree that you can enter into a Digital Marketing Territory Addendum to your Franchise Agreement, you must pay us a fee of \$3,000 for each Digital Marketing Territory granted to you for the initial six (6)-month term. This fee is due upon execution of the addendum and is fully earned and non-refundable when paid.

You must also pay a one-time initial technology and support fee of \$500 in connection with the setup of systems and tools required to operate in a Digital Marketing Territory. This fee is due upon execution of the addendum and is non-refundable.

ITEM 6 OTHER FEES

OTHER FEES			
Name of Fee (Note 1)	Amount	Due Date	Remarks
Royalty (Note 11)	8% of Gross Revenue with a minimum of \$1,000 per calendar month, prorated for a partial month, payable monthly, commencing the month the Center opens. If you do not hold your Soft Opening within nine (9) months following the date of your Franchise	Payable monthly on or about the 7th day of the month.	Gross Revenue ("GR") includes all revenue received (including cash, cash equivalents and credit) relating directly or indirectly to the Franchised Business, excluding transactional credit card service fees (which will be deducted at a fixed, set rate at the percentage rate we have negotiated with a credit card clearing house service provider), loan provider fees, and less refunds ("GR"). (Note 2) Royalty payments will be taken from your bank

Name of Fee (Note 1)	Amount	Due Date	Remarks
	Agreement, you will be required to pay the minimum royalty.		account, based upon the Customer Relationship Management System ("CRM") information, via electronic funds transfer, through an automated clearing house agreement attached as Exhibit 2 to the Franchise Agreement ("ACH Agreement"). Upon request, you must provide an electronic copy of the accounting records that support the Royalty payment. You must bear any costs associated with establishing the transfer of these funds, which typically range from \$5 to \$10 per month, but your bank may provide them free of charge if you maintain a minimum balance. This is an estimate, and your bank may impose other expenses associated with this service.
Local Advertising (Note 3)	9% of Gross Revenue, not to fall below a minimum of \$6,000 per calendar month, allocated among various marketing channels and using approved vendors for all advertising placements.	As incurred	You must spend the required amount each calendar month on local advertising and marketing activities. Required expenditures must comply with our brand standards, marketing guidelines, and any channel, vendor, or placement requirements established in the Operations Manual. We may require documentation sufficient to verify compliance. Failure to meet the required minimum expenditure may constitute a default under the Franchise Agreement. You may spend additional amounts on local advertising at your discretion.
Digital Marketing Territory	10% of Gross Revenue generated	As incurred.	If you operate in a Digital Marketing Territory, you must

Name of Fee (Note 1)	Amount	Due Date	Remarks
Marketing Expenditure Requirement	from each Digital Marketing Territory.		spend a minimum of 10% of Gross Revenue derived from that territory on marketing and advertising activities in accordance with our standards. We may require documentation sufficient to verify compliance. Failure to meet this requirement may constitute a default under the Franchise Agreement.
National Advertising Fund	2% of Gross Revenues with a minimum of \$200 (subject to annual cost of living increases, Note 11) per calendar month, per the same schedule as Royalties above. (Note 4)	Payable monthly on or about the 7th day of each month	Minimum of \$200 per month. National Advertising Fund contributions will be made electronically under the ACH Agreement.
Digital Marketing Territory Monthly Fee	\$400 per month for each Digital Marketing Territory	Payable monthly	If you elect to operate in a Digital Marketing Territory, you must pay this monthly fee for each territory following the initial six (6)-month term. Fees are payable via ACH.
Additional Training Fee	Additional consultation services at your center will be charged at a half-day rate of \$500 (less than 4 hours of training) and full-day rate of \$1,000. We have the right to increase these fees by up to 15% on written notice to you. You will also pay our personnel's	Due one (1) week prior to the start of consultation/ training	These fees are debited via ACH. This fee will be charged if additional training services are: (1) requested by Franchisee, (2) required by us in the event you fail to master the principles and objectives of the Licensed Technology, (3) required by us due to system development resulting in new principles or protocols, or (4) you replace either your Center Director or Program Director. (Note 5)

Name of Fee (Note 1)	Amount	Due Date	Remarks
	actual airfare, lodging, and travel expenses.		
Email and Other Collaboration Tools (Note 15)	First three users are free of charge; additional users are charged at the then-current rate (currently \$248.40/year).	Payable annually, prorated by start date in your first year.	Gmail and Google applications. Fees are debited via ACH.
Accounting Software	You must purchase a license for QuickBooks. The amount you will pay depends on whether you purchase the software or use an online license. Prices currently range from \$10-\$25/month or \$300-\$500 for software purchase depending on your package.	One-time purchase or monthly depending on what package you choose.	You will deal directly with QuickBooks and pay their prices. You may elect to purchase additional software features.
Taxes	Will vary	As required by law	These are payable to the Franchisor if the Franchisor is required to pay any taxes (other than income tax) on any fees that you pay to the Franchisor.
Initial Technology Fee	\$15,000 for each Standard Brain Balance Center and/or Brain Balance Satellite Center	Paid at the same time as the Franchise Fee.	Payable to the Franchisor under the Application License Agreement.
Brain Balance Cognitive App Subscription Fee (Note 9)	Per enrollee, \$95 for the first seven (7) months; \$45 per each three (3) months provisioned thereafter.	As incurred	Covers use of the required Cognitive App. Fees begin to accrue upon opening your business.

Name of Fee (Note 1)	Amount	Due Date	Remarks
Post-Program Subscription Enrollment Fee (Note 6)	\$17 per post-program enrollee	As incurred	Covers continue access to Cognitive App post-program subscription services.
Assessment Fee (Note 7)	\$12.50 per assessment; \$10 per post assessment.	At the time of assessment.	Charged for each assessment conducted using the Cognitive App, whether or not the client
Annual Technology Fee (Note 8)	Currently \$2,500 per year for each Center You will be charged the fee we are charged by the third-party vendor (Note 12).	Payable January 1, prorated by start month in the first year.	These fees are payable to the Franchisor and are debited via ACH.
Audit	Cost of audit plus out-of-pocket disbursements The amount can vary from \$750 to \$10,000 based on the work required to complete the audit.	Upon completion of audit.	Payable if an audit shows an understatement equal to or greater than 5% of either the royalty or advertising fund contributions, which should have been debited via ACH for the audited period. Amount unpaid plus compounded interest will also be due upon completion of the audit.
Annual Convention	Franchisee: \$750 per person Staff: \$700 per person We have the right to increase this fee up to \$1,500 per person, at least 30 days' notice to you.	At the point of registration, prior to Convention date.	Travel, lodging, and food expenses will be in addition to the registration fee, some of which will be discounted or subsidized by the Franchisor.
Interest	2% per month compounded	Upon demand	Payable on all payments that are 15 or more days overdue.
Costs and Attorneys' Fees	Will vary under circumstances	As incurred	Payable upon termination of the Franchise Agreement, in an action to collect unpaid amounts owed to us and if we need to enforce the Franchise Agreement by injunctive relief.

Name of Fee (Note 1)	Amount	Due Date	Remarks
Relocation Fee	\$4,000	As incurred	Franchisee shall pay Franchisor a Relocation Fee upon Franchisor's approval of any relocation of your Center.
Indemnification	Will vary under circumstances	As incurred	You must reimburse us if we are held liable for claims arising from your operations and under certain circumstances set forth in the Application License Agreement.
Insufficient Funds	\$35 per incident We have the right to increase this fee in the future but will not increase it to greater than the fee charged by our bank. (Note 12)	As incurred	Payable to Franchisor if an ACH transaction cannot be completed for any reason.
Renewal Fee	\$10,000	Upon approval of renewal by Franchisor each time you renew.	Payable to Franchisor on date of renewal via ACH debit.
Soft Opening Date Change Expenses	Will vary, may include but not limited to (Note 13)	Payable as soon as Franchisee's change to Soft Opening date results in non-refundable expenses.	Payable to Franchisor when Franchisor incurs non-refundable expenses due to Franchisee changing Soft Opening date. (Note 13)
Transfer Fee	\$10,000 (Note 10)	Upon completion of transfer.	Payable to the Franchisor when franchise is transferred; there is no charge if transfer is to your spouse or adult child.
Third-Party Program/CIN Participation Fees	\$29 per session. Malpractice insurance current estimate is \$6,500 annually.	As incurred	If you participate in third-party payer or CIN programs, you may incur additional fees, including administrative, technology, billing, or program participation fees.

Name of Fee (Note 1)	Amount	Due Date	Remarks
Lead Referral Fee (Note 14)	\$10,000	Upon completion of transfer if applicable	Payable to the Franchisor when franchise is transferred to a new owner that was sourced by Brain Balance Home Office. There is no charge if you find your own buyer from other sources.

Note 1: Except as otherwise noted, all fees are imposed uniformly by and are payable to BBF via ACH debit and are non-refundable unless otherwise specified.

Note 2: We expect that the merchant services agreement transaction fee will average 2.25% to 3.5% depending on the type of payment. If you do not participate in this program and you pay credit card servicing transaction fees that are higher than the set percentage, we will deduct only the set percentage for credit card transactions from your Gross Revenue; conversely, if you are able to negotiate a lower credit card servicing transaction fee than what we have negotiated for all Brain Balance® Centers, you will be permitted to retain the differential for the GR on which the Royalty is based.

Note 3: You will determine what channel mix in your area works best for your Center and Market. Franchisor may provide resources to determine the best market mix for your center location(s). Franchisor will provide a list of approved marketing agencies you may choose to engage in advertising. If you do not work with an approved marketing agency, you may be subject to a penalty.

Note 4: All Franchisees make the same percentage contribution. We are required to keep Advertising Fund contributions in a separate fund to be used only for purposes related to advertising and the promotion of BBF and its services, as more fully described in Item 11.

Note 5: Alternatively, you may send a new Center Director or Program Director to the next regularly scheduled Initial Training session at a cost of \$500.

Notes 6: The Post-Program Subscription Enrollment Fee applies for each person who subscribes to this service after completing the Brain Balance Program® services at your Center.

Notes 7: The Assessment Fee applies each time an assessment is conducted using the Brain Balance Cognitive App, regardless of whether the client enrolls in a program.

Notes 8: We provide you with a comprehensive and proprietary software CRM platform which manages leads and customer information. As of the date of this Disclosure Document, our CRM software platform is hosted by Salesforce. We expect to transition to Creatio and ProsperityEHR in or around January 2027. We collect the

Annual Technology Fee and pay it to the third party which hosts our CRM software platform and/or related software. Following the anticipated transition, the expected cost of Creatio and ProsperityEHR will be the same as the cost incurred for our current software platform.. The Annual Technology Fee also allows us to maintain and periodically revise this software.

- Note 9: Each customer user is a new subscription. Subscriptions are not transferable between enrollees.
- Note 10: The transfer fee compensates us for the cost of training the Transferee and other related costs.
- Note 11: The annual cost of living increase if any, will be a percentage equal to the percentage increase, if any, in the consumer price index for All Urban Consumers (CPI-U), as published by the U.S. Bureau of Labor Statistics annually.
- Note 12: Fees will be our actual cost plus 15% per year.
- Note 13: Will vary, but may include airfare, transportation, lodging, and other travel expenses incurred for the Soft Opening.
- Note 14: The Lead Referral Fee compensates Brain Balance for the cost of lead generation used to find a suitable buyer for a franchisee.
- Note 15: Any increase in cost will be directly proportionate to any increase in third-party platform fees.

ITEM 7 ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Standard Brain Balance Center Estimate

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee (Note 1)	\$45,000	Lump Sum	Upon signing of Franchise Agreement	Franchisor
Initial Technology Fee (Note 19)	\$15,000	Initial lump sum payment	Before Opening	Franchisor
In Center Program Kits (Note 2 & 19)	\$2,000	Initial lump sum payment	Before Opening	Third party vendor
Virtual Program Kits	\$1,275	Per virtual enrollment	As needed	

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Is to Be Made
(Note 2 & 19)				
Business license, if necessary, incorporation, etc. (Note 3)	\$500 to \$2,500	As incurred	Before Opening	Your attorney, accountant, and/or other third parties
Commercial Space (2-4 months security) (Note 4)	\$3,333 to \$41,666	Lump Sum	Before Opening and ongoing	Landlord
Utility deposits and fees	\$3,000	Monthly	Before Opening and ongoing	Utility companies
Insurance (Note 5)	\$4,200 to \$7,500	As arranged	Before Opening and ongoing	These monies are payable to insurance carriers with which a third-party vendor designated by the Franchisor has negotiated rates for all franchisees
Construction and remodeling, including architect design (Note 6)	\$10,000 to \$175,000	As incurred	Before Opening	Contractors, architect, designers.
Furniture, inventory, and equipment (lease deposit and installation) (Notes 7 and 8)	\$40,000 to \$55,000	As incurred	Before Opening	Suppliers
Technology Costs (Note 9 & 19)	\$36,000 to \$39,000	As incurred	Before Opening and ongoing	Suppliers
Start-up supplies (Note 10)	\$3,500 to \$4,000	As arranged	Before Opening	Suppliers
Signage	\$0 to \$13,000	As arranged	Before Opening	Suppliers
Call Center (Note 11)	\$0 to \$2,000	Lump sum	Before Opening	Designated vendor

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Is to Be Made
Brain Balance software fees(Note 12)	\$6,695 - \$11,540	Debited via ACH	As incurred	Franchisor
Credit Card System (Note 13)	\$0 to \$400	Initial lump sum payment, monthly fees and annual PCI compliance fee	Before opening and the day of the month designated by the clearing house services company	System vendor or your vendor
Email and other collaboration tools (Note 14)	\$0 to \$248.40 per user >3	Debited via ACH	Payable annually, prorated by the start date of your first year	Franchisor
Accounting Software & Bookkeeping (Note 15)	\$1,500 to \$1,800	One-time purchase and bookkeeping service for the 1 st 6 months of operation.	You may elect to purchase additional software features	Third-party vendor designated by the Franchisor or an approved service company.
Additional Funds for three (3) months (Note 16)	\$30,500 to \$53,000	As incurred	As incurred	Landlord, suppliers, and employees
Pre-Opening travel and training costs (Note 17)	\$5,000 to \$7,000	As arranged	Before Opening	Suppliers of transportation, food, and lodging
Pre-Opening Advertising (Note 18)	\$10,000 to \$18,000	As arranged	Before Opening	Third-party vendors and platforms
Grand-Opening Activities & Advertising	\$4,000 to \$6,000		3-4 months after soft opening	Third-party vendors and platforms
Total of <u>all</u> Initial Investment Costs: (Note 19)	\$221,503 to \$503,681			

- Note 1: The initial non-refundable franchise fee is discussed in greater detail in Item 5.
- Note 2: You are required to purchase a minimum supply of program kits as initial inventory. We recommend that you purchase eight (8) In Center Program Kits and three (3) Virtual Program Kits. Each In Center Program Kit costs \$250 and each Virtual Hybrid Program Kit costs \$425. As you enroll families, you will need to purchase more as every enrollment requires a program kit. In-Center Sibling Kits \$225, Virtual Kits \$350 and Transfer Kits \$375, are also required under specific enrollment circumstances as needed. Your initial costs may be higher or lower based on how many of each kit you decide to purchase. Cost of kits may increase as cost of equipment increases.
- Note 3: This estimate covers the cost of a business license, formation of an entity, and related professional fees if you hire someone to help you with these.
- Note 4: At least 2,000 square feet of usable square footage will be needed to operate your Franchised Business (see Item 11). You do not need a space larger than 2,500 square feet, and our estimate is based on a space between 2,000 and 2,500 square feet. The cost per square foot of leasing commercial space varies considerably depending upon the Center location and market conditions. The cost of leasing commercial space is estimated to be between \$10 and \$50 per square foot but may be higher in major metropolitan areas. Non-commercial space would need to be approved through us.
- Note 5: The figures in the chart are based upon the estimated average premiums calculated by the insurance brokers designated by us who have negotiated rates with carriers nationally as first years' premium for Commercial general liability and Professional Liability coverage, including, but not limited to, education services (\$1,000,000 per occurrence and \$3,000,000 in the aggregate), commercial automobile liability insurance covering vehicles that are owned, non-owned, or hired by the Franchised Business, providing bodily injury and property damage, Employment Practices Liability Insurance ("EPLI"), and workers compensation and disability insurance, if required. (See Item 8.)
- Note 6: Our estimate for construction costs is based on you following our recommended build-out guidelines for a leased space of the square footage we recommend (see Note 5, above). If you choose to upgrade to more luxurious building finishes than we recommend, or if you lease and build out a significantly larger space, your cost may exceed our estimate. These estimates are based on build out costs as reported to us by franchisees for centers that opened 2019-2021. During this time franchisees received an average of approximately \$61,000 in Tenant Improvement Credits ("TI"), and we have factored that into our costs. Franchisees reported TI ranging from zero to \$165,000. Our estimates also removed abnormally low outliers caused by conditions such as a family member being a contractor, or buildouts completed at no cost by the landlord, as these are unusual circumstances we do not expect to be replicated in our estimates. The cost per square foot, during this time, had both an average and median of \$35/sq. foot (excluding TIs), and the range was as low as

\$6 and as high as \$70. Approximately 32% of all buildouts were less than \$20 per square foot. 24% were \$20-\$40 per square foot, 32% were \$40-\$60 per square foot, and 12% of franchisees chose to spend more than \$60 per square foot.

- Note 7: This expense includes copier/scanner/fax, telephone equipment, desks, chairs, file cabinets, program inventory, supplies, the Customer Relationship Management System and miscellaneous equipment, and estimated telephone company deposits. The items associated with the program inventory and supplies will need to be purchased; most cannot be leased.
- Note 8: Assumes all furniture and equipment is purchased new.
- Note 9: This estimate includes all your hardware costs, software license fees paid to third parties, and costs for assistance from an information technology (IT) service to help with initial set up of your network, firewall, and internet access, and for annual maintenance agreement with that IT service. The annual maintenance agreement is optional, but we recommend it. You may obtain your office computer hardware from any reputable supplier. You must ensure that all programs and applications running on your computer are legally licensed and that you have up-to-date anti-virus software installed on each machine. We will provide support regarding any IT issue related to the Software you are using in connection with the Brain Balance Program® (CRM or email, for example), but you will be responsible for computer hardware, Internet access, other software installed, and security, which includes ensuring that your location is PCI compliant.
- Note 10: We estimate that the range given will be sufficient to cover general office supplies, such as files, folders, paper, and writing utensils for the first three (3) months of the operation of the Franchised Business, including marketing and advertising materials that must be purchased from an approved vendor.
- Note 11: You may use an approved third-party call center, or employ an experienced salesperson, who will be solely responsible for responding to incoming leads, provided you obtain our prior written approval. Our estimate includes only the cost of monthly enrollment in a Call Center. Costs for leads and assessments are included in our estimate of Additional Funds.
- Note 12: This estimate includes the Brain Balance Program® Customer Relations Management System and the Brain Balance Cognitive App..
- Note 13: The cost to implement a credit card processing system varies based on the vendor you choose. Some vendors will waive fees to acquire the hardware, while others will charge you an implementation fee and an annual PCI compliance fee. In addition to the cost to set up your credit card processing system, you will incur transaction fees when you accept credit card payments. We expect that the merchant services agreement transaction fee average 2.25% to 3.5% depending on the type of payment. If you do not use our recommended supplier and you pay credit card servicing transaction fees that are higher than the set percentage, we will deduct

only the set percentage for credit card transactions from your GR; conversely, if you are able to negotiate a lower credit card servicing transaction fee than what we have negotiated for all Brain Balance® Centers, you will be permitted to retain the differential for the GR on which the Royalty is based.

- Note 14: The first three users of email services are free of charge, and any additional users of such services will result in the accrual of the third-party platform rate plus 15%. The higher range of the above total estimated initial investment assumes a total of four users. Any increase in cost will be proportionate to any increase in third-party platform costs.
- Note 15: You are required to acquire and use accounting software that meets our standards (currently QuickBooks), which you may either purchase or license on a monthly basis. In addition, we will require you to use the services of a professional bookkeeper for at least the first six months of operation that must be approved by the Franchisor. In our discretion, we can continue to require you to use a professional bookkeeping service.
- Note 16: This is an estimate of the capital you will need to support additional expenses, such as payroll to cover required personnel including a Center Director (if you are not serving in this role) and a Program Director, cleaning service and supplies, repairs and maintenance, postage, credit card fees, Brain Balance Cognitive App, supplies, and related expenses for the first three months, to the extent your collected revenue does not cover these costs. Amounts will vary depending on the salaries, provisions of various leases, and utilities' policies. This is an estimate of your expenses during the first three (3) months of the operation of your Franchised Business. It is based on recent franchisee experiences in our system.
- Note 17: These costs will vary significantly depending on the distance traveled and the type of accommodations selected.
- Note 18: Prior to opening the Franchised Business, you will need to advertise for available staff positions as well as the opening of your franchise Center within your community.
- Note 19: None of the fees listed in this table and paid to us are refundable. The refundability of the fees paid to third parties is determined by the individual refund policies of those third parties, although you should anticipate that most of them will not be refundable, including fees you pay to general contractors, signage providers, utility companies, wages you pay to staff, or fees you pay to most professional services providers.

Neither we nor any affiliate finances any of the initial investment.

YOUR ESTIMATED INVESTMENT

Brain Balance® Satellite Center Estimate

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Franchise Fee (Note 1)	\$25,000	Lump Sum	Upon signing of Franchise Agreement	Franchisor
Initial Technology Fee	\$15,000	Initial lump sum payment	Before Opening	Franchisor
In Center Program kits (Note 2) (Purchased by main center)	\$0	N/A	N/A	N/A
Business license, if necessary, incorporation, etc. (Note 3)	\$500 to \$2,500	As incurred	Before Opening	Your attorney, accountant, and/or other third parties
Real Property (2-4 months security) (Note 4)	\$4,000 to \$16,000	Lump Sum	Before Opening and ongoing	Landlord
Utility deposits and fees	\$1,000 to \$3,000	Monthly	Before Opening and ongoing	Utility companies
Insurance (Note 5)	\$2,000 to \$4,000	As arranged	Before Opening and ongoing	These monies are payable to insurance carriers with which a third-party vendor designated by the Franchisor has negotiated rates for all franchisees
Construction and remodeling, including architect design (Note 6)	\$10,000 to \$100,000	As incurred	Before Opening	Contractors, architect, etc. Costs could vary depending on lease arrangements and tenant improvement allowances.

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Is to Be Made
Furniture, inventory, and equipment (lease deposit and installation) (Notes 7 and 8)	\$20,000 to \$45,000	As incurred	Before Opening	Your suppliers and telephone company
Technology Costs (Note 9)	\$15,000 to \$20,000	As incurred	Before Opening	Suppliers
Start-up supplies (Note 10)	\$1,500 to \$2,000	As arranged	Before Opening	Suppliers
Signage	\$0 to \$13,000	As arranged	Before Opening	Suppliers
Call Center (Note 11)	N/A			
Brain Balance Application Fees (Note 2)	\$5,695 - \$11,540	Lump Sum	As incurred	Franchisor
Email and other collaboration tools (Note 13)	\$248.40 per license	Debited via ACH	Payable annually, prorated by the start date of your first year	Franchisor
Credit Card System (Note 14)	\$0 to \$400	Initial lump sum payment, monthly fees and annual PCI compliance fee	Before opening and the day of the month designated by the clearing house services company	System vendor or your vendor
Accounting Software & Bookkeeping (Note 15)	\$1,500 to \$1,800	One-time purchase and bookkeeping service for the 1 st 6 months of operation.	You may elect to purchase additional software features	Third-party vendor designated by the Franchisor or an approved service company.
Additional Funds (Note 16)	\$15,500 to \$33,000	As incurred	As incurred	Landlord, suppliers, and employees
Pre-Opening travel and training costs (Note 17)	\$1,000 to \$1,500	As arranged	Before Opening	Suppliers of transportation, food, and lodging

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Is to Be Made
Pre-Opening Advertising (Note 18)	\$9,000 to \$16,000	As arranged	Before Opening	Advertising media, grand opening activities
Total of <u>all</u> Initial Investment Costs (Note 19)	\$126,695 to \$309,740			

Note 1: The initial non-refundable franchise fee is discussed in greater detail in Item 5. This non-refundable satellite location franchisee fee only applies to existing franchisees wanting to open a satellite location in their existing market. Also, all other fees outlined in Item 7 apply to a satellite location.

Note 2: Your Standard Brain Balance Center will already have acquired a demonstrative Program Kit. As you enroll families you will need to purchase more as every enrollment requires a program kit. Each In Center Program Kit costs \$250 and each Virtual Program Kit costs \$425.

Note 3: This estimate covers the cost of a business license, formation of an entity, and related professional fees if you hire someone to help you with these.

Note 4: At least 1,000 square feet of usable square footage will be needed to operate your Franchised Business (see Item 11). You do not need a space larger than 1,750 square feet, and our estimate is based on a space between 1,000 and 1,750 square feet. The cost per square foot of leasing commercial space varies considerably depending upon the Center location and market conditions. The cost of leasing commercial space is estimated to be between \$10 and \$50 per square foot but may be higher in major metropolitan areas. Non-commercial space would need to be approved through the home office.

Note 5: The figures in the chart are based upon the estimated average premiums calculated by the insurance brokers designated by us who have negotiated rates with carriers nationally as first years' premium for Commercial general liability and Professional Liability coverage, including, but not limited to, education services (\$1,000,000 per occurrence and \$3,000,000 in the aggregate), commercial automobile liability insurance covering vehicles that are owned, non-owned, or hired by the Franchised Business, providing bodily injury and property damage, Employment Practices Liability Insurance ("EPLI"), and workers compensation and disability insurance, if required. (See Item 8).

Note 6: Our estimate for construction costs is based on you following our recommended build-out guidelines for a leased space of the square footage we recommend (see

Note 4, above). If you choose to upgrade to more luxurious building finishes than we recommend, or if you lease and build out a significantly larger space, your cost may exceed our estimate. These estimates are based on build out costs as reported to us by franchisees for centers that opened 2019-2021. During this time franchisees received an average of approximately \$61,000 in Tenant Improvement Credits ("TI"), and we have factored that into our costs. Franchisees reported TI ranging from zero to \$75,000. Our estimates also removed abnormally low outliers caused by conditions such as a family member being a contractor, or buildouts completed at no cost by the landlord, as these are unusual circumstances we do not expect to be replicated in our estimates. The cost per square foot, during this time had both an average and median of \$35/sq. foot (excluding TIs), and the range was as low as \$6 and as high as \$70. Approximately 32% of all buildouts were less than \$20 per square foot. 24% were \$20-\$40 per square foot, 32% were \$40-\$60 per square foot, and 12% of franchisees chose to spend more than \$60 per square foot.

- Note 7: This expense includes copier/scanner/fax, telephone equipment, desks, chairs, file cabinets, program inventory, supplies, the Customer Relationship Management System and miscellaneous equipment, and estimated telephone company deposits. The items associated with the program inventory and supplies will need to be purchased; most cannot be leased.
- Note 8: Assumes all furniture and equipment are purchased new.
- Note 9: This estimate includes all your hardware costs, software license fees paid to third parties, and costs for assistance from an information technology (IT) service to help with initial set up of your network, firewall, and internet access, and for annual maintenance agreement with that IT service. The annual maintenance agreement is optional, but we recommend it. You may obtain your office computer hardware from any reputable supplier. You must ensure that all programs and applications running on your computer are legally licensed and that you have up-to-date anti-virus software installed on each machine. We will provide support regarding any IT issue related to the Software you are using in connection with the Brain Balance Program® (CRM or email, for example), but you will be responsible for computer hardware, Internet access, other software installed, and security, which includes ensuring that your location is PCI compliant.
- Note 10: We estimate that the range given will be sufficient to cover general office supplies, such as files, folders, paper, and writing utensils for the first three (3) months of the operation of the Franchised Business, including marketing and advertising materials that must be purchased from an approved vendor.
- Note 11: A Satellite Center will rely on its related standard center to process leads.
- Note 12: This estimate includes the Brain Balance Program® Customer Relations Management System and the Brain Balance Cognitive App.

- Note 13: Users of such services will result in the accrual of the third-party platform rate plus 15%. The higher range of the above total estimated initial investment assumes a total of four users. Any increase in cost will be proportionate to any increase in third-party platform costs.
- Note 14: The cost to implement a credit card processing system varies based on the vendor you choose. Some vendors will waive fees to acquire the hardware, while others will charge you an implementation fee and an annual PCI compliance fee. In addition to the cost to set up your credit card processing system, you will incur transaction fees when you accept credit card payments. We expect that the merchant services agreement transaction fee will average 3.0% to 4.0% depending on the type of payment. If you do not use our recommended supplier and you pay credit card servicing transaction fees that are higher than the set percentage, we will deduct only the set percentage for credit card transactions from your GR; conversely, if you are able to negotiate a lower credit card servicing transaction fee than what we have negotiated for all Brain Balance® Centers, you will be permitted to retain the differential for the GR on which the Royalty is based.
- Note 15: You are required to acquire and use accounting software that meets our standards (currently QuickBooks), which you may either purchase or license on a monthly basis. In addition, we will require you to use the services of a professional bookkeeper for at least the first six months of operation that must be approved by the Franchisor. In our discretion, we can continue to require you to use a professional bookkeeping service.
- Note 16: Capital will be needed to support on-going expenses, such as payroll, office rental expenses, cleaning service and supplies, repairs and maintenance, postage, credit card fees, Brain Balance Cognitive App fees, advertising – beyond the minimum \$6,000 local advertising minimum, supplies, phones, utilities, and miscellaneous expenses, to the extent your collected revenue does not cover these costs. Amounts will vary depending on the salaries, provisions of various leases, and utilities' policies. The amount should be sufficient to cover your expenses during the first three (3) months of the operation of your Franchised Business.
- Note 17: These costs will vary significantly depending on the distance traveled and the type of accommodations selected.
- Note 18: Prior to opening the Franchised Business, you will need to advertise for available staff positions as well as the opening of your franchise Center within your community.
- Note 19: None of the fees listed in this table and paid to us are refundable. The refundability of the fees paid to third parties is determined by those third parties, although you should anticipate that most of them will not be refundable, including fees you pay to general contractors, signage providers, utility companies, wages you pay to staff, or fees you pay to professional services providers. In some instances, you may be able to obtain a refund for certain things, such as non-customized furniture or basic

supplies that you purchase at a store, but your ability to obtain a refund will depend on the return and refund policies of each individual supplier.

Neither we nor any affiliate finances any of the initial investment.

Brain Balance® Digital Marketing Territory Estimate

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Is to Be Made
Initial Fee	\$3,000	Lump Sum	Upon signing the Addendum	Franchisor
Digital Marketing Technology Fee	\$500	Lump Sum	Upon signing the Addendum	Franchisor
Advertising (Note 1)	\$0 - \$5,000	As incurred	As Incurred	Third-Party Vendors
Additional Funds – 3 months (Note 2)	\$0 - \$1,000	Lump Sum	As Incurred	Third-Party Vendors
Total of all Digital Marketing Territory Costs (Note 3)	\$3,500 - \$9,500			

Note 1: You may wish to engage in advertising targeted to your territory, although you are not required to do so. Your costs will depend on the type of advertising you engage in and the fees assessed by any vendors you use.

Note 2: The estimate for additional funds assumes at the low end that you do not need to hire any additional coaches and that you do not travel to the territory in order engage in any marketing efforts in person. The high end of our estimate range assumes that you hire one additional coach and that you incur some additional costs related to marketing or promoting your business in the territory.

Note 3: This estimate is based on the acquisition of a single Digital Marketing Territory. If you acquire more than one Digital Marketing Territory, you should multiply this cost by the number of territories you are acquiring.

Brain Balance® Third-Party Billing Program Estimate

Type of Expenditure	Estimated Cost	Method of Payment	When Due	To Whom Payment Is to Be Made
Provider Insurance (Note 3)	\$500 - \$1,500	Lump Sum	Quarterly, after operations begin	Franchisor or affiliates
Credentialing Fee (Note 4)	\$600 - \$2,400	Lump Sum	At initial credentialing	Third-Party Vendor
HIPAA Compliance Setup (Note 5)	\$1,000	Lump Sum	As incurred	Third-Party Vendors
ADA Certification (Note 6)	\$1,500 - \$2,000	Lump Sum	As Incurred	Third-Party Vendor
Additional Funds – 3 months (Note 7)	\$0 - \$5,000	Lump Sum	As Incurred	Third-Party Vendors
Total of all Third-Party Billing Program Costs	\$3,600- \$11,900			

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases from Us

Our program offers your clients two complimentary sessions with a nutrition coach and access to a program portal supplied by us. You are required to offer and comply with this program.

Our specified vendor is the only supplier of our proprietary product, the Brain Balance Cognitive App, which you must license from us and use in your Center.

You will be required to purchase and provide program kits for your enrolled students. These are distributed by our designated vendor, which produces and distributes them on our behalf.

We must approve alternate suppliers for the goods or services you acquire or license from us.

Required Purchases from Specified Vendors

We require you to license and use a specific operations, customer relations management (CRM), accounting and program management software, our CRM system which is a customized program adapted for the Brain Balance Program® in which all leads and student records must be entered and maintained, including all assessments, reports of assessments, progress conference reports and program data, and to license and use Google Workspace accounts that encompass email addresses that we will provide to you. You will pay us a license fee for access to these programs.

With the exception of workers' compensation and disability insurance or where otherwise required by law, you must obtain all insurance policies through the insurance broker that we have selected as our preferred vendors. Our current, specific insurance requirements are listed at the end of this Item 8. If, based on local law or regulation, it is necessary for you to obtain your insurance from an insurance company or broker other than the brokers we designate, the company or broker you use must meet our required limits and the carrier must have a rating of at least A in Best's Insurance Reports, as well as be reviewed through Standard and Poor's Website and Moody's. If we approve your use of an insurance company or broker other than a broker we designate for reasons other than local law or regulation, you will be required to pay one of our recommended insurance brokers an audit fee to review the policies for compliance with our requirements prior to your binding coverage.

We have created a brand identity for marketing and advertising materials that must be purchased from our approved vendor. You are required to purchase all of the printed materials used in your Center and in connection with your marketing activities from this vendor.

You must purchase certain equipment that is used in your Center for all assessments and program delivery which includes but is not limited to; sensory, physical, visual, auditory, and cognitive activities from vendors we have specified.

If you participate in the Third-Party Billing Program, you must have your participating staff credentialed under the standards required by the payor contract and you must obtain that credential from the supplier we specify. You will also be required to utilize an electronic health record system provided by a vendor we specify.

No officer or any person with management or policymaking authority owns an interest in a required supplier (other than an interest in the franchisor).

Computer Hardware

You will need to purchase at a minimum three iPads/Android tablet with a minimum screen size of 12" not older than 3 years, with internet accessibility to access aspects of the assessment, and for the program delivery. Purchasing a desktop or laptop with Wi-Fi or ethernet connectivity is required to access all other applications. We do not specify any vendor from whom you must purchase these items.

Alternate Suppliers

Although we generally do not approve alternate vendors for the above-listed goods and services, you may request our approval of an alternate supplier. You must provide us with a description of the item or service and identify the alternate supplier from whom you would like to purchase it.

We have the right to require you to provide us with a sample of the item, or access to the service, at your cost, to enable us to evaluate it. We also have the right to require you to provide us with sufficient information about the proposed supplier evaluate whether the supplier meets our criteria for having the capacity to meet our standards, adequate quality control, sound financial condition and business reputation, and capacity to adequately meet potential demand as a supplier. We will evaluate the proposed supplier once you have provided us with sufficient information. We will also evaluate whether it makes business sense to approve an alternate supplier for the item or service you have identified. If we choose to, at our sole discretion, we will run the proposal past our franchisee advisory board. We will notify you within 30 days regarding whether we have approved your request for an alternate supplier. There is no fee for our review.

We share the following criteria for approving suppliers with franchisees: We consider suppliers (i) who demonstrate to our continuing reasonable satisfaction the ability to meet our standards, specifications, and requirements for such items regarding quality, variety, service, safety, and health; (ii) who possess adequate quality control and capacity to supply the needs of all franchisees promptly and reliably; (iii) who are of a sound financial condition and business reputation; (iv) who will supply such items to a sufficient number of franchise owners to enable us economically to require compliance by the supplier with our standard specifications and requirements; and (v) who have been approved for such items in writing by us and not thereafter disapproved.

For goods or services for which we do not name required suppliers, you may purchase from any supplier, provided that the goods or services meet any criteria we have established. Our criteria for goods and services is listed in our Operations Manuals and may be modified by us through an update to the Operations Manuals at any time and for any reason.

Our Revenue from Franchisee Purchases

Based upon our most recent annual audited financial statement, the Franchisor's total revenues for 2025 were \$6,276,669. Our total revenue from all required purchases in 2025 was approximately \$1,884,150 or 30% of revenue. No affiliate collected revenue from these purchases.

The vendor that provides the enrollment kits pays us between 35% to 5852% of the revenue, depending on the type of kit and its contents.

We believe that the total amount of your expenditure from all required purchases as described above will be approximately 10%-15% of your total costs in establishing and operating the Franchised Business and represents 10%-15% of your expenses while operating the Franchised Business on an ongoing basis.

We do not negotiate purchasing arrangements with any of the listed approved suppliers, nor do we have any purchasing or distribution cooperatives. We do not provide any material benefits to franchisees based on their purchase of products or services or the use of any specific suppliers, although your refusal to use a required supplier could be a material default.

Insurance

Unless otherwise required by law, you must obtain the following insurance coverage through our designated Insurance broker: Comprehensive Commercial General Liability Insurance in the

amount of at least \$1,000,000 per occurrence and \$3,000,000 in the aggregate including Business Personal Property and Improvements and Betterments at the suggested minimum amounts, higher limits may be Insured as per your Center's needs; Professional Liability coverage, including, but not limited to education services (\$1,000,000 per occurrence and \$3,000,000 in the aggregate, which must include coverage for contingent bodily injury and property damage in the amount of \$1,000,000); Abuse & Molestation coverage (\$1,000,000 per occurrence; \$3,000,000 in the aggregate); Cyber liability coverage of at least \$500,000, although we recommend that you consult with your insurance broker and evaluate whether you should have higher coverage; Employment Practices Liability Insurance ("EPLI") in the amount of \$1,000,000 per occurrence, and Commercial automobile liability insurance covering vehicles that are owned, non-owned, or hired by the Franchised Business with a combined single limit of \$1,000,000. You must also obtain workers compensation, disability, and any other insurances, in such form and in such amounts, as may be required by law in the state in which your Franchised Business operates. You may be required to obtain new certificates naming us or third parties as additional insureds for off-site events including Conventions or Trade Shows, or if your center has been approved to deliver program at a location other than the primary Brain Balance Center.

We and our parent and affiliate companies must be named as an additional insured on all lines of coverage (except for workers compensation). Upon request, BBF must be provided with Certificates of Insurance in place at your Center. You are required to obtain insurance through one of our approved insurance vendors, and you are required to give us at least 30 days prior notice before you terminate, non-renew or materially alter any of the insurance coverages we require. As of the date of this FDD, we have approved two insurance vendors, and we will not approve other insurance vendors this year. If you fail to procure or maintain the insurance coverage required by the Franchise Agreement, we have the right to procure such insurance for you and you shall be responsible for reimbursing us for all costs, including premiums and any applicable administrative costs. If you fail to procure or maintain the required insurance coverage or fail to reimburse us, then we may consider such failure a default of the Franchise Agreement, which will expose you to penalties associated with such default, as discussed in the Operations Manual. The insurance coverage requirements contained in the Franchise Agreement are required minimums. You should consult with your attorney, landlord, and any other insurance professional to determine whether any additional insurance coverage should be established or amended for your Franchised Business. If any lawsuit, action, proceeding, claim, demand, investigation, or injury resulting from or arising out of the operations of the Franchised Business is asserted against BBF, which is either not covered by insurance, in excess of policy limits, or below the deductible minimums of the policy, you will be required to indemnify us. You acknowledge that BBF may modify or increase the insurance limits of liability required for all Centers during the term of this agreement due to changes in experience, market conditions, and regulatory or legal changes that could increase exposure, and you agree to comply with the new standards.

You may be required to use designated or approved vendors, systems, or platforms in connection with participation in third-party payer or CIN programs, including electronic health record systems, billing platforms, or data reporting tools. These requirements may change from time to time as part of system standards.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Agreement	Disclosure Document Item
a. Site Selection and Acquisitions/Lease	Sections 3 & 10	Items 7, 8 & 11
b. Pre-opening Purchases/Leases	Section 14.03	Items 5, 7, 8 & 11
c. Site-Development and Other Pre-Opening Requirements	Sections 9.01 & 14.03	Items 8 & 11
d. Initial Training and Ongoing Training	Sections 9 & 10 Third Party Billing Amendment: Sections 3(c) and 5(c)	Item 11
e. Opening	Sections 9, 10 & 14	Item 11
f. Fees	Sections 5 & 6 Application License Agreement: Section 3 Third Party Billing Amendment: Sections 3(c) and 5(c)	Items 5 & 6
g. Compliance with Standards and Policies/Operations Manual	Sections 9.01(b) & (d), 10, 13 & 14 Third Party Billing Amendment: Sections 3(c) and 5(c)	Items 8, 11, 14 & 15
h. Trademarks and Proprietary Information	Sections 10, 12 & 13	Items 13 & 14
i. Restrictions on Products/Services Offered	Sections 1 & 10	Items 8 & 16
j. Warranty and Customer Service Requirements	Section 10	Item 7
k. Territorial Development and Sales Quota	Sections 13 & 17	Items 5, 12 & 17
l. Ongoing Product/Service Purchases	Section 10.18	Item 8
m. Maintenance, Appearance, and Remodeling Requirements	Sections 10.05 and 13.01	Item 7

Obligation	Section in Agreement	Disclosure Document Item
n. Insurance	Sections 11 and 19	Items 7 & 8
o. Advertising	Sections 3, 6.02, 10 Third Party Billing Amendment: Section 5(b)	Items 6, 7, 8 & 11
p. Indemnification	Section 19 Application License Agreement: Section 9 Third-Party Billing Program Agreement for Participating Providers: Section 5.1.1	Item 6
q. Owner's Participation/Management/Staffing	Sections 10.01, 10.04, 10.09, 14.04 & 14.06	Item 15
r. Records/Reports	Section 7	Items 6 & 17
s. Inspections/Audit	Sections 7, 11.02 & 17.02	Items 6 & 11
t. Transfer and Assignment	Sections 10.10, 16, 17.02 & 17.04 Application License Agreement: Section 13(b) Third-Party Billing Program Agreement for Participating Providers: Section 5.2	Items 6 & 17
u. Renewal	Section 4 Application License Agreement: Section 5 Third-Party Billing Program Agreement for Participating Providers: Section 5.2	Items 6 & 17
v. Post-termination Obligations	Sections 10.17, 10.18, 12.04, 16.04, 17 & 18.04	Item 17

Obligation	Section in Agreement	Disclosure Document Item
	Application License Agreement: Section 6 Third-Party Billing Program Agreement for Participating Providers: Section 4.10	
w. Non-competition Covenants	Section 18 Application License Agreement: Section 1(b)	Item 17
x. Dispute Resolution	Sections 20 & 21 Application License Agreement: Section 19	Item 17

All sections are the same in the Standard Franchise Agreement and the Satellite Franchise Agreement.

ITEM 10 FINANCING

The Franchisor does not offer direct or indirect financing. The Franchisor does not guarantee your note, lease, or obligation.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEM, AND TRAINING

Except as listed below, we need not provide any assistance to you.

Pre-Opening Obligations

Before you open your Franchised Business, BBF will provide the following assistance and services to you:

(a) Provide advice and counsel regarding Center location and layout and, which is detailed in the Operations Manual, details regarding the selection of office furnishings and equipment for your Center (Franchise Agreement §9.01(b)). We will review and approve or disapprove of any proposed site within a period of 20 days from the date you supply us with required information about the proposed location. To ensure compliance with the Americans with Disabilities Act (ADA) and to accommodate all participants, your Center layout, build-out, and furnishings must meet our strict accessibility standards. You are solely responsible for ensuring your physical premises comply with all federal, state, and local accessibility laws. BBF approved layout and furnishing specifications require you to implement and maintain; Wheelchair accessible testing tables in both the Sensory Motor and Cognitive testing rooms; Wheelchair ramps for any elevated areas or entrances; Fully accessible restrooms for participants and their families;

Appropriate door widths (compliant with federal ADA guidelines) to allow unobstructed access to all testing rooms, training areas, and the lobby.

(b) Establish basic methods and procedures for you to follow in operating your Franchised Business and license to you the customized Software for database management (Franchise Agreement §9.01(b)).

(c) Provide you with a list of equipment and services required for use at the Center (Franchise Agreement §9.01(b)).

(d) Provide you with (i) approximately 60 hours of online training; (ii) up to ten (10) days at a specified training location approved by BBF. In addition, you will have approximately 10 hours of telephone or webinar training before you open and start to have participants begin in the program. (Franchise Agreement §9.01(d)). Satellite centers are provided (i) approximately 24 hours of online training; (ii) the option (not mandatory) of up to (5) days at your main location by BBF. More detailed information about training programs appears in this Item 11 under the subheading "Training Programs." It is important to note that these hours may change based on disruptions in travel and operations.

(e) Provide access to the Operations Manual and form templates for the term of your Franchise Agreement. We will also provide you with access to the Brain Balance Training site, our online training portal (Franchise Agreement §9.01(e)).

(f) License the Software under the Application License Agreement (Franchise Agreement §6.04, 9.01(g), 15).

(g) Provide advice regarding the initial selection and hiring of your Center staff (Franchise Agreement §9.01(f)).

BBF is not obligated by the Franchise Agreement or any other agreement to provide any other supervision, assistance, or services prior to the opening of the Franchised Business. Although we sometimes share information regarding pricing for services offered by your Franchised Business, we do not set the prices at which you must sell products or services.

Continuing Obligations

During the operation of the franchised business:

(h) We will provide additional training and consulting services available to you and your employees, which we deem necessary and appropriate. Such services will be provided at your cost and expense: (1) if you request additional training or consulting services; (2) if you fail to master the principles and objectives of the Licensed Technology; (3) if new principles or protocols are developed for the Brain Balance system; or (4) if you replace your Center Director or Program Director (Franchise Agreement §9.02(a) and (b)).

(i) We will provide Advanced Training, which will include on-going training through webinars, courses within the Brain Balance Training Site, and workshops to all franchisees, at your cost and expense, which may be related to enrollment enhancement,

assessment and program delivery, and marketing, up to two (2) times per year (Franchise Agreement §6.05).

(j) We will provide methods for development of the Franchised Business, including marketing and methods to obtain clients (Franchise Agreement §9.02(c)).

(k) We will provide you with modifications, additions, and deletions to the Operations Manual (Franchise Agreement §9.02(f)) as we deem necessary in our discretion.

(l) We will provide you with modifications, additions, and deletions to the Software (Application License Agreement §1(a) A) as we deem necessary in our discretion.

(m) We will provide continuing advisory assistance to you as we deem appropriate (Franchise Agreement §9.02(d)).

(n) We will make available to you, from time to time, advertising and promotional materials for use by your Center prepared by our advertising agencies and marketing company (Franchise Agreement §9.02(h)).

(o) We will provide you with specifications and resources for selecting the services of a Call Center to assist your Center with sales calls and enrollment enhancement (Franchise Agreement §6.10).

(p) We will arrange for a sales lead management and data system platform (CRM) for use throughout the Brain Balance system (Franchise Agreement §6.06).

(q) If you participate in the optional Third-Party Billing Program, we will administer the program and work to establish and maintain relationships with approved billing providers and payers. We will provide credentialing instructions, program manuals, and training materials; make available the designated EHR and Cognitive App systems; and provide guidance on billing procedures, insurance reimbursement, and compliance with applicable HIPAA, SOC 2, and ADA standards (Third-Party Billing Model Amendment §§4-6, 9-13; Provider Agreement §§2.1-2.3).

(r) We will provide forms and other required documents electronically (Franchise Agreement §9.02(e)).

(s) We will employ a Nutrition Coach to operate the nutrition component of our program.

BBF is not obligated by the Franchise Agreement or any other agreement to provide any other supervision, assistance, or services in connection with the ongoing operation of the Franchised Business.

Advertising and Marketing

Prior to the use of any advertising or promotional materials or the implementation of any advertising or promotional activities in any format, including print, broadcast, streaming, digital,

social media, or other media, you must obtain our prior written approval, unless the materials or campaigns have been previously approved or are provided through approved system templates or vendors.

You must submit all proposed materials and a description of their intended use for our review. If we do not approve the materials, activities, media, or intended use in writing within ten (10) days after submission, they will be deemed disapproved and may not be used. Materials and activities are not approved unless and until you receive our written approval. We may disapprove any materials or activities that do not comply with our brand standards, legal requirements, marketing guidelines, or system objectives.

All materials on which the Marks (as defined in Item 12) appear must include the trademark designations, notices, or other disclosures required in the Operations Manual or otherwise required by us in writing. You must implement all hyperlinks, tracking mechanisms, disclosures, and other digital specifications that we require, including required links to system websites or designated webpages.

We may also permit franchisees to market and provide the Brain Balance Program® on a virtual or remote basis, including to clients located outside of their Territory in designated Digital Marketing Territories, subject to our approval. Any such activities must comply with our advertising approval requirements, System standards, Operations Manual, and approved technology platforms, including required use of the Brain Balance Cognitive App, CRM system, and other designated tools. We may establish additional requirements, standards, and protocols for virtual service delivery, including with respect to marketing practices, training, technology, data privacy, and reporting.

Centers participating in the optional Third-Party Billing Program must also follow BBF's guidelines for marketing and advertising of insurance-eligible services. You may not advertise Brain Balance® services as covered by insurance except in accordance with our approved marketing templates and statements provided by BBF in writing. Any reference to insurance coverage or billing must first be reviewed and approved by BBF's marketing department.

You must utilize approved marketing vendors for advertising placement and marketing services where required by us. Failure to comply with vendor requirements or advertising approval standards may constitute a default under the Franchise Agreement.

All advertising and promotional activities must comply with applicable federal, state, and local laws governing privacy, healthcare communications, and insurance marketing, including, where applicable, the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and related regulations. You are solely responsible for ensuring that your marketing practices do not improperly use, disclose, or imply the use of protected health information or other confidential client information. Testimonials, case examples, outcome descriptions, insurance-related representations, and digital targeting practices must comply with applicable privacy and healthcare advertising laws and any additional standards set forth in the Operations Manual. We reserve the right to require modifications to advertising content, targeting methods, tracking technologies, vendor relationships, or marketing practices to address regulatory requirements, insurance participation, or evolving data privacy standards. Failure to comply with applicable healthcare or

privacy laws in connection with advertising may constitute a material default under the Franchise Agreement.

Brain Balance owns, operates, and maintains the System Website. You are strictly prohibited from establishing or maintaining any independent websites or domains for your Center. BBF will host and maintain a designated Center Page (Microsite) for you. You may request limited updates to locally specific content on your Center Page, but you are strictly prohibited from adding inaccessible media (such as uncaptioned videos, or images without alternative text descriptions) to your Center Page. All proposed text, videos, and images must be submitted to us for review and approval to ensure they meet our digital accessibility and WCAG standards prior to publication.

Advertising Fund

We have established a national advertising fund (the “Advertising Fund”). All Company-owned and Franchise Centers must contribute 2% of Gross Revenue to the Advertising Fund monthly (Franchise Agreement Section 6.02).

The Advertising Fund is intended to support system-wide brand development, advertising, marketing strategy, and related initiatives designed to promote and enhance the Brain Balance® brand. Advertising Fund expenditures may include, without limitation:

- a) National, regional, or market-level advertising and media placement;
- b) Creative development, production, and content creation;
- c) Digital platforms, marketing technology systems, data tools, analytics, and related infrastructure;
- d) Market and consumer research;
- e) Brand positioning and messaging development;
- f) Website development, maintenance, optimization, and related digital systems;
- g) Public relations and reputation management;
- h) Client testimonial development and related compliance processes;
- i) Agency, consulting, campaign management, and professional services;
- j) Marketing-related legal, regulatory, data governance, or privacy compliance initiatives necessary to support system-wide marketing activities

The cost of local advertising or local media placement is not covered by the Advertising Fund and requires separate local investment as described in Item 6

We are not obligated to make expenditures for any specific Franchisee that are equivalent or proportionate to that Franchisee’s contributions, nor are we required to ensure that any Franchisee will benefit directly or pro rata from Advertising Fund expenditures. We reserve the right to

determine the nature, scope, content, timing, geographic allocation, media channels, technology platforms, compliance measures, budget, and all other aspects of Advertising Fund expenditures

Contributions to the Advertising Fund will be maintained in a separate account and accounted for separately from our general operating funds. Advertising Fund monies will not be used for the principal purpose of soliciting the sale of franchises. Any unspent funds will be carried forward for use in subsequent fiscal years. We will provide Franchisees with an annual summary of Advertising Fund expenditures

In 2025, the Advertising Fund collected \$876,864 and we spent \$766,805 on advertising and marketing activities. Advertising Fund expenditures in the prior fiscal year were allocated approximately as follows:

Paid Media Ads	56%
Brand & Reputation Management	22%
Campaign Strategy & Media Management	8%
Digital Infrastructure & Optimization	7%
Creative Production & Content Development	7%

Percentages are approximate and may vary from year to year based on system needs, regulatory requirements, and strategic priorities.

Local and Regional Advertising

Local marketing and promotional activities are essential to the operation of your Center. In addition to your required contribution to the Advertising Fund, you must spend an amount equal to 9% of your Gross Revenue each calendar month on local advertising and marketing activities; however, in no event will your required local advertising expenditure be less than \$6,000 per calendar month.

Required expenditures must be incurred and paid on a continuing and reasonably level basis throughout the year and must be allocated in accordance with our marketing guidelines and channel recommendations as set forth in the Operations Manual. We reserve the right to modify channel allocation standards, vendor requirements, approved marketing practices, or compliance requirements to address system-wide initiatives, regulatory obligations, insurance-related marketing restrictions, or evolving data privacy standards.

We may establish, maintain, and control certain digital business listings, social media accounts, review site profiles, advertising accounts, or other online visibility assets relating to your Center and the Marks (collectively, “Digital Assets”). Such Digital Assets may be created or managed by us in accordance with system standards.

You must not create, claim, modify, or establish any Digital Assets relating to the Center or the Marks without our prior written approval. This restriction applies equally to any Digital Marketing Territory or virtual service offerings. All approved Digital Assets must be created, structured, and maintained in compliance with the Operations Manual and our brand standards.

You must provide us with full administrative access to any approved Digital Assets and must comply with all policies and requirements set forth in the Operations Manual relating to digital presence, social media, online listings, and data governance. We reserve the right to modify, assume control of, transfer, suspend, disable, or remove any Digital Asset at any time to protect the Marks, ensure brand consistency, address regulatory or data privacy requirements, or enforce system standards.

You are required to utilize nationally produced advertising materials and system templates where directed by us. If you wish to develop your own local marketing materials or campaigns, you must obtain our prior written approval in accordance with the advertising approval procedures described above. To obtain approval, you must submit the proposed materials and a description of their intended use to us. If we do not approve the materials, activities, media, or intended use in writing within ten (10) days after submission, they will be deemed disapproved and may not be used.

Within fifteen (15) days of our request, you must provide documentation sufficient to verify the nature and amount of your local advertising expenditures. Failure to comply with local marketing requirements may constitute a default under the Franchise Agreement.

We own, operate, and maintain the system website currently located at www.brainbalancecenters.com (the “System Website”). Franchisees do not own, operate, or control the System Website or any portion of it.

We will host and maintain a designated webpage within the System Website for your Center (a “Center Page”). The Center Page is part of the System Website and remains our property at all times.

You may request limited updates to certain locally specific content (such as staff information or community events), subject to our prior written approval. All proposed text, images, testimonials, insurance-related representations, links, or other modifications must be submitted to us for review and approval prior to publication. You may only use content approved by us.

You must implement any required hyperlinks, disclosures, tracking mechanisms, forms, data collection protocols, and other technical specifications that we establish. We reserve the right to modify the structure, content, functionality, forms, data collection practices, lead routing processes, and technical architecture of the System Website or Center Pages at any time to address branding, operational, regulatory, insurance-related, or data privacy requirements.

As of the date of this Disclosure Document, the System Website is located at www.brainbalancecenters.com.

We do not maintain a franchisee advertising council. We may maintain a Franchise Advisory Board (the Brain Balance Franchise Advisory Board, or “BFAB”), which may provide input on marketing and advertising strategy at our request.

We do not recommend or endorse the formation of advertising cooperatives. Franchisees may voluntarily participate in such cooperatives; however, we do not govern, administer, or mediate disputes relating to cooperative advertising activities.

Technology Requirements

The Franchise Agreement requires you, at your expense, to purchase or lease, and maintain, the computer hardware and software, dedicated telephone, cable, and communications capabilities, and power lines, modem(s), printer(s), tablet(s), and other computer-related accessories or peripheral equipment that we specify in the Operations Manual. The computer hardware is not proprietary property of BBF and may be purchased from any supplier, provided it meets BBF's specifications. You will need an iPad/Android tablet(s) with a minimum screen size of 12" and not older than 5 years to access our applications with Wi-Fi or Ethernet connectivity for each coach delivering program, and for each participant in the Cognitive Room. You will need a Google Chrome Web Browser in its most recent version (note: Google Chrome is the only web browser we support, other web browsers may or may not work). We estimate the cost of purchasing the computer system will range from \$36,000 to \$39,000 for a Standard Center and range from \$15,000 to \$20,000 for a Satellite Center.

You need to have access to the Internet with a minimum download speed of 50 MB per second. You also are required to have up to date virus protection software on all PC or Mac computers. Any associated costs with connectivity, router, wireless access point, firewall, anti-virus software, and hardware are your responsibility. Specific details regarding hardware and software requirements are included in the Operations Manual. We do not have any obligation, nor have we contracted with any third parties, to provide any ongoing maintenance, repairs, upgrades, or updates to your computer hardware system.

Computer(s) and tablet(s) are used for recording client data and other recordkeeping and central functions. We maintain a central application into which information from all Centers' computers are transmitted. You must also install, maintain, and upgrade during the term of the Franchise Agreement an Internet connection and a Brain Balance Center domain email account for your Center. You must use this email address for all email communication between you, your staff, and us. The Software Agreement specifies that you use the most recent version of Google Chrome. We are not required to provide or assist in obtaining, installing or maintaining the hardware, local area network (LAN), or Internet connectivity. You further understand that without these properly functioning, you may not be able to access our applications.

All franchise operations must be PCI-DSS-compliant in order to accept credit card payments. You may not store any credit card or bank information in our systems. For more information regarding PCI-DSS compliance, please refer to the Operations Manual.

If you participate in the optional Third-Party Billing Program, you will also be required to implement and maintain the EHR system and related billing software designated by BBF, CIN and MSO. We will make these systems available to you, provide integration guidance, and issue any required updates or upgrades. We will also provide specifications for compliance with HIPAA and SOC 2 security standards and may periodically require system reviews or credentialing audits to verify compliance.

We have the right at any time to independently retrieve, poll, and use for any purpose all data and information from your computer system as we, in our sole discretion, deem necessary or desirable, with the costs of such retrieval to be borne by us. This will include client information that is

collected by us in a central location and may be transmitted to an approved research facility, with which we have a cooperative data sharing arrangement, for coordination, analysis, and publication. There are no contractual limitations on our right to access the information and data. To ensure full operational efficiency and optimum communication capability among computer systems installed by you, us, and other franchisees, you must, at your own expense, keep the computer system in good maintenance and repair, and promptly install such upgrades, additions, changes, modifications, substitutions, and/or replacements to the computer hardware, software, networking/connectivity devices and configurations, telephone and power lines, and other computer-related facilities as we may direct. There is no contractual limitation on the frequency and cost of these obligations (Franchise Agreement Section 18). We cannot estimate the cost of maintaining, updating, or upgrading your computer system or its components because it will depend on your repair history, local costs of computer maintenance services in your area, and technological advances, which we cannot predict at this time.

You may obtain your office computer hardware from any reputable supplier. You are not required to secure a computer maintenance contract, but you must ensure that all programs and applications running on your computer are legally licensed.

We retain the right to data ownership for everything related to the Brain Balance systems, programs, and operations.

Your Center must utilize our approved digital forms and software. Because BBF System serves individuals with varying cognitive, visual, and auditory needs, you must ensure all participant-facing technology meets our accessibility standards:

Digital Intake Forms: Participants/Parents and guardians complete the mandatory Brain Balance Multi-Domain Survey on their phones or on tablets provided by your Center. You must ensure that the tablets provided by your Center have accessibility features turned on (such as text-to-speech capabilities or large text options) for visually impaired parents or participants.

Brain Balance Cognitive App: The Cognitive App assessment and training is delivered via iPads or Android tablets. If a participant cannot physically engage with the tablet screen or requires ADA accommodations, you must follow our Operations Manual protocols to provide alternative, offline manual program exercises. All participants in the Digital Marketing Territories program must utilize the Brain Balance Cognitive App.

Program Portal: Families are granted access to a Program Portal for virtual exercises, resources, and nutrition coaching. We ensure that the proprietary videos and resources within this portal are provided with closed captioning for the hearing-impaired. If you utilize any approved local videos or resources, you must also ensure they are properly captioned.

Application License Agreement

You must license the Software/Application required for your Center by executing the Application License Agreement attached as Exhibit 1 to Exhibit A (Franchise Agreement) and as Exhibit 1 to Exhibit B (Satellite Franchise Agreement) when you execute your Franchise Agreement. The Application performs administrative functions for your Center, including collection of data relating to your customers and transmission of the data to our research facility affiliate.

The Application License Agreement requires payment to us of an initial license fee and annual maintenance fees. The term of the Application License Agreement is coterminous with the term of the Franchise Agreement. The Application License Agreement entitles you to multiple users at your Center. Each user must have their own login and account as sharing logins or passwords will be considered as a breach of security. Presently, the Software and Applications are being developed exclusively for BBF, but if we change the operating system and contract with a third-party software vendor, you may be required to pay the software vendor directly for multiple users. We will provide support and maintenance of the proprietary Software/Application only, and you will be responsible for maintenance of your own hardware and communication software. (See Items 5 and 6 for the cost of the Annual Technology Fee). We will also provide necessary upgrades to the Software/Applications on an ongoing basis, and, if any upgrade is provided to you, you must implement it. The upgrades will be provided at no additional cost to you (Application License Agreement §1(a) A). You must permit the Franchisor access to the Software/Application and its data and must perform the actions required to permit the Franchisor to communicate with the Software/Application and to access and record it and its data, including, for example, the purchase, installation, and maintenance of appropriate communication hardware and software (Franchise Agreement §15; Application License Agreement §2(a)).

To ensure secure and consistent communication, all franchisees are required to use Brain Balance's email system. Each Center will be assigned a primary email address along with two (2) additional accounts, one of which will be designated for the Center owner to receive sensitive communications. Additional email addresses for all staff members are available at an additional cost, and are required.

Manuals

Before you open your Brain Balance® Center, the Franchisor will make the Operations Manual, the training manual, and form templates available to you via download. The Franchisor will provide you with any modifications, additions, and deletions to the Operations Manual as it determines in its sole discretion (Franchise Agreement 9.02(f)). BBF reserves the right to amend or modify the Operations Manual from time to time, at our sole discretion, and you agree to abide by all such revisions at your own expense. Revisions to the Operations Manual will not unreasonably affect your obligations, including economic requirements under the Franchise Agreement.

The Operations Manual also includes policies, procedures, and technical standards applicable to the Third-Party Billing Program, including data-handling, privacy, and billing protocols. We will issue updates to these materials as required by changes in payer, HIPAA, or SOC 2 standards, and you must implement such updates promptly.

The table of contents of the Operations Manual is attached as Exhibit I. Our Operations Manual is 168 pages long.

Site Selection

You must identify a location for your Center, obtain our approval for the location and the lease, sign the lease for the Center within 120 days of the execution of your Franchise Agreement, and

open the Center within nine (9) months after the date of the Franchise Agreement. Within ten (10) days after you execute any lease for the premises, you must deliver a copy of the lease to us. Other than the specific provisions we require, we do not review your lease or its business terms. We may recommend a real estate services company that can assist you with your lease negotiation and work letter, which may increase the likelihood of receiving review more quickly.

We consider traffic patterns, demographics, available parking, and other factors when deciding whether to approve a proposed Center location. Ideally, your Center should be in a safe, approved location with well-lighted parking areas, located close to a highly visible area near a major roadway. There should be enough parking to accommodate at least 15 Center related cars. You are not permitted to share your Center space with any other business entity.

If at any time during your franchise agreement you move locations, the same requirements apply for site selection and approval.

Time to Open

The typical length of time to open a Center after signing the franchise agreement is six to seven months. It will typically take you 3 to 6 months after we approve your site to open. If you do not begin operations within nine months from the date of the execution of your Franchise Agreement for any reason, we have the right to terminate your Franchise Agreement and retain your franchise fee. (Franchise Agreement §14.02)

If you have an existing Center and you are adding a Digital Marketing Territory, you should be able to begin operating virtually in the new territory immediately.

Training Programs

We conduct an initial mandatory training program for all new Franchisees, whether purchasing a new or operating center, prior to the opening of their Franchised Business or transfer of existing business at our sole cost and expense. The subjects covered in the initial training program are described as follows:

Training Program			
Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Business (Standard Brain Balance Center only)	7	5	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.

Training Program			
Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Marketing (Standard Brain Balance Center only)	9.5	5	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.
Inquiry and Enrollment (Standard Brain Balance center only)	22	3	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.
Assessment (Standard Brain Balance center only)	10	16	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.
Technology	20	2	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.
Program: In-Center ages 4-17	34	32	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.

Training Program			
Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Re-Enrollment and Phase 2	8	0	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.
Program: Virtual, Hybrid, and Adult Offerings	0	1	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.
Balance 360	2	2	Self-directed training is available on demand from any U.S. location; in person training will be held at a Brain Balance facility in Oklahoma City, OK, Pittsburg, PA, Denton, TX, or Reston, VA.
Total Hours – Standard Brain Balance Center	113.5	95 hours	
Total Hours – Satellite Brain Balance Center	34 hours self-directed 26.5 hours in person		

We include hours of self-directed training, including self study and video training, within Classroom Training in the table above.

Initial training is offered on an as-needed basis, and we will work with you to schedule it. The self-directed portion of the training is available online at any time.

No additional training is required to participate in the Digital Marketing Territories program.

You may be required to travel with your staff (Center Director and or Program Director) to an approved Center to complete shadow training by their staff for up to five days, depending upon the availability of the local Center's staff.

A BBF representative will travel to you for a site inspection, an operations overview, and to provide reinforcement prior to your official opening (Franchise Agreement §9.01).

The instructional materials consist of our Operations Manual, online videos, teleconferences, and quizzes and hands-on activities to ensure comprehension. The Table of Contents of our Operations Manual as of the date of this Disclosure Document is attached as Exhibit I.

Initial training is provided to you and your employees at no cost. You may incur expenses in connection with this training for the cost of your transportation, living, and other incidental expenses you and your employees incur to attend the training, along with any wages or other expenses of your employees who attend the training. We require all franchisees and their Center Director and Program Director to attend training.

The satisfactory completion of the initial training program by you, the Franchisee, is mandatory. as part of our training process, you will become certified in the separate programs we offer. You must complete each certification prior to enrolling any participants in that program. We do not pay any compensation to you or to your staff for any on-the-job training in which you or they participate. If you fail to satisfactorily complete the initial training program, we reserve the right to terminate your Franchise Agreement and retain all fees you have paid to us.

Our training programs are conducted by instructors with substantial experience both within the Brain Balance system and in the broader fields of education, child enrichment, health and wellness services, and franchise operations.

- **Program/Product Subject Matter Experts.** Training on the Brain Balance Program® is delivered by subject-matter experts with deep knowledge of the Brain Balance product. Each of these trainers has between 7 and 8 years of direct experience within the Brain Balance system. One trainer also operated as a Brain Balance franchisee for an additional 5 years prior to becoming a trainer. These instructors are responsible solely for the program curriculum and product content.
- **Sales and Business Operations Trainer.** The trainer responsible for sales and business operations instruction has more than 25 years of professional experience in sales and business management, including over 7 years within the Brain Balance system. This trainer teaches only in the areas of sales and business operations.
- **Additional Trainers.** Other trainers may include former or long-tenured franchisees or subject-matter experts in areas such as marketing, finance, and franchising. Each of these trainers has at least 8 years of combined industry and/or Brain Balance experience and is assigned only to those portions of the training program for which their background is directly relevant.

All trainers have a minimum of 7 years of relevant professional or Brain Balance experience. Each instructor teaches exclusively in subject areas that correspond to his or her expertise and tenure,

ensuring that franchisees receive instruction from individuals with meaningful, directly applicable experience. The Franchise Agreement does not require you to complete the required initial training within a specific date of signing the Franchise Agreement; however, you must complete the initial training to our satisfaction prior to beginning to operate your Franchised Business, which you must open within nine months of signing the Franchise Agreement.

Additional training and consultation are available at your sole cost and expense via conference calls and through visits to your Center. We will provide additional training and consultation at your sole expense, in the event you fail to master the principles and objectives of the Licensed Technology, or if System development results in new principles or protocols upon your request at your Center or, if you replace either your Center Director or Program Director. If you replace either your Center Director or Program Director, the replacement employee must attend the next scheduled initial training for a flat fee of \$500 per day. In any of the circumstances listed above that require additional training at your location, you will be charged a per day payment of \$1,000, plus airfare, lodging, and travel expenses. These consulting services will include business development, marketing, organization, operation of the first or additional Centers, and promotion of the Franchised Business. Any consulting services that last more than four (4) hours are to be considered a "full day." Consulting services lasting more than one-half hour and less than four (4) hours are considered to be "half day," for which \$500 will be charged. Time spent by a consultant lasting less than one-half hours will not be considered consultation services. Services shall conform to our requirements or as we mutually agree. If you request consulting services, be performed specifically by a particular corporate Brain Balance employee; the per diem rate shall be \$1,500, and the half-day rate shall be \$750.

If we offer advanced training in the form of a regional workshop, you, your Center Director, and your Program Director will be required to attend at your sole expense. If we offer these at all, they will be related to enrollment enhancement, assessment and program administration, and marketing and will not be offered more than two times per year. In some years we may offer none.

We recommend, but do not require that you or your staff obtain certain additional certifications. As of the date of this Disclosure Document, we recommend the Registered Behavioral Technician (RBT), OT or BCBA certification. These recommendations may change from time to time.

The International Board of Credentialing and Continuing Education Services (IBCCES) provides training that culminates in a certification for a Certified Cognitive Coach, or Certified Cognitive Specialist. We recommend that all franchisees, directors, and coaches complete this training to provide additional insight into working with individuals with cognitive challenges including ADHD, autism, anxiety, sensory processing, and learning disabilities. This certification expense is the responsibility of the franchisee and is valid for two years, at which time continuing education credits can be completed online to renew the certification. Brain Balance has negotiated pricing so that Brain Balance franchisees and staff are able to complete this certification at a discounted price. This certification is obtained and renewed directly through IBCCES. Staff must be paid for the hours spent completing certification training.

Mindset Behavior Training is offered through Brain Balance Certified Trainers to provide training in avoiding, de-escalating, and supporting aggressive behaviors. This is recommended as a best practice to be completed by all franchisees, directors, and coaches. The Brain Balance Home

Office team has several certified trainers on staff in order to provide this training at no additional cost to Brain Balance franchisees and staff. This certification requires a combination of coursework that is completed online, as well as attending live webinars, an online testing to obtain the certification. This certification is valid for two years, at which time continuing education credits can be completed online to renew the certification. Staff must be paid for the hours spent completing certification training.

If you participate in the Third-Party Billing Program, we will provide additional training covering HIPAA compliance, SOC 2 data-security requirements, use of the required EHR system, and use of the Cognitive App for assessments and post-program subscription services. We will also provide instruction on billing and reimbursement procedures, payer documentation requirements, and credentialing processes for staff members. Training will be delivered through virtual modules and live sessions as described in Third-Party Billing Amendment to the Franchise Agreement, and you and your staff must complete all modules and maintain any required certifications to remain in good standing in the program.

Transfer Training

If after signing a franchise agreement you choose to sell your location (following all guidelines pertaining to the sale of the location) the new franchisee, after signing their Franchise Agreement, will go through a mandatory three week training period to be completed prior to any complete transfer of ownership. During these three weeks, the franchisee would be required to complete courses through a virtual platform and through virtual instructor-led training led by the Training Department and Department Leads. At the time of ownership transfer, there is seven days of in person training at the center location led by a member of the Training Department. The franchisee would be responsible for providing the center schedule two weeks prior to the onsite training.

Program Pricing

We may recommend pricing for programs, but we do not establish the price at which you must sell your in-center services. We offer virtual hybrid program pricing, and any post-program subscription services at a set price.

If you participate in the Third-Party Billing Program, pricing for Brain Balance services billed to third-party payers will be determined in accordance with payer contracts administered by CIN and MSO. You must still pay royalties and advertising fund contributions on all Gross Revenue, including insurance reimbursements. We will not set or guarantee payer reimbursement rates or insurance coverage levels.

Third-Party Payer and CIN Support

We may develop and implement programs designed to support participation in third-party reimbursement models, including through a clinically integrated network. These programs may include requirements related to:

- a) Use of designated electronic systems and technology platforms
- b) Compliance with clinical protocols and care pathways

- c) Data collection, reporting, and quality metrics
- d) Credentialing, licensure, and training requirements
- e) Operational and administrative standards

Participation in these programs is subject to eligibility criteria, payer requirements, and execution of additional agreements. We may modify system standards to support these initiatives.

We do not guarantee participation, approval, reimbursement, or financial performance related to any third-party payer program.

ITEM 12 TERRITORY

We grant you the right to operate a Brain Balance® Center at a specific location. If you do not have a location when you sign the Franchise Agreement, then at the time you sign the Franchise Agreement, you will agree to locate your Center within a specified distance from a particular intersection. When you have identified a space suitable for a Center, you will request approval for this location from us and submit a proposed lease. Once we have approved the location and you have signed the lease with our approval, we will identify that specific location for your Center.

Except as otherwise stated, the disclosures here regarding territory apply equally whether you are opening a standard Brain Balance® Center or a Satellite Center, although you must have a standard Center established before we will consider permitting you to open a Satellite Center.

You will receive an exclusive area that consists of the geographic area within which your Franchised Business must be operated. We will not establish or operate, or franchise any entity to establish or operate, a Brain Balance® Center within a certain radius of your Center (the "Territory"). You and we determine the exclusive area. The radius may be smaller, if, for example, your approved location is in or near a metropolitan area or a densely populated area. This Territory is conditional on a certain sales volume, market penetration, or other similar condition as follows: (i) beginning in the first month following the date your Center opened or at the tenth month following the date of your Franchise Agreement if you have not yet opened, your minimum monthly royalty will be at least \$1,000; (ii) your gross sales, meaning total sales excluding sales tax and any refunds, must equal at least \$350,000 for each twelve (12) month period following the third anniversary of the Franchise Agreement date; and (iii) if you are a transferee of a BBF Franchise Agreement, your gross sales must equal at least \$350,000 for each twelve (12) month period following the second anniversary of the date the Franchise Agreement was transferred to you. If you fail to meet this requirement, we have the right to terminate the Franchise Agreement. Other than as stated, there are no circumstances that would permit us to modify your territorial rights.

The Territory granted is for a specified area, which may be delineated by boundary streets, highways and other physical boundaries, zip codes, county lines, and/or by governmental lines. You have no options, rights of first refusal, or similar rights to acquire additional franchises within your Territory or contiguous territories under the Franchise Agreement. If you wish to acquire an additional franchise, you must sign another Franchise Agreement.

You must operate your Center from one business location, except that if you operate a Satellite Center you are permitted to provide intake services for your Satellite Center customers at your standard Center location and conduct certain other administrative functions for the Satellite Center at the standard Center location. You must receive our written permission before relocating. The location or relocation of your Franchised Business must be approved by us. The considerations for approval of your Center site are described in Item 11. If you wish to relocate your Center, you will be required to pay a relocation fee and sign a general release if a release is permitted by state law. We can refuse to approve your request for relocation.

Except for this Territory, the Franchise is non-exclusive, and we and our affiliates retain the right, among others:

7. To establish or operate, and grant franchises for others to establish or operate, Brain Balance® Centers or other businesses offering the Brain Balance Program® or other products or services under the Marks (as defined in Item 13) or any other marks, at any location outside the Territory, regardless of proximity to your Center.

8. Within and outside the Territory, to market, sell, or distribute, or to contract with others to market, sell, or distribute, any services of any kind (including books, audio tapes, video tapes, computer software, and computerized instruction), to any person, organization, or public or private entity, using the Marks or other marks, through any channel of distribution, including through any computer service, email, the Internet, or any computer, television or other electronic device, bookstores or any other retail Centers, mail order, or counseling center.

9. Within the Territory (a) to offer, sell, and provide (and to contract with, or license others to offer, sell, and provide), any products (including, but not limited to nutritional and food products that coordinate with the Brain Balance Program®), and services of any kind (other than Brain Balance® Center services), under the Marks or other marks; (b) to develop and establish other businesses and systems using marks other than the Marks for any products and services (other than Brain Balance® Center services), and (c) to grant licenses thereto, without providing any rights to you.

10. Within and outside the Territory to acquire, merge with, or otherwise affiliate with, and thereafter own and operate, and franchise or license others to own and operate, any supplemental education service business, including any business that offers products or services that are the same as or similar to those that you provide at your Brain Balance® Center, or any other system or trademarks or service marks. Additionally, BBF, and its affiliates reserve the right to engage in a business other than a supplemental education service business offering programs for individuals with developmental delays. This business can be located within your Territory and can include a business you are prohibited from operating under the Franchise Agreement.

11. Outside the Territory, to offer, sell, and provide (and to contract with, or license, others to offer, sell, and provide), any products and services of any kind (including Brain Balance® Center services), under the Marks or other marks; and to develop and establish other businesses and systems using marks other than the Marks for any products and services, and to grant licenses, without providing any rights in those licenses to you.

As provided above and in the next paragraph, we and our affiliates can use alternative channels of distribution to offer products or services within your Territory under the Marks or under trademarks different from the Marks you will use under the Franchise Agreement, but we and our affiliates have not yet offered any services of this type. We are not required to pay you any compensation for soliciting or accepting services within your Territory.

Although we are not currently in this business, we intend to offer software products in Brain Balance® Centers using the Marks as soon as they have been developed by BBF that will be designed to provide interactive components of the Brain Balance Program® for use by customers at home.

Other franchises may solicit and accept customers for their Centers from within the Territory and will not be required to pay compensation for soliciting or accepting customers from within your Territory.

If you enter into a Digital Marketing Territories Addendum, we will identify your territory or territories in writing. A single territory will typically consist of between 250,000 and 400,000 persons in contiguous zip codes. The final size of a Digital Marketing Territory will be determined by us, considering population density, our assessment of demand potential, and potential impact to existing Brain Balance Centers. In denser urban areas with projected higher demand, the size of the territory may be smaller, in our discretion. With our permission, you may acquire multiple territories, each of which will be defined by this criterion.

Within your Digital Marketing Territory, you will not be permitted to establish or open a physical Brain Balance Center of any type. You will only be permitted to offer the Brain Balance Program® to enroll students from the territory via virtual meeting technology.

Digital Marketing Territories are granted for a much shorter period than the territory attached to your physical Center. We have the right to sell a territory granted to you as a Digital Marketing Territory at any time at or after six months from the date we grant you this territory. As long as you are in good standing and meet our then-current minimum qualifying criteria to be a franchisee, we will offer you the right to establish a physical Brain Balance Center in each such territory before we sell it to a third party. If you do not sign our then-current form of franchise agreement within 30 days of our making that offer, we will have the right to sell that territory to a third party and you will lose the right to operate in that territory.

You may not solicit and accept customers from outside your Territory, except as we may specifically permit, including under any approved Digital Marketing Territory rights. You may not use other channels of distribution that we have not approved including catalog sales, telemarketing, other direct marketing, or remote coaching other than as we specifically permit. You will not be entitled to establish or maintain an independent website via the Internet.

ITEM 13 TRADEMARKS

Prior to October 2011, we had operated under a License Agreement with BBI for the rights to use the trademarks utilized in the Brain Balance Program®. On October 7, 2011, we entered into an Asset Purchase Agreement, (which, as described in Item 1, superseded and replaces the prior License Agreement), under which BBF purchased all of the intellectual property owned by BBI,

including Brain Balance Program® protocols and trademarks, Brain Balance Program® and Brain Balance® & Design franchised to you. Effective January 1, 2015, BBF entered into a Trademark Assignment Agreement, under which BBF assigned to Brain Balance Holdings, Inc. all of its rights to the trademarks, including Brain Balance® & Design and Brain Balance Program®. We have entered into an exclusive License Agreement with Brain Balance Holdings, Inc. for the rights to use the trademarks utilized in the Brain Balance Program®. The License Agreement has a perpetual term and can only be terminated by Brain Balance Holdings, Inc. if BBF files for bankruptcy, breaches its representations in the License Agreement, or materially breaches the License Agreement and fails to cure within a reasonable period of time.

The Franchise Agreement grants to you the non-exclusive right and license to use the proprietary marks (the "Marks") and any other proprietary marks that we may use during the term of the Franchise Agreement in operating the Brain Balance Program®. The Marks are the only trade names that can be used in connection with the operation of your Franchised Business. "Marks" include all trade names, trademarks, service marks, logos, and other marks used to identify your Franchised Business, including those listed below.

The following Marks have been registered with the United States Patent and Trademark Office on the principal register.

Registration Number	Mark		Status	Registration Date
7,133,329	Brain Balance & Design (Service Mark)		Principal Register	August 08, 2023
3,563,062	Brain Balance & Design (Mixed Type)		Principal Register	January 20, 2009
3,369,340	Brain Balance Program	Brain Balance Program	Principal Register	January 15, 2008
5,664,232	Brain Balance	BRAIN BALANCE	Principal Register	January 29, 2019

All the required affidavits of use to maintain the Brain Balance & Design® and the Brain Balance Program® registrations have been filed.

There are no currently effective material determinations of the Patent and Trademark Office, Trademark Trial and Appeal Board, Trademark Administrator of this or any other state, or any Court, no pending infringement, opposition or cancellation proceedings, or pending material litigation involving the Marks. There is no pending material federal or state court litigation regarding our use or ownership rights in any Mark. No agreements are currently in effect that significantly limit our rights with respect to the Marks that would materially affect the operation

of your Franchised Business. We do not know of either superior prior rights to those of Brain Balance Holdings, Inc. or infringing uses that could materially affect your use of the Marks or the Brain Balance® name in any state.

Franchisees are required to adhere to our rules when utilizing the Marks in any printed form or digital, including, but not limited to, stationery, business cards, invoices, signs, advertisements, promotional literature, social media content, website, microsite and email addresses. The Marks cannot be used as part of your corporate name and may be used only in connection with the Franchised Business.

BBF must be notified immediately if you learn about an infringement of, imitation of, or suspected unauthorized use of – or challenge to use – the Marks. Any judicial, arbitration, or administrative proceedings and actions involving the Marks will be controlled by us. 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, but not the obligation, to defend you against any third-party claim, suit, or demand arising out of your use of the Marks. Our current policy is to take appropriate action when a potential infringement of our name or the Marks has occurred. We are not obligated to participate in your defense and/or indemnify you for damages or expenses incurred if you are a party to an administrative or judicial proceeding involving the Marks.

You must modify or discontinue the use of a Mark if BBF modifies or discontinues it. If this happens, you will not be compensated by us in any manner as a result of this discontinuation or modification, and you will be responsible for all costs associated with it. We reserve the right to substitute different marks for the Marks for use in identifying Centers.

You must not directly or indirectly contest our rights to our trademarks, trade secrets, or business techniques.

ITEM 14 PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

BBF does not own any rights in or to any patents or copyright registrations that are material to the Franchised Business. We claim copyright protection for our printed literature, Software, including our proprietary Eyelearn and Eyelisten technologies, and our Operations Manual.

Confidential Operating Manual

Your Franchised Business must be operated in accordance with the standards, methods, policies, and procedures specified in our Operations Manual ("Operations Manual"). We will make the Operations Manual available to you via download for the term of your Franchise Agreement and any extension thereof. BBF reserves the right to revise the Operations Manual to reflect new developments and approaches in clinical research, sales, marketing, operational techniques, and other procedures relevant to the Franchised Business. You must comply with any such revisions, but revisions to the Operations Manual will not unreasonably affect your obligations, including economic requirements, under the Franchise Agreement. The Operations Manual must remain current at all times. In the event of any dispute regarding the contents of the Operations Manual, the information in the master copy maintained by BBF at our home office will be controlling.

The information contained in the Operations Manual, and in any other document created for use in the operation of your Franchised Business is confidential, and you must use reasonable efforts to maintain this information as secret and confidential and must not disclose, copy, duplicate, record, or otherwise reproduce the Operations Manual, in whole or in part, or otherwise make it available to an unauthorized third party. The Operations Manual will remain our property and must be kept in a secure place in your Center.

Confidential Information

During the term of the Franchise Agreement and at all times thereafter, neither you nor any of your officers, directors, shareholders, members, or partners, as the case may be, may communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation, any confidential information, knowledge, trade secrets, proprietary information, or private processes concerning the methods of operation of the Franchised Business that may be communicated to you or of which you may be apprised by virtue of your operation under the terms of the Franchise Agreement (including, but not limited to, confidential information, knowledge, trade secrets, proprietary information, or private processes and protocols obtained in the course of operating your Center or contained in the computer software and software manuals we provide you). Any and all confidential information, knowledge, trade secrets, proprietary information, or private processes that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement.

Throughout the term of the Franchise Agreement, and for a period of one year after either termination – regardless of cause of the termination – expiration, or non-renewal, neither you nor any of your officers, directors, shareholders, members, or partners, as appropriate, shall engage in the supplemental education services business within a fifty (50) mile radius of your Center. To the extent you are currently using certain Brain Balance® techniques involving hemispheric integration methodology, or brain connectivity techniques, we will limit appropriately the applicability of the post-term non-competition provisions contained in Section 18 of the Franchise Agreement.

Throughout the term of the Franchise Agreement, and for a period of two (2) years after either the termination, regardless of the cause of the termination, expiration or non-renewal of the Franchise Agreement, neither you, nor any of your officers, directors, shareholders, members or partners, as appropriate, shall directly or indirectly employ, seek to employ, or attempt to employ any person employed by BBF or any of its Franchisees or affiliates or otherwise directly or indirectly induce such persons to leave their employment.

Throughout the term of the Franchise Agreement, and for a period of two (2) years after either termination – regardless of the cause of the termination – expiration, or non-renewal, neither you nor any of your officers, directors, shareholders, members, or partners, as appropriate, shall divert or attempt to divert, any business of, or any clients of, the Franchised Business or any other Franchisee or affiliate of BBF to any other competitive establishment, by direct or indirect inducement or otherwise.

You also agree that upon termination, expiration, or non-renewal of the Franchise Agreement, all records contained in all of your databases, and other data secured as part of your Center operation,

are the property of BBF and will be electronically transferred to us within ten (10) days of termination.

All of your employees, including your Center Director and Program Director, if any, and all officers and directors or members who are not Franchisees, are required to execute a Confidentiality Agreement as provided in the Operations Manual and a signed copy must be filed in a secure location in your Center and provided to us if we request it. The current form is attached as Exhibit 3.

We retain the right to data ownership for everything related to the Brain Balance systems and operations.

ITEM 15 OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS

Franchisees are required to have satisfactorily completed all aspects of the training program and attend any training sessions determined required by BBF. If the Franchisee will not be managing daily operations of the center, they must include a dedicated Center Director in any and all training sessions determined required by BBF.

You must, at all times, starting from the opening of your Center, employ a (A) Center Director, (B) Program Director, and (C) an appropriate number of Program Coaches to deliver the program as prescribed.

All of your employees, including your Center Director and Program Director, and all officers, directors, members, and partners who are not Franchisees, are required to execute a Confidentiality Agreement as provided in the Operations Manual and upon our demand you are required to show us proof of compliance with this requirement. You, your spouse, and your officers, directors, shareholders, partners, and members are also required to enter into a Confidentiality and Non-Compete Agreement that prohibits these individuals from competing with the Franchised Business during the term of the Franchise Agreement and for two (2) years after termination.

Every owner of a 10% interest or more in the Franchised Business must sign a personal guaranty in the form we require. We require a spouse of any owner to sign a personal guaranty even if the spouse holds a 0% ownership interest in the franchise.

We do not require you to grant an equity interest to any employee.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must provide the Brain Balance Program[®] and the services specified in the Operations Manual or otherwise specified by us in writing. Your Brain Balance[®] Center may be used only to operate the Franchised Business and may not be used for any activity other than as specified in your Franchise Agreement and the Operations Manual. BBF may specify required hours of operations in the Operations Manual or otherwise in writing. You must also refrain from using or permitting others to use your Center location for any purpose other than the operation of your Franchised Business. You may not deliver any aspects of the Brain Balance program at a location outside of your center unless approved in writing. You must adhere to all standards, policies, and procedures

in strict conformity with the specifications contained in the Franchise Agreement, Operations Manual, or other otherwise communicated by us in writing.

You will not offer certain services, including lead assessments, post program assessments, and administrative services at a Brain Balance® Satellite Center and you will instead perform those services at your standard Brain Balance Center.

If you participate in the Third-Party Billing Program, only your RBT credentialed staff may provide Brain Balance Program® services to customers whose insurance will be billed for these services. You are prohibited from having any non-credentialed staff provide these services for such customers.

If you participate in the Digital Marketing Territories offering, you will be prohibited from establishing or building any type of physical Brain Balance Center within each such territory or from establishing any other type of physical, brick-and-mortar presence within the territory, unless or until you sign a standard franchise agreement permitting you to do so.

We may modify the Brain Balance Program® and the Operations Manual in accordance with research and other developments. You must abide by any additions, deletions, and modifications we make, but only if the changes do not materially and unreasonably increase your obligations under the Franchise Agreement. There are no other limits on our rights to make these changes.

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 Agreement (or Satellite Franchise Agreement, if different)	Summary
a.	Term of the Franchise	4.01	10 years
b.	Renewal or Extension of the Term	4.02	The Franchise Agreement may be extended for an additional term of 5 years unless you give written notice at least 3 months but not more than 6 months prior to expiration of the current term.
c.	Requirements for You to Renew or Extend	4.02	Execute the current form of the Franchise Agreement and pay a renewal fee equal to \$10,000 You may be asked to sign a contract with materially different terms

	Provision	Section in Franchise Agreement (or Satellite Franchise Agreement, if different)	Summary
			and conditions than your original agreement. Must be re-approved by us.
d.	Termination by You	4.03	Franchisee may terminate for any grounds permitted by law. Franchisee does not have the right to terminate prior to the end of the 10 year term for convenience.
e.	Termination by BFF Without Cause	None	N/A
f.	Termination by BFF with Cause	17	Default under the Franchise Agreement that is not cured within 15 days, bankruptcy, default under another agreement with us, and other grounds stated in Section 17. Failure to comply with System Standards, including those related to third-party payer or CIN participation (if applicable), may constitute a default under the Franchise Agreement.
g.	"Cause" Defined – Defaults that Can Be Cured	17	Defaults that can be cured include the following: failure to comply with any non-material term of the Franchise Agreement or Operations Manual; failure to submit financial or operational information required under the Franchise Agreement; failure to pay Royalty, advertising fees, or other amounts due to us; failure to comply with applicable law or regulation; marketing services under a name or mark that is confusingly similar to the Marks; failure to properly train your staff; failure to spend the minimum requirements on local advertising; failure to maintain required insurance; failure to operate from an approved, dedicated center facility; violation of Section 18.01 in-term non-competition provisions; breach of any of the agreements with supplier(s) designated by the us.

	Provision	Section in Franchise Agreement (or Satellite Franchise Agreement, if different)	Summary
			Under the Satellite Franchise Agreement, the closure, termination or abandonment of the standard Center with which your Satellite Brain Balance Center is associated is also grounds for termination, unless you request and we approve your conversion of your Satellite Brain Balance Center to a standard Center, which will require paying the difference in initial franchise fee. Under the Third-Party Billing Program, a violation of the Provider Agreement is also a curable default. Upon the occurrence of an Event of Default that continues for thirty (30) or more days after notice of such default, we shall have the absolute right without additional notice, to cease providing or making available any or all services and benefits provided to you until you are current in the payment of fees and the filing of reports and have cured all other defaults.
h.	"Cause" Defined – Defaults that Cannot Be Cured	17.01	Failure to satisfactorily complete initial training; non-payment of fees for more than 15 days; bankruptcy (Note 1), etc.; failure to pay judgment within 15 days; conviction of a felony, etc.; damage to our reputation or goodwill; maintenance or submission of false reports; denial to our right to inspect or audit; underreporting of GR by 2% or more for any 1 year; failure to achieve \$350,000 of GR in any 12-month period following the third anniversary of the date of the Franchise Agreement, or if you are the transferee of a BBF Franchise Agreement, your GR must equal at least \$350,000 for each twelve (12)-month

	Provision	Section in Franchise Agreement (or Satellite Franchise Agreement, if different)	Summary
			period following the second anniversary of the date the Franchise Agreement was transferred to you; disclosure of confidential information in violation of the Franchise Agreement; receipt of three (3) or more notices of default in the same 12 month period; any Transfer or attempt to Transfer in violation of the Franchise Agreement; breach of the Software Agreement
i.	Your Obligations on Termination/Non-renewal	17.04	Cease and desist all operations and use of our name and all Marks and all other marks names or logos of ours; change the name of your business; assign all rights in your Website to us; payment of all amounts due; deliver all files and records and confidential information and manuals to BFF within 10 days of termination; assign lease and telephone numbers (also see "q" and "r" below for provisions of non-compete and non-solicitation).
j.	Assignment of Contract by Us	8.02(f); 16.01	There are no limits on our assignment rights.
k.	"Transfer" by You – Definition	16.02; 16.05	Transfer of contract or assets or ownership changes.
l.	BBF's Approval of Transfer by You	16.02	BBF has the right to approve all transfers. Consent will not be unreasonably withheld.

	Provision	Section in Franchise Agreement (or Satellite Franchise Agreement, if different)	Summary
m.	Conditions for Our Approval of Transfer	16.03	Assignment of entire interest; payment of money owed; undertaking of transferee to take training; new franchisee qualifies; transfer fee paid and transfer franchise fee paid, if required; release signed by you; assignee executes a new 10-year Franchise Agreement; you pay all outstanding debts to us; you do not retain security interest in Franchise and agree to honor non-compete (see "r" below). You cannot transfer a Satellite Brain Balance Center separate from the associated Standard Brain Balance Center. In order to transfer a Satellite Brain Balance Center, you must also transfer the standard Center to the same transferee.
n.	BBF's Right of First Refusal to Acquire Your Business	16.02	BBF has between 30 and 120 days to match any offer for your business.
o.	BBF's Option to Purchase Your Business	None	N/A
p.	Your Death or Disability	16.09	BBF must approve continued operation of the Franchise or the Franchise must be transferred within 6 months.
q.	Non-Competition Covenants During the Term of the Franchise Agreement	18	Includes prohibition against supplemental education services business during the term of the Franchise Agreement anywhere.
r.	Non-Competition and Non-Solicitation Covenants After the Franchise Is Terminated or Expires	18	Non-Competition: Subject to applicable state law, following termination or expiration of the Franchise Agreement, two (2) years non-compete in the supplemental education services business within a 50-mile radius of the Center. Non-Solicitation: Subject to applicable state law, following termination or expiration of the Franchise Agreement,

	Provision	Section in Franchise Agreement (or Satellite Franchise Agreement, if different)	Summary
			two (2)-years non-solicitation of customers of the Franchised Business or the business of other franchisees and a two (2) year non-solicitation of employees of the Franchised Business or of other franchisees or our affiliates
s.	Modification of the Agreement	13.01; 21.05	The Operations Manual is subject to change. Revisions to the Operations Manual will not unreasonably affect your obligations, including economic requirements, under the Franchise Agreement. Modifications of the Franchise Agreement must be in writing executed by both parties.
t.	Integration/Merger Clause	21.06	The Franchise Agreement supersedes all prior agreements. Any other promises may not be enforceable (subject to federal and state law). However, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u.	Dispute Resolution by Arbitration or Mediation	20	Subject to applicable state law, except for certain claims, all disputes must be arbitrated before the American Arbitration Association located in Wilmington, Delaware.
v.	Choice of Forum	21.01	Subject to applicable state law, Arbitration under the Federal Arbitration Act at the American Arbitration Association in Wilmington, Delaware. * Litigation must be in any court located in New Castle County in the State of Delaware.
w.	Choice of Law	21.01	Subject to applicable state law, Delaware.
x.	Statute of Limitations	21.10	Must commence any action relating to the Franchise Agreement, the relationship between you and us, or your operation of the Franchised Business within 1 year

	Provision	Section in Franchise Agreement (or Satellite Franchise Agreement, if different)	Summary
			except for our rights under Section 7 of the Franchise Agreement (except in California).

Note 1: The provisions in the Franchise Agreement that provide for termination upon your filing for bankruptcy may not be enforceable under federal bankruptcy law (11 U.S.C., et seq.)

THE FRANCHISE RELATIONSHIP

Application License Agreement

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 Agreement	Summary
a.	Length of the franchise term	5	Same term as the Franchise Agreement
b.	Renewal or extension of the term	None	
c.	Requirements for the Franchisee to renew or extend	None	
d.	Termination by Franchisee	None	
e.	Termination by BFF Without Cause	6	Upon termination or expiration of the Franchise Agreement for any reason; termination for convenience with prorated refund of maintenance fees
f.	Termination by BFF with cause	6	We can terminate if you default.
g.	"Cause" defined – curable defaults	None	
h.	Cause defined – defaults that cannot be cured	N/A	N/A
i.	Franchisee's obligations on termination/non-renewal	6(c)	Obligations include non-use of Software, return of or destruction of Software and items containing confidential information, and payment of all amounts due.

	Provision	Section in Agreement	Summary
j.	Assignment of contract by Us	13(c)	No restriction on our right to assign
k.	Transfer of Agreement	13(b)	You may Transfer the Application License Agreement only in connection with a simultaneous Transfer of the Franchise Agreement to the same transferee in accordance with the transfer provisions contained in the Franchise Agreement, which include an Application License Agreement transfer fee of \$2,500.
l.	BBF's Approval of Transfer by You	N/A	N/A
m.	Conditions for Our Approval of Transfer	N/A	N/A
n.	Our right of first refusal to acquire franchisee's business	None	
o.	Our option to purchase franchisee's business	None	
p.	Your Death or Disability	N/A	N/A
q.	Non-competition covenants during the term of the Franchise	1	Use of Software only for Franchisee's operation of its Center.
r.	Non-competition covenants after the Franchise is terminated or expires	6(c)	You have no right to use the Software after your Franchise Agreement terminates.
s.	Modification of the Agreement	26	Modifications must be in writing executed by the parties. Software may change.
t.	Integration/Merger clause	26	Only the terms of the Agreement and references to the Franchise Agreement are binding. The Franchise Agreement supersedes all prior agreements. Any other promises may not be enforceable (subject to federal and state law). However, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u.	Dispute resolution by arbitration or mediation	22	Arbitration

	Provision	Section in Agreement	Summary
v.	Choice of forum	22	Subject to applicable state law, Arbitration under the Federal Arbitration Act at the American Arbitration Association in Wilmington, Delaware.
w.	Choice of law	22	Subject to applicable state law, The Application License Agreement will be interpreted and construed in accordance with the laws of the State of Delaware, except for its conflict-of-law rules.

THE FRANCHISE RELATIONSHIP
Third-Party Billing Program Agreement for Participating Providers

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 Agreement	Summary
a.	Length of the franchise term	4.1	The Program Agreement begins upon execution and acceptance and continues for a 1-year initial term. It automatically renews for additional 1-year terms unless terminated. It will not survive the termination of the franchise.
b.	Renewal or extension of the term	4.1	Renewal is automatic. There is no separate renewal process, fee, or renewal application.
c.	Requirements for the Franchisee to renew or extend	None	The Program Agreement renews automatically and imposes no conditions on renewal.
d.	Termination by Franchisee	4.4, 4.8	Franchisee may terminate for cause after notice and 30-day cure period. Franchisee may also terminate without cause with at least 180 days' written notice, effective November 1.
e.	Termination by BBF Without Cause	4.8	CIN may terminate without cause with at least 180 days' written notice.
f.	Termination by BBF with cause	4.2, 4.3, 4.4, 4.5, 4.6	CIN may terminate immediately for specified breaches including loss of licensure, and exclusion from health programs. CIN may terminate after a 30-day uncured default, upon dissolution of either party, or when necessary to comply with law.
g.	"Cause" defined – curable defaults	4.4	All breaches other than those listed as immediate termination events in section 4.3 are curable within 30 days of notice.

	Provision	Section in Agreement	Summary
h.	Cause defined – defaults that cannot be cured	4.3	Immediate termination applies for loss of licensure, exclusion from government programs, and other violations identified in the BB General Terms.
i.	Provider obligations on termination/non-renewal	4.10; BB General Terms § 38 (survival)	Provider is entitled to payment for Covered Services rendered prior to termination and for services begun before termination until completed. All surviving sections of the BB General Terms continue to apply.
j.	Assignment of contract by BBF	5.2	CIN may assign the Program Agreement to MSO or any affiliate or successor without Provider's consent.
k.	Transfer of Agreement by Provider	5.2	Provider may not transfer or assign its rights or obligations without CIN's prior written consent.
l.	CIN'S Approval of Transfer by Provider	5.2	CIN may condition or withhold consent at its discretion. No specific transfer conditions are defined.
m.	Conditions for CIN's Approval of Transfer	None	No specific transfer conditions are defined.
n.	CIN'S right of first refusal to acquire Provider's business	None	The Program Agreement does not provide CIN with a right of first refusal.
o.	CIN option to purchase franchisee's business	None	No purchase option exists under the Program Agreement.
p.	Provider Death or Disability	4.2	The Program Agreement automatically terminates upon the death of all Individual Providers. Disability is not addressed.
q.	Non-competition covenants during the term of the Agreement	None	The Program Agreement does not impose any non-competition requirement.
r.	Non-competition covenants after termination	None	No post-termination non-compete applies
s.	Modification of the Agreement	5.3	CIN may amend the Program Agreement with at least 30 days' prior written notice. Refusal to accept amendments or updated Program Manuals may be treated as a default.
t.	Integration/Merger clause	5.4	The Program Agreement, BB General Terms, Program Manuals, and exhibits constitute the entire agreement between the parties.

	Provision	Section in Agreement	Summary
u.	Dispute resolution by arbitration or mediation	None	No mediation or arbitration requirement is included.
v.	Choice of forum	BB General Terms, § 11	Exclusive venue is in the state or federal courts located in Delaware.
w.	Choice of law	BB General Terms, § 11	Delaware law governs.

ITEM 18 PUBLIC FIGURES

BBF does not use any public figure to promote its franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned Centers if there is a reasonable basis for the information and the information is included in the Disclosure Document. Financial performance information that differs from that included in this Item 19 may be given only if: (1) a franchisor provides the actual records of an existing Center 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 are providing historical revenue information (without including expense items) for all franchisee-owned Centers. In 2025, we excluded one Center that closed during the year and did not operate a full year. We also excluded three Centers that opened during the year but did not operate a full year. In 2024, we excluded eight Centers that closed during the year and did not operate a full year. We also excluded three Centers that opened during the year but did not operate a full year.

We have seven Brain Balance[®] Satellite Centers which operated for a full year as of the date of this Disclosure Document. We have included these Centers in the same data set as our standard Centers. Although a Satellite Center outsources some of its administrative tasks to its related standard Center, it has the same capacity for enrollments and revenue as a standard Center.

The first chart shows the highest performing Center, the lowest performing Center, the average performance of the full group, and the median Gross Revenue number for the group for the year. The total number of Centers that were open for the entire year is shown as "# Total Centers." The group of centers that operate under a unique set of circumstances, as described above, are shown separately.

The second chart shows the top and bottom five performing Centers by Gross Revenue for the year.

The third chart shows each group for the year, divided into performance categories.

Chart One

2024 Gross Sales	
Max	\$2,430,160
Min	\$187,073
Average	\$686,778
Median	\$558,573
# Total Centers	61
# exceed/meet average	25

2025 Gross Sales	
Max	\$2,537,304
Min	\$111,600
Average	\$682,933
Median	\$559,395
# Total Centers	67
# exceed/meet average	26

Chart Two

2024 Gross Sales	Rank	
Top 5 Gross:	1	\$2,430,160
	2	\$1,796,202
	3	\$1,664,889
	4	\$1,533,608
	5	\$1,345,645
Bottom 5 Gross:	1	\$187,073
	2	\$195,906
	3	\$204,389
	4	\$211,544
	5	\$246,663

2025 Gross Sales	Rank	
Top 5 Gross:	1	\$2,537,304
	2	\$2,097,080
	3	\$1,733,144
	4	\$1,584,284
	5	\$1,554,294
Bottom 5 Gross:	1	\$111,600

2025 Gross Sales	Rank	
	2	\$208,252
	3	\$237,810
	4	\$242,571
	5	\$248,080

Chart Three

2024 Gross Sales		
Top Third		
	Max	\$2,430,160
	Min	\$751,100
	Average	\$1,094,279
	Median	\$936,842
	# Total Centers	21
	# exceed/meet average	6
2nd Third		
	Max	\$740,377
	Min	\$500,334
	Average	\$595,375
	Median	\$557,936
	# Total Centers	20
	# exceed/meet average	8
3rd Third		
	Max	\$488,922
	Min	\$187,073
	Average	\$350,307
	Median	\$375,326
	# Total Centers	20
	# exceed/meet average	11

2025 Gross Sales		
Top Third		
	Max	\$2,537,304
	Min	\$760,690
	Average	\$1,123,054
	Median	\$889,720
	# Total Centers	23

2025 Gross Sales		
	# exceed/meet average	6
2nd Third		
	Max	\$724,220
	Min	\$463,769
	Average	\$573,264
	Median	\$559,103
	# Total Centers	22
	# exceed/meet average	9
3rd Third		
	Max	\$455,258
	Min	\$111,600
	Average	\$332,477
	Median	\$340,124
	# Total Centers	22
	# exceed/meet average	13

The numbers provided in this Item 19 were compiled from the voluntary reporting information that the Franchisees provided to us, data we pulled from our required Customer Relations Management System or, in a few instances, from the results of an audit we conducted of a particular Center's financials. Written substantiation for the financial performance representation will be made available upon reasonable request.

Some Centers have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Other than the preceding financial performance provided in this Item 19, BB Franchising LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representation either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it the franchisor's management by contacting Margaret Ford at 1320 North Route 59, Unit 110, Naperville IL 60563, (708) 497-9579 , the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 CENTERS AND FRANCHISEE INFORMATION

Table No. 1
System Wide Outlet Summary for Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	74	69	-5
	2024	69	65	-4
	2025	65	73	+8
Company- Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	74	69	-5
	2024	69	65	-4
	2025	65	73	+8

Table No. 2
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) for
Years 2023 to 2025**

State	Year	Number of Transferees
CA	2023	0
	2024	0
	2025	1
FL	2023	1
	2024	1
	2025	0
GA	2023	0
	2024	2
	2025	0
ID	2023	0
	2024	1
	2025	0
MN	2023	0
	2024	0
	2025	1

State	Year	Number of Transferees
NC	2023	0
	2024	0
	2025	2
NE	2023	0
	2024	0
	2025	0
NY	2023	1
	2024	0
	2025	0
Totals	2023	2
	2024	4
	2025	4

Table No. 3
Status of Franchised Outlets for Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termination s	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
AZ	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
CA	2023	8	1	1	0	0	0	8
	2024	8	0	0	0	0	2	6
	2025	6	0	0	0	0	0	6
CO	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
CT	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
DE	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
FL	2023	7	0	0	0	0	1	6
	2024	6	1	0	1	0	0	6
	2025	6	2	0	0	0	0	8
GA	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
IA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
ID	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IL	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
IN	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
KS	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
KY	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
	2025	2	0	0	0	0	0	2
MD	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
MI	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
MN	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
	2025	1	0	0	0	0	0	1
MO	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
NC	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	1	2
	2025	2	0	0	0	0	0	2
NE	2023	3	0	1	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NJ	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NV	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
NY	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
OH	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
	2025	3	0	0	0	0	0	3
OK	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
OR	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0
PA	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of the Year
SC	2023	3	0	0	0	0	1	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TN	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
TX	2023	11	0	0	0	0	2	9
	2024	9	2	0	0	0	3	8
	2025	8	3	0	1	0	0	10
UT	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	1	2
	2025	2	0	0	0	0	0	2
VA	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	1	0	0	0	0	3
WI	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Totals	2023	74	0	2	0	0	4	69
	2024	69	4	0	1	0	7	65
	2025	65	9	0	1	0	0	73

Table No. 4
Status of Company-Owned Outlets for Years 2023 to 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
California	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0
Total	2023	0	0	0	0	0	0
	2024	0	0	0	0	0	0
	2025	0	0	0	0	0	0

Table No. 5
Projected Openings as of December 31, 2025

State	Franchises for Which Agreement Signed But Franchise Not Opened	Projected Franchises to Be Opened in the Next Fiscal Year	Projected Company Owned Openings in Next Fiscal Year
Arizona	2	0	0
Colorado	1	1	0
Florida	2	1	0
Illinois	1	0	0
Maryland	1	1	0
Massachusetts	1	0	0
New York	1	1	0
North Carolina	1	0	0
Oregon	1	0	0
Texas	1	1	0
Virginia	1	1	0
Wisconsin	1	1	0
TOTALS	14	7	0

The names and contact information of all Franchisees as of December 31, 2025, are identified on Exhibit G. The names and contact information of all Franchisees who closed or sold a unit in the last fiscal year are identified on Exhibit H.

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 Brain Balance. 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. During the last three years, some franchisees have signed confidentiality clauses.

ITEM 21 FINANCIAL STATEMENTS

Attached as Exhibit C are [the unaudited balance sheet and profit and loss statements from [January 1, 2026 to March 31, 2026 as well as] the audited financials of BBF as of December 31, 2025, December 31, 2024, and December 31, 2023. These financial statements have been prepared in accordance with generally accepted accounting principles.

BBF's fiscal year ends December 31.

ITEM 22 CONTRACTS

Attached as Exhibit A is a copy of the Franchise Agreement to be signed in connection with the Franchised Business offered in this Disclosure Document.

EXHIBITS TO THE FRANCHISE AGREEMENT (Standard agreement)

Attached as Exhibit 1 to Exhibit A is a copy of the Application License Agreement to be signed in connection with the Franchised Business offered in this Disclosure Document.

Attached as Exhibit 2 to Exhibit A is a copy of the ACH Agreement to be signed in connection with the Franchised Business offered in this Disclosure Document.

Attached as Exhibit 3 to Exhibit A is a copy of the Confidentiality and Non-Competition Agreement to be signed by your employees and all officers, directors, members, and partners who are not Franchisees.

Attached as Exhibit 4 to Exhibit A is a copy of the Conditional Assignment of Telephone Numbers to be signed in connection with the Franchised Business offered in this Disclosure Document.

Attached as Exhibit 5 to Exhibit A is a copy of the Conditional Assignment of Lease to be signed in connection with the Franchised Business offered in this Disclosure Document.

Attached as Exhibit 6 to Exhibit A is a copy of the Owner's Guaranty and Assumption of Franchisee's Obligations to be signed in connection with the Franchised Business offered in this Disclosure Document.

EXHIBITS TO THE FRANCHISE AGREEMENT (Satellite agreement)

Attached as Exhibit 1 to Exhibit B is a copy of the Application License Agreement to be signed in connection with the Franchised Business offered in this Disclosure Document.

Attached as Exhibit 2 to Exhibit B is a copy of the ACH Agreement to be signed in connection with the Franchised Business offered in this Disclosure Document.

Attached as Exhibit 3 to Exhibit B is a copy of the Confidentiality and Non-Competition Agreement to be signed by your employees and all officers, directors, members, and partners who are not Franchisees.

Attached as Exhibit 4 to Exhibit B is a copy of the Conditional Assignment of Telephone Numbers to be signed in connection with the Franchised Business offered in this Disclosure Document.

Attached as Exhibit 5 to Exhibit B is a copy of the Conditional Assignment of Lease to be signed in connection with the Franchised Business offered in this Disclosure Document.

Attached as Exhibit 6 to Exhibit B is a copy of the Owner's Guaranty and Assumption of Franchisee's Obligations to be signed in connection with the Franchised Business offered in this Disclosure Document.

Additional Contracts:

Attached as Exhibit J is a copy of the Third-Party Billing Amendment to the Franchise Agreement.

Attached as Exhibit K is a copy of the Program Agreement between CIN and franchisees.

Attached as Exhibit L is a copy of the Digital Marketing Territory Amendment to the Franchise Agreement

ITEM 23 RECEIPTS

Two (2) copies of an acknowledgment of your receipt of this Disclosure Document appear at the end of this document. Please return one signed copy and retain the other for your records.

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EXHIBIT A

FRANCHISE AGREEMENT AND RELATED MATERIALS

BB FRANCHISING LLC
FRANCHISE AGREEMENT

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SCHEDULE I

EXHIBIT 1	APPLICATION LICENSE AGREEMENT
EXHIBIT 2	ACH AGREEMENT
EXHIBIT 3	CONFIDENTIALITY, NON-SOLICITATION, AND NON-COMPETE AGREEMENT
EXHIBIT 4	SECTION 17.04(F) CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS
EXHIBIT 5	SECTION 3.05 CONDITIONAL ASSIGNMENT OF LEASE
EXHIBIT 6	SECTION 16.07 OWNER'S GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
EXHIBIT 7	CALIFORNIA ADDENDUM

FRANCHISE AGREEMENT

Franchise Agreement made in the State of California, this ____ day of _____, 20____, by and between BB FRANCHISING LLC, a Delaware limited liability company, with offices located at 1320 North Route 59, Unit 110, Naperville, IL 60563 ("BBF"), Franchisor or "COMPANY"), and _____, a _____ located at _____ ("FRANCHISEE") (the "Franchise Agreement").

WITNESSETH:

WHEREAS, COMPANY has expended time, effort, and money to develop a uniform and standardized system (the "System") for the operation of Brain Balance® Centers (the "Center(s)"), which offer the Brain Balance Program®, a non-medical method of assessment and program development for individuals with developmental delays resulting from neurological and physiological imbalances using certain technology (the "Licensed Technology") (the "Business"), under the trade names and service marks "Brain Balance Program®", "Brain Balance®" with logo, and Brain Balance® ("Brain Balance Program®", "Brain Balance®" with logo, and Brain Balance®), and such other trade names, trademarks, service names, logos, copyrights, and other service marks now or hereafter used by COMPANY in connection with the System are hereinafter referred to as the "Marks"); and

WHEREAS, COMPANY's System includes a business strategy utilizing training methods, methodology, protocols, Licensed Technology, promotional programs, uniform standards, a confidential Operations Manual (as hereinafter defined), and other information, items, and experience that benefit the operation of the Business; and

WHEREAS, FRANCHISEE acknowledges that the Business, operated in accordance with the System and utilizing the Marks has acquired distinctive and valuable goodwill among the public; and

WHEREAS, FRANCHISEE desires to enter into the Business, to be operated in accordance with the System and utilizing the Marks, all subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises herein contained, it is agreed:

1. GRANT OF FRANCHISE

1.01. COMPANY hereby grants to FRANCHISEE and FRANCHISEE hereby accepts the right, license, privilege, and franchise of utilizing the Marks, the Licensed Technology, and System to establish a single Brain Balance® Center and to operate the Business therein, all, subject to the terms and conditions of this Agreement solely within the territory described in Schedule I attached hereto (the "Territory"), at a specific location to be approved in writing by

COMPANY, which approval shall not be unreasonably withheld (the "Franchise"). The operation of the Business pursuant to the Franchise is hereinafter referred to as the "Franchised Business."

1.02. The Franchise granted herein is for the operation of a Brain Balance® Center franchise under the trade names and service marks "Brain Balance Program®" and "Brain Balance®" with logo, which shall specialize in a non-medical program designed to help children with developmental delays resulting from neurological and physiological imbalances.

1.03. The Franchise granted herein does not grant FRANCHISEE the right to engage in any business other than the Franchised Business, whether said business is conducted within or without the Territory or under the Marks or under any other name or mark.

2. USE OF NAME

2.01. FRANCHISEE is granted the right to use, and FRANCHISEE agrees to use, the words "Brain Balance®" as part of its trade or business name, in the exact manner and style set forth on Schedule I (the "Business Name") and as directed by COMPANY. COMPANY reserves the right to direct a change in the manner of use of the Marks by FRANCHISEE, and FRANCHISEE agrees to comply with such directions. FRANCHISEE shall not use the Marks as part of its corporate or limited liability company name without the prior written consent of COMPANY.

2.02. FRANCHISEE agrees to obtain COMPANY's prior written approval for all content used by FRANCHISEE on FRANCHISEE's link to COMPANY's website.

3. TERRITORY

3.01. FRANCHISEE is granted an exclusive right to establish a single location for the Franchised Business in the city, town, or village identified on Schedule I that is located within the Territory. FRANCHISEE may not without COMPANY's prior written consent relocate its Center or open additional centers for the Franchised Business within the Territory.

3.02. COMPANY agrees that throughout the term of this Agreement and provided that FRANCHISEE is not in default hereunder, COMPANY will neither operate nor franchise others to operate a Brain Balance® Center within the Territory, or within a designated radius of FRANCHISEE's Brain Balance® Center. FRANCHISEE acknowledges that COMPANY may market to clients located inside of the Territory or advertise inside of the Territory.

3.03. FRANCHISEE acknowledges that the Franchise granted hereunder is limited to the establishment and operation of the Franchised Business in a single location within the Territory. FRANCHISEE may not operate the Franchised Business from an additional location or outside of the Territory unless a separate franchise agreement is signed by the parties and an additional Initial Franchise Fee (as hereinafter defined) is paid by FRANCHISEE to COMPANY.

3.04. FRANCHISEE acknowledges that other franchisees and/or affiliates of COMPANY who conduct businesses similar or identical to the Franchised Business under the Marks may market to clients located inside of the Territory or advertise inside of the Territory.

3.05. In the event FRANCHISEE leases office space for the Franchised Business, such lease shall contain a conditional assignment clause, substantially similar to the template provided in Exhibit 5, that shall provide that upon the expiration or sooner termination of this Agreement, for any reason contained herein, the FRANCHISOR or its Affiliates shall have the option, exercisable within thirty (30) days after said expiration or termination, to assume the obligations of the lease, to replace FRANCHISEE and enter into possession under said lease or at any time prior thereto or thereafter to assign or reassign the lease to a third party. In connection therewith, FRANCHISEE shall execute a Conditional Assignment of Lease in the form attached hereto as Exhibit 5 (the "Assignment") pursuant to which Assignment FRANCHISEE has assigned to FRANCHISOR all its right, title, and interest in the lease for the Franchised Business. FRANCHISEE acknowledges that such Assignment is freely assignable by FRANCHISOR to any other person or entity, including any person or entity that may acquire the right to operate a Brain Balance® business in and from said office location or otherwise within the Territory.

4. TERM

4.01. Unless otherwise terminated pursuant to the terms and conditions of this Agreement, the initial term of this Agreement shall be for a period of ten (10) years, commencing on the date hereof ("Initial Term").

4.02. Provided FRANCHISEE is in full compliance with the terms hereof, the term of this Agreement may be renewed for an additional five (5) year term unless at least three (3) months but not more than six (6) months prior to the expiration of the Initial Term or any extension thereof notice of intention to finally terminate is given in writing by registered mail by FRANCHISEE to COMPANY. No Initial Franchise Fee (as hereinafter defined) is charged upon the extension of the term; however, FRANCHISEE will be required to pay a renewal fee of Ten Thousand Dollars (\$10,000). At its option, COMPANY may require FRANCHISEE to execute the form of franchise agreement then being utilized by COMPANY for new franchisees, which franchise agreement shall govern the rights and obligations of the parties and may contain materially different terms and conditions.

4.03. FRANCHISEE shall have the right to terminate this Agreement in the event COMPANY loses the rights to the Licensed Technology and the Marks prior to the end of the Initial Term of this Agreement.

5. INITIAL FRANCHISE FEE

FRANCHISEE shall pay COMPANY an initial non-refundable franchise fee (the "Initial Franchise Fee") in the amount of Forty-five Thousand Dollars (\$45,000). The Initial Franchise Fee is payable by wired funds transferred on the same day as the signing of this Agreement, receipt of which is hereby acknowledged.

6. OTHER PAYMENTS BY FRANCHISEE

6.01. Royalty

(a) Commencing the month FRANCHISEE's Center opens, FRANCHISEE shall pay to COMPANY, in addition to the Initial Franchise Fee as payment for

the continuing right to use the Marks and the System, a continuing non-refundable royalty fee (the "Royalty"). If the Center is not opened within nine (9) months following the date of the Franchise Agreement, FRANCHISEE will be required to pay to COMPANY the minimum Royalty beginning with the first of the month the following calendar month.

The Royalty shall be an amount equal to eight percent (8%) of FRANCHISEE's Gross Revenue (as defined below) ("GR") in the operation of the Franchised Business, with a minimum of \$1,000 due and payable each month. If the thirtieth day falls on a day other than the first day of the month, the minimum royalty amount will be prorated for the number of days the Center was open in that month. Said minimum monthly Royalty of \$1,000 shall be increased each January 1st by the same percentage that the Consumer Price Index, issued by the U.S. Department of Labor, Bureau of Labor Statistics, N.Y.–Northeastern N.J. region for the immediately preceding December 31st, increases over and above the Consumer Price Index existing as of the date this Franchise Agreement is signed.

(b) "Gross Revenue (GR)" is defined as all sums received by FRANCHISEE resulting directly or indirectly from services provided pursuant to the operation of the Franchised Business without deductions of any kind other than refunds. "GR" shall exclude the transactional credit card service fees negotiated by COMPANY and sales tax, excise tax, or other similar taxes received by FRANCHISEE. COMPANY has negotiated a discount credit card service fee with a credit card clearing house service provider, which will be the maximum service fee deducted from GR arising out of credit card purchases regardless of whether FRANCHISEE participates in this program. Credit card expenses such as machinery, equipment, and connection charges will not be excluded from Gross Revenue. GR shall also exclude Program Kits Fees and Loan Fees deducted by lending vendors. The Royalty shall be due and payable by FRANCHISEE to COMPANY on or about the 7th day of the month for Gross Revenue received the prior month. FRANCHISEE will pay the Royalty via an electronic funds transfer pursuant to an automated clearing house agreement ("ACH Agreement") in the form annexed hereto as Exhibit 2, which will allow FRANCHISOR to debit FRANCHISEE's bank account during the term of this Agreement for the royalties due.

6.02. Advertising Fund

(a) FRANCHISEE shall participate and contribute to the advertising fund ("Advertising Fund") that has been established by COMPANY for the benefit of all BBF franchisees and Company-operated Centers.

(b) FRANCHISEE's non-refundable contribution to the Advertising Fund shall be in an amount equal to two percent (2%) of Gross Revenue as defined in 6.01, with a minimum of \$200 due monthly hereunder, and the contribution is due and payable in the same manner and at the same time as the Royalty. If the Center is not opened by the tenth (10th) month following the date of the Franchise Agreement, FRANCHISEE will be required to pay to COMPANY the contribution to the Advertising Fund beginning that month.

(c) Contributions to the Advertising Fund from FRANCHISEE and all other franchisees shall be maintained by COMPANY in a single segregated account designated for that purpose. The proceeds of the Advertising Fund shall be expended at the discretion of

COMPANY for national and/or regional advertising, public relations, dissemination of research results achieved through approved research facilities, the Brain Balance® Foundation and other charitable activities, website and other electronic media development, and/or promotion of the Center businesses conducted under the Marks and publications relating to the Brain Balance Program®, and the payment of fees, costs, and other charges pertaining to such activities, including but not limited to COMPANY's administrative expenses associated with the foregoing.

(d) FRANCHISEE acknowledges that proceeds of the Advertising Fund are intended to be used to maximize general public awareness of the Brain Balance Program® for the benefit of the System as a whole. No representation is made by COMPANY, and FRANCHISEE acknowledges that expenditures from the Advertising Fund may not result in a proportionate or any advertising effort in a particular geographical area, including FRANCHISEE's Territory, or that FRANCHISEE will benefit directly from any expenditures from the Advertising Fund. FRANCHISEE acknowledges and agrees that neither FRANCHISEE nor any other franchise owners of COMPANY who shall be obligated to contribute to the Advertising Fund shall be deemed a third-party beneficiary with respect to said Advertising Fund or have any right to enforce any obligation to contribute thereto. Expenditures from the Advertising Fund shall be made at the sole discretion of COMPANY and may be for the benefit of any one or more of the Marks. COMPANY shall not be required to expend the entire Advertising Fund during any calendar year. COMPANY shall have the right to determine the nature, scope, and content of advertising and promotion programs; the territory in which they are to appear; the form thereof; the media and the budget therefore; and all other relevant decisions regarding the implementation of such advertising and promotion programs.

(e) FRANCHISEE shall spend a minimum of \$6,000 per calendar month or nine percent (9.0%) of its Gross Revenue, whichever is greater, for local advertising in accordance with COMPANY's direction as to allocation among various marketing channels.

(f) If FRANCHISOR recommends an Advertising Cooperative ("Advertising Co-op") in FRANCHISEE's designated marketing area ("DMA") and one is established, FRANCHISEE shall join it by executing the applicable by-laws, and shall contribute at least the amount set forth in Section 6.07. FRANCHISEE's payments to the media fund for the Advertising Co-op will apply toward satisfaction of FRANCHISEE's obligations for local advertising described in Section 6.07 of this Agreement. Advertising Co-ops are independently established and operated by franchisees in a DMA and not controlled or governed by FRANCHISOR.

6.03. Late Payment

(a) If FRANCHISEE shall fail to pay to COMPANY when due any Royalty, Advertising Fund contribution, or any other payment required to be made pursuant to this Agreement, interest shall accrue on the unpaid amount commencing fifteen (15) days after the due date, at a rate of two percent (2%) per month compounded or the highest rate permitted under applicable law, whichever is less.

(b) If FRANCHISEE shall fail to pay to COMPANY when due any Royalty, Advertising Fund contribution, or any other payment due hereunder, or fails to file any

report required to be filed with COMPANY, and such failure continues for a period of thirty (30) days after COMPANY has provided FRANCHISEE with a written demand for performance, in addition to all of its other rights and remedies hereunder, COMPANY may suspend all services required to be performed by COMPANY on behalf of FRANCHISEE hereunder, until such time as FRANCHISEE has made payment of all amounts due to COMPANY and has filed all reports with COMPANY required to be filed by FRANCHISEE.

6.04. Initial Technology Fees

(a) FRANCHISEE shall enter into an Application License Agreement annexed hereto as Exhibit 1 and pay an initial technology fee in the amount of \$15,000 and annual maintenance fees as specified in the Application License Agreement and the Operations Manual. The annual maintenance fees are subject to an annual CPI adjustment. Unless terminated earlier pursuant to its terms, the term of the Application License Agreement is for the term of the Franchise Agreement. The Application License Agreement entitles FRANCHISEE to unlimited users for the Center.

(b) FRANCHISEE shall purchase from COMPANY a license to operate the Customer Relations Management System and licenses to access and operate third party software technologies which are part of the System.

(c) FRANCHISEE shall purchase, implement, and continuously use in the operation of the Franchised Business a license to operate the Brain Balance Cognitive App (the “Cognitive App”), which is a required component of the System. The Cognitive App is a proprietary software platform used in connection with assessments, program delivery, and post-Program subscription services. FRANCHISEE shall pay to COMPANY a subscription fee of \$95 for the first seven (7) months following activation and \$45 per each three (3) months thereafter, an assessment fee of \$12.50 for each assessment administered through the Cognitive App, an assessment fee of \$10.00 per post assessment and a one-time post-Program subscription enrollment fee of \$17 for each enrollee who opts into post-Program services. All such fees shall be paid in accordance with the Application License Agreement and the Operations Manual, as may be amended from time to time. FRANCHISEE’s use of the Cognitive App is mandatory and is not contingent on participation in any third-party billing or reimbursement program.

(d) FRANCHISEE shall purchase a license from designated third parties in order to download and operate certain other software programs required by the System as stated in the Operations Manual, including but not limited to the vision assessment and exercises software COMPANY has commissioned to function within the Brain Balance® Protocols and the required accounting software to submit the financial records required in Section 7.

6.05. Advanced Training and Consultation Services

(a) FRANCHISEE shall be required to attend and pay for Advanced Training which will include on-going training through webinars, courses within the Brain Balance Training Site, and workshops which may be related to enrollment enhancement, Sensory Motor and academic administration, and marketing, up to two (2) times per year, for a period of between one (1) and five (5) days. Attendance is mandatory for either the Center Director or Program

Director when this Advanced Training is offered by FRANCHISOR. FRANCHISEE is responsible for the travel costs of its employees and personnel.

(b) FRANCHISEE shall be required to attend and pay for additional training or consultation services provided by COMPANY in any of the following circumstances: (1) if requested by FRANCHISEE, (2) required by COMPANY in the event FRANCHISEE fails to master the principles and objectives of the Licensed Technology, (3) System development results in new principles or protocols, or (4) FRANCHISEE replaces either the Center Director or Program Director. Such consultation services will be charged at a half-day rate of \$500 (less than 4 hours of training) and full-day rate of \$1,000, plus airfare, lodging, and travel expenses. Alternatively, FRANCHISEE may send a new Center Director or Program Director to the next regularly scheduled Initial Training session at a cost of \$500. Fees will be transferred to FRANCHISOR via ACH.

6.06. Customer Relations Management System (CRM)

FRANCHISEE shall enroll its Center in an approved Customer Relations Management System (CRM).

6.07. Program Kits

FRANCHISEE shall be required to purchase from COMPANY's designated supplier and maintain at the Center a minimum inventory of program kits. FRANCHISEE shall purchase kits sufficient to provide initial inventory for the programs FRANCHISEE will offer.

6.08. Grand Opening

FRANCHISEE shall be responsible for its promotional costs in connection with the Grand Opening. FRANCHISOR does not collect a Grand Opening fee.

6.09. Pre-printed marketing materials

FRANCHISEE shall purchase advertising and promotional materials, electronically in pdf or jpeg format, prepared by COMPANY's designated vendor.

6.10. Call Center

FRANCHISEE shall be required to contract for Call Center services either with COMPANY's internal call center or with a designated vendor or one that is approved by COMPANY to respond to inbound inquiries. Alternatively, FRANCHISEE shall employ a full-time staff member who is solely responsible for responding to inbound inquiries for Program services. FRANCHISEE shall be responsible for all fees associated with the Call Center option FRANCHISEE elects to use.

6.11. Annual Convention

FRANCHISEE shall be required to attend and pay a registration fee for COMPANY's Annual convention. The cost of registration will vary depending on the program,

the number of speakers, and the contribution of sponsors. The travel, lodging, and food costs will be in addition to the registration fee, but these costs may be discounted and/or subsidized by COMPANY. Fees will be transferred to FRANCHISOR via ACH.

6.12. ACH Agreement

(a) FRANCHISEE will enter into an automated clearing house agreement ("ACH Agreement") in the form annexed hereto as Exhibit 2, which will allow FRANCHISOR to debit FRANCHISEE's bank account during the term of this Agreement for all payments due to FRANCHISOR pursuant to the terms of this Agreement. The parties shall agree in writing if any payments are to be made in any other manner

(b) In the event COMPANY is unable for any reason to take any payment required hereunder to be paid via ACH, FRANCHISEE will pay \$35 per incident.

6.13. Soft Opening Expenses

In the event FRANCHISEE changes its Soft Opening scheduled date and COMPANY incurs non-refundable expenses, FRANCHISEE will reimburse COMPANY for such expenses.

6.14. Relocation Fee

COMPANY must approve any relocation of FRANCHISEE's Center, and FRANCHISEE must pay COMPANY its then current relocation fee. As of the date of this Agreement, the relocation fee is \$4,000.

6.15 Cost Increases

FRANCHISEE acknowledges that many costs reflected in this Agreement are based on third party pricing and current costs. In the event that vendors increase costs, COMPANY shall increase prices with prior written notice to FRANCHISEE.

7. FINANCIAL RECORDS

7.01. FRANCHISEE, at FRANCHISEE's sole cost and expense, shall submit to COMPANY:

(a) (i) Throughout the term of this Agreement upon thirty (30) days' advance notice by COMPANY, records relating to such other operational activity of FRANCHISEE in the operation of the Franchised Business that cannot be captured by COMPANY from the System or the Software. Each such compilation or report shall be certified by FRANCHISEE as accurate. COMPANY may require such reports be transmitted electronically. FRANCHISEE hereby consents to the electronic retrieval by COMPANY of financial reports and other operational activity of FRANCHISEE from the System or the Software.

(ii) Throughout the term of this Agreement, upon request, an electronic copy of the accounting records maintained pursuant to Section 6.11 that supports the Royalty payment.

(b) Within one hundred twenty (120) days of the close of each of its fiscal years, a copy of FRANCHISEE's personal, corporate, and/or LLC Federal Income Tax Return or such portion thereof as pertains to the Franchised Business, for FRANCHISEE's fiscal year most recently ended.

(c) Within one hundred twenty (120) days of the close of each of its fiscal years, an annual statement of GR and profit and loss of the Franchised Business for the fiscal year and a balance sheet for the Franchised Business as of the end of the fiscal year (both in a format to be approved by COMPANY) prepared and reviewed by a certified public accountant acceptable to COMPANY in its reasonable discretion, and verified and signed by FRANCHISEE as to the information furnished to such accountant. COMPANY has the right to require that the foregoing statements of GR and profit and loss and balance sheet be audited by a certified public accountant acceptable to COMPANY in its reasonable discretion.

(d) Such other activity reports relating to the clients, including test results, progress reports, information, reports, and records relating to the Franchised Business as are requested by COMPANY.

7.02. Throughout the term of this Agreement and for a period of six (6) years thereafter, FRANCHISEE shall keep and maintain at its Franchised Business office (or such other location approved by COMPANY in writing) all books of account, records, documents, and other materials required to support the financial statements and tax returns and other reports provided to COMPANY, all of which shall be prepared in accordance with generally accepted accounting principles ("Records"). Throughout the term of this Agreement and for a period of six (6) years thereafter, upon demand by COMPANY, FRANCHISEE shall permit COMPANY to inspect and make copies of the Records at any time during normal business hours.

7.03. On five (5) days' prior notice to FRANCHISEE, COMPANY or its representatives may inspect the Franchised Business, audit and/or make copies of FRANCHISEE's books and records, or the Records, and/or enter and inspect the office in which FRANCHISEE conducts the Franchised Business for purposes of determining compliance with protocols, methodologies, Center layout, office neatness, reviewing records of the Franchised Business (including without limitation records concerning client census, maintenance of statistical data, accounts receivable, and collections), and general conformity of the Franchised Business operation with COMPANY's Operations Manual and/or interview FRANCHISEE's employees. Except as provided in this Paragraph 7.03, such audit shall be at COMPANY's sole cost and expense. In the event an audit discloses an underpayment by FRANCHISEE to COMPANY of Royalty and/or Advertising Fund contributions, FRANCHISEE shall immediately pay the amount due together with interest thereon as provided in Section 6.08 from the date on which such Royalty and Advertising Fund contributions should have been paid. In the event such underpayments are equal to or exceed five percent (5%) of the aggregate Royalty and Advertising Fund contributions due during the audited period, such underpayment shall be deemed a breach hereof, and FRANCHISEE shall, in addition to making the payments due COMPANY plus interest, promptly

pay to COMPANY all fees, expenses, and other costs related to the audit. If any inspection, audit, or review reveals any other violations of this Agreement, FRANCHISEE shall, upon written request of COMPANY, cure such violations and take such action as may be necessary to be in full compliance with such written request and this Agreement.

8. REPRESENTATIONS AND WARRANTIES

8.01. COMPANY represents and warrants to FRANCHISEE that:

(a) COMPANY is a limited liability company duly organized and existing under the laws of the state of Delaware.

(b) The execution of this Agreement and COMPANY's performance contemplated hereunder shall not violate any agreement to which COMPANY is a party.

(c) COMPANY has ownership and proprietary rights in and to the Marks, Licensed Technology, and protocols used in connection with the franchise, and the use of the Marks by FRANCHISEE as permitted by this Agreement shall not infringe upon the rights of any other person with respect thereto.

(d) Notwithstanding anything to the contrary set forth in this Agreement, COMPANY makes no representations or warranty as to the likelihood of success of FRANCHISEE in the Franchised Business.

8.02. FRANCHISEE represents and warrants to COMPANY that:

(a) The execution of this Agreement and the performance contemplated hereunder by FRANCHISEE shall not violate any agreement to which FRANCHISEE or any of its officers, directors, shareholders, members, or partners is a party.

(b) FRANCHISEE acknowledges that the success of the Franchised Business to be conducted by FRANCHISEE by virtue of this Agreement depends to a large extent upon the ability of FRANCHISEE as an independent business person and their full time active participation in the daily affairs of the Franchised Business, as well as other factors.

(c) FRANCHISEE affirms and agrees that COMPANY may sell the Marks, Licensed Technology, and protocols to a third party. FRANCHISEE affirms and agrees that COMPANY may sell its assets or its System outright to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; and with regard to any or all of the above sales, assignments, and dispositions, FRANCHISEE expressly and specifically waives any claims, demands, or damages arising from or related to the loss of the Marks (or any variation thereof) and/or the loss of association with COMPANY hereunder.

(d) Neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners own, maintain, or have any interest in or otherwise participate or engage in, either directly or indirectly, by itself or in conjunction with any other person or entity,

any supplemental education services business or other business that competes with the Franchised business, whether as partner, stockholder, member, officer, director, employee, representative, or in any other capacity.

9. ADDITIONAL OBLIGATIONS OF COMPANY

9.01. Prior to the opening of the Franchised Business by FRANCHISEE:

(a) COMPANY will advise and counsel FRANCHISEE regarding Center location, in the preparation of an office layout and in the selection of center furnishings and equipment in accordance with the terms of the Operations Manual (as hereinafter defined).

(b) COMPANY will provide FRANCHISEE with basic methods, assessment tools and tests, protocols, and procedures for operating the Franchised Business and with customized software for operating the Brain Balance Program[®] and for capturing client statistical data for inclusion in the database.

(c) COMPANY will provide FRANCHISEE with a list of equipment and services required for use at the Center.

(d) COMPANY will provide (i) an on-line training program that will require approximately 31 hours of time, depending on the user's background in the areas covered and their familiarity with the substantive concepts; and (ii) three to five (3-5) days at our training location at the training facility COMPANY designates. In addition, FRANCHISEE will have a maximum of 10 hours of telephone or webinar training before official opening when students start to participate in the program. FRANCHISEE may, at COMPANY's discretion, also be required to travel with FRANCHISEE's staff to an approved regional Center to complete shadow training for 2-3 days, depending upon regional staff availability (the "Initial Training Program"). Although the cost of training will be borne by COMPANY, FRANCHISEE shall bear the cost of transportation, meals, and lodging, if any, of those who attend the Initial Training Program and salaries of any of FRANCHISEE's employees attending the Initial Training Program.

(e) COMPANY shall make available electronically to FRANCHISEE one (1) copy of the Operations Manual, the training manual and form templates (as hereinafter defined) for the term of the Franchise Agreement, which may be amended as provided herein and other training materials.

(f) COMPANY will advise FRANCHISEE in staffing requirements for operating a Franchised Business.

(g) COMPANY will license to FRANCHISEE the Software under the Application License Agreement as more fully set forth in Section 15.

(h) COMPANY will provide FRANCHISEE with the methods, a copy of the assessment tools and tests, protocols, and procedures to enable FRANCHISEE to implement the Brain Balance Program[®].

(i) COMPANY will provide FRANCHISEE with assistance in planning the Grand Opening event, including marketing strategy, guest speaker suggestions, and event best practices recommendations.

9.02. After the opening of the Franchised Business by FRANCHISEE:

(a) COMPANY will provide at no charge to FRANCHISEE (i) consultation initiated by or at the direction of COMPANY; or (ii) consultation regarding the continued implementation of the Licensed Technology if said implementation requires product, process, and/or service modification and/or alteration.

(b) COMPANY will provide, in the event FRANCHISEE fails to master the principles and objectives of the Licensed Technology, System development results in new principles or protocols or upon the request of FRANCHISEE, at FRANCHISEE's office, and at FRANCHISEE'S sole cost and expense, additional training and consultation at a per diem payment of \$1,000, including business development, marketing, organization, operation of its first or additional centers, and promotion of the Franchised Business. Any consulting services that last more than four (4) hours are to be considered a "full day." Consulting services lasting more than one half hour and less than four (4) hours are considered to be "half day," for which \$500 will be paid. Time spent by a consultant lasting less than one half hour will not be considered consultation services. Services shall conform to those set forth above or as mutually agreed upon between the parties. If FRANCHISEE requests consulting services be performed specifically by a particular individual, the per diem rate shall be \$1,500, and the half day rate shall be \$750. FRANCHISEE acknowledges that FRANCHISOR is under no obligation to provide the services of a particular individual.

(c) COMPANY will provide FRANCHISEE with methods for development of the Franchised Business, including marketing and methods to obtain clients, client assessments, and training new personnel in core Brain Balance Program® operations.

(d) COMPANY will maintain a System Website and shall maintain information specific to FRANCHISEE's Franchised Business on that System Website. COMPANY may implement and periodically modify standards relating to the System Website and, at COMPANY's option, may change the System Website, or any services offered through the System website, at any time. COMPANY shall own all intellectual property related to all data that flows through the System website.

(e) COMPANY, at reasonable times, will consult with FRANCHISEE and offer guidance with respect to the operation of the Franchised Business, both by telephone and at FRANCHISEE's Center.

(f) COMPANY will provide forms and other required documents electronically, and FRANCHISEE will be required to duplicate such materials at its own expense for use in the operation of the Franchised Business.

(g) COMPANY will, in its discretion, provide FRANCHISEE with modifications, additions, and deletions to the Operations Manual.

(h) COMPANY will, in its discretion, provide FRANCHISEE with modifications, additions, and deletions to the Software.

(i) COMPANY will make available to FRANCHISEE, from time to time (i) advertising and promotional materials, electronically in pdf or jpeg format, prepared by COMPANY's advertising agencies and marketing company; and (ii) advertising and marketing usage and guidelines.

(j) COMPANY will maintain an online diet and nutrition portal with information for clients and will employ the services of a nutrition coach to oversee the online site and provide limited support to FRANCHISEE's clients regarding nutrition and diet issues.

9.03. COMPANY shall not, by virtue of any approvals, advice, or services provided to FRANCHISEE, whether pursuant to this Section 9 or any other provision of this Agreement assume responsibility or liability to FRANCHISEE or any third parties to which it would not otherwise be subject and assumes no liability or obligations to FRANCHISEE or any third party by reason of any neglect, delay, or denial of any approval requested hereunder.

10. ADDITIONAL OBLIGATIONS OF FRANCHISEE

10.01. FRANCHISEE shall faithfully abide by the terms of this Agreement and devote his/her full time and efforts to the promotion and success of the Franchised Business. In the event, following the opening of the Franchised Business, FRANCHISEE desires to operate a business other than the Franchised Business, FRANCHISEE agrees to obtain COMPANY's consent prior to taking any steps in connection with such proposed business, which consent may be refused for any reason or no reason.

10.02. FRANCHISEE shall not harm, misuse, or bring into disrepute the name or character of "BBF," "Brain Balance[®]," "Brain Balance Program[®]," or the Marks or any other trade name, trademark, service mark, service name, logo, or copyright of COMPANY or COMPANY's business or the business of any franchisee of COMPANY.

10.03. FRANCHISEE shall operate the Franchised Business from a self-contained space located in a retail building within the Territory in accordance with the terms and intent of this Agreement in a lawful and ethical manner as specified by COMPANY in its Operations Manual. FRANCHISEE shall obtain all permits and business licenses required by law for its Center location and shall comply with all premises regulatory requirements. FRANCHISEE shall obtain prior written approval from COMPANY of the lease, sign the lease within 120 days of the execution of this Agreement, and provide a copy of the executed lease to COMPANY within ten (10) days of its execution. The lease shall contain provisions that permit assignment to COMPANY and expressly provide that there are no obligations imposed on or granted against COMPANY. FRANCHISEE shall open the Center within nine (9) months of the date of this Agreement.

10.04. FRANCHISEE shall pay on a timely basis all of its bills and obligations; federal, state, and local and other expenses; and all taxes of the Franchised Business. FRANCHISEE shall not create or incur any expenses chargeable to COMPANY without COMPANY's prior written approval.

10.05. FRANCHISEE shall maintain the standard practices and image developed by COMPANY as the same may be changed from time to time by COMPANY, in order to maintain uniformity with other franchisees utilizing the Marks, and shall use only those standard methodologies, protocols, forms, stationery, and printed material of a style uniformly prescribed by COMPANY for its franchisees and of a quality that meets the standards uniformly prescribed by COMPANY.

10.06. FRANCHISEE shall conduct continuing local advertising in form, content, and media approved by COMPANY in a minimum amount set forth in Section 6.07, depending upon location and demographics, and retain evidence of such expenditures for submission to COMPANY upon request.

10.07. FRANCHISEE shall utilize a bookkeeping service designated by COMPANY for the first six (6) months of FRANCHISEE's operation of the Franchised Business. In COMPANY's sole discretion, FRANCHISEE may use an alternate bookkeeping service approved in writing by COMPANY.

10.08. FRANCHISEE shall not charge fees for services to its clients other than as permitted by law.

10.09. FRANCHISEE shall not, directly or indirectly, operate, be associated with, or enter into any sub-franchise or branch office arrangement for the operation of the Franchised Business without COMPANY's prior written consent.

10.10. FRANCHISEE shall conduct the Franchised Business in accordance with federal law and pursuant to the law and regulations of the state and locality in which it is located.

10.11. FRANCHISEE shall keep the Franchised Business open and in normal operation as BBF may specify in the Manual or otherwise in writing. FRANCHISEE shall maintain, at all times, a full-time staff of no less than a Center Director and a Program Director, and an appropriate number of Program Coaches, who may be part-time, as required to deliver the services as we require. In addition, if FRANCHISEE does not contract with a Call Center, FRANCHISEE must engage the services of a full-time employee whose sole responsibility will be to respond to inbound inquiries for Program services. At the discretion of COMPANY, FRANCHISEE may work in the Center in one of the above positions but if they do not they must appropriately train individuals to fill each role. After Soft Opening, FRANCHISEE shall be responsible, at their own expense, for training any new staff who are engaged to work at FRANCHISEE's Center. FRANCHISEE must send a new Center Director or Program Director to the next regularly scheduled Initial Training session for which FRANCHISEE will be charged \$300.

10.12. FRANCHISEE, shall not sell any assets other than in the ordinary course of business or, if a corporation, shall not merge or consolidate with another entity, reorganize, or amend its corporate charter nor shall it permit its officers, directors, shareholders, or members to assign or transfer shares of stock, except in strict accordance with the provisions of this Agreement.

10.13. FRANCHISEE shall, if requested by COMPANY, consent to the incorporation of, or the filing of a trade name certificate by other franchisees, where the corporate or trade name includes the words "Brain Balance®" or "Brain Balance Program®" followed by a

suitable descriptive title and shall cooperate and execute all papers and documents reasonably required to effect the same.

10.14. FRANCHISEE shall not cause the name of any individual, employee, officer, or other person, with respect to any printed matter or advertising in any form, whether print, electronic media, or otherwise, in connection with the Business, (i) to appear without being accompanied by the words "Brain Balance®" or "Brain Balance Program®," (ii) to appear more than once, (iii) to be printed larger than one agate line in newspaper and magazine advertisements and two agate lines in other advertising or stationery (except on a business card), and (iv) to be printed larger or bolder than the words "Brain Balance®" or "Brain Balance Program®."

10.15. FRANCHISEE shall not cause the words "Brain Balance®" or "Brain Balance Program®" to appear in any form, whether print, electronic media, or otherwise, on stationery, signs, advertising, electronic media, or otherwise, without complying with all COMPANY written instructions regarding appearance of the Marks.

10.16. FRANCHISEE shall not utilize the name "Brain Balance®," or "Brain Balance Program®," or any of the Marks in connection with any purpose or service other than the operation of a Brain Balance® Center to the extent specifically permitted hereunder.

10.17. (a) All permanent staff of the Franchised Business shall execute Exhibit 3, the Confidentiality, Non-Solicitation, and Non-Compete Agreement as provided in the Operations Manual. FRANCHISEE will take such action in connection therewith as may be required by COMPANY both during and upon termination of this Agreement in order to protect any trade secrets that are proprietary to COMPANY or any information, knowledge, or know-how deemed confidential under this Agreement.

(b) FRANCHISEE or its principal must have satisfactorily completed the Initial Training Program.

10.18. (a) FRANCHISEE's proposed Center location, relocation, center layout, office equipment, all printed matter used in the operation of the Franchised Business, including without limitation, assessment tools, tests, evaluation forms, stationery, signage, application forms, business cards, invoices, statements, and other materials, and the manner in which any and all of these will be used are subject to the prior written consent of COMPANY and must comply with the Operations Manual.

(b) All advertising and promotional matter, whether printed or digital material, including without limitation, Internet, and other electronic media advertisements, transcripts of all radio and television advertisements, and the manner in which any of these will be used are subject to the prior written consent of COMPANY prior to use and shall be submitted to COMPANY for written approval prior to use. If COMPANY does not approve the activities, materials, media, or use in writing within ten (10) days, the activity, material, media, and use will be deemed disapproved. Likewise, all marketing vendors or service providers for FRANCHISEE must be approved in writing by COMPANY prior to being retained by FRANCHISEE.

(c) FRANCHISEE may conduct individual email communications without first obtaining company's written approval, but the contents of such communications must

comply with requirements and restrictions contained in the Operations Manual. In addition, FRANCHISEE must obtain company's prior written approval for any and all email addresses other than the email address assigned to FRANCHISEE by company. FRANCHISEE may not obtain (800), (888), or similar toll free telephone numbers or use any email address containing the words "BBF," "Brain Balance[®]," or "Brain Balance Program[®]" as part of the telephone number or address, except as may be set forth in the Operations Manual.

(d) FRANCHISEE shall not maintain an independent website. COMPANY shall include information about FRANCHISEE's Center on the System website, FRANCHISEE agrees to provide the information and materials that COMPANY periodically requests concerning FRANCHISEE's Center and otherwise participate in the System Website in the manner that COMPANY periodically specifies. By posting or submitting information or materials for the System website, FRANCHISEE is representing that the information and materials are accurate and not misleading and do not infringe upon any third party's rights. COMPANY or one or more of our designees may establish a website or series of websites to advertise, market and promote Brain Balance[®] Centers, the Brain Balance Program[®] and associated products and services, to advertise franchise opportunities, to deliver Brain Balance Program[®] content and support, and/or for any other purposes that COMPANY determines are appropriate (collectively, the "System Web site").

(e) FRANCHISEE may maintain an independent social media presence, including the use of Facebook, Instagram, Twitter, and other services. FRANCHISEE agrees to submit to COMPANY for its approval before use all content, including but not limited to proposed social media usernames, account designations, avatars, background images, posts, or other materials associated with such accounts or sites. COMPANY has the right to require FRANCHISEE to associate its social media accounts with COMPANY's website or COMPANY-controlled social media pages or accounts. FRANCHISEE is required to obtain prior written consent from COMPANY before opening any social media account using the Marks or any version or abbreviation of the Marks. FRANCHISEE agrees to submit to COMPANY for its approval before use all content, including but not limited to proposed social media usernames, account designations, avatars, background images, posts, or other materials associated with such accounts or sites. COMPANY has the right to require FRANCHISEE to associate its social media accounts with COMPANY's Web site or COMPANY-controlled social media pages or accounts. FRANCHISEE may be required to provide COMPANY with ownership and/or login rights to any social media account using the Marks or any version or abbreviation thereof. FRANCHISEE understands and acknowledges that such accounts shall remain the property of the COMPANY upon termination or expiration of this Agreement. FRANCHISEE may be required to pay any and all costs associated with the creation and maintenance of its social media presence. If FRANCHISEE wishes to modify or social media presence, all proposed modifications, other than job and staff listings, must be approved in writing by COMPANY before use.

(f) FRANCHISEE shall purchase or lease and maintain for use in the Franchised Business such computer equipment and communication software as is specified by COMPANY (presently a Windows PC or Mac OS computer or tablet with Wi-Fi or Ethernet connectivity; and a Web Browser in its most recent stable version (Google Chrome or Mozilla Firefox). FRANCHISEE shall have equipment with access to the Internet with a minimum speed of 5 MB per second or as set forth in the Operations Manual. FRANCHISEE agrees to execute the Application License Agreement,

which includes support, maintenance, and enhancement provisions in connection with the customized software ("Software") that COMPANY makes available to FRANCHISEE for use either in data base management or transmission of client statistical data. FRANCHISEE agrees that it will not use any software for database management or transmission of client statistical data, except the Software as is supplied by COMPANY.

(g) If COMPANY shall designate that certain equipment, advertising materials, services, or other supplies, products, and materials required for the operation of the Franchised Business shall be purchased on a group basis by all franchisees of COMPANY solely from suppliers (i) who demonstrate to the continuing reasonable satisfaction of COMPANY the ability to meet COMPANY's reasonable standards, specifications, and requirements for such items regarding quality, variety, service, cost, safety, and health; (ii) who possess adequate quality control and capacity to supply the needs of all of COMPANY's franchisees promptly and reliably; (iii) who are of a sound financial condition and business reputation; (iv) who will supply such items to a sufficient number of franchise owners to enable COMPANY economically to mount a compliance by the supplier with COMPANY standard specifications and requirements; and (v) who have been approved for such items in writing by COMPANY and not thereafter disapproved upon written notification, FRANCHISEE shall purchase such equipment, advertising materials, services, or supplies from said supplier(s) and execute any and all agreements necessary in connection therewith. In the event FRANCHISEE shall be in breach of any such agreements, FRANCHISEE shall be in breach of Section 17.02 of this Agreement.

10.19. FRANCHISEE shall not cause or permit the Center location in which the Franchised Business is operated to be utilized for any purpose or business of any kind or nature whatsoever other than the Franchised Business.

10.20. During the term and any extended term of this Agreement and thereafter, FRANCHISEE covenants not to communicate directly or indirectly, to divulge or use for its benefit or the benefit of any other person or legal entity, any trade secrets that are proprietary to COMPANY or any information, knowledge, or know-how deemed confidential under this Agreement hereof, except as permitted by COMPANY. The protection granted hereunder shall be in addition to and not in lieu of all other protections for such trade secrets and confidential information as may otherwise be afforded by law or set forth otherwise in this Agreement. Any and all information, knowledge and know-how not generally known about the System, the Licensed Technology, and COMPANY's business, standards, procedures, techniques, and such other information or material as COMPANY may designate as confidential shall be deemed confidential for purposes of this Agreement.

10.21. FRANCHISEE shall conspicuously identify itself at its Center location and in all dealings with customers, contractors, suppliers, public officials, and others as an independent franchisee of COMPANY and shall place its legal or trade name and/or such notices of independent ownership on such forms, stationery, advertising, other than classified advertising, and other materials as set forth in the Operations Manual.

10.22. FRANCHISEE shall be required to attend and pay a registration fee for COMPANY's Annual convention. The cost of registration will vary depending on the program, the number of speakers, and the contribution of sponsors. The travel, lodging, and food costs will

be in addition to the registration fee, but these costs may be discounted and/or subsidized by COMPANY.

10.23. FRANCHISEE shall comply with each and every obligation and abide by each and every covenant hereunder. FRANCHISEE agrees that in the event it fails to comply with any of its obligations contained in this Agreement, in addition to the remedies afforded COMPANY pursuant to Section 17 hereof, COMPANY may apply any and all penalties associated with such violation, as set forth in the Operations Manual.

10.24. FRANCHISEE shall comply with each and every obligation and abide by each and every covenant hereunder. FRANCHISEE agrees that in the event it fails to comply with any of its obligations contained in this Agreement, in addition to the remedies afforded COMPANY pursuant to Section 17 hereof, COMPANY may apply any and all penalties associated with such violation, as set forth in the Operations Manual.

11. INSURANCE

11.01. Unless otherwise required by law, FRANCHISEE shall obtain, at its own cost and expense through COMPANY's designated broker, (i) Comprehensive Commercial General Liability, including all extensions, in an amount not less than one million dollars (\$1,000,000) per occurrence, written on an occurrence basis, and \$3,000,000 in the aggregate, including Business Personal Property and Improvements and Betterments at the suggested minimum amounts; (ii) Professional Liability coverage, including, but not limited to, education services (\$1,000,000 per occurrence and \$3,000,000 in the aggregate, which must include coverage for contingent bodily injury and property damage in the amount of \$1,000,000); (iii) Abuse & Molestation coverage (\$1,000,000 per occurrence; \$3,000,000 in the aggregate); (iv) Commercial automobile liability insurance covering vehicles that are owned, non-owned, or hired by the Franchised Business with a combined single limit of \$1,000,000, (v) Employment Practices Liability Insurance in an amount not less than one million dollars (\$1,000,000) per occurrence; and (vi) Workers Compensation Insurance in an amount not less one million dollars (\$1,000,000) per occurrence. FRANCHISEE also agrees to obtain disability, and any other insurance required by law in the state in which the Franchised Business office is located. FRANCHISEE acknowledges that COMPANY may modify or increase the insurance requirements during the term of this agreement due to changes in experience, market conditions, and regulatory or legal changes that could increase exposure, and hereby agrees to comply with the new requirements. COMPANY must be named as an additional insured on all of these policies except for workers compensation.

11.02. All such policies shall be primary to and without right of contribution from any insurance maintained by COMPANY, name COMPANY, its parent company and all affiliates, as specified by COMPANY as additional insureds and shall include a provision that they shall not be cancelled or materially amended without twenty (20) days prior written notice to COMPANY. FRANCHISEE agrees that these insurance policies may not be cancelled, non-renewed, or materially amended during the policy term without providing COMPANY with thirty (30) days' prior written notice.

Each such policy shall be issued by an insurer and shall be in form and substance reasonably satisfactory to COMPANY. Prior to the commencement of the Franchised Business, and upon each renewal of any such policy, FRANCHISEE shall deliver to COMPANY certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder along with all endorsements and declarations pages evidencing COMPANY's rights as an additional insured. In addition, FRANCHISEE shall deliver to COMPANY a certificate of insurance for the policy or policies required by this Agreement.

11.03. Maintenance of such insurance, and the performance by FRANCHISEE of the obligations under Section 11.02, shall not relieve FRANCHISEE of any liability to COMPANY under this Agreement, whether under the indemnity provision of this Agreement as set forth in Section 19 or otherwise.

11.04. If FRANCHISEE shall for any reason fail to procure or maintain insurance coverage required by this Agreement, COMPANY shall have the right, at its option, to procure such insurance and FRANCHISEE will pay and reimburse COMPANY for all costs of same, including administrative costs associated therewith. FRANCHISEE shall execute all forms, applications, and documents reasonably required with respect to obtaining such insurance and the making of any claims thereunder. Notwithstanding COMPANY's right to purchase insurance, if FRANCHISEE fails to procure or maintain insurance as required by this Agreement or to reimburse COMPANY promptly in the event COMPANY purchases insurance as hereinabove provided, then COMPANY may consider such failure to constitute a default of this Agreement.

12. THE MARKS

12.01. FRANCHISEE agrees that the Marks licensed under this Agreement are owned by COMPANY, that the Marks licensed under this Agreement are valid service and/or trademarks, and that only COMPANY, its affiliates, and/or its designated franchisees shall have the right to use the Marks or any other trademarks, service marks, trade names, service names, logos, copyrights, and other marks presently existing or hereafter acquired by COMPANY for use by its franchisees or affiliates.

12.02. FRANCHISEE agrees that valuable good will is attached to the Marks, and any copyrights owned by COMPANY which FRANCHISEE is authorized to utilize in connection with the Franchised Business ("Copyrights") and that FRANCHISEE will use the Marks and Copyrights in all forms, whether print, electronic media or otherwise, only in the manner and to the extent specifically permitted by this Agreement or specified by COMPANY.

12.03. FRANCHISEE agrees that its use under this Agreement and the license granted by this Agreement for use of the Marks is non-exclusive and that COMPANY, in its sole discretion, has the right to operate or authorize others to operate businesses under the Marks on any terms and conditions COMPANY deems appropriate, subject only to the provisions of this Agreement.

12.04. Upon the expiration or termination of this Agreement, FRANCHISEE agrees that it shall not directly or indirectly contest the right, title, interest, validity, or ownership of COMPANY in the Marks and Copyrights.

12.05. FRANCHISEE shall promptly notify COMPANY of any claim, demand, or suit based upon or arising from, or any attempt by any other person or entity to use the Marks or Copyrights.

12.06. If COMPANY shall be a party to any litigation with respect to the Marks or Copyrights, FRANCHISEE shall execute any and all documents that are reasonable and necessary and do such things as may be reasonable and necessary for COMPANY to defend or prosecute such litigation in its sole discretion.

12.07. FRANCHISEE agrees that any good will associated with the Marks and Copyrights, including any good will that might be deemed to have accrued from FRANCHISEE's activities, inures directly and exclusively to the benefit of COMPANY, except as may be specifically provided to the contrary herein or by applicable law.

12.08. FRANCHISEE agrees that each and every detail of the System is valuable to COMPANY and to other franchisees of COMPANY in developing and maintaining uniformity of services throughout the franchise network. Therefore, to enhance the reputation and good will of COMPANY, FRANCHISEE agrees to:

(a) operate, advertise, and promote the Franchised Business under the Marks exactly as set forth in the Operations Manual;

(b) adopt and use the Marks in accordance with rules now or hereafter prescribed in writing by COMPANY; and

(c) conduct its Franchised Business under the Marks in accordance with the operational standards established from time to time by COMPANY, as described in COMPANY's confidential Operations Manual and/or other documents now or hereafter loaned or provided by COMPANY to FRANCHISEE.

12.09. FRANCHISEE expressly covenants that, during the term of this Agreement and thereafter, FRANCHISEE shall not, directly or indirectly, commit any act of infringement or take any other action in derogation of COMPANY's rights in or to use the Marks.

12.10. COMPANY reserves the right in its sole discretion at any time to direct a termination in use of any of the Marks, to designate, if appropriate, one or more new, modified, or replacement marks for use by franchisees and to require the use by FRANCHISEE of any such new, modified, or replacement marks in addition to or in lieu of any previously designated marks, including but not limited to the Marks. FRANCHISEE shall not be entitled to any compensation as a result of the discontinuation or modification of the Marks. Any expenses or costs associated with the use by FRANCHISEE of any such new, modified, or replacement marks shall be the sole responsibility of FRANCHISEE.

13. OPERATIONS MANUAL

13.01. FRANCHISEE, in order to protect the reputation and good will associated with the Marks and to maintain uniform standards of operation throughout the franchise network, shall conduct its Franchised Business in strict accordance with COMPANY's policies including,

but not limited to, those contained in the Operations Manual. For purposes of this Agreement, the "Operations Manual" is defined as a collection of manuals, guides, and other written, audio taped, or videotaped materials provided to FRANCHISEE. COMPANY, from time to time, may revise the Operations Manual to reflect new developments and approaches discovered in research development, assessment tools, evaluation materials, sales, marketing, and operational techniques, and other procedures relevant to the operation of the Franchised Business under the Marks, and FRANCHISEE shall comply with all such revisions, except those pertaining to Center layout and furnishings (so long as the Center remains in the same location and remodeling is not necessary based on wear and tear), including such revisions as may require the expenditure of reasonable sums of money by FRANCHISEE, provided that such requirements shall also be applied in a reasonably non-discriminatory manner to all comparable franchised businesses of COMPANY.

13.02. The Operations Manual shall be made available to FRANCHISEE at the time of the Initial Training Program and via download from the CRM software, and it shall at all times remain the sole property of COMPANY. The Operations Manual may designate certain technologies, including the Cognitive App, as required for use in the operation of the Franchised Business, and FRANCHISEE shall comply with all such requirements. FRANCHISEE shall treat the Operations Manual as confidential, and FRANCHISEE shall not at any time disclose, copy, duplicate, record, or otherwise reproduce the Operations Manual, in whole or in part, or make the contents of the Operations Manual available to any unauthorized persons.

14. OPERATION OF BUSINESS

14.01. FRANCHISEE agrees that the commencement and continuous operation of the Franchised Business pursuant to all applicable laws, rules, and regulations is essential to the adequate promotion of COMPANY's franchise network and that any failure by FRANCHISEE to open and continuously operate the Franchised Business shall have a negative effect on COMPANY both locally and nationally.

14.02. If, for any reason, FRANCHISEE shall fail to commence operations within nine (9) months from the date of this Agreement, COMPANY, at its option, may either (a) grant FRANCHISEE, in writing, a one-time, ninety (90) day extension of such deadline or (b) terminate this Agreement and retain all monies theretofore paid by FRANCHISEE to COMPANY.

14.03. FRANCHISEE agrees that prior to COMPANY sending a representative to finalize training and assisting FRANCHISEE in the pre-opening of its Center, FRANCHISEE shall have completed each pre-opening checklist item specified in the Operations Manual. FRANCHISEE agrees that if COMPANY sends a representative to assist with pre-opening of a Center in violation of the foregoing requirement, such violation will constitute a default under Section 17.02 hereunder, and FRANCHISEE will be responsible for any and all expenses incurred by COMPANY in connection therewith.

14.04. FRANCHISEE agrees that prior to the actual opening of its Center and initiation of the Brain Balance Program[®] with respect to any student (other than initial assessments), FRANCHISEE will obtain the express written consent of COMPANY.

14.05. FRANCHISEE shall utilize all required System technologies, including the Cognitive App, in accordance with COMPANY's standards and the Operations Manual.

14.06. FRANCHISEE shall at all times prominently display signage approved by COMPANY to indicate that FRANCHISEE's Center is an independently owned and operated location within the Brain Balance Center system.

14.07. FRANCHISEE shall not employ workers in key positions specified in the Operations Manual on an independent contractor basis without COMPANY's prior written consent.

15. APPLICATION LICENSE

15.01. FRANCHISEE shall license the Software from COMPANY by executing COMPANY's then-current, non-exclusive Application License Agreement, which includes support, maintenance, enhancements, and upgrades, and pay the initial technology fee and the annual technology fee. The Software performs administrative functions for the Center, including collection of data relating to customers, data base management, and transmission of client statistical data.

15.02. FRANCHISEE shall permit COMPANY access to the Software and its data and permit COMPANY to communicate with the Software and to access and record it and its data.

16. ASSIGNMENT; PERSONAL GUARANTY

16.01. COMPANY may assign this Agreement and all of COMPANY's rights and interests herein to any successor, purchaser, transferee, or other assignee who so assumes COMPANY's obligations hereunder, and such assignment and transfer shall be binding upon FRANCHISEE. If COMPANY's assignee assumes all of the obligations of COMPANY hereunder and sends written notice of its assignment so attesting to FRANCHISEE, the assignment shall operate to release COMPANY from all its obligations to FRANCHISEE under this Agreement from and after the date of such assignment.

16.02. FRANCHISEE may not assign or transfer this Agreement or any rights or interests herein or in the Franchised Business or any assets of the Franchised Business other than in the ordinary course of business or a partnership interest therein, or if FRANCHISEE is a corporation or an LLC, all or part of the equity of the corporation or LLC, except upon COMPANY's prior written consent, which will not be unreasonably withheld. FRANCHISEE must first obtain a bona fide, signed, unconditional, and firm written offer from a responsible and fully identified purchaser and shall submit a complete copy of such offer to COMPANY together with COMPANY's current application for franchise completed by the prospective purchaser. Such offer must be limited to this Agreement and the Franchised Business and may not include the purchase of any other property. Prior to any such assignment or transfer, a right of first refusal to acquire the entire right or interest of FRANCHISEE in the Franchised Business proposed to be assigned or transferred shall be offered by FRANCHISEE to COMPANY on the same terms and conditions offered to the proposed assignee or transferee provided that COMPANY may substitute cash for any form of payment proposed in such offer and provided that COMPANY's credit shall be deemed equal to the credit of any proposed purchaser, and COMPANY shall have not less than

thirty (30) days from the exercise of its option to consummate the transaction. COMPANY shall have not less than thirty (30) nor more than one-hundred and twenty (120) days following the receipt of such offer to exercise its right to purchase.

16.03. If COMPANY does not exercise this right of first refusal, FRANCHISEE may complete the sale to such purchaser pursuant to and on the terms of said offer, subject to COMPANY's prior written approval of the purchaser as provided herein. However, if the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of such offer to COMPANY, or upon substantially the same terms of the sale as specified in such offer, COMPANY shall again have the right of first refusal as herein provided.

COMPANY's written approval of the proposed sale to the named purchaser, if given, shall be conditioned upon the following:

(a) Only the entire interest of FRANCHISEE under this Agreement may be assigned or transferred.

(b) Unless the assignee or transferee is a franchisee of COMPANY, the assignee or transferee shall undertake and successfully complete COMPANY's Initial Training Program at a location designated by COMPANY at the assignee or transferee's expense.

(c) The proposed assignee or transferee shall meet the standards then imposed by COMPANY for new franchisees and shall demonstrate to COMPANY's satisfaction the ability to operate the business being transferred. FRANCHISEE shall provide COMPANY with a resume, credit check, and all such other information reasonably required by COMPANY with respect to the proposed assignee or transferee who shall be personally interviewed at a location designated by COMPANY at no cost to COMPANY.

(d) The assignee or transferee executing both (x) a new 10-year franchise agreement in the form being used at the time by COMPANY for this franchise program, which agreement shall govern the rights and obligations of the parties, provided, however, the purchaser will not be obliged to pay an Initial Franchise Fee, and the Royalty as set forth in this Agreement shall not be altered, and (y) such other documents as COMPANY shall reasonably request in form and substance satisfactory to COMPANY.

(e) FRANCHISEE shall have paid to COMPANY a Transfer Fee, the amount of \$10,000 for the training, supervision, administration, accounting, legal, and/or other expenses of COMPANY in connection with the assignment and transfer.

(f) FRANCHISEE shall have paid to COMPANY all monies due and payable pursuant to this Agreement.

(g) FRANCHISEE's transferee shall have paid to COMPANY a Software Agreement transfer fee equal to \$2,500.

(h) FRANCHISEE not retaining a security interest in the Franchise or any subsequent franchise granted to the purchaser and agreeing that all obligations of the purchaser under or pursuant to any promissory notes or agreements between FRANCHISEE and the

purchaser shall be subordinate to the obligations of the purchaser to pay all monies due to COMPANY.

(i) FRANCHISEE shall have agreed in writing to remain obligated under the covenants contained in Section 18 hereof as if this Agreement had terminated on the date of transfer.

(j) FRANCHISEE has executed a general release of all claims against COMPANY arising out of or related to this Agreement and the obligations and performance of COMPANY pursuant to it; provided however, that all rights enjoyed by FRANCHISEE and any causes of action arising in its favor under the laws of Delaware and any regulations issued thereunder shall remain in force.

16.04. In the event that COMPANY does not approve such purchaser, then FRANCHISEE may not proceed with the sale of the Franchised Business or of shares of stock or membership interests to such proposed purchaser. Further, in such event, FRANCHISEE shall not be relieved of his/her obligations under this Franchise Agreement, and FRANCHISEE shall continue to be fully bound by its terms until the termination of this Agreement in the manner and upon the conditions as provided herein.

16.05. Any change by operation of law or otherwise, on one or more occasion, of the control or ownership of shares of any class of outstanding stock or membership interests of a corporate FRANCHISEE or its parent, either beneficial or of record, whether by merger, consolidation, or otherwise, or of any interest in the partnership of a partner, FRANCHISEE, or of membership interests of an LLC, or sale of assets other than in the ordinary course of business shall constitute an assignment of this Agreement and shall be subject to the provisions of this Agreement regarding assignment.

16.06. The Franchise granted by COMPANY pursuant to this Agreement is personal in nature. FRANCHISEE shall remain at all times personally responsible for the performance of all obligations required to be performed by FRANCHISEE pursuant to this Agreement. No sale, assignment, transfer, conveyance, encumbrance, or gift of an interest in this Agreement, or in a Franchise granted hereby, shall relieve FRANCHISEE, its members, shareholders, or partners from the obligations of FRANCHISEE hereunder except with the express written agreement to the contrary of COMPANY, which will not be unreasonably withheld as to all obligations arising from and after a sale, assignment, transfer, conveyance, encumbrance, or gift to an unrelated third party other than those that apply following termination or expiration of this Agreement.

16.07. In consideration of, and as an inducement to, the execution by COMPANY of this Agreement, each of the undersigned individual parties owning ten percent (10%) or more interest in FRANCHISEE, as well as their spouses (even if the spouse holds a 0% ownership interest in FRANCHISEE) signs the form of personal guaranty attached as Exhibit 6.

16.08. FRANCHISEE, if an individual or partnership, may, and upon the request of COMPANY shall, assign and transfer this agreement and all of the rights hereunder to a corporation, LLC, or company wholly owned by FRANCHISEE, provided: (i) the individual

FRANCHISEE (or each member or partner, if a limited liability company or partnership) remains liable for all obligations of FRANCHISEE hereunder; (ii) a fully executed assignment and assumption, in form and substance acceptable to COMPANY, is delivered by FRANCHISEE to COMPANY; (iii) the corporation, LLC, or company is newly organized (within thirty (30) days of the proposed transfer) and duly incorporated or organized and proof thereof is furnished to COMPANY; (iv) the person(s) signing this Agreement as FRANCHISEE and FRANCHISEE's spouse and adult children shall be the owner(s) of all of the outstanding voting stock or interests of the assignee entity and the sole directors own all of the membership interests of an LLC or all of the equity of any such company and any of the foregoing is the Manager of the LLC; (v) FRANCHISEE is the principal executive and operating officer of said corporation, LLC, or company; (vi) the activities of said corporation, LLC, or company are confined exclusively to the operation of the Franchised Business or any other business franchised or licensed by COMPANY to FRANCHISEE; and (vii) the name of said corporation, LLC, or company shall not include the Marks and shall be as set forth on Schedule I.

16.09. In the event of the death or incapacity of an individual FRANCHISEE, or any partner, shareholder or member of FRANCHISEE if it is a partnership, corporation or LLC, COMPANY may terminate this Agreement unless, within six (6) months of such event, the heirs, beneficiaries, devisees, or legal or personal representatives of said individual, partner, member, or shareholder, together with all surviving partners, members or shareholders:

(a) Request the right from COMPANY, in writing, to continue to operate the Franchised Business, which request shall be granted by COMPANY, and no further transfer shall be required, provided the party who is to operate the Franchised Business in COMPANY'S determination, is reasonably capable of doing so; or

(b) Sell, assign, transfer, or convey FRANCHISEE's interest in and to this Agreement in compliance with the provisions of this Section 16 (provided, however, that if a proper and timely application for the right to continue to operate has been made and rejected, the six (6) months permitted in this Section 16.08 (b) to sell, assign, transfer, or convey shall be computed from the date of such rejection).

17. DEFAULT; TERMINATION

17.01. COMPANY shall have the absolute right, at its option, to terminate this Agreement and all rights granted hereunder, upon any of the following Non-Curable Defaults by FRANCHISEE, without giving an opportunity to cure the default and without prejudice to any other rights or remedies of COMPANY provided by law or this Agreement, effective immediately upon the provision of notice to FRANCHISEE or at such later time as indicated in such notice if:

(a) FRANCHISEE fails to complete the initial Training Program prior to opening of the Center;

(b) FRANCHISEE or any of its members, shareholders, officers, or FRANCHISEE's spouse use or disclose any of the Operations Manual, trade secrets, or confidential information in violation of this Agreement or any ancillary agreement signed in connection with this Agreement;

(c) FRANCHISEE files a petition in bankruptcy or a petition in bankruptcy is filed against FRANCHISEE, which is not vacated after prompt and diligent effort to do so, or if FRANCHISEE files a petition for any relief under the United States Bankruptcy Act, or any state statute for protection against creditors, or FRANCHISEE becomes bankrupt or insolvent, or makes an assignment for the benefit of its creditors, or FRANCHISEE discontinues the Franchised Business, or a receiver is appointed over the operation of the Franchised Business and is not removed after prompt and diligent efforts to do so;

(d) FRANCHISEE maintains false books, records, or financial or operating statements;

(e) FRANCHISEE or any officer, director, partner, member, or principal shareholder of FRANCHISEE is convicted of a felony or the conversion or embezzlement of any property or funds, whether belonging to COMPANY or any other party, or a crime involving moral turpitude;

(f) FRANCHISEE receives from COMPANY three (3) or more notices to cure defaults or violations of this Agreement within a twelve (12) month period;

(g) failure to achieve \$350,000 of GR in any 12-month period following the third anniversary of the date of the Franchise Agreement or in any year of the Franchise Agreement if a renewal agreement; or

(h) the occurrence of any default or breach by FRANCHISEE (or its principals, partners, members, officers, shareholders or directors, or their respective spouses) of any other agreement between COMPANY (or its Affiliates and subsidiaries) and FRANCHISEE or any entity with which FRANCHISEE, any of its officers, shareholders, directors, employees, partners, or members is an Affiliate shall be deemed a default under this Agreement. Any default or breach of this Agreement by FRANCHISEE or any entity with which FRANCHISEE, any of its officers, shareholders, directors, employees, partners, or members is an Affiliate, shall be deemed a default or breach under any and all other agreements between Franchisor (or its Affiliates and subsidiaries) and FRANCHISEE (or any entity with which FRANCHISEE, any of its officers, shareholders, directors, employees, partners, or members is an Affiliate). If the nature of such default under any other agreement would have permitted Franchisor to terminate this Agreement had said default occurred hereunder, Franchisor shall have the right to terminate all of the other agreements between Franchisor and FRANCHISEE, in the same manner provided for herein for termination of this Agreement. Notwithstanding anything to the contrary herein, this Section shall not apply to a breach of any Development Agreement entered into by FRANCHISEE (or its Affiliates and subsidiaries). For purposes of this section 17.01(h), Affiliate shall refer to any person or entity controlling, controlled by, or under common control with the subject person or entity.

17.02. It shall be an event of default ("Event of Default") if:

(a) FRANCHISEE fails to make any payment, when due, required by the terms of this Agreement or any other agreement between COMPANY and FRANCHISEE, or violates any other term, provision, or condition of this Agreement or any other agreement between COMPANY and FRANCHISEE, and such failure or violation continues for more than fifteen (15)

days (or such longer period as may be required by law) after notice from COMPANY to FRANCHISEE;

(b) a judgment is obtained against FRANCHISEE and is not satisfied or bonded within fifteen (15) days after entry thereof;

(c) FRANCHISEE, after using its best efforts to do so, is unable to maintain or renew any license or permit required or which may be required for operation of the Franchised Business by any state or jurisdiction where the Franchised Business is to be located or any license or permit is suspended or revoked, and all appeals therefrom have been exhausted or the time to exercise such appeals has elapsed;

(d) FRANCHISEE damages the reputation for honesty, fair dealing, integrity, or good moral character of COMPANY;

(e) FRANCHISEE damages the good will of COMPANY, its reputation, or the Marks or any other name, trade name, or service mark of COMPANY;

(f) FRANCHISEE attempts to assign or transfer its rights or obligations under this Agreement, or any portion thereof, without the prior written approval of COMPANY or as is specifically permitted hereunder;

(g) FRANCHISEE fails to open the Franchised Business and commence business within the time prescribed by Section 14.02 of this Agreement;

(h) FRANCHISEE denies COMPANY the right to inspect, examine, or audit the Center in accordance with this Agreement;

(i) An audit of FRANCHISEE'S books and records reflects an understatement of GR as reported to COMPANY of five percent (5%) or more for any calendar year;

(j) FRANCHISEE is in breach of any of the terms or conditions of the Software Agreement; or

(k) FRANCHISEE is in breach of any of the agreements with supplier(s) designated by COMPANY for purchase of equipment, advertising materials, services or other supplies, products, and materials required for the operation of the Franchised Business.

17.03. (a) Upon the occurrence of an Event of Default, COMPANY, at its option, may terminate this Agreement on five (5) days' written notice (or a notice for a longer period of time as may be required by the law of the jurisdiction in which FRANCHISEE's Center is located) without a right to cure, and this Agreement, together with the Franchise granted hereunder, shall thereupon expire.

(b) Upon the occurrence of an Event of Default that continues for thirty (30) or more days of COMPANY giving FRANCHISE notice of such default, COMPANY shall have the absolute right without additional notice, to cease providing or making available any or all

services and benefits provided for hereunder to FRANCHISEE until FRANCHISEE is current in the payment of fees and the filing of reports and has cured all other defaults. COMPANY's exercise of such right shall not diminish FRANCHISEE's continuing obligations under this Agreement or constitute an actual or constructive termination of this Agreement.

17.04. Upon the termination of this Agreement, whether as a result of an Event of Default or for any other reason, FRANCHISEE shall:

(a) Cease to be a FRANCHISEE, cease to operate the Franchised Business, and refrain and desist from using the names and Marks and all other marks, trade names, trademarks, or logos of COMPANY, or such names or logos similar thereto, in any manner whatsoever, including, without limitation, together with other words such as "formerly known as."

(b) Promptly change FRANCHISEE's name to a name that does not include the words "Brain Balance®" or "BBF" or any of the Marks or any words similar thereto.

(c) Promptly pay to COMPANY all debts, including any outstanding Royalty and Advertising Fund contribution, arising from FRANCHISEE's obligations under this Agreement, which shall upon termination for any default by FRANCHISEE include all damages, costs, and expenses, including reasonable attorney's fees, incurred by COMPANY in obtaining injunctive relief for the enforcement of any provision of this Agreement as a result of the default and all Royalty and Advertising Fund contributions for the entire unperformed term of this Agreement.

(d) Promptly endeavor to collect all accounts receivable and file reports with respect thereto that derive from services provided by FRANCHISEE pursuant to this Agreement whether before or after termination of this Agreement and pay COMPANY any Royalty or Advertising Fund contribution due thereon in the amount and manner required by this Agreement.

(e) Deliver to COMPANY (electronically, if so requested by COMPANY) within ten (10) days of termination: (i) all files and records in respect to client services, research and development data provided to, or maintained by, FRANCHISEE through the System; (ii) all records, lists, and information concerning or relating to client accounts and prospective clients, and employees of FRANCHISEE; (iii) all other information maintained by FRANCHISEE, whether in written or electronic form, with respect to said clients, prospective clients, and employees; and (iv) all copies of COMPANY's Operations Manual, video tapes, and all other materials bearing the Marks or otherwise belonging to COMPANY.

(f) Immediately refrain and desist from the use of the Franchised Business's telephone number or numbers and, at the option of COMPANY, transfer and assign the right to use such number or numbers to COMPANY or COMPANY's designee and to take such action as may be required by BBF to transfer and assign to BBF or its designee all telephone numbers and white and yellow page telephone references and advertisements as set forth on the Conditional Assignment of Telephone Numbers annexed hereto as Exhibit 4.

(g) Immediately refrain and desist from the use of the Center premises from which the Franchised Business was operating and, upon the option of COMPANY, assign to

COMPANY or COMPANY's designee the lease and right to use such premises pursuant to which assignment FRANCHISEE shall remain liable for all obligations to landlord accrued or derived from any date on or before the date of the assignment and COMPANY or COMPANY's designee, whichever is the assignee, shall assume only those obligations accruing after the date of such assignment.

(h) Not disclose to any person, firm, or corporation any of the trade secrets or confidential data furnished to FRANCHISEE by COMPANY, it being agreed that the term "trade secrets or confidential data" shall mean information communicated to FRANCHISEE by COMPANY and other data and information made available to FRANCHISEE in the operation of the Franchised Business, including, but not limited to, the Operations Manual, procedures, protocols, practices, forms, instructions, methods of operations, training programs, contracts, advertising, sales promotion programs, service programs, and other information so denoted elsewhere in this Agreement.

(i) Irrevocably refrain and desist from the use of any trade secrets or confidential data or information made available to FRANCHISEE in the operation of the Franchised Business, including but not limited to refraining and desisting from acting as a consultant or service provider to any current or future franchisee within the System's network utilizing any such information.

(j) Irrevocably assign and transfer to COMPANY (or to another franchisee or designee of COMPANY) any and all interest FRANCHISEE may have in the website link and any and all social media accounts or usernames maintained in connection with the Franchised Business; to execute any documents and perform any other actions COMPANY requires to effectuate this assignment and transfer and otherwise ensure that all such rights revert to COMPANY (or to another franchisee or designee of COMPANY); and not to establish any website or social media accounts or names using the Marks or any names similar or confusingly similar to the domain names or account names used in the Business and not to identify itself on any website as a former COMPANY franchisee.

17.05. FRANCHISEE shall retain no equity or interest in the Franchise or the Franchised Business following termination for any reason or non-renewal, and FRANCHISEE shall receive no payment or compensation whatsoever for any goodwill FRANCHISEE may have established either prior to or during the operation of the Franchised Business.

18. COVENANT NOT TO COMPETE

18.01. Throughout the term of this Agreement, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall own, maintain, or have any interest in or otherwise participate or engage in, either directly or indirectly, by itself or in conjunction with any other person or entity, any supplemental education services business whether as partner, stockholder, member, officer, director, employee, representative, or in any other capacity, except if such other business is franchised by COMPANY.

18.02. (a) Throughout the term of this Agreement, and for a period of two (2) years after termination, regardless of cause of the termination, expiration, or non-renewal, neither

FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall divert, or attempt to divert, any business of, or any clients of, the Business to any other competitive establishment, by direct or indirect inducement or otherwise.

(b) Throughout the term of this Agreement, and for a period of two (2) years after termination, regardless of cause of the termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall divert, or attempt to divert, any business of, or any clients of, COMPANY or any other franchisee or affiliate of COMPANY to any other competitive establishment, by direct or indirect inducement or otherwise.

(c) Throughout the term of this Agreement, and for a period of two (2) years after termination, regardless of cause of the termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall, directly or indirectly, seek for employment, employ, or attempt to employ any person who is at the time employed by the Business or otherwise directly or indirectly induce such persons to leave their employment.

(d) Throughout the term of this Agreement, and for a period of two (2) years after termination, regardless of cause of the termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall, directly or indirectly, seek for employment, employ, or attempt to employ any person who is at the time employed by COMPANY or any franchisee or affiliate of COMPANY or otherwise directly or indirectly induce such persons to leave their employment.

18.03. Throughout the term of this Agreement and after its termination, regardless of the cause of termination, expiration, or upon non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge, trade secrets, proprietary information, or private processes of COMPANY, or any information or knowledge concerning the methods of operation utilized in the Business.

18.04. For a period of two (2) years after the termination of this Agreement, regardless of the cause of termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall enter into the supplemental educational services business, or engage in other related activities, whether as a partner, stockholder, officer, director, employee, representative, or in any other capacity within a fifty (50) mile radius of the Center.

18.05. FRANCHISEE acknowledges that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on FRANCHISEE, since FRANCHISEE has other considerable skills, experience, and education that afford FRANCHISEE the opportunity to derive income from other endeavors.

18.06. For the purposes of this Section 18, FRANCHISEE agrees that any conduct of FRANCHISEE's spouse or a member of FRANCHISEE's immediate family, which if committed by FRANCHISEE would be a breach hereof, shall be deemed a breach hereof.

18.07. COMPANY's right to obtain injunctive relief or other equitable relief shall be in addition to any other remedies available at law or in equity and shall not be limited by any provision of this Agreement. Nothing in this Agreement shall be construed to waive or limit COMPANY's right to seek such equitable relief under applicable Delaware law. .

19. INDEMNIFICATION

(a) FRANCHISEE agrees at its cost to protect, defend, indemnify, and hold COMPANY, its parent if any, or any affiliate or subsidiary corporation, or assigns, and their respective directors, officers, shareholders, and members jointly and severally harmless from and against all claims, actions, proceedings, damages, costs, expenses, and other losses and liabilities, directly or indirectly incurred (including without limitation attorneys' and accountants' fees), in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether the same is reduced to judgment) or any settlement thereof, as a result of, arising out of, or connected with the operation of the Franchised Business. This indemnity shall in no way be limited by the existence or non-existence of insurance coverage and shall also apply to claims, actions, proceedings, damages, costs, expenses, and other losses and liabilities not covered either under deductible provisions of such insurance coverage or in excess of insurance coverage required hereunder or otherwise not covered.

(b) For the purpose of this Section 19.01, the indemnification shall be deemed to include all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgment, compensation for damages to COMPANY's reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing same, and any and all expenses of refunds, compensation, public notices, and other such amounts incurred in connection with the matters described.

(c) FRANCHISEE agrees to give COMPANY notice of any such action, lawsuit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of FRANCHISEE, COMPANY may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry, or investigation, provided that COMPANY will seek the advice and counsel of FRANCHISEE and shall keep FRANCHISEE informed with regard to any such proposed or contemplated settlement(s). Such an undertaking by COMPANY shall in no manner or form diminish FRANCHISEE's obligation to indemnify COMPANY and to hold it harmless.

20. ARBITRATION; REMEDIES

20.01. Except as provided in Section 20.02 below, COMPANY and FRANCHISEE agree that any and all disputes between them, and any claim by either party that cannot be amicably settled (including tort as well as contract claims, claims based upon any federal, state, or local statute, law, order, ordinance, or regulations, and claims arising from any relationship prior to, at the time of entering, during the term of, or upon or after expiration or termination of this Agreement) except for claims relating to the Marks or other service marks or commercial symbols of COMPANY, shall be determined solely and exclusively by arbitration under the Federal Arbitration Act, as amended, and in accordance with the rules then obtaining

of the American Arbitration Association or any successor at its office located in San Francisco, CA, unless the parties otherwise agree in writing. COMPANY and FRANCHISEE consent to personal jurisdiction and hereby waive all objections to personal jurisdiction or venue for the purpose of carrying out the purposes of this Paragraph 20.01. The arbitrator(s) may not under any circumstance: (i) stay the effectiveness of any pending termination; (ii) assess punitive, speculative, or exemplary damages; or (iii) make any award that extends, modifies, or suspends any lawful term of this Agreement or any reasonable standard of business performance set by COMPANY in good faith. The arbitrator(s) shall be limited to the issues in dispute between COMPANY and FRANCHISEE and a dispute between any other franchisee and COMPANY shall not be considered in the same arbitration proceeding or by the same arbitrator(s). The parties shall each bear their own expense, including but not limited to all fees and expenses of the arbitrator(s), the American Arbitration Association, attorneys, and accountants. Judgment upon any award of the arbitrator(s) shall be conclusive and binding and shall be entered in a court of competent jurisdiction.

20.02. FRANCHISEE acknowledges that its franchise is one of a number of Brain Balance® Centers using COMPANY's service marks and style of conduct and that the failure on the part of FRANCHISEE to comply with any of the terms of this Agreement could cause irreparable damage to some or all of the other offices franchised or operated by COMPANY and to COMPANY's business. Therefore, and notwithstanding the provisions contained in Paragraph 20.01 above, FRANCHISEE agrees that upon the happening of any Non-Curable Default or Event of Default set forth in Section 17.01 or 17.02, or in the event of a threatened breach by FRANCHISEE of any of the terms of this Agreement, COMPANY shall have the immediate right to secure a court order enjoining any such default or threatened breach. If this Agreement shall have been terminated, FRANCHISEE may be enjoined from any continued operation of any Center franchised under this Agreement and/or the Franchised Business. This covenant shall be independent and severable and shall be enforceable notwithstanding any other rights or remedies that either party may have.

20.03. Each right or remedy granted to COMPANY by this Agreement is cumulative of all other rights or remedies given by this Agreement or by law or equity.

20.04. (a) If a claim for amounts owed by FRANCHISEE to COMPANY is asserted in any legal proceeding before a court of competent jurisdiction, then FRANCHISEE shall not interpose any counterclaim in any such proceeding, and then both parties waive their right, if any, to a trial by jury. If COMPANY employs the services of an attorney for the collection of any unpaid amount due hereunder, FRANCHISEE shall reimburse COMPANY for all costs and expenses, including reasonable attorney's fees, incurred in such collection.

(b) In no event shall FRANCHISEE be entitled to make, nor shall FRANCHISEE make any claim, and FRANCHISEE hereby waives any claim, for money damages, nor shall FRANCHISEE claim any money damages by way of set-off, counterclaim, or defense, based upon any claim or assertion by FRANCHISEE that COMPANY has unreasonably withheld or unreasonably delayed any consent or approval to a proposed act by FRANCHISEE under any of the terms of this Franchise Agreement. FRANCHISEE's sole remedy for any such claim shall be an action or proceeding to enforce any such provisions, or for specific performance, or declaratory judgment.

(c) FRANCHISEE agrees that it will not, on grounds of any alleged non-performance or breach by COMPANY of any of the provisions of this Agreement, withhold payment of any monies due to COMPANY. In any action or proceeding commenced by COMPANY for monies owed to it by FRANCHISEE, FRANCHISEE will not interpose and waives the right to interpose any counterclaim or to remove such action to any other court or to consolidate such action with any other action in that court, or in any other court whether brought prior or subsequent to COMPANY's action.

21. MISCELLANEOUS

21.01. This Agreement shall be construed and enforced in accordance with the laws of the state of Delaware without regard to the rules of conflict of laws. Except as provided in Section 20.01, any action arising out of this Agreement may only be brought in any court of the state of Delaware located in New Castle County, Delaware, or in the United States District Court for the District of Delaware and the parties irrevocably consent to the personal jurisdiction of all such courts.

21.02. Each provision of this Agreement shall be considered severable and if for any reason any provision is deemed to be invalid or contrary to an existing or future law or regulation, it shall not impair the operation or affect the remaining provisions of this Agreement, which shall continue to be given full force and effect, and any invalid provision shall be deemed not to be a part of this Agreement. If any one or more provisions of this Agreement is found to be unreasonably restrictive by a court of competent jurisdiction, then such provisions shall be modified by the court so that they apply to the maximum extent permitted by law, and any such modification shall not affect the validity of any other provision contained in this Agreement. Notwithstanding the foregoing, if COMPANY determines that any such determination by a court adversely affects the basic consideration of the Agreement, COMPANY at its option, may terminate this Agreement.

21.03. All notices required or desired to be given under this Agreement shall be in writing and given by personal delivery, registered mail, return receipt requested, or nationally recognized overnight delivery service. Notice shall be delivered to COMPANY and FRANCHISEE at their respective addresses set forth above or at such other address as either shall designate in accordance with this Section. Notice shall be deemed given when delivered, if delivered in person; on the next business day, if delivered by nationally recognized overnight delivery service; and on the second business day following deposit in the mail, if given by registered mail.

21.04. Nothing contained in this Agreement shall constitute or be construed to constitute a partnership or joint venture between the parties and neither FRANCHISEE nor COMPANY shall have the right to obligate or bind the other in any manner whatsoever, and nothing herein contained shall be deemed or intended to give any right of any kind to any third parties. It is understood that neither FRANCHISEE nor any individual whose compensation for service is paid or required to be paid by FRANCHISEE is in any way, directly or indirectly, expressly or by implication construed to be an employee or agent of COMPANY for any purpose, and particularly with respect to any tax or contributions or requirement or withholding levied or fixed by any city, state, or federal agency.

21.05. No waiver, modification, or cancellation of any term of this Agreement shall be effective unless in writing signed by both parties except that the Operations Manual may be revised by COMPANY in its discretion as otherwise set forth herein. COMPANY will not modify the Operations Manual if the modification unreasonably increases a FRANCHISEE's obligations under the Franchise Agreement or imposes an unreasonable economic burden on a FRANCHISEE. No failure of COMPANY to exercise any power to it under this Agreement or to insist upon strict compliance by FRANCHISEE with any provision under this Agreement shall constitute a waiver of COMPANY's right to demand future compliance with each and every term of this Agreement. Waiver by COMPANY of a default by FRANCHISEE shall not affect or impair COMPANY's rights with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, or omission of COMPANY to exercise any power or right arising from a breach or default by FRANCHISEE of any of the terms or provisions of this Agreement effect or impair COMPANY's rights, nor shall it constitute a waiver by COMPANY of any right or the right to declare any subsequent breach or default. The acceptance by COMPANY of payments due to it by FRANCHISEE shall not be deemed to be a waiver by COMPANY of any prior breach or default of this Agreement by FRANCHISEE.

21.06. This Agreement and the documents referred to herein shall be construed together and constitute the entire, complete agreement between COMPANY and FRANCHISEE with respect to the subject matter hereof. The parties agree that this Agreement supersedes all prior agreements and that there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein which shall have any force or effect with reference to this Agreement, provided however, this will not apply to any representations contained in the Franchise Disclosure Document delivered to FRANCHISEE pursuant to federal or state law. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

21.07. This Agreement shall become effective upon its acceptance in San Francisco, California, by an authorized officer of COMPANY, which acceptance shall be evidenced by the execution of this Agreement by such authorized officer and the delivery to FRANCHISEE of a fully executed copy.

21.08. Notwithstanding anything contained in this Agreement to the contrary, COMPANY shall not be in default hereunder by reason of its delay in performance of, or failure to perform, any of its obligations hereunder, if such delay or failure is caused by: (i) strikes or other labor disturbance; (ii) acts of God, or the public enemy, riots, or other civil disturbances, fire, or flood; (iii) interference by civil or military authorities; (iv) compliance with governmental laws, rules, or regulations that were not in effect and could not be reasonably anticipated as of the date of this Agreement; or (v) any other fault beyond its control or without its fault or negligence. In any such event, the time required for performance of such obligation shall be extended for an additional period equal to the period of time caused by such unavoidable delay.

21.09. Any provisions of this Agreement that impose an obligation after termination of this Agreement shall survive the termination of this Agreement and be binding on the parties.

21.10. Notwithstanding any applicable Statute of Limitations to the contrary, the parties agree that any and all claims and actions arising out of or relating to this Agreement, the relationship between FRANCHISEE and COMPANY or FRANCHISEE's operation of the Franchised Business shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, provided, however, that this Section 21.10 shall not apply to COMPANY's rights under Sections 7.02 or 7.03 of this Agreement, which may be exercised at any time or to claims arising out of inspections or audits pursuant to Sections 7.02 or 7.03.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers on the day and year written above.

FRANCHISOR: BB FRANCHISING LLC

By: _____
Margaret Ford, CEO

FRANCHISEE

By: _____

By: _____

SCHEDULE I

A. Corporate and Trade Name:

If FRANCHISEE is, or when FRANCHISEE becomes, a corporation or limited liability company, the name of the corporate FRANCHISEE shall be _____ and its trade name "Brain Balance® of _____", containing the name of a town or city located within thirty (30) miles of FRANCHISEE's office, provided no part of said town or city is contained in another franchisee's territory. No other names shall be utilized by FRANCHISEE without the prior written approval of COMPANY.

B. Office Location:

FRANCHISEE's office for its Franchised Business shall be located within the following city: _____ (the "City"). The exact location of the office within the City is subject to COMPANY's prior written approval.

C. Territory:

FRANCHISEE's territory, referred to in Section 1.01 of the Franchise Agreement is described as follows:

FRANCHISOR: BB FRANCHISING LLC

By: _____
Margaret Ford, CEO

FRANCHISEE

By: _____

By: _____

EXHIBIT 1
APPLICATION LICENSE AGREEMENT

APPLICATION LICENSE AGREEMENT

This **APPLICATION LICENSE AGREEMENT** (this “Agreement”), dated as of _____, 20__ (the “Effective Date”), is entered by and between BB FRANCHISING LLC, a Delaware limited liability company, with offices located at 1320 N. Route 59, Unit 110, Naperville, IL 60563 (“Licensor”), and _____, a _____, with office located at _____ (“Licensee”).

W I T N E S S E T H :

WHEREAS, Licensor and Licensee have entered into a Franchise Agreement dated _____ as Franchisor and Franchisee, respectively (the “Franchise Agreement”), for the operation of Brain Balance™ Center(s) which offer a program for individuals with developmental delays resulting from neurological and physiological imbalances using certain technology (the “Licensed Technology”) (the “Business”);

WHEREAS, in connection with the Licensed Technology Licensor has developed and is licensing certain proprietary software programs, through an application service provider (“ASP”), with whom Licensor has an arrangement, and is making available to its franchisees by means of web-based access; and

WHEREAS, Licensee desires to access and use Licensor’s proprietary software programs and ASP services, and Licensor desires to provide such use and services to Licensee on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual representations, warranties, covenants and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of License.**

(a) (i) Subject to the terms and conditions set forth in this Agreement, Licensor hereby grants to Licensee, during the term hereof, a non-exclusive, non-transferable limited license, without right of sublicense (the “License”), to allow access to, and use of:

(A) the proprietary software of Licensor as specifically described in **Exhibit A** annexed hereto, including the Brain Balance Cognitive App and any other software components made available as part of the Brain Balance System, as such software may be upgraded or modified from time to time in Licensor’s sole and absolute discretion during the Term (collectively, the “Software”);

(B) the operating manuals, user instructions and such other materials as are related to the Software and as may be delivered by Licensor generally to other licensees of the Software (the “Software Materials”); and

(C) the customer data provided by the Licensee and communicated to the Software and incorporated therein via a leased line, VPN or otherwise (the “Data Feed”).

(ii) (A) Licensor does not convey any right, title to or interest in the Software or the Software Materials to Licensee other than the License granted hereunder, and all proprietary, trade secret and other rights relating to the Software and Software Materials are and shall remain the property of Licensor, and (B) Licensor makes no representations or warranties as to the completeness, accuracy, availability or quality of the information contained in, or provided pursuant to, the Data Feed.

(iii) the License granted hereunder does not grant the right to use any third party software supplied or re-sold by Licensor for use in connection with the Software for any purpose other than in connection with the Software.

(b) The Software and the Software Materials shall be used by the Users (as defined below) solely for the internal business purposes of Licensee. For purposes of this Agreement, "User" or "Users" means either employees of, or independent contractors retained by, Licensee, provided, however, that Licensee shall first have caused any such independent contractors to execute a confidentiality agreement covering the matters specified in Section 11(b)(i) in form and substance reasonably satisfactory to Licensor.

(c) The License granted hereunder is expressly limited to binary or object code versions of the Software. Licensee shall not attempt to decompile, reverse engineer, alter, or modify the Software, or otherwise seek or utilize any expression of the Software in other than object code form.

(d) The Licensee shall be deemed to have accepted the Software and Software Materials upon execution of this Agreement by both parties.

2. Application Services.

(a) Licensee acknowledges that the Software shall be provided by Licensor, either directly, or indirectly through an independent contractor designated by Licensor. Licensor, or its subcontractor, as the case may be, shall provide the appropriate rack space and connectivity for such services reasonably related thereto (collectively, the "Application Services"). The Application Services shall be provided at Licensor's cost and shall remain the property of Licensor or its subcontractor as the case may be. The Software shall be made available to Licensee using a link (the "Access Link") from each of Licensee's Users' (as defined below) computers to access and use the Software on the Access Link using a commercial host. Licensee acknowledges that while the Access Link to the database shall be dedicated for the Licensee's sole usage, the server(s) hosting software applications which provide authentication, security of access and access to the Users may be shared with other users. Licensee further acknowledges and agrees that successful access and use of the Software by Licensee depends upon Licensee's implementation of appropriate hardware and communication software as specified on Exhibit C hereto or as Licensor may reasonably recommend from time to time in its Operations Manual or otherwise (collectively, the "Operating Environment"). Licensee shall be responsible for providing the Operating Environment at its own expense.

(b) Licensor shall provide, or cause to be provided, all reasonable and necessary maintenance on the Access Link(s) and shall use reasonable commercial efforts to cause

the Access Link(s) to be operational twenty-four (24) hours a day, seven (7) days a week, except for scheduled maintenance and required repairs, and except for any loss or interruption in operations due to causes beyond the reasonable control of Licensor or which are not reasonably foreseeable by Licensor, including, but not limited to, interruption or failure of telecommunication or digital transmission links and Internet slow-downs or failures. Support for the Software, however, shall be subject to the Support and Maintenance Agreement (annexed hereto as Exhibit D).

3. Charges and Fees.

(a) License Fee for Software. Licensee shall pay to Licensor upon execution hereof and thereafter on each anniversary of the Effective Date the annual license fee specified in **Exhibit B**.

(b) Maintenance Fees. Commencing upon execution hereof and until such time as the License granted hereunder is terminated, Licensee shall pay to Licensor the annual maintenance fees (the "Maintenance Fees") and the monthly third-party platform hosting fees (the "Third Party Platform Fees") specified in **Exhibit B**. The Maintenance Fees may be increased by Licensor from time to time following the initial twelve (12) month period in accordance with the terms specified in **Exhibit B**. No increase in Maintenance Fees shall exceed the CPI (as defined below) increase with respect to the year prior to such increase. "CPI" means the Consumer Price Index issued by the U.S. Department of Labor, Bureau of Labor Statistics, N.Y.–Northeastern N.J. region for the immediately preceding December 31st. The Third-Party Platform Fees may be increased on thirty (30) days' prior notice in the event that the third-party hosting company increases fees charged to Licensor, and in the amount by which Licensor's costs increase.

4. Maintenance Agreement. Provided Licensee's payment of Maintenance Fees is current, Licensor shall provide support and maintenance services with respect to the Software to Licensee during the Term as set forth in, and subject to the terms and conditions of, the Software Maintenance Agreement in the form of **Exhibit D** annexed hereto.

5. Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to the terms hereof or by the termination of the Franchise Agreement, shall continue in full force and effect for the term of the Franchise Agreement or an extension or renewal thereof (the "Term").

6. Termination.

(a) Termination of Franchise Agreement. This Agreement and the License granted hereunder shall automatically terminate, without notice to Licensee, in the event the Franchise Agreement is terminated.

(b) Termination for Convenience. Licensor may, by notice to Licensee, terminate this Agreement with at least thirty (30) days notice, provided, however, that if such termination is effective at a time other than the end of the Term or a Renewal Term of the Franchise Agreement any unearned portion of the Maintenance Fees shall be refunded to Licensee pro rata.

(c) Effect of Termination. Upon termination of this Agreement, the License granted hereunder shall terminate and (i) Licensee shall immediately cease use of the Software and Software Materials and promptly deliver to Licensor (at the address set forth on the first page of this Agreement or as otherwise directed by Licensor) or destroy as Licensor may direct, all magnetic media or other tangible items containing the Software, if any, and/or any and all copies thereof that are in the possession of Licensee, all Software Materials provided to Licensee by Licensor with respect to the Software and/or any documentation derived therefrom and any and all copies thereof and all materials, magnetic media or other tangible items containing Licensor Confidential Information (as defined in Section 11(b)(i) below); and (ii) Licensor shall promptly deliver to Licensee (at the address set forth on the first page of this Agreement) or destroy, as Licensee may direct, all materials, magnetic media or other tangible items containing Licensee Confidential Information (as defined in Section 11(b)(ii) below).

7. Representations and Warranties.

(a) *By Licensor.*

(i) Licensor represents and warrants that it has all necessary right, title and authority to (A) enter into this Agreement and perform its obligations hereunder, and (B) grant to Licensee the License granted hereunder

(b) *By Licensee.*

Licensee represents and warrants:

(i) That it has full power and authority to enter into this Agreement; and

(ii) That any corporate authorization necessary for Licensee to enter into this agreement has been obtained.

(iii) That Licensee will not infringe, violate or misuse any copyright or other proprietary right of Licensor.

(iv) That Licensee will not, during the term of this Agreement or thereafter, use or introduce any software other than the Software or any hardware into the hosting environment maintained by Licensor.

8. Limitation of Warranty and Liability.

(a) LICENSOR'S EXPRESS WARRANTIES HEREUNDER ARE IN LIEU OF AND TO THE EXCLUSION (TO THE FULLEST EXTENT PERMITTED BY LAW) OF ANY OTHER WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESSED OR IMPLIED BY LAW, CUSTOM OR USAGE, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY OF NON-INFRINGEMENT, THAT THE SOFTWARE IS ERROR FREE OR FREE OF HARMFUL CODE OR THAT AVAILABILITY OF THE SOFTWARE WILL NOT BE INTERRUPTED.

(b) LICENSOR EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE CONTENT, AVAILABILITY, QUALITY OR ACCURACY OF ANY DATA FEED PURSUANT TO THIS AGREEMENT. LICENSOR SHALL NOT BE LIABLE HEREUNDER FOR ANY DAMAGES WITH RESPECT TO THE DATA FEED, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES INCURRED BY LICENSEE AS A RESULT OF ANY INACCURACIES OR ANY INTERRUPTIONS IN THE DATA FEED. WITHOUT LIMITING THE FOREGOING, LICENSOR WILL HAVE NO LIABILITY TO LICENSEE FOR, RELATING TO OR ARISING FROM ANY DATA FEED CONTENT, OR THE AVAILABILITY, UNAVAILABILITY OR ANY DELAYS WITH RESPECT TO ANY DATA FEED.

(c) LICENSOR SHALL NOT BE LIABLE IN CONTRACT, TORT, OR BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL LOSSES OR DAMAGES, INCLUDING, WITHOUT LIMITATION FOR ANY LOST PROFITS, LOSS OF GOODWILL, ECONOMIC CONSEQUENCES OR LOSS OF DATA EVEN IF LICENSOR HAS BEEN ADVISED OF OR FORESAW THE POSSIBILITY OF ANY SUCH DAMAGES.

(d) LICENSOR'S AGGREGATE LIABILITY TO LICENSEE ARISING FROM ANY CLAIM OR CIRCUMSTANCE RELATING TO THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, FOR BREACH OF ANY OBLIGATION RELATING TO THE QUALITY OR PERFORMANCE OF THE SOFTWARE, SOFTWARE MATERIALS AND/OR THE HOSTING SERVICES THAT LICENSOR MAY LAWFULLY LIMIT, IS LIMITED TO THE AMOUNT OF THE FEES PAID BY LICENSEE TO LICENSOR PURSUANT TO THIS AGREEMENT FOR THE TWELVE (12) MONTHS IMMEDIATELY PRIOR TO THE EARLIEST EVENT GIVING RISE TO LICENSOR'S LIABILITY.

9. Licensee Indemnification.

Licensee shall indemnify, defend and hold Licensor and its respective directors, officers, members, employees and agents, harmless from and against any and all third party claims, liabilities, losses, damages, costs and expenses (including, without limitation, attorney's fees and expenses) (collectively, "Damages") arising out of or relating to: (i) any breach of representations, warranties, or provision hereof; or (ii) the use of the Software, the Software Materials or the Data Feed by Licensee.

10. Intellectual Property Indemnification.

(a) Licensor shall indemnify, defend and hold harmless Licensee and its directors, officers, shareholders, employees and agents, from and against any Damages arising directly out of or relating to any lawsuit or proceeding brought against Licensee to the extent that such lawsuit or proceeding is based on a claim that the Software used by Licensee within the scope of the License granted hereunder, infringes upon or constitutes a misuse of a validly issued United States patent, or any copyright, trademark or other proprietary right effective in the United States; provided that Licensor is notified promptly in writing of such lawsuit or proceeding and that Licensee gives Licensor full and complete authority, information and assistance for the defense thereof (which defense shall be at Licensor's expense); provided further, that Licensor's

indemnification obligations hereunder shall be reduced to the extent that (i) any of the Damages were caused as a result of Licensee's acts or omissions (other than Licensee's use of the Software in strict compliance with this Agreement and the Software Materials), or (ii) Licensee receives any insurance amounts relating to the lawsuit or proceeding subject to indemnification hereunder. If, in Licensor's reasonable opinion, the Software is, or may reasonably be expected to become a subject of such a lawsuit or proceeding, Licensor may, at its option, take any of the following actions: (A) procure for Licensee the right to continue using the Software; (B) modify the Software so that it becomes non-infringing but remains appropriate for use in connection with the Business; or (C) replace the Software with other software that is non-infringing and appropriate for use in connection with the Business. In the event that Licensor elects to take any of the actions described in sub-paragraphs (A), (B), or (C) above, then Licensor's indemnification obligations hereunder with respect to the facts and circumstances giving rise to such indemnification obligations shall cease as of the date upon which Licensee receives the continued right to use the Software or the modified or replacement Software with a License thereto for Licensee, as applicable. Licensor shall not have any liability hereunder for any Damages incurred or settlement entered into by Licensee with regard to such a lawsuit or proceeding without Licensor's prior written consent. Licensor shall not have any liability to Licensee under this Section 10 or otherwise for, with respect to and to the extent of any Damages caused by: (1) the interconnection and/or use of the Software in combination with software or hardware not recommended or approved by Licensor in writing; (2) the use of other than the current release or updated version of the Software, if such infringement or misuse would have been or would be avoided by the use of such current release or version; or (3) use of the Software in a manner other than (x) that contemplated by the Software Materials, or (y) as is otherwise mutually agreed upon in writing by the parties.

(b) Licensee shall give Licensor prompt written notice of any event or assertion of which Licensee obtains knowledge concerning any Damages and as to which Licensee may request indemnification from Licensor hereunder. Licensee shall reasonably cooperate with Licensor in determining the validity of any claim or assertion requiring indemnity hereunder and in defending against third parties with respect to the same, all at Licensor's sole cost and expense. The defense of such litigation shall be within the control of Licensor or any persons providing indemnity and defense to Licensor; provided, however, that Licensor's choice of counsel shall be reasonably satisfactory to Licensee but such counsel's prior or current representation of Licensor shall not render such counsel unsatisfactory so long as representation of Licensee is consistent with such counsel's applicable professional obligations. Licensee may, at its sole cost (other than as set forth in the sentence immediately following this sentence), participate in the defense of any claim or assertion requiring indemnity by Licensor hereunder, and in such event, Licensor shall cooperate fully in connection therewith.

11. Covenants of the Parties.

(a) Ownership, Title and Use.

Licensee acknowledges and agrees that:

(i) The Software, including its source and object codes, appearance, structure and organization and the Software Materials and any other documentation (including all descriptive material concerning the functions and technical specifications of the

Software, any user manuals, technical manuals, and other materials issued to Licensee in connection with the License), are proprietary products of Licensor or its affiliates and are protected by copyright and other laws.

(ii) Title and copyright to the Software and the Software Materials, any derivative works thereof, and any copy, update, modification or merged portion of any of the foregoing, shall at all times remain with Licensor.

(iii) Licensor expressly reserves the entire right, title and interest in and to the Access Link and to Software and the Software Materials. Licensor retains the right to reproduce, publish, sell, modify, distribute, prepare derivative programs of, and license to other licensees, the Software or the Software Materials.

(iv) Licensee shall not remove any trademarks, proprietary legends, or copyright notices from the Software or the Software Materials, or reproduce, publish, sell, modify, distribute, prepare derivative programs of, or license the Software or the Software Materials in any manner.

(v) Licensee shall make no copies of the Software, or any component thereof, or any Software Materials, for any purpose whatsoever except use of the Software and the Software Materials in accordance with this Agreement without the prior written consent of Licensor (which consent may be given or withheld in Licensor's sole and absolute discretion).

(vi) Licensee shall not use any content, data, hardware, software or other materials provided by or on behalf of Licensee or any User (collectively, the "Licensee Materials") in connection with the Software or Software Materials in any manner that (A) infringes upon or violates any patent, copyright, trade secret, trademark, or other intellectual property right of any third party, (B) constitutes defamation, libel, invasion of privacy, or violation of any right of publicity or other third-party right or is threatening, harassing or malicious, or (C) violates any applicable international, federal, state or local law, rule, legislation, regulation or ordinance.

(vii) Licensee Materials shall at all times during the Term, be free of any harmful code, including, but not limited to, any program, information, code or command that is (A) designed to or are known by Licensee to cause the Software to malfunction or self-destruct, (B) designed to or are known by Licensee to cause damage to a computer, network or any information, program or data contained therein, or (C) designed to enable unauthorized access or remote deactivation (other than Licensor's ability to disconnect Users) or otherwise interfere with the performance of the Software.

(b) Confidential Information.

(i) Licensee agrees that unless Licensee has obtained Licensor's prior written consent (which consent may be given or withheld in Licensor's sole and absolute discretion), Licensee shall keep the Software, the Software Materials, and the terms and conditions of this Agreement (collectively, the "Licensor Confidential Information") confidential and prevent disclosure thereof to any person, firm or enterprise other than its employees and independent contractors for purposes directly related to Licensee's operation of its business, which employees

and independent contractors have been approved in writing by Licensor and/or which have signed a confidentiality agreement in a form reasonably satisfactory to Licensor. Licensee's obligation of confidentiality shall not apply to information which: (A) is obtained by Licensee from a third party that did not make a disclosure in violation of a non-disclosure obligation; (B) is in the public domain not as a result of action by Licensee or a third party acting in violation of a non-disclosure obligation, or (C) is necessary for the enforcement of any obligations under this Agreement. The obligations of confidentiality shall not apply to the extent of a disclosure required by law or court order; provided, however, that in the event of any such required disclosure Licensee shall give Licensor prompt notice thereof in order that Licensor may attempt to quash, limit or otherwise prevent or limit disclosure, and Licensee shall cooperate, at Licensor's sole cost, with Licensor with respect to any such attempt as reasonably requested by Licensor.

(ii) Licensor agrees that unless it has obtained Licensee's prior written consent (which consent may be given or withheld in Licensee's sole and absolute discretion), Licensor shall keep all Licensee Confidential Information (as defined below) confidential and prevent disclosure thereof to any person, firm or enterprise other than Licensor's employees for purposes directly related to Licensor's provision of Software and related services to Licensee hereunder or under any other agreement between Licensee and Licensor, or independent contractors of Licensor who have been approved in writing by Licensee and who have signed a confidentiality agreement in a form reasonably satisfactory to Licensee. Licensor's obligation of confidentiality shall not apply to information which: (A) is obtained by Licensor from a third party that did not make a disclosure in violation of a non-disclosure obligation; or (B) is in the public domain not as a result of action by Licensor or a third party acting in violation of a non-disclosure obligation. The obligations of confidentiality shall not apply to the extent of a disclosure required by law or court order; provided, however, that in the event of any such required disclosure, to the extent permissible, Licensor shall give Licensee prompt notice thereof in order that Licensee may attempt to quash, limit or otherwise prevent or limit disclosure, and Licensor shall cooperate, at Licensee's sole cost, with Licensee with respect to any such attempt as reasonably requested by Licensee. For purposes of this Agreement, "Licensee Confidential Information" means, subject to subparagraphs (A) and (B) above, any and all business information obtained from Licensee by Licensor in connection with Licensor's performance under this Agreement or information obtained from Licensee with respect to the business of Licensee's Center, its Affiliates, or their respective investors and customers.

12. Equitable Remedies.

Licensee acknowledges and agrees that a breach by it of the terms and conditions of this Agreement, including particularly § 11(b) thereof, shall cause irreparable harm and injury to Licensor, that damages with respect to any such injury may not be readily ascertainable, and that accordingly, in the event of any such breach, or where any such breach can be reasonably anticipated by Licensee, Licensor shall be entitled to seek in a court of competent jurisdiction any and all available equitable remedies, including, without limitation, a temporary restraining order, preliminary and permanent injunctive relief, and specific performance, in order to prevent the creation or continuation of such breach. Licensor's right to seek and obtain such equitable remedies shall be in addition to, and not in lieu of, such other remedies as may be available to Licensor at law or in equity and/or under this Agreement. Licensee waives any requirement to post a bond in connection with any equitable relief and if bond shall nevertheless

be required hereby stipulates and consents that bond in the amount of \$1,000 shall be adequate.

13. Assignment; Restriction on Transfer and Encumbrance.

(a) This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

(b) The Software and Software Materials shall at all times remain the property of Licensor, and the License granted in this Agreement specifically excludes any right of encumbrance, disposition of the Software or Software Materials by Licensee. Licensee shall not encumber, sell, assign, transfer, convey, license or otherwise dispose of its rights or obligations under, title to, or interest in, this Agreement (including, without limitation, the License granted to Licensee hereunder) to any third party (unless such disposition is in connection with Licensee's assignment of all of its rights and interests in the Franchise Agreement), including, without limitation, by operation of law where Licensee is no longer the surviving entity. Licensee shall have no right to grant a security interest in its rights hereunder to any lender.

(c) Licensor may assign this Agreement or any and all of Licensor's rights hereunder to any successor, purchaser, transferee or other assignee who assumes Licensor's obligations hereunder.

14. Taxes. Licensee shall be solely responsible for any and all taxes arising out of this Agreement, including, without limitation, any sales, use or property taxes, and any interest or penalties related thereto, but excluding taxes based upon the income or gross receipts of Licensor.

15. Force Majeure. Notwithstanding anything contained in this Agreement to the contrary, Licensor shall not be in default hereunder by reason of its delay in performance of, or failure to perform, any of its obligations hereunder, if such delay or failure is caused by: (i) strikes or other labor disturbance; (ii) acts of God, or the public enemy, terrorist acts, riots or other civil disturbances, fire, or flood; (iii) interference by civil or military authorities; (iv) compliance with governmental laws, rules or regulations; or (v) any other fault beyond its control or without its fault or negligence. In any such event, the time required for performance of such obligation shall be extended for an additional period equal to the period of time caused by such unavoidable delay.

16. Severability. Each provision of this Agreement shall be considered severable and if for any reason any provision is deemed to be invalid or contrary to an existing or future law or regulation, it shall not impair the operation or affect the remaining provisions of this Agreement, which shall continue to be given full force and effect, and any invalid provision shall be deemed not to be a part of this Agreement. If any one or more provisions of this Agreement is found to be unreasonably restrictive by a court of competent jurisdiction, then such provisions shall be modified by the court so that they apply to the maximum extent permitted by law, and any such modification shall not affect the validity of any other provision contained in this Agreement. Notwithstanding the foregoing, if Licensor determines that any such determination by a court adversely affects the basic consideration of the Agreement, Licensor at its option, may terminate this Agreement.

17. Notices. All notices hereunder shall be in writing and shall be sent to the other party by personal delivery, or recognized overnight courier. Notice shall be delivered to the

parties at each of their respective addresses set forth above or at such other address as either shall designate by notice hereunder. Notice shall be deemed given when delivered or delivery is refused.

18. Relationship of Parties. Nothing contained in this Agreement shall constitute or be construed to constitute or create a partnership or joint venture between the parties and neither party shall have the right to obligate or bind the other in any manner whatsoever, and nothing herein contained shall be deemed or intended to give any right of any kind to any third parties. It is understood that neither Licensee nor any individual whose compensation for service is paid or required to be paid by Licensee is in any way, directly or indirectly, expressly or by implication construed to be an employee or agent of the Licensor for any purpose, and particularly with respect to any tax or contributions or requirement or withholding levied or fixed by any city, state or federal agency.

19. Governing Law; Jurisdiction. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of laws rules thereof. Except as provided in Section 19(b) below, any and all disputes between the parties arising out of this Agreement, and any claim by either party that cannot be amicably settled (including tort as well as contract claims, claims based upon any Federal, state, or local statute, law, order, ordinance, or regulations, and claims arising from any relationship prior to, at the time of entering, during the term of, or upon or after expiration or termination of this Agreement), shall be determined solely and exclusively by arbitration under the Federal Arbitration Act, as amended, and in accordance with the rules then obtaining of the American Arbitration Association or any successor in Wilmington, Delaware, unless the parties otherwise agree in writing. The parties hereto hereby consent to personal jurisdiction in accordance with the foregoing provisions and hereby waive all objections to personal jurisdiction or venue for the purpose of carrying out the purposes of this Paragraph 19. The arbitrator(s) may not under any circumstance: (i) stay the effectiveness of any pending termination; (ii) assess punitive, speculative, or exemplary damages; or (iii) make any award which extends, modifies, or suspends any lawful term of this Agreement or any reasonable standard of business performance set by Licensor in good faith. The arbitrator(s) shall be limited to the issues in dispute between the Licensor and Licensee and a dispute between any other Licensee and the Licensor shall not be considered in the same arbitration proceeding or by the same arbitrator(s). The parties shall each bear their own expense including but not limited to all fees and expenses of the arbitrator(s), the American Arbitration Association, attorneys and accountants. Judgment upon any award of the arbitrator(s) shall be conclusive and binding, and shall be entered in a court of competent jurisdiction.

(b) Licensee acknowledges that its License is one of a number of licenses of the Software and that the failure on the part of Licensee to comply with any of the terms of this Agreement could cause irreparable damage to some or all of the other Centers franchised or operated by Licensor and to Licensor's business. Therefore, and notwithstanding the provisions contained in Paragraph 19(a) above, Licensee agrees that upon the happening of any default hereunder, or in the event of a threatened breach by Licensee of any of the terms of this Agreement, Licensor shall have the immediate right to secure a court order enjoining any such default or threatened breach. If this Agreement shall have been terminated, Licensee may be enjoined from any use of the Software. This covenant shall be independent and severable and shall be enforceable notwithstanding any other rights or remedies that either party may have.

20. No Exclusive Remedy. No right or remedy conferred upon or reserved to Licensee and Licenser by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

21. No Waiver. No waiver, modification, or cancellation of any term of this Agreement shall be effective unless in writing signed by both parties. No failure of the Licenser to exercise any power granted to it under this Agreement or to insist upon strict compliance by Licensee with any provision under this Agreement shall constitute a waiver of the Licenser's right to demand future compliance with each and every term of this Agreement. Waiver by the Licenser of a default by Licensee shall not affect or impair Licenser's rights with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, or omission of Licenser to exercise any power or right arising from a breach or default by Licensee of any of the terms or provisions of this Agreement affect or impair the Licenser's rights, nor shall it constitute a waiver by the Licenser of any right or the right to declare any subsequent breach or default. The acceptance by Licenser of payments due to it by Licensee shall not be deemed to be a waiver by the Licenser of any prior breach or default of this Agreement by Licensee.

22. Attorney's Fees. If Licenser employs the services of an attorney for the collection of any unpaid amount due hereunder, Licensee shall reimburse Licenser for all costs and expenses, including reasonable attorney's fees, incurred in such collection.

23. Entire Agreement; Amendment. This Agreement and the documents referred to herein shall be construed together and constitute the entire, complete agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior or contemporaneous oral or written agreements concerning such subject matter and that there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein which shall have any force or effect with reference to this Agreement, provided however, this will not apply to any representations contained in the Franchise Disclosure Document delivered to Licensee as Franchisee pursuant to Federal or State law. This Agreement may be modified or amended only by a writing executed by Licensee and Licenser.

24. Survival. Any provisions of this Agreement which impose an obligation after termination of this Agreement shall survive the termination of this Agreement and be binding on the parties.

25. Statute of Limitations. Notwithstanding any applicable Statute of Limitations to the contrary, the parties agree that any and all claims and actions arising out of or relating to this Agreement or the relationship between Licensee and Licenser shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Licensor: BB Franchising LLC

Licensee: _____

By: _____

By: _____

Name: Maggie Ford

Name: _____

Title: Chief Executive Officer

Title: _____

EXHIBIT A
LICENSOR'S SOFTWARE

- I. Licensed Technology --- CRM application including, but not limited, to:
 - A. Account, Contact, Product, Inquiry, Assessment and Enrollment Program activities
 - B. Reports, Dashboards and Content to support Program activities
 - C. All proprietary technological developments created to support Licensor's Program activities

- II. Application used for licensing services through a Customer Relationship Management application and related capability

EXHIBIT B

CHARGES AND FEES

Fee (Note 1)	Amount	Method of Payment
Initial Technology Fee	\$15,000.00	One-time, non-refundable lump-sum fee payable to Licensor concurrently with payment of the Franchise Fee.
Annual Technology Fee	\$2,500.00 (Note 2)	Annual fee, payable to Licensor and automatically debited via ACH on January 1 of each year, prorated for the initial year based on the month in which operations begin.
Brain Balance Program® Cognitive App Subscription Fee	Per enrollee, \$95 for the first seven (7) months; \$45 per each three (3) months provisioned thereafter.	Monthly fee payable to Licensor debited via ACH at the start of each month.
Brain Balance Program® Cognitive App Post-Program Enrollment Subscription Fee	\$17 per enrollee	One-time enrollment fee payable to Licensor for each enrollee who opts into the post-program subscription.
Brain Balance Program® Cognitive App Assessment Fee	\$12.50 per assessment; \$10.00 per post assessment	Fee payable to Licensor for each assessment rendered.

Note 1: With the exception of the Annual Technology Fee, a portion of which may be refunded pro rata pursuant to Section 6(b) of the Application License Agreement, each of the fees included in Exhibit B are non-refundable and payable to Licensor.

Note 2: The Brain Balance Program® CRM Third-Party Platform License and Maintenance Fee is \$2,500. Any increase in the annual maintenance fee shall not exceed 15% of the prior year..

EXHIBIT C

OPERATING ENVIRONMENT

Hardware

Any IBM compatible PC capable of accessing the Internet

Operating System

Windows PC or Mac OS computer or Tablet with Wi-Fi and/or Ethernet connectivity

Browser

Web Browser in its most recent stable version (Google Chrome or Mozilla Firefox are recommended)

Hosting Link

Access to the Internet with a minimum speed of 5 MB per second is recommended

Note: above connectivity, software and hardware costs are the responsibility of Licensee.

EXHIBIT D

SOFTWARE MAINTENANCE AGREEMENT

1. Defined Terms. Any capitalized term used but not otherwise defined has the meaning assigned to such term in Section 5 hereof.

2. Support and Maintenance.

Licensee shall obtain, and Licensor shall provide, support and maintenance during each Maintenance Period as follows:

(a) Licensor shall designate sufficient support personnel who are familiar with the Software as the primary contacts for the Users (as defined in the License Agreement) for requesting support and maintenance.

(b) The support personnel shall be available to provide reasonable support via telephone and accept requests for maintenance to the Users from Monday through Friday from 8 a.m. to 6 p.m. Eastern Standard Time, excluding bank and public holidays ("Normal Hours") at:

Phone:

Fax:

E-mail:

or such new numbers or addresses as may apply in the future by notice to the Licensee.

(c) Users shall notify the support personnel of suspected Error(s) exhibited by the Software that the User believes requires Maintenance. Support personnel shall respond by confirming receipt of the notification and a reasonable estimate of the time required for diagnosis and resolution of the Error(s). Licensor shall use its commercially reasonable efforts to take the necessary steps to provide an Error Correction within a reasonable time.

(d) Licensor shall provide the Licensee such update releases containing changes to the Software for Error Correction ("Update Releases") and upgrades to new versions of the Software ("Upgrades") as are provided to its other licensees of the Software. In addition to Error Correction, Update Releases may also contain, at Licensor's sole discretion, enhancements to the Software or Software Materials.

3. Maintenance Period and Fees.

- (a) Maintenance is provided for the Term of the Agreement.
- (b) Annual technology fees are payable annually as set forth in Exhibit

B.

4. Maintenance and Support Standards.

(a) During the Term of this Agreement, Licensee shall operate the Software in all material respects in accordance with the Software Materials.

(b) Licensee shall observe the following standards during the term of this Agreement:

(i) pursuant to request by Licensors, arrange access to its premises and/or system and make its hardware accessible to Licensors' support personnel and other designated representatives, and enable logons/passwords for such persons as necessary or appropriate for Licensors' performance under this Agreement;

(ii) Provide remote access to the Software at all times as reasonably necessary or appropriate for Licensors' performance under this Agreement;

(iii) Install, or permit Licensors to install, Upgrades to the Software from time-to-time;

(iv) When Upgrades or Update Releases are provided and the Licensee has requested assistance, provide a reasonable level of assistance to Licensors in implementation and testing of the same;

(v) Provide Licensors with notice of its intention to change any Hardware, operating system or data-feeds that would affect the Software;

(vi) Provide other reasonable assistance as Licensors may request, including, but not limited to, providing sample output and other diagnostic information as may be required by Licensors for maintenance.

(c) Licensors shall use its commercially reasonable efforts to observe the following standards during the term of this Agreement:

(i) provide reasonable support and maintenance to the Users within the Normal Hours;

(ii) Investigate and address within a reasonable time, the repair of Errors in the Software reported by the Licensee or any Errors of which Licensors otherwise becomes aware;

(iii) Correct Errors in the Software, so long as such Errors are repeatable by the Licensee, or to provide a software patch or bypass around such Error. (No warranty is made that all Errors can or shall be corrected.)

(iv) Provide diagnosis and solution of operational problems (generally on a remote basis); and

(v) Provide Update Releases and Upgrades of the Software at the Licensee site (to both fix defects or as part of ongoing development of the product).

(d) Notwithstanding any language to the contrary in this Agreement, Licensor shall not be obligated to provide maintenance or support with respect to or for:

(i) Licensee provided hardware, operating systems, networks and connectivity;

(ii) Any software other than the Software, or with respect to the Software if it has been altered or modified by anyone other than Licensor or its designated representatives;

(iii) Viruses (including, without limitation, detection of viruses and resorting or recovering software, including the Software, or data damage caused by viruses);

(iv) damage to the Software or data not caused by Licensor or its representatives (including, without limitation, entering, correcting or restoring any data lost, damaged or corrupted due to media failure, Hardware failure, viruses, power interruption, failure to back-up data, improper use of the Software or other software, or network or operating system problems); and

(v) Making modifications to, or providing support for Licensee hardware, operating system software, third party application software, data feeds or external data of the Licensee or its affiliates.

5. Definitions.

As used in this Exhibit, the following capitalized terms shall have the meaning assigned below:

“Error” means any failure of the Software to substantially conform to the specifications included with the License Agreement.

“Error Correction” means a software modification or addition that, when made or added to the Software, establishes material conformity to the specifications provided for in the License Agreement, as the same may have been updated or amended by Licensor from time to time.

“Maintenance Fee” has the meaning assigned in Section 3(b) of the License Agreement.

“Maintenance” means Error Corrections and provision of Update Releases, whether by telephone, electronic mail, fax or other delivery. Maintenance shall be within reasonable limits, as determined by Licensor, and does not include requests for basic product training or technical consulting.

“Normal Hours” has the meaning assigned in Section 2(b) hereof.

“Support” means telephone inquiries from the Users concerning problems, questions and/or assistance regarding the operation of the Software.

“Update Releases” has the meaning assigned in Section 2(d) hereof.

“Upgrades” has the meaning assigned in Section 2(d) hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date of the License Agreement.

Licensor: BB Franchising LLC

Licensee: _____

By: _____

By: _____

Name: Maggie Ford

Name: _____

Title: Chief Executive Officer

Title: _____

EXHIBIT 2
ACH AGREEMENT

EXHIBIT 3
CONFIDENTIALITY, NON-SOLICITATION, AND NON-COMPETE AGREEMENT



**CONFIDENTIALITY, NON-SOLICITATION and
NON-COMPETE AGREEMENT**

I understand that BB Franchising LLC ("BBF") and _____ (collectively called "the Company") have developed certain confidential and proprietary information and trade secrets, as described below, in the operation of their business, and have developed clients, patronage and goodwill of many clients. I acknowledge the Company's need to protect its confidential and proprietary information from disclosure and to protect its interests in such information and the Company's clients, their patronage and goodwill.

IN CONSIDERATION OF MY ASSOCIATION WITH THE COMPANY, I HEREBY AGREE AS FOLLOWS:

1. During my employment by or involvement with the Company (my "association"), and after my association with the Company either (i) voluntarily by me or (ii) for cause, I will neither use, disclose, copy nor retain nor remove from Company's premises any confidential or proprietary information or trade secrets including but not limited to ideas, methods, protocols, procedures, techniques, written material, Licensor Confidential Information (as defined in the Software License Agreement), and other knowhow, developed during my engagement with the Company or used in connection with the Company's business unless known by me prior to my engagement with the Company in which case such information shall not be considered confidential or proprietary information. I agree to surrender all such confidential and proprietary material and any copies thereof to Company upon the termination of my employment other than for use in connection with authorized work I perform for the Company.

2. Any new idea, invention, improvement or copyrightable work I create, develop or help develop while employed by Company belongs to Company if it relates to Company's business. If any such development or creation occurs during my employment or up to one year after I leave Company, I will promptly disclose and explain it and assign to Company all rights I may have in it without additional compensation.

3. During the term of my association with the Company and for a period of one year after termination of my association with the Company either (i) voluntarily by me or (ii) for cause, I agree that I shall not directly or indirectly, whether as employee, owner, partner, stockholder, member, investor, agent or consultant, render competing services on my own behalf or on behalf of any person or entity other than the Company. During the term of my association with the Company and for a period of one year after termination of my association with the Company either (i) voluntarily by me or (ii) for cause, I agree that I shall not directly or indirectly, whether as employee, owner, partner, stockholder, member, investor, agent or consultant, render competing services on my own behalf or on behalf of any person or entity other than the Company for twelve (12) months in any area within a thirty-five (35) mile radius of the Company's office located at _____.

4. During the term of my association with the Company and for a period of one year after termination of my association with the Company either (i) voluntarily by me or (ii) for

BB Franchising LLC
1320 North Route 59, Unit 116
Naperville, IL 60563

Phone: 510-817-2786
Fax: 510-240-1261
Ownership@brainbalancecenters.com
www.brainbalance.com

cause, I agree that I shall not, directly or indirectly, in any capacity or on my own behalf or on behalf of any person or entity, solicit any clients, client contacts or employees of the Company.

5. In the event of a breach of any of the covenants set forth in this Agreement, the running of the period of the restriction shall be tolled during the continuation of any such breach, and the running of the period of such restrictions shall commence only upon compliance with the terms of the applicable paragraph.

I agree that each of my agreements set forth is reasonable and necessary to protect and preserve the business, interests and properties of Company and in the event of a breach of any of my agreements, Company shall be entitled to both temporary and permanent injunctions to prevent a breach or contemplated breach of any of my agreements and the Company also retains the right to seek other relief, including damages, which shall be the greater of the amount of the financial loss which Company suffers as a result or the amount of the financial gain which I receive. I will pay Company's reasonable attorney's fees and costs involved in enforcing this Agreement.

6. This Agreement will be interpreted and enforced under California law without regard to the conflict of law rules thereof. If a court finds any part of this Agreement invalid, the rest of it will be enforced to the extent permitted. Any legal action or proceeding brought with respect to this Agreement may be brought only in the courts of the State of California, and by my signature below, I consent to the personal jurisdiction of such courts.

7. This Agreement takes the place of all previous agreements between me and the Company. Any changes must be in writing and must be signed by me and the President of Company.

8. If any clause or provision of this Agreement is held to be excessively broad, that provision shall thereafter be deemed limited in scope and application only to the extent necessary to preserve its enforceability under the law. If any provision of this Agreement is held entirely unenforceable, that provision shall be deemed severed therefrom, and the remaining provisions of this Agreement shall be enforceable and shall be construed independent of that provision.

9. I warrant that I have not previously assumed any obligations inconsistent with those of this Agreement.

10. Either of us may end the our relationship at any time with or without cause, subject to applicable laws concerning non-discrimination.

11. The term Company shall include any subsidiaries or affiliates of Company, Company's franchisor, and its franchisees. BBF and BBI are intended third-party beneficiaries of this Agreement and shall be entitled to enforce its provisions to the fullest extent permitted by law.

12. I understand that if I am an at-will employee my employment may be terminated at any time.



13. My signature below indicates that I have read, understood and agreed to the provisions of this Agreement.

Signature _____

Name (typed/printed) _____

Date _____

EXHIBIT 4 SECTION 17.04(f)
CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS

FOR VALUE RECEIVED, the undersigned FRANCHISEE hereby irrevocably assigns the telephone listing and numbers stated below to FRANCHISOR, BB FRANCHISING LLC, upon the following terms and conditions:

1. This assignment is made pursuant to the terms of that certain Franchise Agreement of event date herewith (hereinafter called the "Agreement") between BB FRANCHISING LLC and FRANCHISEE.

2. FRANCHISEE shall retain the limited conditional right to use the telephone listing and numbers solely for the transaction and advertising of the Franchised Business (as defined in the "Agreement") while the Agreement remains in full force and effect, but upon expiration and termination of the Agreement for any reason whatsoever, the limited conditional right to use of the telephone listing and numbers by FRANCHISEE shall also expire and/or terminate.

3. The telephone listing and numbers subject to this assignment are: _____ and any other telephone numbers used by FRANCHISEE in the Franchised Business in the future.

4. This assignment is freely transferable by FRANCHISOR, BB FRANCHISING LLC, to any person or entity. This assignment inures to the benefit of all parties who lawfully succeed to the rights or take the place of FRANCHISOR, BB FRANCHISING LLC.

IN WITNESS WHEREOF, FRANCHISEE and BB FRANCHISING LLC have hereunto set their hands and seals this _____ day of _____, 20__.

FRANCHISOR:

BB FRANCHISING LLC

By: _____
Margaret Ford, CEO

FRANCHISEE

By: _____

By: _____

EXHIBIT 5 SECTION 3.05
CONDITIONAL ASSIGNMENT OF LEASE

The lease that is assigned herein (the "Lease") is identified as follows:

Landlord:

("Landlord")

Tenant:

Date:

_____, 20__

Premises:

("Premises")

1. This Conditional Assignment of Lease (this "Assignment") is made pursuant to the terms of that certain Franchise Agreement of even date herewith (hereinafter called the "Agreement") by and among FRANCHISOR (hereinafter "Assignee"), FRANCHISEE (hereinafter "Assignor") and Landlord, with respect to the Lease for the Premises used by FRANCHISEE in the operation of the Franchise in the Franchised Territory covered by the Agreement. Nothing in this Assignment shall be deemed to make Landlord a party to the Agreement.

2. Assignor conditionally assigns to the Assignee all the Assignor's right, title, and interest in (a) the Lease and (b) the security deposit, if any, stated in the Lease, all subject to the terms hereof.

3. As long as the conditions set forth in Section 5 are not met, Assignor shall have all rights, privileges and obligations as the tenant under the Lease.

4. Landlord shall provide Assignee with (i) fifteen (15) days' written notice prior to any modification, amendment or cancellation of the Lease, and (ii) copies of any written notices of default given to Assignor under the Lease within three (3) days of Landlord's giving such notice to Assignor. Landlord grants to Assignee, at Assignee's option, the right (but not the obligation) to cure any default under the Lease within fifteen (15) days after the expiration of the period in which Assignor may cure the default, if Assignor fails to do so. Notwithstanding any action by Assignee to cure Assignor's default under the Lease, Assignor shall be deemed to be in default under the Lease for purposes of this Assignment.

5. In the event of (i) a default under the Lease by Assignor, (ii) a default under the Agreement by Assignor, or (iii) the expiration and termination of the Agreement for any reason whatsoever, Assignee shall have the option to accept this Assignment and replace Assignor as tenant under the Lease pursuant to the terms set forth herein by providing an Assignment Notice (as defined in Section 6) to Landlord.

6. If the Assignee elects to exercise its option to accept the assignment of the Lease and replace Assignor as tenant under the Lease pursuant to the terms set forth in this Assignment, it shall provide written notice of such acceptance to the Landlord (the "Assignment Notice"). Upon

Assignee's providing the Assignment Notice, Assignee shall become the tenant of the leased Premises and shall become liable for all obligations under the Lease arising after the date of the Assignment Notice. Landlord shall recognize Assignee as the tenant of the leased Premises effective as of the date of the Assignment Notice. If the Assignee elects to exercise its option to accept the assignment of the Lease, it agrees that the obligations assumed shall benefit the Landlord named in the Lease.

7. Landlord consents to Assignor's conditional assignment of the Lease hereunder. Notwithstanding anything to the contrary herein, no assignment of Assignor's right, title and interest in the Lease to Assignee shall release Assignor or any of the Guarantors (as defined in the Lease) from any liability under the Lease.

8. Assignor shall not transfer or assign any of its rights and/or obligations under this Assignment without the prior written consent of Assignee, which consent may be granted, conditioned or denied in Assignee's sole and absolute discretion. This Assignment is fully transferable by Assignee to any person or entity. This Assignment is binding upon and inures to the benefit of the parties hereto and their respective successors, heirs, representatives, and permitted assigns.

IN WITNESS WHEREOF, the Assignor, Assignee and Landlord have duly executed this Assignment as of this ____ day of _____, 20__.

ASSIGNOR:

a _____

By: _____

Name: _____

Title: _____

LANDLORD:

a _____

By: _____

Name: _____

Title: _____

ASSIGNEE:

BB Franchising LLC a Delaware limited
liability company

By: _____

Name: Margaret Ford

Title: CEO

EXHIBIT 6 SECTION 16.07
OWNER'S GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution by BB Franchising, LLC ("FRANCHISOR") of that certain Franchise Agreement of even date herewith (the "Agreement") between FRANCHISOR and _____ ("FRANCHISEE"), or in consideration of and as an inducement to FRANCHISOR's consent to a transfer by or of FRANCHISEE under the Agreement, each of the undersigned parties including: _____

_____ ("Guarantors") hereby personally and unconditionally: (1) guaranties to FRANCHISOR and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement; and agrees to punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (2) agrees to be personally bound by, and personally liable for the breach of, each and every term, condition, covenant and provision in the Agreement. Each Guarantor expressly represents and acknowledges that he or she has read the Agreement and has had the opportunity to review the same, and this Guaranty, with counsel. Each Guarantor hereby expressly waives:

- (1) acceptance and notice of acceptance by FRANCHISOR, of the foregoing undertakings;
- (2) notice of demand for payment of any indebtedness or non performance of any obligations hereby guaranteed;
- (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
- (4) any right he or she may have to require that an action be brought against FRANCHISEE, Guarantor or any other person as a condition of liability;
- (5) any requirement that FRANCHISOR proceed against or exhaust its remedies with respect to FRANCHISEE or any other person before demanding payment or performance by Guarantor; and
- (6) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (1) his or her direct and immediate liability under this guaranty shall be joint and several;
- (2) he or she shall render any payment or performance required under the Agreement upon demand if FRANCHISEE fails or refuses to do so punctually;
- (3) such liability shall not be contingent or conditioned upon pursuit by FRANCHISOR of any remedies against FRANCHISEE or any other person;
- (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which FRANCHISOR may, from time to time, grant to FRANCHISEE or to any other person, including without limitation the acceptance of any partial

payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be irrevocable during the term of the Agreement; and

(5) the liability and obligations under this Guaranty and Assumption shall not be diminished, relieved or otherwise affected by any modification by FRANCHISEE and FRANCHISOR of the terms or conditions of the Agreement.

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

GUARANTOR(S)

Name:

Signature:

Date:

Name:

Signature:

Date:

EXHIBIT 7
CALIFORNIA ADDENDUM

This Addendum to the Franchise Agreement is agreed to by and among BB FRANCHISING LLC and the Franchisee identified below.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
2. Neither BB FRANCHISING nor any person or franchise broker listed in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, (15 U.S.C.A. 78a et. seq.), suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement or Disclosure Document contains a provision that is inconsistent with the law, the law will control.
4. The Franchise Agreement and Disclosure Document provide 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 and Disclosure Document contain a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. Both the governing law and choice of law for franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
7. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.
8. The Franchise Agreement requires binding arbitration. The arbitration will occur in Wilmington, Delaware, with each party bearing its own costs. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

9. Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.
10. You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
11. The statute of limitations language in Section 21.20 of the Franchise Agreement may be unenforceable in California. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporation Code Section 31000 through 31516).
12. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
13. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Dated: _____

FRANCHISE:

By: _____ (L.S.)

By: _____ (L.S.)

The undersigned, officers, directors, and/or shareholders of FRANCHISEE hereby personally guarantee to BB FRANCHISING LLC the due performance of each and every obligation of FRANCHISEE in accordance with this Addendum.

Individually and Personally

Individually and Personally

Individually and Personally

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EXHIBIT B
SATELLITE FRANCHISE AGREEMENT AND RELATED MATERIALS

BB FRANCHISING LLC
FRANCHISE AGREEMENT

SATELLITE CENTER

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SCHEDULE 1

EXHIBIT 1	APPLICATION LICENSE AGREEMENT
EXHIBIT 2	ACH AGREEMENT
EXHIBIT 3	CONFIDENTIALITY, NON-SOLICITATION, AND NON-COMPETE AGREEMENT
EXHIBIT 4	SECTION 17.04(F) CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS
EXHIBIT 5	SECTION 3.05 CONDITIONAL ASSIGNMENT OF LEASE
EXHIBIT 6	SECTION 16.07 OWNER'S GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS
EXHIBIT 7	CALIFORNIA ADDENDUM

FRANCHISE AGREEMENT

Franchise Agreement made in the State of California, this ____ day of _____, 20____, by and between BB FRANCHISING LLC, a Delaware limited liability company, with offices located at 1320 North Route 59 Unit 110 Naperville IL 60563 (“BBF,” “Franchisor” or “COMPANY”), and _____, a _____ located at _____ (“FRANCHISEE”) (the “Franchise Agreement”).

W I N E S S E T H:

WHEREAS, COMPANY has expended time, effort, and money to develop a uniform and standardized system (the “System”) for the operation of Brain Balance® Centers (the “Center(s)”), which offer the Brain Balance Program®, a non-medical method of assessment and program development for individuals with developmental delays resulting from neurological and physiological imbalances using certain technology (the “Licensed Technology”) (the “Business”), under the trade names and service marks “Brain Balance Program®”, “Brain Balance®” with logo, and Brain Balance® (“Brain Balance Program®,” “Brain Balance®” with logo, and “Brain Balance®”, and such other trade names, trademarks, service names, logos, copyrights, and other service marks now or hereafter used by COMPANY in connection with the System are hereinafter referred to as the “Marks”); and

WHEREAS, COMPANY's System includes a business strategy utilizing training methods, methodology, protocols, Licensed Technology, promotional programs, uniform standards, a confidential Operations Manual (as hereinafter defined), and other information, items, and experience that benefit the operation of the Business; and

WHEREAS, FRANCHISEE acknowledges that the Business, operated in accordance with the System and utilizing the Marks has acquired distinctive and valuable goodwill among the public; and

WHEREAS, FRANCHISEE has established a Brain Balance business (“Standard BB Business”) pursuant to a standard franchise agreement (“Standard FA”) located as listed in Schedule 1 to this Franchise Agreement and remains in good standing under the Standard FA;

WHEREAS, FRANCHISEE desires to enter into the Business, to be operated in accordance with the System and utilizing the Marks, all subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and the mutual promises herein contained, it is agreed:

1. GRANT OF FRANCHISE

1.01. COMPANY hereby grants to FRANCHISEE and FRANCHISEE hereby accepts the right, license, privilege, and franchise of utilizing the Marks, the Licensed Technology, and System to establish a single Brain Balance® Satellite Center and to operate the Business therein, all, subject to the terms and conditions of this Agreement solely within the

territory described in Schedule I attached hereto (the "Territory"), at a specific location to be approved in writing by COMPANY, which approval shall not be unreasonably withheld (the "Franchise"). The operation of the Business pursuant to the Franchise is hereinafter referred to as the "Franchised Business."

1.02. The Franchise granted herein is for the operation of a Brain Balance® Satellite Center franchise under the trade names and service marks "Brain Balance Program®" and "Brain Balance®" with logo, which shall specialize in a non-medical program designed to help children with developmental delays resulting from neurological and physiological imbalances.

1.03. The Franchise granted herein does not grant FRANCHISEE the right to engage in any business other than the Franchised Business, whether said business is conducted within or without the Territory or under the Marks or under any other name or mark.

2. USE OF NAME

2.01. FRANCHISEE is granted the right to use, and FRANCHISEE agrees to use, the words "Brain Balance®" as part of its trade or business name, in the exact manner and style set forth on Schedule I (the "Business Name") and as directed by COMPANY. COMPANY reserves the right to direct a change in the manner of use of the Marks by FRANCHISEE, and FRANCHISEE agrees to comply with such directions. FRANCHISEE shall not use the Marks as part of its corporate or limited liability company name without the prior written consent of COMPANY.

2.02. FRANCHISEE agrees to obtain COMPANY's prior written approval for all content used by FRANCHISEE on FRANCHISEE's link to COMPANY's website.

3. TERRITORY

3.01. FRANCHISEE is granted an exclusive right to establish a single location for the Franchised Business in the city, town, or village identified on Schedule I that is located within the Territory. FRANCHISEE may not without COMPANY's prior written consent relocate its Center or open additional centers for the Franchised Business within the Territory.

3.02. COMPANY agrees that throughout the term of this Agreement and provided that FRANCHISEE is not in default hereunder, COMPANY will neither operate nor franchise others to operate a Brain Balance® Center within the Territory, or within a designated radius of FRANCHISEE'S Brain Balance® Satellite Center. FRANCHISEE acknowledges that COMPANY may market to clients located inside of the Territory or advertise inside of the Territory.

3.03. FRANCHISEE acknowledges that the Franchise granted hereunder is limited to the establishment and operation of the Franchised Business in a single location within the Territory and requires FRANCHISEE to maintain and continue to operate its Standard BB Center. FRANCHISEE may not operate the Franchised Business from an additional location or outside of the Territory unless a separate franchise agreement is signed by the parties and an additional Initial Franchise Fee (as hereinafter defined) is paid by FRANCHISEE to COMPANY. If FRANCHISEE stops operating or loses its right to operate the Standard BB Center,

FRANCHISEE must either obtain FRANCHISOR's approval to convert the Franchised Business to a standard Brain Balance® Center, which will not be unreasonably withheld but will require FRANCHISEE to sign a franchise agreement for a standard Center and pay the difference between the initial franchise fee paid by FRANCHISEE under this Agreement and the then-current initial franchise fee for a Standard BB Center, or must stop operating the Franchised Business.

3.04. FRANCHISEE acknowledges that other franchisees and/or affiliates of COMPANY who conduct businesses similar or identical to the Franchised Business under the Marks may market to clients located inside of the Territory or advertise inside of the Territory.

3.05. In the event FRANCHISEE leases office space for the Franchised Business, such lease shall contain a conditional assignment clause, substantially similar to the template provided in Exhibit 5, that shall provide that upon the expiration or sooner termination of this Agreement, for any reason contained herein, the FRANCHISOR or its Affiliates shall have the option, exercisable within thirty (30) days after said expiration or termination, to assume the obligations of the lease, to replace FRANCHISEE and enter into possession under said lease or at any time prior thereto or thereafter to assign or reassign the lease to a third party. In connection therewith, FRANCHISEE shall execute a Conditional Assignment of Lease in the form attached hereto as Exhibit 5 (the "Assignment") pursuant to which Assignment FRANCHISEE has assigned to FRANCHISOR all its right, title, and interest in the lease for the Franchised Business. FRANCHISEE acknowledges that such Assignment is freely assignable by FRANCHISOR to any other person or entity, including any person or entity that may acquire the right to operate a Brain Balance® business in and from said office location or otherwise within the Territory.

4. TERM

4.01. Unless otherwise terminated pursuant to the terms and conditions of this Agreement, the initial term of this Agreement shall be concurrent with the standard center (FRANID) commencing on the date hereof ("Initial Term").

4.02. Provided FRANCHISEE is in full compliance with the terms hereof, the term of this Agreement may be renewed for an additional five (5) year term unless at least three (3) months but not more than six (6) months prior to the expiration of the Initial Term or any extension thereof notice of intention to finally terminate is given in writing by registered mail by FRANCHISEE to COMPANY. No Initial Franchise Fee (as hereinafter defined) is charged upon the extension of the term; however, FRANCHISEE will be required to pay a renewal fee of Ten Thousand Dollars (\$10,000). At its option, COMPANY may require FRANCHISEE to execute the form of franchise agreement then being utilized by COMPANY for new franchisees, which franchise agreement shall govern the rights and obligations of the parties and may contain materially different terms and conditions.

4.03. FRANCHISEE shall have the right to terminate this Agreement in the event COMPANY loses the rights to the Licensed Technology and the Marks prior to the end of the Initial Term of this Agreement.

5. INITIAL FRANCHISE FEE

FRANCHISEE shall pay COMPANY an initial non-refundable franchise fee (the "Initial Franchise Fee") in the amount of Forty Five Thousand Dollars (\$45,000). The Initial Franchise Fee is payable by wired funds transferred on the same day as the signing of this Agreement, receipt of which is hereby acknowledged.

6. OTHER PAYMENTS BY FRANCHISEE

6.01. Royalty

(a) Commencing the month FRANCHISEE's Center opens, FRANCHISEE shall pay to COMPANY, in addition to the Initial Franchise Fee as payment for the continuing right to use the Marks and the System, a continuing non-refundable royalty fee (the "Royalty"). If the Center is not opened within nine (9) months following the date of the Franchise Agreement, FRANCHISEE will be required to pay to COMPANY the minimum Royalty beginning with the first of the month the following calendar month.

The Royalty shall be an amount equal to eight percent (8%) of FRANCHISEE's Gross Revenue (as defined below) ("GR") in the operation of the Franchised Business, with a minimum of \$1,000 due and payable each month. If the thirtieth day falls on a day other than the first day of the month, the minimum royalty amount will be prorated for the number of days the Center was open in that month. Said minimum monthly Royalty of \$1,000 shall be increased each January 1st by the same percentage that the Consumer Price Index, issued by the U.S. Department of Labor, Bureau of Labor Statistics, N.Y.-Northeastern N.J. region for the immediately preceding December 31st, increases over and above the Consumer Price Index existing as of the date this Franchise Agreement is signed.

"Gross Revenue (GR)" is defined as all sums received by FRANCHISEE resulting directly or indirectly from services provided pursuant to the operation of the Franchised Business without deductions of any kind other than refunds. "GR" shall exclude the transactional credit card service fees negotiated by COMPANY and sales tax, excise tax, or other similar taxes received by FRANCHISEE. COMPANY has negotiated a discount credit card service fee with a credit card clearing house service provider, which will be the maximum service fee deducted from GR arising out of credit card purchases regardless of whether FRANCHISEE participates in this program. Credit card expenses such as machinery, equipment, and connection charges will not be excluded from GR. GR shall also exclude Program Kits Fees and Loan Fees deducted by lending vendors.

(b) The Royalty shall be due and payable by FRANCHISEE to COMPANY on or about the 7th day of the month for Gross Revenue received the prior month. FRANCHISEE will pay the Royalty via an electronic funds transfer pursuant to an automated clearing house agreement ("ACH Agreement") in the form annexed hereto as Exhibit 2, which will allow FRANCHISOR to debit FRANCHISEE's bank account during the term of this Agreement for the royalties due.

6.02. Advertising Fund

(a) FRANCHISEE shall participate and contribute to the advertising fund (“Advertising Fund”) that has been established by COMPANY for the benefit of all BBF franchisees and Company-operated Centers.

(b) FRANCHISEE's non-refundable contribution to the Advertising Fund shall be in an amount equal to two percent (2%) of Gross Revenue as defined in 6.01, with a minimum of \$200 due monthly hereunder, and the contribution is due and payable in the same manner and at the same time as the Royalty. If the Center is not opened by the tenth (10th) month following the date of the Franchise Agreement, FRANCHISEE will be required to pay to COMPANY the contribution to the Advertising Fund beginning that month.

(c) Contributions to the Advertising Fund from FRANCHISEE and all other franchisees shall be maintained by COMPANY in a single segregated account designated for that purpose. The proceeds of the Advertising Fund shall be expended at the discretion of COMPANY for national and/or regional advertising, public relations, dissemination of research results achieved through approved research facilities, the Brain Balance® Foundation and other charitable activities, website and other electronic media development, and/or promotion of the Center businesses conducted under the Marks and publications relating to the Brain Balance Program®, and the payment of fees, costs, and other charges pertaining to such activities, including but not limited to COMPANY's administrative expenses associated with the foregoing.

(d) FRANCHISEE acknowledges that proceeds of the Advertising Fund are intended to be used to maximize general public awareness of the Brain Balance Program® for the benefit of the System as a whole. No representation is made by COMPANY, and FRANCHISEE acknowledges that expenditures from the Advertising Fund may not result in a proportionate or any advertising effort in a particular geographical area, including FRANCHISEE's Territory, or that FRANCHISEE will benefit directly from any expenditures from the Advertising Fund. FRANCHISEE acknowledges and agrees that neither FRANCHISEE nor any other franchise owners of COMPANY who shall be obligated to contribute to the Advertising Fund shall be deemed a third-party beneficiary with respect to said Advertising Fund or have any right to enforce any obligation to contribute thereto. Expenditures from the Advertising Fund shall be made at the sole discretion of COMPANY and may be for the benefit of any one or more of the Marks. COMPANY shall not be required to expend the entire Advertising Fund during any calendar year. COMPANY shall have the right to determine the nature, scope, and content of advertising and promotion programs; the territory in which they are to appear; the form thereof; the media and the budget therefore; and all other relevant decisions regarding the implementation of such advertising and promotion programs.

(e) FRANCHISEE shall spend a minimum of \$6,000 per calendar month or nine percent (9.0%) of its Gross Revenue, whichever is greater, for local advertising in accordance with COMPANY's direction as to allocation among various marketing channels.

(f) If FRANCHISOR recommends an Advertising Cooperative (“Advertising Co-op”) in FRANCHISEE's designated marketing area (“DMA”) and one is established, FRANCHISEE shall join it by executing the applicable by-laws, and shall contribute

at least the amount set forth in Section 6.07. FRANCHISEE's payments to the media fund for the Advertising Co-op will apply toward satisfaction of FRANCHISEE's obligations for local advertising described in Section 6.07 of this Agreement. Advertising Co-ops are independently established and operated by franchisees in a DMA and not controlled or governed by FRANCHISOR.

6.03. Late Payment

(a) If FRANCHISEE shall fail to pay to COMPANY when due any Royalty, Advertising Fund contribution, or any other payment required to be made pursuant to this Agreement, interest shall accrue on the unpaid amount commencing fifteen (15) days after the due date, at a rate of two percent (2%) per month compounded or the highest rate permitted under applicable law, whichever is less.

(b) If FRANCHISEE shall fail to pay to COMPANY when due any Royalty, Advertising Fund contribution, or any other payment due hereunder, or fails to file any report required to be filed with COMPANY, and such failure continues for a period of thirty (30) days after COMPANY has provided FRANCHISEE with a written demand for performance, in addition to all of its other rights and remedies hereunder, COMPANY may suspend all services required to be performed by COMPANY on behalf of FRANCHISEE hereunder, until such time as FRANCHISEE has made payment of all amounts due to COMPANY and has filed all reports with COMPANY required to be filed by FRANCHISEE.

6.04. Application License Fees

(a) FRANCHISEE shall enter into a Application License Agreement annexed hereto as Exhibit 1 and pay an initial technology fee in the amount of \$15,000 and annual maintenance fees as specified in the Application License Agreement and the Operations Manual. The annual maintenance fees are subject to an annual CPI adjustment. Unless terminated earlier pursuant to its terms, the term of the Application License Agreement is for the term of the Franchise Agreement. The Application License Agreement entitles FRANCHISEE to unlimited users for the Center.

(b) FRANCHISEE shall purchase from COMPANY a license to operate the Customer Relations Management System and licenses to access and operate third party software technologies which are part of the System.

(c) FRANCHISEE shall purchase, implement, and continuously use in the operation of the Franchised Business a license to operate the Brain Balance Cognitive App (the "Cognitive App"), which is a required component of the System. The Cognitive App is a proprietary software platform used in connection with assessments, program delivery, and post-Program subscription services. FRANCHISEE shall pay to COMPANY a subscription fee of \$95 for the first seven (7) months following activation and \$45 per each three (3) months provisioned thereafter, an assessment fee of \$12.50 for each assessment administered through the Cognitive App, an assessment fee of \$10.00 for each post assessment and a one-time post-Program subscription enrollment fee of \$17 for each enrollee who opts into post-Program services. All such fees shall be paid in accordance with the Application License Agreement and the Operations

Manual, as may be amended from time to time. FRANCHISEE's use of the Cognitive App is mandatory and is not contingent on participation in any third-party billing or reimbursement program.

(d) FRANCHISEE shall purchase a license from designated third parties in order to download and operate certain other software programs required by the System as stated in the Operations Manual, including but not limited to the vision assessment and exercises software COMPANY has commissioned to function within the Brain Balance® Protocols and the required accounting software to submit the financial records required in Section 7.

6.05. Advanced Training and Consultation Services

(a) FRANCHISEE shall be required to attend and pay for Advanced Training which will include on-going training through webinars, courses within the Brain Balance Training Site and workshops which may be related to enrollment enhancement, Sensory Motor and academic administration, and marketing, up to two (2) times per year, for a period of between one (1) and five (5) days. Attendance is mandatory for the Program Director when this Advanced Training is offered by FRANCHISOR. FRANCHISEE is responsible for the travel costs of its employees and personnel.

(b) FRANCHISEE shall be required to attend and pay for additional training or consultation services provided by COMPANY in any of the following circumstances: (1) if requested by FRANCHISEE, (2) required by COMPANY in the event FRANCHISEE fails to master the principles and objectives of the Licensed Technology, (3) System development results in new principles or protocols, or (4) FRANCHISEE replaces the Program Director. Such consultation services will be charged at a half-day rate of \$500 (less than 4 hours of training) and full-day rate of \$1,000, plus airfare, lodging, and travel expenses. Alternatively, FRANCHISEE may send a new Program Director to the next regularly scheduled Initial Training session at a cost of \$3,500. Fees will be transferred to FRANCHISOR via ACH.

6.06. Customer Relationship Management System (CRM)

FRANCHISEE shall enroll their Center in an approved Customer Relations Management System (CRM).

6.07. Program kits

FRANCHISEE shall be required to purchase from COMPANY's designated supplier and maintain at the Center a minimum inventory of program kits. FRANCHISEE shall purchase kits through the Standard Brain Balance Center with which this Satellite Center is connected sufficient to provide initial inventory for the programs FRANCHISEE will offer.

6.08. Grand Opening

FRANCHISEE shall be responsible for its promotional costs in connection with the Grand Opening. FRANCHISOR does not collect a Grand Opening fee.

6.09. Pre-printed marketing materials

FRANCHISEE shall purchase advertising and promotional materials, electronically in pdf or jpeg format, prepared by COMPANY's designated vendor.

6.10. Call Center

FRANCHISEE shall be required to contract for Call Center services either with COMPANY's internal call center or with a designated vendor or one that is approved by COMPANY to respond to inbound inquiries. Alternatively, FRANCHISEE shall employ a full-time staff member who is solely responsible for responding to inbound inquiries for Program services. FRANCHISEE shall be responsible for all fees associated with the Call Center option FRANCHISEE elects to use.

6.11. Annual Convention

FRANCHISEE shall be required to attend and pay a registration fee for COMPANY's Annual convention. The cost of registration will vary depending on the program, the number of speakers, and the contribution of sponsors. The travel, lodging, and food costs will be in addition to the registration fee, but these costs may be discounted and/or subsidized by COMPANY. Fees will be transferred to FRANCHISOR via ACH.

6.12. ACH Agreement

(a) FRANCHISEE will enter into an automated clearing house agreement ("ACH Agreement") in the form annexed hereto as Exhibit 2, which will allow FRANCHISOR to debit FRANCHISEE's bank account during the term of this Agreement for all payments due to FRANCHISOR pursuant to the terms of this Agreement. The parties shall agree in writing if any payments are to be made in any other manner

(b) In the event COMPANY is unable for any reason to take any payment required hereunder to be paid via ACH, FRANCHISEE will pay \$35 per incident.

6.13. Soft Opening Expenses

In the event FRANCHISEE changes its Soft Opening scheduled date and COMPANY incurs non-refundable expenses, FRANCHISEE will reimburse COMPANY for such expenses.

6.14. Relocation Fee

COMPANY must approve any relocation of FRANCHISEE's Center, and FRANCHISEE must pay COMPANY its then current relocation fee. As of the date of this Agreement, the relocation fee is \$4,000.

6.15. Cost Increases

FRANCHISEE acknowledges that many costs reflected in this Agreement are based on third party pricing and current costs. In the event that vendors increase costs, COMPANY shall increase prices with prior written notice to FRANCHISEE.

7. FINANCIAL RECORDS

7.01. FRANCHISEE, at FRANCHISEE's sole cost and expense, shall submit to COMPANY:

(a) (i) Throughout the term of this Agreement upon thirty (30) days' advance notice by COMPANY, records relating to such other operational activity of FRANCHISEE in the operation of the Franchised Business that cannot be captured by COMPANY from the System or the Software. Each such compilation or report shall be certified by FRANCHISEE as accurate. COMPANY may require such reports be transmitted electronically. FRANCHISEE hereby consents to the electronic retrieval by COMPANY of financial reports and other operational activity of FRANCHISEE from the System or the Software.

(ii) Throughout the term of this Agreement, upon request, an electronic copy of the accounting records maintained pursuant to Section 6.11 that supports the Royalty payment.

(b) Within one hundred twenty (120) days of the close of each of its fiscal years, a copy of FRANCHISEE's personal, corporate, and/or LLC Federal Income Tax Return or such portion thereof as pertains to the Franchised Business, for FRANCHISEE's fiscal year most recently ended.

(c) Within one hundred twenty (120) days of the close of each of its fiscal years, an annual statement of GR and profit and loss of the Franchised Business for the fiscal year and a balance sheet for the Franchised Business as of the end of the fiscal year (both in a format to be approved by COMPANY) prepared and reviewed by a certified public accountant acceptable to COMPANY in its reasonable discretion, and verified and signed by FRANCHISEE as to the information furnished to such accountant. COMPANY has the right to require that the foregoing statements of GR and profit and loss and balance sheet be audited by a certified public accountant acceptable to COMPANY in its reasonable discretion.

(d) Such other activity reports relating to the clients, including test results, progress reports, information, reports, and records relating to the Franchised Business as are requested by COMPANY.

7.02. Throughout the term of this Agreement and for a period of six (6) years thereafter, FRANCHISEE shall keep and maintain at its Franchised Business office (or such other location approved by COMPANY in writing) all books of account, records, documents, and other materials required to support the financial statements and tax returns and other reports provided to COMPANY, all of which shall be prepared in accordance with generally accepted accounting principles ("Records"). Throughout the term of this Agreement and for a period of six (6) years thereafter, upon demand by COMPANY, FRANCHISEE shall permit COMPANY to inspect and make copies of the Records at any time during normal business hours.

7.03. On five (5) days' prior notice to FRANCHISEE, COMPANY or its representatives may inspect the Franchised Business, audit and/or make copies of FRANCHISEE's books and records, or the Records, and/or enter and inspect the office in which FRANCHISEE conducts the Franchised Business for purposes of determining compliance with protocols, methodologies, Center layout, office neatness, reviewing records of the Franchised Business (including without limitation records concerning client census, maintenance of statistical data, accounts receivable, and collections), and general conformity of the Franchised Business operation with COMPANY's Operations Manual and/or interview FRANCHISEE's employees. Except as provided in this Paragraph 7.03, such audit shall be at COMPANY's sole cost and expense. In the event an audit discloses an underpayment by FRANCHISEE to COMPANY of Royalty and/or Advertising Fund contributions, FRANCHISEE shall immediately pay the amount due together with interest thereon as provided in Section 6.08 from the date on which such Royalty and Advertising Fund contributions should have been paid. In the event such underpayments are equal to or exceed five percent (5%) of the aggregate Royalty and Advertising Fund contributions due during the audited period, such underpayment shall be deemed a breach hereof, and FRANCHISEE shall, in addition to making the payments due COMPANY plus interest, promptly pay to COMPANY all fees, expenses, and other costs related to the audit. If any inspection, audit, or review reveals any other violations of this Agreement, FRANCHISEE shall, upon written request of COMPANY, cure such violations and take such action as may be necessary to be in full compliance with such written request and this Agreement.

7.04. FRANCHISEE shall maintain books and records for the Franchised Business in the formats and methods as required by FRANCHISOR. If FRANCHISEE operates the Franchised Business through the same legal entity that operates the Standard BB Center, FRANCHISOR has the right to require FRANCHISEE to maintain separate accounts reflecting the revenue of each business.

8. REPRESENTATIONS AND WARRANTIES

8.01. COMPANY represents and warrants to FRANCHISEE that:

(a) COMPANY is a limited liability company duly organized and existing under the laws of the state of Delaware.

(b) The execution of this Agreement and COMPANY's performance contemplated hereunder shall not violate any agreement to which COMPANY is a party.

(c) COMPANY has ownership and proprietary rights in and to the Marks, Licensed Technology, and protocols used in connection with the franchise, and the use of the Marks by FRANCHISEE as permitted by this Agreement shall not infringe upon the rights of any other person with respect thereto.

(d) Notwithstanding anything to the contrary set forth in this Agreement, COMPANY makes no representations or warranty as to the likelihood of success of FRANCHISEE in the Franchised Business.

8.02. FRANCHISEE represents and warrants to COMPANY that:

(a) The execution of this Agreement and the performance contemplated hereunder by FRANCHISEE shall not violate any agreement to which FRANCHISEE or any of its officers, directors, shareholders, members, or partners is a party.

(b) FRANCHISEE acknowledges that the success of the Franchised Business to be conducted by FRANCHISEE by virtue of this Agreement depends to a large extent upon the ability of FRANCHISEE as an independent business person and their full time active participation in the daily affairs of the Franchised Business, as well as other factors.

(c) FRANCHISEE affirms and agrees that COMPANY may sell the Marks, Licensed Technology, and protocols to a third party. FRANCHISEE affirms and agrees that COMPANY may sell its assets or its System outright to a third party; may go public; may engage in a private placement of some or all of its securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout, or other economic or financial restructuring; and with regard to any or all of the above sales, assignments, and dispositions, FRANCHISEE expressly and specifically waives any claims, demands, or damages arising from or related to the loss of the Marks (or any variation thereof) and/or the loss of association with COMPANY hereunder.

(d) Neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners own, maintain, or have any interest in or otherwise participate or engage in, either directly or indirectly, by itself or in conjunction with any other person or entity, any supplemental education services business or other business that competes with the Franchised business, whether as partner, stockholder, member, officer, director, employee, representative, or in any other capacity.

9. ADDITIONAL OBLIGATIONS OF COMPANY

9.01. Prior to the opening of the Franchised Business by FRANCHISEE:

(a) COMPANY will advise and counsel FRANCHISEE regarding Center location, in the preparation of an office layout and in the selection of center furnishings and equipment in accordance with the terms of the Operations Manual (as hereinafter defined).

(b) COMPANY will provide FRANCHISEE with basic methods, assessment tools and tests to be used at the Standard Brain Balance Center location, protocols, and procedures for operating the Franchised Business and with customized software for operating the Brain Balance Program[®] and for capturing client statistical data for inclusion in the database.

(c) COMPANY will provide FRANCHISEE with a list of equipment and services required for use at the Center.

(d) COMPANY will provide (i) an on-line training program that will require approximately 24 hours of time, depending on the user's background in the areas covered and their familiarity with the substantive concepts; (ii) and, at your option, up to five (5) days at our training location at the training facility COMPANY designates. FRANCHISEE may, at COMPANY's discretion, also be required to travel with FRANCHISEE's staff to an approved regional Center to complete shadow training for 2-3 days, depending upon regional staff

availability (the “Initial Training Program”). Although the cost of training will be borne by COMPANY, FRANCHISEE shall bear the cost of transportation, meals, and lodging, if any, of those who attend the Initial Training Program and salaries of any of FRANCHISEE's employees attending the Initial Training Program.

(e) COMPANY shall make available electronically to FRANCHISEE one (1) copy of the Operations Manual, the training manual and form templates (as hereinafter defined) for the term of the Franchise Agreement, which may be amended as provided herein and other training materials.

(f) COMPANY will advise FRANCHISEE in staffing requirements for operating a Franchised Business.

(g) COMPANY will license to FRANCHISEE the Software under the Application License Agreement as more fully set forth in Section 15.

(h) COMPANY will provide FRANCHISEE with the methods, a copy of the assessment tools and tests to be used at the Standard Brain Balance Center location, protocols, and procedures to enable FRANCHISEE to implement the Brain Balance Program®.

(i) COMPANY will provide FRANCHISEE with assistance in planning the Grand Opening event, including marketing strategy, guest speaker suggestions, and event best practices recommendations.

9.02. After the opening of the Franchised Business by FRANCHISEE:

(a) COMPANY will provide at no charge to FRANCHISEE (i) consultation initiated by or at the direction of COMPANY; or (ii) consultation regarding the continued implementation of the Licensed Technology if said implementation requires product, process, and/or service modification and/or alteration.

(b) COMPANY will provide, in the event FRANCHISEE fails to master the principles and objectives of the Licensed Technology, System development results in new principles or protocols or upon the request of FRANCHISEE, at FRANCHISEE's office, and at FRANCHISEE'S sole cost and expense, additional training and consultation at a per diem payment of \$1,000, including business development, marketing, organization, operation of its first or additional centers, and promotion of the Franchised Business. Any consulting services that last more than four (4) hours are to be considered a “full day.” Consulting services lasting more than one half hour and less than four (4) hours are considered to be “half day,” for which \$500 will be paid. Time spent by a consultant lasting less than one half hour will not be considered consultation services. Services shall conform to those set forth above or as mutually agreed upon between the parties. If FRANCHISEE requests consulting services be performed specifically by a particular individual, the per diem rate shall be \$1,500, and the half day rate shall be \$750. FRANCHISEE acknowledges that FRANCHISOR is under no obligation to provide the services of a particular individual.

(c) COMPANY will provide FRANCHISEE with methods for development of the Franchised Business, including marketing and methods to obtain clients, client

assessments to be used at the Standard Brain Balance Center location, and training new personnel in core Brain Balance Program[®] operations.

(d) COMPANY will maintain a System Website and shall maintain information specific to FRANCHISEE's Franchised Business on that System Website. COMPANY may implement and periodically modify standards relating to the System Website and, at COMPANY's option, may change the System Website, or any services offered through the System website, at any time. COMPANY shall own all intellectual property related to all data that flows through the System website.

(e) COMPANY, at reasonable times, will consult with FRANCHISEE and offer guidance with respect to the operation of the Franchised Business, both by telephone and at FRANCHISEE's Center.

(f) COMPANY will provide forms and other required documents electronically, and FRANCHISEE will be required to duplicate such materials at its own expense for use in the operation of the Franchised Business..

(g) COMPANY will, in its discretion, provide FRANCHISEE with modifications, additions, and deletions to the Operations Manual.

(h) COMPANY will, in its discretion, provide FRANCHISEE with modifications, additions, and deletions to the Software.

(i) COMPANY will make available to FRANCHISEE, from time to time (i) advertising and promotional materials, electronically in pdf or jpeg format, prepared by COMPANY's advertising agencies and marketing company; and (ii) advertising and marketing usage and guidelines.

(j) COMPANY will maintain an online nutrition portal with information for clients and will employ the services of a nutrition coach to oversee the online site and provide limited support to FRANCHISEE's clients regarding nutrition and diet issues.

9.03. COMPANY shall not, by virtue of any approvals, advice, or services provided to FRANCHISEE, whether pursuant to this Section 9 or any other provision of this Agreement assume responsibility or liability to FRANCHISEE or any third parties to which it would not otherwise be subject and assumes no liability or obligations to FRANCHISEE or any third party by reason of any neglect, delay, or denial of any approval requested hereunder.

10. ADDITIONAL OBLIGATIONS OF FRANCHISEE

10.01. FRANCHISEE shall faithfully abide by the terms of this Agreement and devote his/her full time and efforts to the promotion and success of the Franchised Business. In the event, following the opening of the Franchised Business, FRANCHISEE desires to operate a business other than the Franchised Business, FRANCHISEE agrees to obtain COMPANY's consent prior to taking any steps in connection with such proposed business, which consent may be refused for any reason or no reason.

10.02. FRANCHISEE shall not harm, misuse, or bring into disrepute the name or character of “BBF,” “Brain Balance[®],” “Brain Balance Program,[®]” or the Marks or any other trade name, trademark, service mark, service name, logo, or copyright of COMPANY or COMPANY's business or the business of any franchisee of COMPANY.

10.03. FRANCHISEE shall operate the Franchised Business from a self-contained space located in a retail building within the Territory in accordance with the terms and intent of this Agreement in a lawful and ethical manner as specified by COMPANY in its Operations Manual. FRANCHISEE shall obtain all permits and business licenses required by law for its Center location and shall comply with all premises regulatory requirements. FRANCHISEE shall obtain prior written approval from COMPANY of the lease, sign the lease within 120 days of the execution of this Agreement, and provide a copy of the executed lease to COMPANY within ten (10) days of its execution. The lease shall contain provisions that permit assignment to COMPANY and expressly provide that there are no obligations imposed on or granted against COMPANY. FRANCHISEE shall open the Center within nine (9) months of the date of this Agreement.

10.04. FRANCHISEE shall pay on a timely basis all of its bills and obligations; federal, state, and local and other expenses; and all taxes of the Franchised Business. FRANCHISEE shall not create or incur any expenses chargeable to COMPANY without COMPANY's prior written approval.

10.05. FRANCHISEE shall maintain the standard practices and image developed by COMPANY as the same may be changed from time to time by COMPANY, in order to maintain uniformity with other franchisees utilizing the Marks, and shall use only those standard methodologies, protocols, forms, stationery, and printed material of a style uniformly prescribed by COMPANY for its franchisees and of a quality that meets the standards uniformly prescribed by COMPANY.

10.06. FRANCHISEE shall conduct continuing local advertising in form, content, and media approved by COMPANY in a minimum amount set forth in Section 6.07, depending upon location and demographics, and retain evidence of such expenditures for submission to COMPANY upon request.

10.07. FRANCHISEE shall utilize a bookkeeping service designated by COMPANY for the first six (6) months of FRANCHISEE's operation of the Franchised Business. In COMPANY's sole discretion, FRANCHISEE may use an alternate bookkeeping service approved in writing by COMPANY.

10.08. FRANCHISEE shall not charge fees for services to its clients other than as permitted by law.

10.09. FRANCHISEE shall not, directly or indirectly, operate, be associated with, or enter into any sub-franchise or branch office arrangement for the operation of the Franchised Business without COMPANY's prior written consent.

10.10. FRANCHISEE shall conduct the Franchised Business in accordance with federal law and pursuant to the law and regulations of the state and locality in which it is located.

10.11. FRANCHISEE shall keep the Franchised Business open and in normal operation as BBF may specify in the Manual or otherwise in writing. FRANCHISEE shall maintain, at all times, a full-time staff of no less than a Program Director, and an appropriate number of Program Coaches, who may be part-time, as required to deliver the services as we require. In addition, if FRANCHISEE does not contract with a Call Center, FRANCHISEE must engage the services of a full-time employee whose sole responsibility will be to respond to inbound inquiries for Program services. At the discretion of COMPANY, FRANCHISEE may work in the Center in one of the above positions but if they do not they must appropriately train individuals to fill each role. After Soft Opening, FRANCHISEE shall be responsible, at their own expense, for training any new staff who are engaged to work at FRANCHISEE's Center. FRANCHISEE must send a new Program Director to the next regularly scheduled Initial Training session for which FRANCHISEE will be charged \$300.

10.12. FRANCHISEE shall not sell any assets other than in the ordinary course of business or, if a corporation, shall not merge or consolidate with another entity, reorganize, or amend its corporate charter nor shall it permit its officers, directors, shareholders, or members to assign or transfer shares of stock, except in strict accordance with the provisions of this Agreement.

10.13. FRANCHISEE shall, if requested by COMPANY, consent to the incorporation of, or the filing of a trade name certificate by other franchisees, where the corporate or trade name includes the words "Brain Balance®" or "Brain Balance Program®" followed by a suitable descriptive title and shall cooperate and execute all papers and documents reasonably required to effect the same.

10.14. FRANCHISEE shall not cause the name of any individual, employee, officer, or other person, with respect to any printed matter or advertising in any form, whether print, electronic media, or otherwise, in connection with the Business, (i) to appear without being accompanied by the words "Brain Balance®" or "Brain Balance Program®," (ii) to appear more than once, (iii) to be printed larger than one agate line in newspaper and magazine advertisements and two agate lines in other advertising or stationery (except on a business card), and (iv) to be printed larger or bolder than the words "Brain Balance®" or "Brain Balance Program.®"

10.15. FRANCHISEE shall not cause the words "Brain Balance®" or "Brain Balance Program®" to appear in any form, whether print, electronic media, or otherwise, on stationery, signs, advertising, electronic media, or otherwise, without complying with all COMPANY written instructions regarding appearance of the Marks.

10.16. FRANCHISEE shall not utilize the name "Brain Balance®," or "Brain Balance Program®," or any of the Marks in connection with any purpose or service other than the operation of a Brain Balance® Center to the extent specifically permitted hereunder.

10.17. (a) All permanent staff of the Franchised Business shall execute Exhibit 3, the Confidentiality, Non-Solicitation, and Non-Compete Agreement as provided in the Operations Manual. FRANCHISEE will take such action in connection therewith as may be required by COMPANY both during and upon termination of this Agreement in order to protect any trade secrets that are proprietary to COMPANY or any information, knowledge, or know-how deemed confidential under this Agreement.

(b) FRANCHISEE or its principal must have satisfactorily completed the Initial Training Program.

10.18. (a) FRANCHISEE's proposed Center location, relocation, center layout, office equipment, all printed matter used in the operation of the Franchised Business, including without limitation, assessment tools, tests, evaluation forms, stationery, signage, application forms, business cards, invoices, statements, and other materials, and the manner in which any of these will be used are subject to the prior written consent of COMPANY and must comply with the Operations Manual.

(b) All advertising and promotional matter, whether printed or digital material, including without limitation, Internet, and other electronic media advertisements, transcripts of all radio and television advertisements, and the manner in which any of these will be used are subject to the prior written consent of COMPANY prior to use and shall be submitted to COMPANY for written approval prior to use. If COMPANY does not approve the activities, materials, media, or use in writing within ten (10) days, the activity, material, media, and use will be deemed disapproved. Likewise, all marketing vendors or service providers for FRANCHISEE must be approved in writing by COMPANY prior to being retained by FRANCHISEE.

(c) FRANCHISEE may conduct individual email communications without first obtaining company's written approval, but the contents of such communications must comply with requirements and restrictions contained in the Operations Manual. In addition, FRANCHISEE must obtain company's prior written approval for any and all email addresses other than the email address assigned to FRANCHISEE by company. FRANCHISEE may not obtain (800), (888), or similar toll free telephone numbers or use any email address containing the words "BBF," "Brain Balance[®]," or "Brain Balance Program[®]" as part of the telephone number or address, except as may be set forth in the Operations Manual.

(d) FRANCHISEE shall not maintain an independent website. COMPANY shall include information about FRANCHISEE's Center on the System website, FRANCHISEE agrees to provide the information and materials that COMPANY periodically requests concerning FRANCHISEE's Center and otherwise participate in the System website in the manner that COMPANY periodically specifies. By posting or submitting information or materials for the System website, FRANCHISEE is representing that the information and materials are accurate and not misleading and do not infringe upon any third party's rights. COMPANY or one or more of our designees may establish a website or series of websites to advertise, market and promote Brain Balance[®] Centers, the Brain Balance Program[®] and associated products and services, to advertise franchise opportunities, to deliver Brain Balance Program[®] content and support, and/or for any other purposes that COMPANY determines are appropriate (collectively, the "System website").

(e) FRANCHISEE may maintain an independent social media presence, including the use of Facebook, Instagram, Twitter, and other services. FRANCHISEE agrees to submit to COMPANY for its approval before use all content, including but not limited to proposed social media usernames, account designations, avatars, background images, posts, or other materials associated with such accounts or sites. COMPANY has the right to require FRANCHISEE to associate its social media accounts with COMPANY's website or COMPANY-

controlled social media pages or accounts. FRANCHISEE is required to obtain prior written consent from COMPANY before opening any social media account using the Marks or any version or abbreviation of the Marks. FRANCHISEE agrees to submit to COMPANY for its approval before use all content, including but not limited to proposed social media usernames, account designations, avatars, background images, posts, or other materials associated with such accounts or sites. COMPANY has the right to require FRANCHISEE to associate its social media accounts with COMPANY's website or COMPANY-controlled social media pages or accounts. FRANCHISEE may be required to provide COMPANY with ownership and/or login rights to any social media account using the Marks or any version or abbreviation thereof. FRANCHISEE understands and acknowledges that such accounts shall remain the property of the COMPANY upon termination or expiration of this Agreement. FRANCHISEE may be required to pay any and all costs associated with the creation and maintenance of its social media presence. If FRANCHISEE wishes to modify or social media presence, all proposed modifications, other than job and staff listings, must be approved in writing by COMPANY before use.

(f) FRANCHISEE shall purchase or lease and maintain for use in the Franchised Business such computer equipment and communication software as is specified by COMPANY (presently a Windows PC or Mac OS computer or tablet with Wi-Fi or Ethernet connectivity; and a Web Browser in its most recent stable version (Google Chrome or Mozilla Firefox). FRANCHISEE shall have equipment with access to the Internet with a minimum speed of 5 MB per second or as set forth in the Operations Manual. FRANCHISEE agrees to execute the Application License Agreement, which includes support, maintenance, and enhancement provisions in connection with the customized software ("Software") that COMPANY makes available to FRANCHISEE for use either in data base management or transmission of client statistical data. FRANCHISEE agrees that it will not use any software for database management or transmission of client statistical data, except the Software as is supplied by COMPANY.

(g) If COMPANY shall designate that certain equipment, advertising materials, services, or other supplies, products, and materials required for the operation of the Franchised Business shall be purchased on a group basis by all franchisees of COMPANY solely from suppliers (i) who demonstrate to the continuing reasonable satisfaction of COMPANY the ability to meet COMPANY's reasonable standards, specifications, and requirements for such items regarding quality, variety, service, cost, safety, and health; (ii) who possess adequate quality control and capacity to supply the needs of all of COMPANY's franchisees promptly and reliably; (iii) who are of a sound financial condition and business reputation; (iv) who will supply such items to a sufficient number of franchise owners to enable COMPANY economically to mount a compliance by the supplier with COMPANY standard specifications and requirements; and (v) who have been approved for such items in writing by COMPANY and not thereafter disapproved upon written notification, FRANCHISEE shall purchase such equipment, advertising materials, services, or supplies from said supplier(s) and execute any and all agreements necessary in connection therewith. In the event FRANCHISEE shall be in breach of any such agreements, FRANCHISEE shall be in breach of Section 17.02 of this Agreement.

10.19. FRANCHISEE shall not cause or permit the Center location in which the Franchised Business is operated to be utilized for any purpose or business of any kind or nature whatsoever other than the Franchised Business.

10.20. During the term and any extended term of this Agreement and thereafter, FRANCHISEE covenants not to communicate directly or indirectly, to divulge or use for its benefit or the benefit of any other person or legal entity, any trade secrets that are proprietary to COMPANY or any information, knowledge, or know-how deemed confidential under this Agreement hereof, except as permitted by COMPANY. The protection granted hereunder shall be in addition to and not in lieu of all other protections for such trade secrets and confidential information as may otherwise be afforded by law or set forth otherwise in this Agreement. Any and all information, knowledge and know-how not generally known about the System, the Licensed Technology, and COMPANY's business, standards, procedures, techniques, and such other information or material as COMPANY may designate as confidential shall be deemed confidential for purposes of this Agreement.

10.21. FRANCHISEE shall conspicuously identify itself at its Center location and in all dealings with customers, contractors, suppliers, public officials, and others as an independent franchisee of COMPANY and shall place its legal or trade name and/or such notices of independent ownership on such forms, stationery, advertising, other than classified advertising, and other materials as set forth in the Operations Manual.

10.22. FRANCHISEE shall be required to attend and pay a registration fee for COMPANY's Annual convention. The cost of registration will vary depending on the program, the number of speakers, and the contribution of sponsors. The travel, lodging, and food costs will be in addition to the registration fee, but these costs may be discounted and/or subsidized by COMPANY.

10.23. FRANCHISEE shall comply with each and every obligation and abide by each and every covenant hereunder. FRANCHISEE agrees that in the event it fails to comply with any of its obligations contained in this Agreement, in addition to the remedies afforded COMPANY pursuant to Section 17 hereof, COMPANY may apply any and all penalties associated with such violation, as set forth in the Operations Manual.

11. INSURANCE

11.01. Unless otherwise required by law, FRANCHISEE shall obtain, at its own cost and expense through COMPANY's designated broker, (i) Comprehensive Commercial General Liability, including all extensions, in an amount not less than one million dollars (\$1,000,000) per occurrence, written on an occurrence basis, and \$3,000,000 in the aggregate, including Business Personal Property and Improvements and Betterments at the suggested minimum amounts; (ii) Professional Liability coverage, including, but not limited to, education services (\$1,000,000 per occurrence and \$3,000,000 in the aggregate, which must include coverage for contingent bodily injury and property damage in the amount of \$1,000,000); (iii) Abuse & Molestation coverage (\$1,000,000 per occurrence; \$3,000,000 in the aggregate); (iv) Commercial automobile liability insurance covering vehicles that are owned, non-owned, or hired by the Franchised Business with a combined single limit of \$1,000,000, (v) Employment Practices Liability Insurance in an amount not less than one million dollars (\$1,000,000) per occurrence; and (vi) Workers Compensation Insurance in an amount not less one million dollars (\$1,000,000) per occurrence. FRANCHISEE also agrees to obtain disability, and any other insurance required by law in the state in which the Franchised Business office is located. FRANCHISEE

acknowledges that COMPANY may modify or increase the insurance requirements during the term of this agreement due to changes in experience, market conditions, and regulatory or legal changes that could increase exposure, and hereby agrees to comply with the new requirements. COMPANY must be named as an additional insured on all of these policies except for workers compensation.

11.02. All such policies shall be primary to and without right of contribution from any insurance maintained by COMPANY, name COMPANY, its parent company and all affiliates, as specified by COMPANY as additional insureds and shall include a provision that they shall not be cancelled or materially amended without twenty (20) days prior written notice to COMPANY. FRANCHISEE agrees that these insurance policies may not be cancelled, non-renewed, or materially amended during the policy term without providing COMPANY with thirty (30) days' prior written notice.

Each such policy shall be issued by an insurer and shall be in form and substance reasonably satisfactory to COMPANY. Prior to the commencement of the Franchised Business, and upon each renewal of any such policy, FRANCHISEE shall deliver to COMPANY certificates of insurance evidencing the existence and continuation of proper coverage with limits not less than those required hereunder along with all endorsements and declarations pages evidencing COMPANY's rights as an additional insured. In addition, FRANCHISEE shall deliver to COMPANY a certificate of insurance for the policy or policies required by this Agreement.

11.03. Maintenance of such insurance, and the performance by FRANCHISEE of the obligations under Section 11.02, shall not relieve FRANCHISEE of any liability to COMPANY under this Agreement, whether under the indemnity provision of this Agreement as set forth in Section 19 or otherwise.

11.04. If FRANCHISEE shall for any reason fail to procure or maintain insurance coverage required by this Agreement, COMPANY shall have the right, at its option, to procure such insurance and FRANCHISEE will pay and reimburse COMPANY for all costs of same, including administrative costs associated therewith. FRANCHISEE shall execute all forms, applications, and documents reasonably required with respect to obtaining such insurance and the making of any claims thereunder. Notwithstanding COMPANY's right to purchase insurance, if FRANCHISEE fails to procure or maintain insurance as required by this Agreement or to reimburse COMPANY promptly in the event COMPANY purchases insurance as hereinabove provided, then COMPANY may consider such failure to constitute a default of this Agreement.

12. THE MARKS

12.01. FRANCHISEE agrees that the Marks licensed under this Agreement are owned by COMPANY, that the Marks licensed under this Agreement are valid service and/or trademarks, and that only COMPANY, its affiliates, and/or its designated franchisees shall have the right to use the Marks or any other trademarks, service marks, trade names, service names, logos, copyrights, and other marks presently existing or hereafter acquired by COMPANY for use by its franchisees or affiliates.

12.02. FRANCHISEE agrees that valuable good will is attached to the Marks, and any copyrights owned by COMPANY which FRANCHISEE is authorized to utilize in connection with the Franchised Business ("Copyrights") and that FRANCHISEE will use the Marks and Copyrights in all forms, whether print, electronic media or otherwise, only in the manner and to the extent specifically permitted by this Agreement or specified by COMPANY.

12.03. FRANCHISEE agrees that its use under this Agreement and the license granted by this Agreement for use of the Marks is non-exclusive and that COMPANY, in its sole discretion, has the right to operate or authorize others to operate businesses under the Marks on any terms and conditions COMPANY deems appropriate, subject only to the provisions of this Agreement.

12.04. Upon the expiration or termination of this Agreement, FRANCHISEE agrees that it shall not directly or indirectly contest the right, title, interest, validity, or ownership of COMPANY in the Marks and Copyrights.

12.05. FRANCHISEE shall promptly notify COMPANY of any claim, demand, or suit based upon or arising from, or any attempt by any other person or entity to use the Marks or Copyrights.

12.06. If COMPANY shall be a party to any litigation with respect to the Marks or Copyrights, FRANCHISEE shall execute any and all documents that are reasonable and necessary and do such things as may be reasonable and necessary for COMPANY to defend or prosecute such litigation in its sole discretion.

12.07. FRANCHISEE agrees that any good will associated with the Marks and Copyrights, including any good will that might be deemed to have accrued from FRANCHISEE's activities, inures directly and exclusively to the benefit of COMPANY, except as may be specifically provided to the contrary herein or by applicable law.

12.08. FRANCHISEE agrees that each and every detail of the System is valuable to COMPANY and to other franchisees of COMPANY in developing and maintaining uniformity of services throughout the franchise network. Therefore, to enhance the reputation and good will of COMPANY, FRANCHISEE agrees to:

- (a) operate, advertise, and promote the Franchised Business under the Marks exactly as set forth in the Operations Manual;

- (b) adopt and use the Marks in accordance with rules now or hereafter prescribed in writing by COMPANY; and

- (c) conduct its Franchised Business under the Marks in accordance with the operational standards established from time to time by COMPANY, as described in COMPANY's confidential Operations Manual and/or other documents now or hereafter loaned or provided by COMPANY to FRANCHISEE.

12.09. FRANCHISEE expressly covenants that, during the term of this Agreement and thereafter, FRANCHISEE shall not, directly or indirectly, commit any act of infringement or take any other action in derogation of COMPANY's rights in or to use the Marks.

12.10. COMPANY reserves the right in its sole discretion at any time to direct a termination in use of any of the Marks, to designate, if appropriate, one or more new, modified, or replacement marks for use by franchisees and to require the use by FRANCHISEE of any such new, modified, or replacement marks in addition to or in lieu of any previously designated marks, including but not limited to the Marks. FRANCHISEE shall not be entitled to any compensation as a result of the discontinuation or modification of the Marks. Any expenses or costs associated with the use by FRANCHISEE of any such new, modified, or replacement marks shall be the sole responsibility of FRANCHISEE.

13. OPERATIONS MANUAL

13.01. FRANCHISEE, in order to protect the reputation and good will associated with the Marks and to maintain uniform standards of operation throughout the franchise network, shall conduct its Franchised Business in strict accordance with COMPANY's policies including, but not limited to, those contained in the Operations Manual. For purposes of this Agreement, the "Operations Manual" is defined as a collection of manuals, guides, and other written, audio taped, or videotaped materials provided to FRANCHISEE. COMPANY, from time to time, may revise the Operations Manual to reflect new developments and approaches discovered in research development, assessment tools, evaluation materials, sales, marketing, and operational techniques, and other procedures relevant to the operation of the Franchised Business under the Marks, and FRANCHISEE shall comply with all such revisions, except those pertaining to Center layout and furnishings (so long as the Center remains in the same location and remodeling is not necessary based on wear and tear), including such revisions as may require the expenditure of reasonable sums of money by FRANCHISEE, provided that such requirements shall also be applied in a reasonably non-discriminatory manner to all comparable franchised businesses of COMPANY.

13.02. The Operations Manual shall be made available to FRANCHISEE at the time of the Initial Training Program and via download from the CRM software, and it shall at all times remain the sole property of COMPANY. The Operations Manual may designate certain technologies, including the Cognitive App, as required for use in the operation of the Franchised Business, and FRANCHISEE shall comply with all such requirements. FRANCHISEE shall treat the Operations Manual as confidential, and FRANCHISEE shall not at any time disclose, copy, duplicate, record, or otherwise reproduce the Operations Manual, in whole or in part, or make the contents of the Operations Manual available to any unauthorized persons.

14. OPERATION OF BUSINESS

14.01. FRANCHISEE agrees that the commencement and continuous operation of the Franchised Business pursuant to all applicable laws, rules, and regulations is essential to the adequate promotion of COMPANY's franchise network and that any failure by FRANCHISEE to open and continuously operate the Franchised Business shall have a negative effect on COMPANY both locally and nationally.

14.02. If, for any reason, FRANCHISEE shall fail to commence operations within nine (9) months from the date of this Agreement, COMPANY, at its option, may either (a) grant FRANCHISEE, in writing, a one-time, ninety (90) day extension of such deadline or (b) terminate this Agreement and retain all monies theretofore paid by FRANCHISEE to COMPANY.

14.03. FRANCHISEE agrees that prior to COMPANY sending a representative to finalize training and assisting FRANCHISEE in the pre-opening of its Center, FRANCHISEE shall have completed each pre-opening checklist item specified in the Operations Manual. FRANCHISEE agrees that if COMPANY sends a representative to assist with pre-opening of a Center in violation of the foregoing requirement, such violation will constitute a default under Section 17.02 hereunder, and FRANCHISEE will be responsible for any and all expenses incurred by COMPANY in connection therewith.

14.04. FRANCHISEE agrees that prior to the actual opening of its Center and initiation of the Brain Balance Program[®] with respect to any student (other than initial assessments held at the Standard Brain Balance Center location), FRANCHISEE will obtain the express written consent of COMPANY.

14.05. FRANCHISEE shall utilize all required System technologies, including the Cognitive App, in accordance with COMPANY's standards and the Operations Manual.

14.06. FRANCHISEE shall at all times prominently display signage approved by COMPANY to indicate that FRANCHISEE's Center is an independently owned and operated location within the Brain Balance Center system.

14.07. FRANCHISEE shall not employ workers in key positions specified in the Operations Manual on an independent contractor basis without COMPANY's prior written consent.

15. APPLICATION LICENSE

15.01. FRANCHISEE shall license the Software from COMPANY by executing COMPANY's then-current, non-exclusive Application License Agreement, which includes support, maintenance, enhancements, and upgrades, and pay the initial technology fee and the annual technology fee. The Software performs administrative functions for the Center, including collection of data relating to customers, data base management, and transmission of client statistical data.

15.02. FRANCHISEE shall permit COMPANY access to the Software and its data and permit COMPANY to communicate with the Software and to access and record it and its data.

16. ASSIGNMENT; PERSONAL GUARANTY

16.01. COMPANY may assign this Agreement and all of COMPANY's rights and interests herein to any successor, purchaser, transferee, or other assignee who so assumes COMPANY's obligations hereunder, and such assignment and transfer shall be binding upon FRANCHISEE. If COMPANY's assignee assumes all of the obligations of COMPANY hereunder and sends written notice of its assignment so attesting to FRANCHISEE, the

assignment shall operate to release COMPANY from all its obligations to FRANCHISEE under this Agreement from and after the date of such assignment.

16.02. If FRANCHISEE is also transferring its rights in the Standard BB Center to the same assignee, FRANCHISEE may assign or transfer this Agreement, pursuant to the terms of this Section 16. FRANCHISEE may not assign or transfer this Agreement or any rights or interests herein or in the Franchised Business or any assets of the Franchised Business other than in the ordinary course of business or a partnership interest therein, or if FRANCHISEE is a corporation or an LLC, all or part of the equity of the corporation or LLC, except upon COMPANY's prior written consent, which will not be unreasonably withheld. FRANCHISEE must first obtain a bona fide, signed, unconditional, and firm written offer from a responsible and fully identified purchaser and shall submit a complete copy of such offer to COMPANY together with COMPANY's current application for franchise completed by the prospective purchaser. Such offer must be limited to this Agreement and the Franchised Business and may not include the purchase of any other property. Prior to any such assignment or transfer, a right of first refusal to acquire the entire right or interest of FRANCHISEE in the Franchised Business proposed to be assigned or transferred shall be offered by FRANCHISEE to COMPANY on the same terms and conditions offered to the proposed assignee or transferee provided that COMPANY may substitute cash for any form of payment proposed in such offer and provided that COMPANY's credit shall be deemed equal to the credit of any proposed purchaser, and COMPANY shall have not less than thirty (30) days from the exercise of its option to consummate the transaction. COMPANY shall have not less than thirty (30) nor more than one-hundred and twenty (120) days following the receipt of such offer to exercise its right to purchase.

16.03. If COMPANY does not exercise this right of first refusal, FRANCHISEE may complete the sale to such purchaser pursuant to and on the terms of said offer, subject to COMPANY's prior written approval of the purchaser as provided herein. However, if the sale to such purchaser is not completed within one hundred twenty (120) days after delivery of such offer to COMPANY, or upon substantially the same terms of the sale as specified in such offer, COMPANY shall again have the right of first refusal as herein provided.

COMPANY's written approval of the proposed sale to the named purchaser, if given, shall be conditioned upon the following:

(a) Only the entire interest of FRANCHISEE under this Agreement may be assigned or transferred, and the entire interest of FRANCHISEE or its affiliated parties in the Standard BB Center must also be assigned and transferred to the same party.

(b) Unless the assignee or transferee is a franchisee of COMPANY, the assignee or transferee shall undertake and successfully complete COMPANY's Initial Training Program at a location designated by COMPANY at the assignee or transferee's expense.

(c) The proposed assignee or transferee shall meet the standards then imposed by COMPANY for new franchisees and shall demonstrate to COMPANY's satisfaction the ability to operate the business being transferred. FRANCHISEE shall provide COMPANY with a resume, credit check, and all such other information reasonably required by COMPANY

with respect to the proposed assignee or transferee who shall be personally interviewed at a location designated by COMPANY at no cost to COMPANY.

(d) The assignee or transferee executing both (x) a new 10-year franchise agreement in the form being used at the time by COMPANY for this franchise program, which agreement shall govern the rights and obligations of the parties, provided, however, the purchaser will not be obliged to pay an Initial Franchise Fee, and the Royalty as set forth in this Agreement shall not be altered, and (y) such other documents as COMPANY shall reasonably request in form and substance satisfactory to COMPANY.

(e) FRANCHISEE shall have paid to COMPANY a Transfer Fee, the amount of \$10,000 for the training, supervision, administration, accounting, legal, and/or other expenses of COMPANY in connection with the assignment and transfer. This Transfer Fee shall be collected for the combined transfer of the Standard BB Center and this Franchised Business.

(f) FRANCHISEE shall have paid to COMPANY all monies due and payable pursuant to this Agreement.

(g) FRANCHISEE's transferee shall have paid to COMPANY a Software Agreement transfer fee equal to \$2,500.

(h) FRANCHISEE not retaining a security interest in the Franchise or any subsequent franchise granted to the purchaser and agreeing that all obligations of the purchaser under or pursuant to any promissory notes or agreements between FRANCHISEE and the purchaser shall be subordinate to the obligations of the purchaser to pay all monies due to COMPANY.

(i) FRANCHISEE shall have agreed in writing to remain obligated under the covenants contained in Section 18 hereof as if this Agreement had terminated on the date of transfer.

(j) FRANCHISEE has executed a general release of all claims against COMPANY arising out of or related to this Agreement and the obligations and performance of COMPANY pursuant to it; provided however, that nothing in this Agreement shall be construed to waive or limit the right of FRANCHISEE to seek equitable relief or to enforce rights that, under applicable law, cannot be waived by contract; it being the intent of this paragraph to preserve such non-waivable rights to the extent permissible under Delaware law.

16.04. In the event that COMPANY does not approve such purchaser, then FRANCHISEE may not proceed with the sale of the Franchised Business or of shares of stock or membership interests to such proposed purchaser. Further, in such event, FRANCHISEE shall not be relieved of his/her obligations under this Franchise Agreement, and FRANCHISEE shall continue to be fully bound by its terms until the termination of this Agreement in the manner and upon the conditions as provided herein.

16.05. Any change by operation of law or otherwise, on one or more occasion, of the control or ownership of shares of any class of outstanding stock or membership interests of a corporate FRANCHISEE or its parent, either beneficial or of record, whether by merger,

consolidation, or otherwise, or of any interest in the partnership of a partner, FRANCHISEE, or of membership interests of an LLC, or sale of assets other than in the ordinary course of business shall constitute an assignment of this Agreement and shall be subject to the provisions of this Agreement regarding assignment.

16.06. The Franchise granted by COMPANY pursuant to this Agreement is personal in nature. FRANCHISEE shall remain at all times personally responsible for the performance of all obligations required to be performed by FRANCHISEE pursuant to this Agreement. No sale, assignment, transfer, conveyance, encumbrance, or gift of an interest in this Agreement, or in a Franchise granted hereby, shall relieve FRANCHISEE, its members, shareholders, or partners from the obligations of FRANCHISEE hereunder except with the express written agreement to the contrary of COMPANY, which will not be unreasonably withheld as to all obligations arising from and after a sale, assignment, transfer, conveyance, encumbrance, or gift to an unrelated third party other than those that apply following termination or expiration of this Agreement.

16.07. In consideration of, and as an inducement to, the execution by COMPANY of this Agreement, each of the undersigned individual parties owning ten percent (10%) or more interest in FRANCHISEE, as well as their spouses (even if the spouse holds a 0% ownership interest in the FRANCHISEE) signs the form of personal guaranty attached as Exhibit 6.

16.08. FRANCHISEE, if an individual or partnership, may, and upon the request of COMPANY shall, assign and transfer this agreement and all of the rights hereunder to a corporation, LLC, or company wholly owned by FRANCHISEE, provided: (i) the individual FRANCHISEE (or each member or partner, if a limited liability company or partnership) remains liable for all obligations of FRANCHISEE hereunder; (ii) a fully executed assignment and assumption, in form and substance acceptable to COMPANY, is delivered by FRANCHISEE to COMPANY; (iii) the corporation, LLC, or company is newly organized (within thirty (30) days of the proposed transfer) and duly incorporated or organized and proof thereof is furnished to COMPANY; (iv) the person(s) signing this Agreement as FRANCHISEE and FRANCHISEE's spouse and adult children shall be the owner(s) of all of the outstanding voting stock or interests of the assignee entity and the sole directors own all of the membership interests of an LLC or all of the equity of any such company and any of the foregoing is the Manager of the LLC; (v) FRANCHISEE is the principal executive and operating officer of said corporation, LLC, or company; (vi) the activities of said corporation, LLC, or company are confined exclusively to the operation of the Franchised Business or any other business franchised or licensed by COMPANY to FRANCHISEE; and (vii) the name of said corporation, LLC, or company shall not include the Marks and shall be as set forth on Schedule I.

16.09. In the event of the death or incapacity of an individual FRANCHISEE, or any partner, shareholder or member of FRANCHISEE if it is a partnership, corporation or LLC, COMPANY may terminate this Agreement unless, within six (6) months of such event, the heirs, beneficiaries, devisees, or legal or personal representatives of said individual, partner, member, or shareholder, together with all surviving partners, members or shareholders:

(a) Request the right from COMPANY, in writing, to continue to operate the Franchised Business and the Standard BB Center, which request shall be granted by

COMPANY, and no further transfer shall be required, provided the party who is to operate both businesses, in COMPANY'S determination, is reasonably capable of doing so; or

(b) Sell, assign, transfer, or convey FRANCHISEE's interest in and to this Agreement in compliance with the provisions of this Section 16 (provided, however, that if a proper and timely application for the right to continue to operate has been made and rejected, the six (6) months permitted in this Section 16.08 (b) to sell, assign, transfer, or convey shall be computed from the date of such rejection).

17. DEFAULT; TERMINATION

17.01. COMPANY shall have the absolute right, at its option, to terminate this Agreement and all rights granted hereunder, upon any of the following Non-Curable Defaults by FRANCHISEE, without giving an opportunity to cure the default and without prejudice to any other rights or remedies of COMPANY provided by law or this Agreement, effective immediately upon the provision of notice to FRANCHISEE or at such later time as indicated in such notice if:

(a) FRANCHISEE fails to complete the initial Training Program prior to opening of the Center;

(b) FRANCHISEE or any of its members, shareholders, officers, or FRANCHISEE's spouse use or disclose any of the Operations Manual, trade secrets, or confidential information in violation of this Agreement or any ancillary agreement signed in connection with this Agreement;

(c) FRANCHISEE files a petition in bankruptcy or a petition in bankruptcy is filed against FRANCHISEE, which is not vacated after prompt and diligent effort to do so, or if FRANCHISEE files a petition for any relief under the United States Bankruptcy Act, or any state statute for protection against creditors, or FRANCHISEE becomes bankrupt or insolvent, or makes an assignment for the benefit of its creditors, or FRANCHISEE discontinues the Franchised Business, or a receiver is appointed over the operation of the Franchised Business and is not removed after prompt and diligent efforts to do so;

(d) FRANCHISEE maintains false books, records, or financial or operating statements;

(e) FRANCHISEE or any officer, director, partner, member, or principal shareholder of FRANCHISEE is convicted of a felony or the conversion or embezzlement of any property or funds, whether belonging to COMPANY or any other party, or a crime involving moral turpitude;

(f) FRANCHISEE receives from COMPANY three (3) or more notices to cure defaults or violations of this Agreement within a twelve (12) month period;

(g) failure to achieve \$350,000 of GR in any 12-month period following the third anniversary of the date of the Franchise Agreement or in any year of the Franchise Agreement if a renewal agreement; or

(h) the occurrence of any default or breach by FRANCHISEE (or its principals, partners, members, officers, shareholders or directors, or their respective spouses) of any other agreement between COMPANY (or its Affiliates and subsidiaries) and FRANCHISEE or any entity with which FRANCHISEE, any of its officers, shareholders, directors, employees, partners, or members is an Affiliate shall be deemed a default under this Agreement. Any default or breach of this Agreement by FRANCHISEE or any entity with which FRANCHISEE, any of its officers, shareholders, directors, employees, partners, or members is an Affiliate, shall be deemed a default or breach under any and all other agreements between Franchisor (or its Affiliates and subsidiaries) and FRANCHISEE (or any entity with which FRANCHISEE, any of its officers, shareholders, directors, employees, partners, or members is an Affiliate). If the nature of such default under any other agreement would have permitted Franchisor to terminate this Agreement had said default occurred hereunder, Franchisor shall have the right to terminate all of the other agreements between Franchisor and FRANCHISEE, in the same manner provided for herein for termination of this Agreement. Notwithstanding anything to the contrary herein, this Section shall not apply to a breach of any Development Agreement entered into by FRANCHISEE (or its Affiliates and subsidiaries). For purposes of this section 17.01(h), Affiliate shall refer to any person or entity controlling, controlled by, or under common control with the subject person or entity.

17.02. It shall be an event of default (“Event of Default”) if:

(a) FRANCHISEE fails to make any payment, when due, required by the terms of this Agreement or any other agreement between COMPANY and FRANCHISEE, or violates any other term, provision, or condition of this Agreement or any other agreement between COMPANY and FRANCHISEE, and such failure or violation continues for more than fifteen (15) days (or such longer period as may be required by law) after notice from COMPANY to FRANCHISEE;

(b) a judgment is obtained against FRANCHISEE and is not satisfied or bonded within fifteen (15) days after entry thereof;

(c) FRANCHISEE, after using its best efforts to do so, is unable to maintain or renew any license or permit required or which may be required for operation of the Franchised Business by any state or jurisdiction where the Franchised Business is to be located or any license or permit is suspended or revoked, and all appeals therefrom have been exhausted or the time to exercise such appeals has elapsed;

(d) FRANCHISEE damages the reputation for honesty, fair dealing, integrity, or good moral character of COMPANY;

(e) FRANCHISEE damages the good will of COMPANY, its reputation, or the Marks or any other name, trade name, or service mark of COMPANY;

(f) FRANCHISEE attempts to assign or transfer its rights or obligations under this Agreement, or any portion thereof, without the prior written approval of COMPANY or as is specifically permitted hereunder;

(g) FRANCHISEE fails to open the Franchised Business and commence business within the time prescribed by Section 14.02 of this Agreement;

(h) FRANCHISEE denies COMPANY the right to inspect, examine, or audit the Center in accordance with this Agreement;

(i) An audit of FRANCHISEE'S books and records reflects an understatement of GR as reported to COMPANY of five percent (5%) or more for any calendar year;

(j) FRANCHISEE is in breach of any of the terms or conditions of the Software Agreement;

(k) FRANCHISEE is in breach of any of the agreements with supplier(s) designated by COMPANY for purchase of equipment, advertising materials, services or other supplies, products, and materials required for the operation of the Franchised Business; or

(l) FRANCHISEE abandons, fails to renew, or otherwise loses the right to operate or stops operating the Standard Brain Balance Center and fails to convert the Franchised Business into a standard Brain Balance Center within a period of 30 days from the date of non-operation of the Standard Brain Balance Center.

17.03. (a) Upon the occurrence of an Event of Default, COMPANY, at its option, may terminate this Agreement on five (5) days' written notice (or a notice for a longer period of time as may be required by the law of the jurisdiction in which FRANCHISEE's Center is located) without a right to cure, and this Agreement, together with the Franchise granted hereunder, shall thereupon expire.

(b) Upon the occurrence of an Event of Default that continues for thirty (30) or more days of COMPANY giving FRANCHISEE notice of such default, COMPANY shall have the absolute right without additional notice, to cease providing or making available any or all services and benefits provided for hereunder to FRANCHISEE until FRANCHISEE is current in the payment of fees and the filing of reports and has cured all other defaults. COMPANY's exercise of such right shall not diminish FRANCHISEE's continuing obligations under this Agreement or constitute an actual or constructive termination of this Agreement.

17.04. Upon the termination of this Agreement, whether as a result of an Event of Default or for any other reason, FRANCHISEE shall:

(a) Cease to be a FRANCHISEE, cease to operate the Franchised Business, and refrain and desist from using the names and Marks and all other marks, trade names, trademarks, or logos of COMPANY, or such names or logos similar thereto, in any manner whatsoever, including, without limitation, together with other words such as "formerly known as."

(b) Promptly change FRANCHISEE's name to a name that does not include the words "Brain Balance®" or "BBF" or any of the Marks or any words similar thereto.

(c) Promptly pay to COMPANY all debts, including any outstanding Royalty and Advertising Fund contribution, arising from FRANCHISEE's obligations under this Agreement, which shall upon termination for any default by FRANCHISEE include all damages, costs, and expenses, including reasonable attorney's fees, incurred by COMPANY in obtaining

injunctive relief for the enforcement of any provision of this Agreement as a result of the default and all Royalty and Advertising Fund contributions for the entire unperformed term of this Agreement.

(d) Promptly endeavor to collect all accounts receivable and file reports with respect thereto that derive from services provided by FRANCHISEE pursuant to this Agreement whether before or after termination of this Agreement and pay COMPANY any Royalty or Advertising Fund contribution due thereon in the amount and manner required by this Agreement.

(e) Deliver to COMPANY (electronically, if so requested by COMPANY) within ten (10) days of termination: (i) all files and records in respect to client services, research and development data provided to, or maintained by, FRANCHISEE through the System; (ii) all records, lists, and information concerning or relating to client accounts and prospective clients, and employees of FRANCHISEE; (iii) all other information maintained by FRANCHISEE, whether in written or electronic form, with respect to said clients, prospective clients, and employees; and (iv) all copies of COMPANY's Operations Manual, video tapes, and all other materials bearing the Marks or otherwise belonging to COMPANY.

(f) Immediately refrain and desist from the use of the Franchised Business's telephone number or numbers and, at the option of COMPANY, transfer and assign the right to use such number or numbers to COMPANY or COMPANY's designee and to take such action as may be required by BBF to transfer and assign to BBF or its designee all telephone numbers and white and yellow page telephone references and advertisements as set forth on the Conditional Assignment of Telephone Numbers annexed hereto as Exhibit 4.

(g) Immediately refrain and desist from the use of the Center premises from which the Franchised Business was operating and, upon the option of COMPANY, assign to COMPANY or COMPANY's designee the lease and right to use such premises pursuant to which assignment FRANCHISEE shall remain liable for all obligations to landlord accrued or derived from any date on or before the date of the assignment and COMPANY or COMPANY's designee, whichever is the assignee, shall assume only those obligations accruing after the date of such assignment.

(h) Not disclose to any person, firm, or corporation any of the trade secrets or confidential data furnished to FRANCHISEE by COMPANY, it being agreed that the term "trade secrets or confidential data" shall mean information communicated to FRANCHISEE by COMPANY and other data and information made available to FRANCHISEE in the operation of the Franchised Business, including, but not limited to, the Operations Manual, procedures, protocols, practices, forms, instructions, methods of operations, training programs, contracts, advertising, sales promotion programs, service programs, and other information so denoted elsewhere in this Agreement.

(i) Irrevocably refrain and desist from the use of any trade secrets or confidential data or information made available to FRANCHISEE in the operation of the Franchised Business, including but not limited to refraining and desisting from acting as a

consultant or service provider to any current or future franchisee within the System's network utilizing any such information.

(j) Irrevocably assign and transfer to COMPANY (or to another franchisee or designee of COMPANY) any and all interest FRANCHISEE may have in the website link and any and all social media accounts or usernames maintained in connection with the Franchised Business; to execute any documents and perform any other actions COMPANY requires to effectuate this assignment and transfer and otherwise ensure that all such rights revert to COMPANY (or to another franchisee or designee of COMPANY); and not to establish any website or social media accounts or names using the Marks or any names similar or confusingly similar to the domain names or account names used in the Business and not to identify itself on any website as a former COMPANY franchisee.

17.05. FRANCHISEE shall retain no equity or interest in the Franchise or the Franchised Business following termination for any reason or non-renewal, and FRANCHISEE shall receive no payment or compensation whatsoever for any goodwill FRANCHISEE may have established either prior to or during the operation of the Franchised Business.

18. COVENANT NOT TO COMPETE

18.01. Throughout the term of this Agreement, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall own, maintain, or have any interest in or otherwise participate or engage in, either directly or indirectly, by itself or in conjunction with any other person or entity, any supplemental education services business whether as partner, stockholder, member, officer, director, employee, representative, or in any other capacity, except if such other business is franchised by COMPANY.

18.02. (a) Throughout the term of this Agreement, and for a period of two (2) years after termination, regardless of cause of the termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall divert, or attempt to divert, any business of, or any clients of, the Business to any other competitive establishment, by direct or indirect inducement or otherwise.

(b) Throughout the term of this Agreement, and for a period of two (2) years after termination, regardless of cause of the termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall divert, or attempt to divert, any business of, or any clients of, COMPANY or any other franchisee or affiliate of COMPANY to any other competitive establishment, by direct or indirect inducement or otherwise.

(c) Throughout the term of this Agreement, and for a period of two (2) years after termination, regardless of cause of the termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall, directly or indirectly, seek for employment, employ, or attempt to employ any person who is at the time employed by the Business or otherwise directly or indirectly induce such persons to leave their employment.

(d) Throughout the term of this Agreement, and for a period of two (2) years after termination, regardless of cause of the termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall, directly or indirectly, seek for employment, employ, or attempt to employ any person who is at the time employed by COMPANY or any franchisee or affiliate of COMPANY or otherwise directly or indirectly induce such persons to leave their employment.

18.03. Throughout the term of this Agreement and after its termination, regardless of the cause of termination, expiration, or upon non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall communicate, divulge, or use for the benefit of any other person, partnership, association, or corporation any confidential information, knowledge, trade secrets, proprietary information, or private processes of COMPANY, or any information or knowledge concerning the methods of operation utilized in the Business.

18.04. For a period of two (2) years after the termination of this Agreement, regardless of the cause of termination, expiration, or non-renewal, neither FRANCHISEE nor any of its officers, directors, shareholders, members, or partners shall enter into the supplemental educational services business, or engage in other related activities, whether as a partner, stockholder, officer, director, employee, representative, or in any other capacity within a fifty (50) mile radius of the Center.

18.05. FRANCHISEE acknowledges that the covenants not to compete set forth in this Agreement are fair and reasonable and will not impose any undue hardship on FRANCHISEE, since FRANCHISEE has other considerable skills, experience, and education that afford FRANCHISEE the opportunity to derive income from other endeavors.

18.06. For the purposes of this Section 18, FRANCHISEE agrees that any conduct of FRANCHISEE's spouse or a member of FRANCHISEE's immediate family, which if committed by FRANCHISEE would be a breach hereof, shall be deemed a breach hereof.

18.07. COMPANY's right to obtain injunctive or other equitable relief shall be in addition to any other remedies available at law or in equity and shall not be limited by any provision of this Agreement. Nothing in this Agreement shall be construed to waive or limit the right of COMPANY to seek such equitable relief under applicable Delaware law. .

19. INDEMNIFICATION

(a) FRANCHISEE agrees at its cost to protect, defend, indemnify, and hold COMPANY, its parent if any, or any affiliate or subsidiary corporation, or assigns, and their respective directors, officers, shareholders, and members jointly and severally harmless from and against all claims, actions, proceedings, damages, costs, expenses, and other losses and liabilities, directly or indirectly incurred (including without limitation attorneys' and accountants' fees), in connection with any action, suit, proceeding, claim, demand, investigation, or formal or informal inquiry (regardless of whether the same is reduced to judgment) or any settlement thereof, as a result of, arising out of, or connected with the operation of the Franchised Business. This indemnity shall in no way be limited by the existence or non-existence of insurance coverage and shall also apply to claims, actions, proceedings, damages, costs, expenses, and other losses and liabilities not

covered either under deductible provisions of such insurance coverage or in excess of insurance coverage required hereunder or otherwise not covered.

(b) For the purpose of this Section 19.01, the indemnification shall be deemed to include all losses, compensatory, exemplary, or punitive damages, fines, charges, costs, expenses, lost profits, attorneys' fees, experts' fees, court costs, settlement amounts, judgment, compensation for damages to COMPANY's reputation and goodwill, costs of or resulting from delays, financing, costs of advertising material and media time/space, and costs of changing, substituting or replacing same, and any and all expenses of refunds, compensation, public notices, and other such amounts incurred in connection with the matters described.

(c) FRANCHISEE agrees to give COMPANY notice of any such action, lawsuit, proceeding, claim, demand, inquiry, or investigation. At the expense and risk of FRANCHISEE, COMPANY may elect to assume (but under no circumstance is obligated to undertake) the defense and/or settlement of any such action, suit, proceeding, claim, demand, inquiry, or investigation, provided that COMPANY will seek the advice and counsel of FRANCHISEE and shall keep FRANCHISEE informed with regard to any such proposed or contemplated settlement(s). Such an undertaking by COMPANY shall in no manner or form diminish FRANCHISEE's obligation to indemnify COMPANY and to hold it harmless.

20. ARBITRATION; REMEDIES

20.01. Except as provided in Section 20.02 below, COMPANY and FRANCHISEE agree that any and all disputes between them, and any claim by either party that cannot be amicably settled (including tort as well as contract claims, claims based upon any federal, state, or local statute, law, order, ordinance, or regulations, and claims arising from any relationship prior to, at the time of entering, during the term of, or upon or after expiration or termination of this Agreement) except for claims relating to the Marks or other service marks or commercial symbols of COMPANY, shall be determined solely and exclusively by arbitration under the Federal Arbitration Act, as amended, and in accordance with the rules then obtaining of the American Arbitration Association or any successor in Wilmington, Delaware, unless the parties otherwise agree in writing. COMPANY and FRANCHISEE consent to personal jurisdiction and hereby waive all objections to personal jurisdiction or venue for the purpose of carrying out the purposes of this Paragraph 20.01. The arbitrator(s) may not under any circumstance: (i) stay the effectiveness of any pending termination; (ii) assess punitive, speculative, or exemplary damages; or (iii) make any award that extends, modifies, or suspends any lawful term of this Agreement or any reasonable standard of business performance set by COMPANY in good faith. The arbitrator(s) shall be limited to the issues in dispute between COMPANY and FRANCHISEE and a dispute between any other franchisee and COMPANY shall not be considered in the same arbitration proceeding or by the same arbitrator(s). The parties shall each bear their own expense, including but not limited to all fees and expenses of the arbitrator(s), the American Arbitration Association, attorneys, and accountants. Judgment upon any award of the arbitrator(s) shall be conclusive and binding and shall be entered in a court of competent jurisdiction.

20.02. FRANCHISEE acknowledges that its franchise is one of a number of Brain Balance® Centers using COMPANY's service marks and style of conduct and that the failure on

the part of FRANCHISEE to comply with any of the terms of this Agreement could cause irreparable damage to some or all of the other offices franchised or operated by COMPANY and to COMPANY's business. Therefore, and notwithstanding the provisions contained in Paragraph 20.01 above, FRANCHISEE agrees that upon the happening of any Non-Curable Default or Event of Default set forth in Section 17.01 or 17.02, or in the event of a threatened breach by FRANCHISEE of any of the terms of this Agreement, COMPANY shall have the immediate right to secure a court order enjoining any such default or threatened breach. If this Agreement shall have been terminated, FRANCHISEE may be enjoined from any continued operation of any Center franchised under this Agreement and/or the Franchised Business. This covenant shall be independent and severable and shall be enforceable notwithstanding any other rights or remedies that either party may have.

20.03. Each right or remedy granted to COMPANY by this Agreement is cumulative of all other rights or remedies given by this Agreement or by law or equity.

20.04. (a) If a claim for amounts owed by FRANCHISEE to COMPANY is asserted in any legal proceeding before a court of competent jurisdiction, then FRANCHISEE shall not interpose any counterclaim in any such proceeding, and then both parties waive their right, if any, to a trial by jury. If COMPANY employs the services of an attorney for the collection of any unpaid amount due hereunder, FRANCHISEE shall reimburse COMPANY for all costs and expenses, including reasonable attorney's fees, incurred in such collection.

(b) In no event shall FRANCHISEE be entitled to make, nor shall FRANCHISEE make any claim, and FRANCHISEE hereby waives any claim, for money damages, nor shall FRANCHISEE claim any money damages by way of set-off, counterclaim, or defense, based upon any claim or assertion by FRANCHISEE that COMPANY has unreasonably withheld or unreasonably delayed any consent or approval to a proposed act by FRANCHISEE under any of the terms of this Franchise Agreement. FRANCHISEE's sole remedy for any such claim shall be an action or proceeding to enforce any such provisions, or for specific performance, or declaratory judgment.

(c) FRANCHISEE agrees that it will not, on grounds of any alleged non-performance or breach by COMPANY of any of the provisions of this Agreement, withhold payment of any monies due to COMPANY. In any action or proceeding commenced by COMPANY for monies owed to it by FRANCHISEE, FRANCHISEE will not interpose and waives the right to interpose any counterclaim or to remove such action to any other court or to consolidate such action with any other action in that court, or in any other court whether brought prior or subsequent to COMPANY's action.

21. MISCELLANEOUS

21.05. This Agreement shall be construed and enforced in accordance with the laws of the state of Delaware without regard to the rules of conflict of laws. Except as provided in Section 20.01, any action arising out of this Agreement may only be brought in any court of the state of Delaware located in New Castle County, Delaware, or in the United States District Court for the District of Delaware and the parties irrevocably consent to the personal jurisdiction of all such courts.

21.06. Each provision of this Agreement shall be considered severable and if for any reason any provision is deemed to be invalid or contrary to an existing or future law or regulation, it shall not impair the operation or affect the remaining provisions of this Agreement, which shall continue to be given full force and effect, and any invalid provision shall be deemed not to be a part of this Agreement. If any one or more provisions of this Agreement is found to be unreasonably restrictive by a court of competent jurisdiction, then such provisions shall be modified by the court so that they apply to the maximum extent permitted by law, and any such modification shall not affect the validity of any other provision contained in this Agreement. Notwithstanding the foregoing, if COMPANY determines that any such determination by a court adversely affects the basic consideration of the Agreement, COMPANY at its option, may terminate this Agreement.

21.07. All notices required or desired to be given under this Agreement shall be in writing and given by personal delivery, registered mail, return receipt requested, or nationally recognized overnight delivery service. Notice shall be delivered to COMPANY and FRANCHISEE at their respective addresses set forth above or at such other address as either shall designate in accordance with this Section. Notice shall be deemed given when delivered, if delivered in person; on the next business day, if delivered by nationally recognized overnight delivery service; and on the second business day following deposit in the mail, if given by registered mail.

21.08. Nothing contained in this Agreement shall constitute or be construed to constitute a partnership or joint venture between the parties and neither FRANCHISEE nor COMPANY shall have the right to obligate or bind the other in any manner whatsoever, and nothing herein contained shall be deemed or intended to give any right of any kind to any third parties. It is understood that neither FRANCHISEE nor any individual whose compensation for service is paid or required to be paid by FRANCHISEE is in any way, directly or indirectly, expressly or by implication construed to be an employee or agent of COMPANY for any purpose, and particularly with respect to any tax or contributions or requirement or withholding levied or fixed by any city, state, or federal agency.

21.09. No waiver, modification, or cancellation of any term of this Agreement shall be effective unless in writing signed by both parties except that the Operations Manual may be revised by COMPANY in its discretion as otherwise set forth herein. COMPANY will not modify the Operations Manual if the modification unreasonably increases a FRANCHISEE's obligations under the Franchise Agreement or imposes an unreasonable economic burden on a FRANCHISEE. No failure of COMPANY to exercise any power to it under this Agreement or to insist upon strict compliance by FRANCHISEE with any provision under this Agreement shall constitute a waiver of COMPANY's right to demand future compliance with each and every term of this Agreement. Waiver by COMPANY of a default by FRANCHISEE shall not affect or impair COMPANY's rights with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, or omission of COMPANY to exercise any power or right arising from a breach or default by FRANCHISEE of any of the terms or provisions of this Agreement effect or impair COMPANY's rights, nor shall it constitute a waiver by COMPANY of any right or the right to declare any subsequent breach or default. The acceptance by COMPANY of payments due to it by FRANCHISEE shall not be deemed to be a waiver by COMPANY of any prior breach or default of this Agreement by FRANCHISEE.

21.10. This Agreement and the documents referred to herein shall be construed together and constitute the entire, complete agreement between COMPANY and FRANCHISEE with respect to the subject matter hereof. The parties agree that this Agreement supersedes all prior agreements and that there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein which shall have any force or effect with reference to this Agreement, provided however, this will not apply to any representations contained in the Franchise Disclosure Document delivered to FRANCHISEE pursuant to federal or state law. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.

21.11. This Agreement shall become effective upon its acceptance in San Francisco, California, by an authorized officer of COMPANY, which acceptance shall be evidenced by the execution of this Agreement by such authorized officer and the delivery to FRANCHISEE of a fully executed copy.

21.12. Notwithstanding anything contained in this Agreement to the contrary, COMPANY shall not be in default hereunder by reason of its delay in performance of, or failure to perform, any of its obligations hereunder, if such delay or failure is caused by: (i) strikes or other labor disturbance; (ii) acts of God, or the public enemy, riots, or other civil disturbances, fire, or flood; (iii) interference by civil or military authorities; (iv) compliance with governmental laws, rules, or regulations that were not in effect and could not be reasonably anticipated as of the date of this Agreement; or (v) any other fault beyond its control or without its fault or negligence. In any such event, the time required for performance of such obligation shall be extended for an additional period equal to the period of time caused by such unavoidable delay.

21.13. Any provisions of this Agreement that impose an obligation after termination of this Agreement shall survive the termination of this Agreement and be binding on the parties.

21.14. Notwithstanding any applicable Statute of Limitations to the contrary, the parties agree that any and all claims and actions arising out of or relating to this Agreement, the relationship between FRANCHISEE and COMPANY or FRANCHISEE's operation of the Franchised Business shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action, provided, however, that this Section 21.10 shall not apply to COMPANY's rights under Sections 7.02 or 7.03 of this Agreement, which may be exercised at any time or to claims arising out of inspections or audits pursuant to Sections 7.02 or 7.03.

[Signature page follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their duly authorized officers on the day and year written above.

FRANCHISOR: BB FRANCHISING LLC

By: _____
Margaret Ford, CEO

FRANCHISEE

By: _____

By: _____

SCHEDULE I

A. Corporate and Trade Name:

If FRANCHISEE is, or when FRANCHISEE becomes, a corporation or limited liability company, the name of the corporate FRANCHISEE shall be _____ and its trade name "Brain Balance® of _____", containing the name of a town or city located within thirty (30) miles of FRANCHISEE's office, provided no part of said town or city is contained in another franchisee's territory. No other names shall be utilized by FRANCHISEE without the prior written approval of COMPANY.

B. Standard BB Center Location:

FRANCHISEE's Standard BB Center is located at _____.

C. Office Location:

FRANCHISEE's office for its Franchised Business shall be located within the following city: _____ (the "City"). The exact location of the office within the City is subject to COMPANY's prior written approval.

D. Territory:

FRANCHISEE's territory, referred to in Section 1.01 of the Franchise Agreement is described as follows:

FRANCHISOR: BB FRANCHISING LLC

By: _____
Margaret Ford, CEO

FRANCHISEE

By: _____

By: _____

EXHIBIT 1
APPLICATION LICENSE AGREEMENT

APPLICATION LICENSE AGREEMENT

This **APPLICATION LICENSE AGREEMENT** (this “Agreement”), dated as of _____, 20__ (the “Effective Date”), is entered by and between BB FRANCHISING LLC, a Delaware limited liability company, with offices located at 1320 N. Route 59, Suite 110, Naperville, IL 60563 (“Licensor”), and _____, a _____, with office located at _____ (“Licensee”).

WITNESSETH:

WHEREAS, Licensor and Licensee have entered into a Franchise Agreement dated _____ as Franchisor and Franchisee, respectively (the “Franchise Agreement”), for the operation of Brain Balance™ Center(s) which offer a program for individuals with developmental delays resulting from neurological and physiological imbalances using certain technology (the “Licensed Technology”) (the “Business”);

WHEREAS, in connection with the Licensed Technology Licensor has developed and is licensing certain proprietary software programs, through an application service provider (“ASP”), with whom Licensor has an arrangement, and is making available to its franchisees by means of web-based access; and

WHEREAS, Licensee desires to access and use Licensor’s proprietary software programs and ASP services, and Licensor desires to provide such use and services to Licensee on the terms and conditions set forth in this Agreement.

NOW THEREFORE, in consideration of the mutual representations, warranties, covenants and undertakings set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. **Grant of License.**

(a) (i) Subject to the terms and conditions set forth in this Agreement, Licensor hereby grants to Licensee, during the term hereof, a non-exclusive, non-transferable limited license, without right of sublicense (the “License”), to allow access to, and use of:

(A) the proprietary software of Licensor as specifically described in **Exhibit A** annexed hereto, including the Brain Balance Cognitive App and any other software components made available as part of the Brain Balance System, as such software may be upgraded or modified from time to time in Licensor’s sole and absolute discretion during the Term (collectively, the “Software”);

(B) the operating manuals, user instructions and such other materials as are related to the Software and as may be delivered by Licensor generally to other licensees of the Software (the “Software Materials”); and

(C) the customer data provided by the Licensee and communicated to the Software and incorporated therein via a leased line, VPN or otherwise (the “Data Feed”).

(ii) (A) Licensor does not convey any right, title to or interest in the Software or the Software Materials to Licensee other than the License granted hereunder, and all proprietary, trade secret and other rights relating to the Software and Software Materials are and shall remain the property of Licensor, and (B) Licensor makes no representations or warranties as to the completeness, accuracy, availability or quality of the information contained in, or provided pursuant to, the Data Feed.

(iii) the License granted hereunder does not grant the right to use any third party software supplied or re-sold by Licensor for use in connection with the Software for any purpose other than in connection with the Software.

(b) The Software and the Software Materials shall be used by the Users (as defined below) solely for the internal business purposes of Licensee. For purposes of this Agreement, “User” or “Users” means either employees of, or independent contractors retained by, Licensee, provided, however, that Licensee shall first have caused any such independent contractors to execute a confidentiality agreement covering the matters specified in Section 11(b)(i) in form and substance reasonably satisfactory to Licensor.

(c) The License granted hereunder is expressly limited to binary or object code versions of the Software. Licensee shall not attempt to decompile, reverse engineer, alter, or modify the Software, or otherwise seek or utilize any expression of the Software in other than object code form.

(d) The Licensee shall be deemed to have accepted the Software and Software Materials upon execution of this Agreement by both parties.

2. Application Services.

(a) Licensee acknowledges that the Software shall be provided by Licensor, either directly, or indirectly through an independent contractor designated by Licensor. Licensor, or its subcontractor, as the case may be, shall provide the appropriate rack space and connectivity for such services reasonably related thereto (collectively, the “Application Services”). The Application Services shall be provided at Licensor’s cost and shall remain the property of Licensor or its subcontractor as the case may be. The Software shall be made available to Licensee using a link (the “Access Link”) from each of Licensee’s Users’ (as defined below) computers to access and use the Software on the Access Link using a commercial host. Licensee acknowledges that while the Access Link to the database shall be dedicated for the Licensee’s sole usage, the server(s) hosting software applications which provide authentication, security of access and access to the Users may be shared with other users. Licensee further acknowledges and agrees that successful access and use of the Software by Licensee depends upon Licensee’s implementation of appropriate hardware and communication software as specified on Exhibit C hereto or as Licensor may reasonably recommend from time to time in its Operations Manual or otherwise

(collectively, the “Operating Environment”). Licensee shall be responsible for providing the Operating Environment at its own expense.

(b) Licensors shall provide, or cause to be provided, all reasonable and necessary maintenance on the Access Link(s) and shall use reasonable commercial efforts to cause the Access Link(s) to be operational twenty-four (24) hours a day, seven (7) days a week, except for scheduled maintenance and required repairs, and except for any loss or interruption in operations due to causes beyond the reasonable control of Licensors or which are not reasonably foreseeable by Licensors, including, but not limited to, interruption or failure of telecommunication or digital transmission links and Internet slow-downs or failures. Support for the Software, however, shall be subject to the Support and Maintenance Agreement (annexed hereto as Exhibit D).

3. Charges and Fees.

(a) Annual Technology Fee for Software. Licensee shall pay to Licensors upon execution hereof and thereafter on each anniversary of the Effective Date the annual technology fee specified in **Exhibit B**.

(b) Maintenance Fees. Commencing upon execution hereof and until such time as the License granted hereunder is terminated, Licensee shall pay to Licensors the annual technology fee (the “Maintenance Fees”) and the monthly third party platform hosting fees (the “Third Party Platform Fees”) specified in **Exhibit B**. The Maintenance Fees may be increased by Licensors from time to time following the initial twelve (12) month period in accordance with the terms specified in **Exhibit B**. No increase in Maintenance Fees shall exceed the CPI (as defined below) increase with respect to the year prior to such increase. “CPI” means the Consumer Price Index issued by the U.S. Department of Labor, Bureau of Labor Statistics, N.Y.–Northeastern N.J. region for the immediately preceding December 31st. The Third Party Platform Fees may be increased on thirty (30) days’ prior notice in the event that the third party hosting company increases fees charged to Licensors, and in the amount by which Licensors’ costs increase.

4. Maintenance Agreement. Provided Licensee’s payment of Maintenance Fees is current, Licensors shall provide support and maintenance services with respect to the Software to Licensee during the Term as set forth in, and subject to the terms and conditions of, the Software Maintenance Agreement in the form of **Exhibit D** annexed hereto.

5. Term. The term of this Agreement shall commence on the Effective Date and, unless sooner terminated pursuant to the terms hereof or by the termination of the Franchise Agreement, shall continue in full force and effect for the term of the Franchise Agreement or an extension or renewal thereof (the “Term”).

6. Termination.

(a) Termination of Franchise Agreement. This Agreement and the License granted hereunder shall automatically terminate, without notice to Licensee, in the event the Franchise Agreement is terminated.

(b) Termination for Convenience. Licensor may, by notice to Licensee, terminate this Agreement with at least thirty (30) days notice, provided, however, that if such termination is effective at a time other than the end of the Term or a Renewal Term of the Franchise Agreement any unearned portion of the Maintenance Fees shall be refunded to Licensee pro rata.

(c) Effect of Termination. Upon termination of this Agreement, the License granted hereunder shall terminate and (i) Licensee shall immediately cease use of the Software and Software Materials and promptly deliver to Licensor (at the address set forth on the first page of this Agreement or as otherwise directed by Licensor) or destroy as Licensor may direct, all magnetic media or other tangible items containing the Software, if any, and/or any and all copies thereof that are in the possession of Licensee, all Software Materials provided to Licensee by Licensor with respect to the Software and/or any documentation derived therefrom and any and all copies thereof and all materials, magnetic media or other tangible items containing Licensor Confidential Information (as defined in Section 11(b)(i) below); and (ii) Licensor shall promptly deliver to Licensee (at the address set forth on the first page of this Agreement) or destroy, as Licensee may direct, all materials, magnetic media or other tangible items containing Licensee Confidential Information (as defined in Section 11(b)(ii) below).

7. Representations and Warranties.

(a) *By Licensor.*

(i) Licensor represents and warrants that it has all necessary right, title and authority to (A) enter into this Agreement and perform its obligations hereunder, and (B) grant to Licensee the License granted hereunder

(b) *By Licensee.*

Licensee represents and warrants:

(i) That it has full power and authority to enter into this Agreement; and

(ii) That any corporate authorization necessary for Licensee to enter into this agreement has been obtained.

(iii) That Licensee will not infringe, violate or misuse any copyright or other proprietary right of Licensor.

(iv) That Licensee will not, during the term of this Agreement or thereafter, use or introduce any software other than the Software or any hardware into the hosting environment maintained by Licensor.

8. Limitation of Warranty and Liability.

(a) LICENSOR'S EXPRESS WARRANTIES HEREUNDER ARE IN LIEU OF AND TO THE EXCLUSION (TO THE FULLEST EXTENT PERMITTED BY LAW) OF ANY OTHER WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESSED

OR IMPLIED BY LAW, CUSTOM OR USAGE, OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR ANY WARRANTY OF NON-INFRINGEMENT, THAT THE SOFTWARE IS ERROR FREE OR FREE OF HARMFUL CODE OR THAT AVAILABILITY OF THE SOFTWARE WILL NOT BE INTERRUPTED.

(b) LICENSOR EXPRESSLY DISCLAIMS ANY REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE CONTENT, AVAILABILITY, QUALITY OR ACCURACY OF ANY DATA FEED PURSUANT TO THIS AGREEMENT. LICENSOR SHALL NOT BE LIABLE HEREUNDER FOR ANY DAMAGES WITH RESPECT TO THE DATA FEED, INCLUDING, WITHOUT LIMITATION, ANY DAMAGES INCURRED BY LICENSEE AS A RESULT OF ANY INACCURACIES OR ANY INTERRUPTIONS IN THE DATA FEED. WITHOUT LIMITING THE FOREGOING, LICENSOR WILL HAVE NO LIABILITY TO LICENSEE FOR, RELATING TO OR ARISING FROM ANY DATA FEED CONTENT, OR THE AVAILABILITY, UNAVAILABILITY OR ANY DELAYS WITH RESPECT TO ANY DATA FEED.

(c) LICENSOR SHALL NOT BE LIABLE IN CONTRACT, TORT, OR BREACH OF STATUTORY DUTY OR OTHERWISE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, EXEMPLARY OR CONSEQUENTIAL LOSSES OR DAMAGES, INCLUDING, WITHOUT LIMITATION FOR ANY LOST PROFITS, LOSS OF GOODWILL, ECONOMIC CONSEQUENCES OR LOSS OF DATA EVEN IF LICENSOR HAS BEEN ADVISED OF OR FORESAW THE POSSIBILITY OF ANY SUCH DAMAGES.

(d) LICENSOR'S AGGREGATE LIABILITY TO LICENSEE ARISING FROM ANY CLAIM OR CIRCUMSTANCE RELATING TO THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, FOR BREACH OF ANY OBLIGATION RELATING TO THE QUALITY OR PERFORMANCE OF THE SOFTWARE, SOFTWARE MATERIALS AND/OR THE HOSTING SERVICES THAT LICENSOR MAY LAWFULLY LIMIT, IS LIMITED TO THE AMOUNT OF THE FEES PAID BY LICENSEE TO LICENSOR PURSUANT TO THIS AGREEMENT FOR THE TWELVE (12) MONTHS IMMEDIATELY PRIOR TO THE EARLIEST EVENT GIVING RISE TO LICENSOR'S LIABILITY.

9. Licensee Indemnification.

Licensee shall indemnify, defend and hold Licensor and its respective directors, officers, members, employees and agents, harmless from and against any and all third party claims, liabilities, losses, damages, costs and expenses (including, without limitation, attorney's fees and expenses) (collectively, "Damages") arising out of or relating to: (i) any breach of representations, warranties, or provision hereof; or (ii) the use of the Software, the Software Materials or the Data Feed by Licensee.

10. Intellectual Property Indemnification.

(a) Licensor shall indemnify, defend and hold harmless Licensee and its directors, officers, shareholders, employees and agents, from and against any Damages arising directly out of or relating to any lawsuit or proceeding brought against Licensee to the extent that

such lawsuit or proceeding is based on a claim that the Software used by Licensee within the scope of the License granted hereunder, infringes upon or constitutes a misuse of a validly issued United States patent, or any copyright, trademark or other proprietary right effective in the United States; provided that Licensor is notified promptly in writing of such lawsuit or proceeding and that Licensee gives Licensor full and complete authority, information and assistance for the defense thereof (which defense shall be at Licensor's expense); provided further, that Licensor's indemnification obligations hereunder shall be reduced to the extent that (i) any of the Damages were caused as a result of Licensee's acts or omissions (other than Licensee's use of the Software in strict compliance with this Agreement and the Software Materials), or (ii) Licensee receives any insurance amounts relating to the lawsuit or proceeding subject to indemnification hereunder. If, in Licensor's reasonable opinion, the Software is, or may reasonably be expected to become a subject of such a lawsuit or proceeding, Licensor may, at its option, take any of the following actions: (A) procure for Licensee the right to continue using the Software; (B) modify the Software so that it becomes non-infringing but remains appropriate for use in connection with the Business; or (C) replace the Software with other software that is non-infringing and appropriate for use in connection with the Business. In the event that Licensor elects to take any of the actions described in sub-paragraphs (A), (B), or (C) above, then Licensor's indemnification obligations hereunder with respect to the facts and circumstances giving rise to such indemnification obligations shall cease as of the date upon which Licensee receives the continued right to use the Software or the modified or replacement Software with a License thereto for Licensee, as applicable. Licensor shall not have any liability hereunder for any Damages incurred or settlement entered into by Licensee with regard to such a lawsuit or proceeding without Licensor's prior written consent. Licensor shall not have any liability to Licensee under this Section 10 or otherwise for, with respect to and to the extent of any Damages caused by: (1) the interconnection and/or use of the Software in combination with software or hardware not recommended or approved by Licensor in writing; (2) the use of other than the current release or updated version of the Software, if such infringement or misuse would have been or would be avoided by the use of such current release or version; or (3) use of the Software in a manner other than (x) that contemplated by the Software Materials, or (y) as is otherwise mutually agreed upon in writing by the parties.

(b) Licensee shall give Licensor prompt written notice of any event or assertion of which Licensee obtains knowledge concerning any Damages and as to which Licensee may request indemnification from Licensor hereunder. Licensee shall reasonably cooperate with Licensor in determining the validity of any claim or assertion requiring indemnity hereunder and in defending against third parties with respect to the same, all at Licensor's sole cost and expense. The defense of such litigation shall be within the control of Licensor or any persons providing indemnity and defense to Licensor; provided, however, that Licensor's choice of counsel shall be reasonably satisfactory to Licensee but such counsel's prior or current representation of Licensor shall not render such counsel unsatisfactory so long as representation of Licensee is consistent with such counsel's applicable professional obligations. Licensee may, at its sole cost (other than as set forth in the sentence immediately following this sentence), participate in the defense of any claim or assertion requiring indemnity by Licensor hereunder, and in such event, Licensor shall cooperate fully in connection therewith.

11. Covenants of the Parties.

(a) Ownership, Title and Use.

Licensee acknowledges and agrees that:

(i) The Software, including its source and object codes, appearance, structure and organization and the Software Materials and any other documentation (including all descriptive material concerning the functions and technical specifications of the Software, any user manuals, technical manuals, and other materials issued to Licensee in connection with the License), are proprietary products of Licensor or its affiliates and are protected by copyright and other laws.

(ii) Title and copyright to the Software and the Software Materials, any derivative works thereof, and any copy, update, modification or merged portion of any of the foregoing, shall at all times remain with Licensor.

(iii) Licensor expressly reserves the entire right, title and interest in and to the Access Link and to Software and the Software Materials. Licensor retains the right to reproduce, publish, sell, modify, distribute, prepare derivative programs of, and license to other licensees, the Software or the Software Materials.

(iv) Licensee shall not remove any trademarks, proprietary legends, or copyright notices from the Software or the Software Materials, or reproduce, publish, sell, modify, distribute, prepare derivative programs of, or license the Software or the Software Materials in any manner.

(v) Licensee shall make no copies of the Software, or any component thereof, or any Software Materials, for any purpose whatsoever except use of the Software and the Software Materials in accordance with this Agreement without the prior written consent of Licensor (which consent may be given or withheld in Licensor's sole and absolute discretion).

(vi) Licensee shall not use any content, data, hardware, software or other materials provided by or on behalf of Licensee or any User (collectively, the "Licensee Materials") in connection with the Software or Software Materials in any manner that (A) infringes upon or violates any patent, copyright, trade secret, trademark, or other intellectual property right of any third party, (B) constitutes defamation, libel, invasion of privacy, or violation of any right of publicity or other third-party right or is threatening, harassing or malicious, or (C) violates any applicable international, federal, state or local law, rule, legislation, regulation or ordinance.

(vii) Licensee Materials shall at all times during the Term, be free of any harmful code, including, but not limited to, any program, information, code or command that is (A) designed to or are known by Licensee to cause the Software to malfunction or self-destruct, (B) designed to or are known by Licensee to cause damage to a computer, network or any information, program or data contained therein, or (C) designed to enable unauthorized access or remote deactivation (other than Licensor's ability to disconnect Users) or otherwise interfere with the performance of the Software.

(b) Confidential Information.

(i) Licensee agrees that unless Licensee has obtained Licensor's prior written consent (which consent may be given or withheld in Licensor's sole and absolute discretion), Licensee shall keep the Software, the Software Materials, and the terms and conditions of this Agreement (collectively, the "Licensor Confidential Information") confidential and prevent disclosure thereof to any person, firm or enterprise other than its employees and independent contractors for purposes directly related to Licensee's operation of its business, which employees and independent contractors have been approved in writing by Licensor and/or which have signed a confidentiality agreement in a form reasonably satisfactory to Licensor. Licensee's obligation of confidentiality shall not apply to information which: (A) is obtained by Licensee from a third party that did not make a disclosure in violation of a non-disclosure obligation; (B) is in the public domain not as a result of action by Licensee or a third party acting in violation of a non-disclosure obligation, or (C) is necessary for the enforcement of any obligations under this Agreement. The obligations of confidentiality shall not apply to the extent of a disclosure required by law or court order; provided, however, that in the event of any such required disclosure Licensee shall give Licensor prompt notice thereof in order that Licensor may attempt to quash, limit or otherwise prevent or limit disclosure, and Licensee shall cooperate, at Licensor's sole cost, with Licensor with respect to any such attempt as reasonably requested by Licensor.

(ii) Licensor agrees that unless it has obtained Licensee's prior written consent (which consent may be given or withheld in Licensee's sole and absolute discretion), Licensor shall keep all Licensee Confidential Information (as defined below) confidential and prevent disclosure thereof to any person, firm or enterprise other than Licensor's employees for purposes directly related to Licensor's provision of Software and related services to Licensee hereunder or under any other agreement between Licensee and Licensor, or independent contractors of Licensor who have been approved in writing by Licensee and who have signed a confidentiality agreement in a form reasonably satisfactory to Licensee. Licensor's obligation of confidentiality shall not apply to information which: (A) is obtained by Licensor from a third party that did not make a disclosure in violation of a non-disclosure obligation; or (B) is in the public domain not as a result of action by Licensor or a third party acting in violation of a non-disclosure obligation. The obligations of confidentiality shall not apply to the extent of a disclosure required by law or court order; provided, however, that in the event of any such required disclosure, to the extent permissible, Licensor shall give Licensee prompt notice thereof in order that Licensee may attempt to quash, limit or otherwise prevent or limit disclosure, and Licensor shall cooperate, at Licensee's sole cost, with Licensee with respect to any such attempt as reasonably requested by Licensee. For purposes of this Agreement, "Licensee Confidential Information" means, subject to subparagraphs (A) and (B) above, any and all business information obtained from Licensee by Licensor in connection with Licensor's performance under this Agreement or information obtained from Licensee with respect to the business of Licensee's Center, its Affiliates, or their respective investors and customers.

12. Equitable Remedies.

Licensee acknowledges and agrees that a breach by it of the terms and conditions of this Agreement, including particularly § 11(b) thereof, shall cause irreparable harm and injury to Licensor, that damages with respect to any such injury may not be readily ascertainable, and that accordingly, in the event of any such breach, or where any such breach can be reasonably anticipated by Licensee, Licensor shall be entitled to seek in a court of competent

jurisdiction any and all available equitable remedies, including, without limitation, a temporary restraining order, preliminary and permanent injunctive relief, and specific performance, in order to prevent the creation or continuation of such breach. Licensor's right to seek and obtain such equitable remedies shall be in addition to, and not in lieu of, such other remedies as may be available to Licensor at law or in equity and/or under this Agreement. Licensee waives any requirement to post a bond in connection with any equitable relief and if bond shall nevertheless be required hereby stipulates and consents that bond in the amount of \$1,000 shall be adequate.

13. Assignment; Restriction on Transfer and Encumbrance.

(a) This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and permitted assigns.

(b) The Software and Software Materials shall at all times remain the property of Licensor, and the License granted in this Agreement specifically excludes any right of encumbrance, disposition of the Software or Software Materials by Licensee. Licensee shall not encumber, sell, assign, transfer, convey, license or otherwise dispose of its rights or obligations under, title to, or interest in, this Agreement (including, without limitation, the License granted to Licensee hereunder) to any third party (unless such disposition is in connection with Licensee's assignment of all of its rights and interests in the Franchise Agreement), including, without limitation, by operation of law where Licensee is no longer the surviving entity. Licensee shall have no right to grant a security interest in its rights hereunder to any lender.

(c) Licensor may assign this Agreement or any and all of Licensor's rights hereunder to any successor, purchaser, transferee or other assignee who assumes Licensor's obligations hereunder.

14. Taxes. Licensee shall be solely responsible for any and all taxes arising out of this Agreement, including, without limitation, any sales, use or property taxes, and any interest or penalties related thereto, but excluding taxes based upon the income or gross receipts of Licensor.

15. Force Majeure. Notwithstanding anything contained in this Agreement to the contrary, Licensor shall not be in default hereunder by reason of its delay in performance of, or failure to perform, any of its obligations hereunder, if such delay or failure is caused by: (i) strikes or other labor disturbance; (ii) acts of God, or the public enemy, terrorist acts, riots or other civil disturbances, fire, or flood; (iii) interference by civil or military authorities; (iv) compliance with governmental laws, rules or regulations ; or (v) any other fault beyond its control or without its fault or negligence. In any such event, the time required for performance of such obligation shall be extended for an additional period equal to the period of time caused by such unavoidable delay.

16. Severability. Each provision of this Agreement shall be considered severable and if for any reason any provision is deemed to be invalid or contrary to an existing or future law or regulation, it shall not impair the operation or affect the remaining provisions of this Agreement, which shall continue to be given full force and effect, and any invalid provision shall be deemed not to be a part of this Agreement. If any one or more provisions of this Agreement is found to be unreasonably restrictive by a court of competent jurisdiction, then such provisions shall be modified

by the court so that they apply to the maximum extent permitted by law, and any such modification shall not affect the validity of any other provision contained in this Agreement. Notwithstanding the foregoing, if Licensor determines that any such determination by a court adversely affects the basic consideration of the Agreement, Licensor at its option, may terminate this Agreement.

17. Notices. All notices hereunder shall be in writing and shall be sent to the other party by personal delivery, or recognized overnight courier. Notice shall be delivered to the parties at each of their respective addresses set forth above or at such other address as either shall designate by notice hereunder. Notice shall be deemed given when delivered or delivery is refused.

18. Relationship of Parties. Nothing contained in this Agreement shall constitute or be construed to constitute or create a partnership or joint venture between the parties and neither party shall have the right to obligate or bind the other in any manner whatsoever, and nothing herein contained shall be deemed or intended to give any right of any kind to any third parties. It is understood that neither Licensee nor any individual whose compensation for service is paid or required to be paid by Licensee is in any way, directly or indirectly, expressly or by implication construed to be an employee or agent of the Licensor for any purpose, and particularly with respect to any tax or contributions or requirement or withholding levied or fixed by any city, state or federal agency.

19. Governing Law; Jurisdiction. (a) This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without regard to the conflicts of laws rules thereof. Except as provided in Section 19(b) below, any and all disputes between the parties arising out of this Agreement, and any claim by either party that cannot be amicably settled (including tort as well as contract claims, claims based upon any Federal, state, or local statute, law, order, ordinance, or regulations, and claims arising from any relationship prior to, at the time of entering, during the term of, or upon or after expiration or termination of this Agreement), shall be determined solely and exclusively by arbitration under the Federal Arbitration Act, as amended, and in accordance with the rules then obtaining of the American Arbitration Association or any successor in Wilmington, Delaware, unless the parties otherwise agree in writing. The parties hereto hereby consent to personal jurisdiction in accordance with the foregoing provisions and hereby waive all objections to personal jurisdiction or venue for the purpose of carrying out the purposes of this Paragraph 19. The arbitrator(s) may not under any circumstance: (i) stay the effectiveness of any pending termination; (ii) assess punitive, speculative, or exemplary damages; or (iii) make any award which extends, modifies, or suspends any lawful term of this Agreement or any reasonable standard of business performance set by Licensor in good faith. The arbitrator(s) shall be limited to the issues in dispute between the Licensor and Licensee and a dispute between any other Licensee and the Licensor shall not be considered in the same arbitration proceeding or by the same arbitrator(s). The parties shall each bear their own expense including but not limited to all fees and expenses of the arbitrator(s), the American Arbitration Association, attorneys and accountants. Judgment upon any award of the arbitrator(s) shall be conclusive and binding, and shall be entered in a court of competent jurisdiction.

(b) Licensee acknowledges that its License is one of a number of licenses of the Software and that the failure on the part of Licensee to comply with any of the terms of this Agreement could cause irreparable damage to some or all of the other Centers franchised or operated by Licensor and to Licensor's business. Therefore, and notwithstanding the provisions

contained in Paragraph 19(a) above, Licensee agrees that upon the happening of any default hereunder, or in the event of a threatened breach by Licensee of any of the terms of this Agreement, Licenser shall have the immediate right to secure a court order enjoining any such default or threatened breach. If this Agreement shall have been terminated, Licensee may be enjoined from any use of the Software. This covenant shall be independent and severable and shall be enforceable notwithstanding any other rights or remedies that either party may have.

20. No Exclusive Remedy. No right or remedy conferred upon or reserved to Licensee and Licenser by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

21. No Waiver. No waiver, modification, or cancellation of any term of this Agreement shall be effective unless in writing signed by both parties. No failure of the Licenser to exercise any power granted to it under this Agreement or to insist upon strict compliance by Licensee with any provision under this Agreement shall constitute a waiver of the Licenser's right to demand future compliance with each and every term of this Agreement. Waiver by the Licenser of a default by Licensee shall not affect or impair Licenser's rights with respect to any subsequent default of the same or of a different nature; nor shall any delay, waiver, or omission of Licenser to exercise any power or right arising from a breach or default by Licensee of any of the terms or provisions of this Agreement affect or impair the Licenser's rights, nor shall it constitute a waiver by the Licenser of any right or the right to declare any subsequent breach or default. The acceptance by Licenser of payments due to it by Licensee shall not be deemed to be a waiver by the Licenser of any prior breach or default of this Agreement by Licensee.

22. Attorney's Fees. If Licenser employs the services of an attorney for the collection of any unpaid amount due hereunder, Licensee shall reimburse Licenser for all costs and expenses, including reasonable attorney's fees, incurred in such collection.

23. Entire Agreement; Amendment. This Agreement and the documents referred to herein shall be construed together and constitute the entire, complete agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior or contemporaneous oral or written agreements concerning such subject matter and that there are no representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein which shall have any force or effect with reference to this Agreement, provided however, this will not apply to any representations contained in the Franchise Disclosure Document delivered to Licensee as Franchisee pursuant to Federal or State law. This Agreement may be modified or amended only by a writing executed by Licensee and Licenser.

24. Survival. Any provisions of this Agreement which impose an obligation after termination of this Agreement shall survive the termination of this Agreement and be binding on the parties.

25. Statute of Limitations. Notwithstanding any applicable Statute of Limitations to the contrary, the parties agree that any and all claims and actions arising out of or relating to this Agreement or the relationship between Licensee and Licenser shall be commenced within one (1) year from the occurrence of the facts giving rise to such claim or action.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

Licensor: BB Franchising LLC

Licensee: _____

By: _____

By: _____

Name: Margaret Ford

Name: _____

Title: Chief Executive Officer

Title: _____

EXHIBIT A
LICENSOR'S SOFTWARE

- I. Licensed Technology --- CRM application including, but not limited, to:
 - A. Account, Contact, Product, Inquiry, Assessment and Enrollment Program activities
 - B. Reports, Dashboards and Content to support Program activities
 - C. All proprietary technological developments created to support Licensor's Program activities

- II. Application used for licensing services through a Customer Relationship Management application and related capability

EXHIBIT B

CHARGES AND FEES

Fee (Note 1)	Amount	Method of Payment
Initial Technology Fee	\$15,000.00	One-time, non-refundable lump-sum fee payable to Licensor concurrently with payment of the Franchise Fee.
Annual Technology Fee	\$2,500 (Note 2)	Annual fee, payable to Licensor and automatically debited via ACH on January 1 of each year, prorated for the initial year based on the month in which operations begin.
Brain Balance Program® Cognitive App Subscription Fee	Per enrollee, \$95 for the first seven (7) months; \$45 per each three (3) months provisioned thereafter.	Monthly fee payable to Licensor debited via ACH at the start of each month.
Brain Balance Program® Cognitive App Post-Program Enrollment Subscription Fee	\$17 per enrollee	One-time enrollment fee payable to Licensor for each enrollee who opts into the post-program subscription.
Brain Balance Program® Cognitive App Assessment Fee	\$12.50 per assessment; \$10.00 per post assessment	Fee payable to Licensor for each assessment rendered.

Note 1: With the exception of the Annual Technology Fee, a portion of which may be refunded pro rata pursuant to Section 6(b) of the Application License Agreement, each of the fees included in Exhibit B are non-refundable and payable to Licensor.

Note 2: The Brain Balance Program® CRM Third-Party Platform License and Maintenance Fee is \$2,500 . Any increase in the annual maintenance fee shall not exceed 15% of the prior year.

EXHIBIT C

OPERATING ENVIRONMENT

Hardware

Any IBM compatible PC capable of accessing the Internet

Operating System

Windows PC or Mac OS computer or Tablet with Wi-Fi and/or Ethernet connectivity

Browser

Web Browser in its most recent stable version (Google Chrome or Mozilla Firefox are recommended)

Hosting Link

Access to the Internet with a minimum speed of 5 MB per second is recommended

Note: above connectivity, software and hardware costs are the responsibility of Licensee.

EXHIBIT D

SOFTWARE MAINTENANCE AGREEMENT

1. Defined Terms. Any capitalized term used but not otherwise defined has the meaning assigned to such term in Section 5 hereof.

2. Support and Maintenance.

Licensee shall obtain, and Licensor shall provide, support and maintenance during each Maintenance Period as follows:

(a) Licensor shall designate sufficient support personnel who are familiar with the Software as the primary contacts for the Users (as defined in the License Agreement) for requesting support and maintenance.

(b) The support personnel shall be available to provide reasonable support via telephone and accept requests for maintenance to the Users from Monday through Friday from 8 a.m. to 6 p.m. Eastern Standard Time, excluding bank and public holidays ("Normal Hours") at:

Phone:

Fax:

E-mail:

or such new numbers or addresses as may apply in the future by notice to the Licensee.

(c) Users shall notify the support personnel of suspected Error(s) exhibited by the Software that the User believes requires Maintenance. Support personnel shall respond by confirming receipt of the notification and a reasonable estimate of the time required for diagnosis and resolution of the Error(s). Licensor shall use its commercially reasonable efforts to take the necessary steps to provide an Error Correction within a reasonable time.

(d) Licensor shall provide the Licensee such update releases containing changes to the Software for Error Correction ("Update Releases") and upgrades to new versions of the Software ("Upgrades") as are provided to its other licensees of the Software. In addition to Error Correction, Update Releases may also contain, at Licensor's sole discretion, enhancements to the Software or Software Materials.

3. Maintenance Period and Fees.

- (a) Maintenance is provided for the Term of the Agreement.
- (b) Maintenance fees are payable annually as set forth in Exhibit B.

4. Maintenance and Support Standards.

(a) During the Term of this Agreement, Licensee shall operate the Software in all material respects in accordance with the Software Materials.

(b) Licensee shall observe the following standards during the term of this Agreement:

(i) pursuant to request by Licensor, arrange access to its premises and/or system and make its hardware accessible to Licensor's support personnel and other designated representatives, and enable logons/passwords for such persons as necessary or appropriate for Licensor's performance under this Agreement;

(ii) Provide remote access to the Software at all times as reasonably necessary or appropriate for Licensor's performance under this Agreement;

(iii) Install, or permit Licensor to install, Upgrades to the Software from time-to-time;

(iv) When Upgrades or Update Releases are provided and the Licensee has requested assistance, provide a reasonable level of assistance to Licensor in implementation and testing of the same;

(v) Provide Licensor with notice of its intention to change any Hardware, operating system or data-feeds that would affect the Software;

(vi) Provide other reasonable assistance as Licensor may request, including, but not limited to, providing sample output and other diagnostic information as may be required by Licensor for maintenance.

(c) Licensor shall use its commercially reasonable efforts to observe the following standards during the term of this Agreement:

(i) provide reasonable support and maintenance to the Users within the Normal Hours;

(ii) Investigate and address within a reasonable time, the repair of Errors in the Software reported by the Licensee or any Errors of which Licensor otherwise becomes aware;

(iii) Correct Errors in the Software, so long as such Errors are repeatable by the Licensee, or to provide a software patch or bypass around such Error. (No warranty is made that all Errors can or shall be corrected.)

(iv) Provide diagnosis and solution of operational problems (generally on a remote basis); and

(v) Provide Update Releases and Upgrades of the Software at the Licensee site (to both fix defects or as part of ongoing development of the product).

(d) Notwithstanding any language to the contrary in this Agreement, Licensors shall not be obligated to provide maintenance or support with respect to or for:

(i) Licensee provided hardware, operating systems, networks and connectivity;

(ii) Any software other than the Software, or with respect to the Software if it has been altered or modified by anyone other than Licensors or its designated representatives;

(iii) Viruses (including, without limitation, detection of viruses and resorting or recovering software, including the Software, or data damage caused by viruses);

(iv) damage to the Software or data not caused by Licensors or its representatives (including, without limitation, entering, correcting or restoring any data lost, damaged or corrupted due to media failure, Hardware failure, viruses, power interruption, failure to back-up data, improper use of the Software or other software, or network or operating system problems); and

(v) Making modifications to, or providing support for Licensee hardware, operating system software, third party application software, data feeds or external data of the Licensee or its affiliates.

5. Definitions.

As used in this Exhibit, the following capitalized terms shall have the meaning assigned below:

“Error” means any failure of the Software to substantially conform to the specifications included with the License Agreement.

“Error Correction” means a software modification or addition that, when made or added to the Software, establishes material conformity to the specifications provided for in the License Agreement, as the same may have been updated or amended by Licensors from time to time.

“Maintenance Fee” has the meaning assigned in Section 3(b) of the License Agreement.

“Maintenance” means Error Corrections and provision of Update Releases, whether by telephone, electronic mail, fax or other delivery. Maintenance shall be within reasonable limits, as determined by Licensor, and does not include requests for basic product training or technical consulting.

“Normal Hours” has the meaning assigned in Section 2(b) hereof.

“Support” means telephone inquiries from the Users concerning problems, questions and/or assistance regarding the operation of the Software.

“Update Releases” has the meaning assigned in Section 2(d) hereof.

“Upgrades” has the meaning assigned in Section 2(d) hereof.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date of the License Agreement.

Licensor: BB Franchising LLC

Licensee: _____

By: _____

By: _____

Name: Margaret Ford _____

Name: _____

Title: Chief Executive Officer _____

Title: _____

EXHIBIT 2
ACH AGREEMENT

EXHIBIT 3
CONFIDENTIALITY, NON-SOLICITATION, and NON-COMPETE AGREEMENT



CONFIDENTIALITY, NON-SOLICITATION and NON-COMPETE AGREEMENT

I understand that BB Franchising LLC ("BBF") and _____ (collectively called "the Company") have developed certain confidential and proprietary information and trade secrets, as described below, in the operation of their business, and have developed clients, patronage and goodwill of many clients. I acknowledge the Company's need to protect its confidential and proprietary information from disclosure and to protect its interests in such information and the Company's clients, their patronage and goodwill.

IN CONSIDERATION OF MY ASSOCIATION WITH THE COMPANY, I HEREBY AGREE AS FOLLOWS:

1. During my employment by or involvement with the Company (my "association"), and after my association with the Company either (i) voluntarily by me or (ii) for cause, I will neither use, disclose, copy nor retain nor remove from Company's premises any confidential or proprietary information or trade secrets including but not limited to ideas, methods, protocols, procedures, techniques, written material, Licensor Confidential Information (as defined in the Software License Agreement), and other knowhow, developed during my engagement with the Company or used in connection with the Company's business unless known by me prior to my engagement with the Company in which case such information shall not be considered confidential or proprietary information. I agree to surrender all such confidential and proprietary material and any copies thereof to Company upon the termination of my employment other than for use in connection with authorized work I perform for the Company.

2. Any new idea, invention, improvement or copyrightable work I create, develop or help develop while employed by Company belongs to Company if it relates to Company's business. If any such development or creation occurs during my employment or up to one year after I leave Company, I will promptly disclose and explain it and assign to Company all rights I may have in it without additional compensation.

3. During the term of my association with the Company and for a period of one year after termination of my association with the Company either (i) voluntarily by me or (ii) for cause, I agree that I shall not directly or indirectly, whether as employee, owner, partner, stockholder, member, investor, agent or consultant, render competing services on my own behalf or on behalf of any person or entity other than the Company. During the term of my association with the Company and for a period of one year after termination of my association with the Company either (i) voluntarily by me or (ii) for cause, I agree that I shall not directly or indirectly, whether as employee, owner, partner, stockholder, member, investor, agent or consultant, render competing services on my own behalf or on behalf of any person or entity other than the Company for twelve (12) months in any area within a thirty-five (35) mile radius of the Company's office located at _____.

4. During the term of my association with the Company and for a period of one year after termination of my association with the Company either (i) voluntarily by me or (ii) for

BB Franchising LLC
1320 North Route 59, Unit 116
Naperville, IL 60563

Phone: 510-817-2786
Fax: 510-240-1261
Ownership@brainbalancecenters.com
www.brainbalance.com

cause, I agree that I shall not, directly or indirectly, in any capacity or on my own behalf or on behalf of any person or entity, solicit any clients, client contacts or employees of the Company.

5. In the event of a breach of any of the covenants set forth in this Agreement, the running of the period of the restriction shall be tolled during the continuation of any such breach, and the running of the period of such restrictions shall commence only upon compliance with the terms of the applicable paragraph.

I agree that each of my agreements set forth is reasonable and necessary to protect and preserve the business, interests and properties of Company and in the event of a breach of any of my agreements, Company shall be entitled to both temporary and permanent injunctions to prevent a breach or contemplated breach of any of my agreements and the Company also retains the right to seek other relief, including damages, which shall be the greater of the amount of the financial loss which Company suffers as a result or the amount of the financial gain which I receive. I will pay Company's reasonable attorney's fees and costs involved in enforcing this Agreement.

6. This Agreement will be interpreted and enforced under California law without regard to the conflict of law rules thereof. If a court finds any part of this Agreement invalid, the rest of it will be enforced to the extent permitted. Any legal action or proceeding brought with respect to this Agreement may be brought only in the courts of the State of California, and by my signature below, I consent to the personal jurisdiction of such courts.

7. This Agreement takes the place of all previous agreements between me and the Company. Any changes must be in writing and must be signed by me and the President of Company.

8. If any clause or provision of this Agreement is held to be excessively broad, that provision shall thereafter be deemed limited in scope and application only to the extent necessary to preserve its enforceability under the law. If any provision of this Agreement is held entirely unenforceable, that provision shall be deemed severed therefrom, and the remaining provisions of this Agreement shall be enforceable and shall be construed independent of that provision.

9. I warrant that I have not previously assumed any obligations inconsistent with those of this Agreement.

10. Either of us may end the our relationship at any time with or without cause, subject to applicable laws concerning non-discrimination.

11. The term Company shall include any subsidiaries or affiliates of Company, Company's franchisor, and its franchisees. BBF and BBI are intended third-party beneficiaries of this Agreement and shall be entitled to enforce its provisions to the fullest extent permitted by law.

12. I understand that if I am an at-will employee my employment may be terminated at any time.



Brain Balance™
ACHIEVEMENT CENTERS

13. My signature below indicates that I have read, understood and agreed to the provisions of this Agreement.

Signature _____

Name (typed/printed) _____

Date _____

BB Franchising LLC
1320 North Route 59, Unit 116
Naperville, IL 60563

Phone: 510-817-2786
Fax: 510-240-1261
Ownership@brainbalancecenters.com
www.brainbalance.com

EXHIBIT 4 SECTION 17.04(f)
CONDITIONAL ASSIGNMENT OF TELEPHONE NUMBERS

FOR VALUE RECEIVED, the undersigned FRANCHISEE hereby irrevocably assigns the telephone listing and numbers stated below to FRANCHISOR, BB FRANCHISING LLC, upon the following terms and conditions:

1. This assignment is made pursuant to the terms of that certain Franchise Agreement of event date herewith (hereinafter called the "Agreement") between BB FRANCHISING LLC and FRANCHISEE.

2. FRANCHISEE shall retain the limited conditional right to use the telephone listing and numbers solely for the transaction and advertising of the Franchised Business (as defined in the "Agreement") while the Agreement remains in full force and effect, but upon expiration and termination of the Agreement for any reason whatsoever, the limited conditional right to use of the telephone listing and numbers by FRANCHISEE shall also expire and/or terminate.

3. The telephone listing and numbers subject to this assignment are: _____ and any other telephone numbers used by FRANCHISEE in the Franchised Business in the future.

4. This assignment is freely transferable by FRANCHISOR, BB FRANCHISING LLC, to any person or entity. This assignment inures to the benefit of all parties who lawfully succeed to the rights or take the place of FRANCHISOR, BB FRANCHISING LLC.

IN WITNESS WHEREOF, FRANCHISEE and BB FRANCHISING LLC have hereunto set their hands and seals this _____ day of _____, 20__.

FRANCHISOR:

BB FRANCHISING LLC

By: _____
Margaret Ford, CEO

FRANCHISEE

By: _____

By: _____

EXHIBIT 5 SECTION 3.05
CONDITIONAL ASSIGNMENT OF LEASE

The lease that is assigned herein (the "Lease") is identified as follows:

Landlord: _____
("Landlord")

Tenant: _____

Date: _____, 20__

Premises: _____
("Premises")

1. This Conditional Assignment of Lease (this "Assignment") is made pursuant to the terms of that certain Franchise Agreement of even date herewith (hereinafter called the "Agreement") by and among FRANCHISOR (hereinafter "Assignee"), FRANCHISEE (hereinafter "Assignor") and Landlord, with respect to the Lease for the Premises used by FRANCHISEE in the operation of the Franchise in the Franchised Territory covered by the Agreement. Nothing in this Assignment shall be deemed to make Landlord a party to the Agreement.

2. Assignor conditionally assigns to the Assignee all the Assignor's right, title, and interest in (a) the Lease and (b) the security deposit, if any, stated in the Lease, all subject to the terms hereof.

3. As long as the conditions set forth in Section 5 are not met, Assignor shall have all rights, privileges and obligations as the tenant under the Lease.

4. Landlord shall provide Assignee with (i) fifteen (15) days' written notice prior to any modification, amendment or cancellation of the Lease, and (ii) copies of any written notices of default given to Assignor under the Lease within three (3) days of Landlord's giving such notice to Assignor. Landlord grants to Assignee, at Assignee's option, the right (but not the obligation) to cure any default under the Lease within fifteen (15) days after the expiration of the period in which Assignor may cure the default, if Assignor fails to do so. Notwithstanding any action by Assignee to cure Assignor's default under the Lease, Assignor shall be deemed to be in default under the Lease for purposes of this Assignment.

5. In the event of (i) a default under the Lease by Assignor, (ii) a default under the Agreement by Assignor, or (iii) the expiration and termination of the Agreement for any reason whatsoever, Assignee shall have the option to accept this Assignment and replace Assignor as tenant under the Lease pursuant to the terms set forth herein by providing an Assignment Notice (as defined in Section 6) to Landlord.

6. If the Assignee elects to exercise its option to accept the assignment of the Lease and replace Assignor as tenant under the Lease pursuant to the terms set forth in this Assignment, it shall provide written notice of such acceptance to the Landlord (the "Assignment Notice"). Upon

Assignee's providing the Assignment Notice, Assignee shall become the tenant of the leased Premises and shall become liable for all obligations under the Lease arising after the date of the Assignment Notice. Landlord shall recognize Assignee as the tenant of the leased Premises effective as of the date of the Assignment Notice. If the Assignee elects to exercise its option to accept the assignment of the Lease, it agrees that the obligations assumed shall benefit the Landlord named in the Lease.

7. Landlord consents to Assignor's conditional assignment of the Lease hereunder. Notwithstanding anything to the contrary herein, no assignment of Assignor's right, title and interest in the Lease to Assignee shall release Assignor or any of the Guarantors (as defined in the Lease) from any liability under the Lease.

8. Assignor shall not transfer or assign any of its rights and/or obligations under this Assignment without the prior written consent of Assignee, which consent may be granted, conditioned or denied in Assignee's sole and absolute discretion. This Assignment is fully transferable by Assignee to any person or entity. This Assignment is binding upon and inures to the benefit of the parties hereto and their respective successors, heirs, representatives, and permitted assigns.

IN WITNESS WHEREOF, the Assignor, Assignee and Landlord have duly executed this Assignment as of this ____ day of _____, 20__.

ASSIGNOR:

a _____

By: _____

Name: _____

Title: _____

LANDLORD:

a _____

By: _____

Name: _____

Title: _____

ASSIGNEE:

BB Franchising LLC a Delaware limited liability company

By: _____

Name: Margaret Ford

Title: CEO

EXHIBIT 6

OWNER'S GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution by BB Franchising, LLC ("FRANCHISOR") of that certain Franchise Agreement of even date herewith (the "Agreement") between FRANCHISOR and _____ ("FRANCHISEE"), or in consideration of and as an inducement to FRANCHISOR's consent to a transfer by or of FRANCHISEE under the Agreement, each of the undersigned parties including: _____

_____ ("Guarantors") hereby personally and unconditionally: (1) guaranties to FRANCHISOR and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement; and agrees to punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement, and (2) agrees to be personally bound by, and personally liable for the breach of, each and every term, condition, covenant and provision in the Agreement. Each Guarantor expressly represents and acknowledges that he or she has read the Agreement and has had the opportunity to review the same, and this Guaranty, with counsel. Each Guarantor hereby expressly waives:

- (1) acceptance and notice of acceptance by FRANCHISOR, of the foregoing undertakings;
- (2) notice of demand for payment of any indebtedness or non performance of any obligations hereby guaranteed;
- (3) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;
- (4) any right he or she may have to require that an action be brought against FRANCHISEE, Guarantor or any other person as a condition of liability;
- (5) any requirement that FRANCHISOR proceed against or exhaust its remedies with respect to FRANCHISEE or any other person before demanding payment or performance by Guarantor; and
- (6) any and all other notices and legal or equitable defenses to which he or she may be entitled.

Each Guarantor consents and agrees that:

- (1) his or her direct and immediate liability under this guaranty shall be joint and several;
- (2) he or she shall render any payment or performance required under the Agreement upon demand if FRANCHISEE fails or refuses to do so punctually;
- (3) such liability shall not be contingent or conditioned upon pursuit by FRANCHISOR of any remedies against FRANCHISEE or any other person;
- (4) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which FRANCHISOR may, from time to time, grant to

FRANCHISEE or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be irrevocable during the term of the Agreement; and

(5) the liability and obligations under this Guaranty and Assumption shall not be diminished, relieved or otherwise affected by any modification by FRANCHISEE and FRANCHISOR of the terms or conditions of the Agreement.

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

GUARANTOR(S)

Name:

Signature:

Date:

Name:

Signature:

Date:

EXHIBIT 7
CALIFORNIA ADDENDUM

This Addendum to the Franchise Agreement is agreed to by and among BB FRANCHISING LLC and the Franchisee identified below.

1. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.
2. Neither BB FRANCHISING nor any person or franchise broker listed in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, (15 U.S.C.A. 78a et. seq.), suspending or expelling such persons from membership in such association or exchange.
3. California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement or Disclosure Document contains a provision that is inconsistent with the law, the law will control.
4. The Franchise Agreement and Disclosure Document provide 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 and Disclosure Document contain a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
6. Both the governing law and choice of law for franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
7. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.
8. The Franchise Agreement requires binding arbitration. The arbitration will occur in Wilmington, Delaware, with each party bearing its own costs. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

9. Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.
10. You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
11. The statute of limitations language in Section 21.20 of the Franchise Agreement may be unenforceable in California. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporation Code Section 31000 through 31516).
12. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
13. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Dated: _____

FRANCHISE:

By: _____ (L.S.)

By: _____ (L.S.)

The undersigned, officers, directors, and/or shareholders of FRANCHISEE hereby personally guarantee to BB FRANCHISING LLC the due performance of each and every obligation of FRANCHISEE in accordance with this Addendum.

Individually and Personally

Individually and Personally

Individually and Personally

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EXHIBIT C
FINANCIAL STATEMENTS

These Financial Statements Have Been Prepared without an Audit.
Prospective Franchisees or Sellers of Franchises Should be Advised that
No Independent Certified Public Accountant Has Audited These Figures
or Expressed an Opinion with Regard to their Content or Form.

Brain Balance Achievement Centers

Balance Sheet

As of Date:

4/30/2026

Location Group:

_BBF no Ad Fund

UNAUDITED

Month Ending

4/30/2026

Assets

Current Assets

Cash and Cash Equivalents	76,133.50
Accounts Receivable, Net	879,412.13
Inventory	49,844.79
Prepaid Expenses	80,797.01
Intercompany Receivable	(313,811.12)
Other Current Assets	<u>10,003.00</u>
Total Current Assets	<u>782,379.31</u>

Fixed Assets, Net	(0.25)
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Intangible Assets, Net	343,760.53
------------------------	------------

Total Assets	<u><u>\$ 1,126,139.59</u></u>
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Liabilities and Equity

Current Liabilities

Accounts Payable	152,005.40
Accrued Liabilities	30,102.02
Deferred Revenue	128,598.86
Other Current Liabilities	<u>57,040.93</u>
Total Current Liabilities	<u>367,747.21</u>

Long Term Liabilities	858,044.26
-----------------------	------------

Stockholders Equity	(99,651.88)
---------------------	-------------

Total Liabilities and Equity	<u><u>\$ 1,126,139.59</u></u>
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Brain Balance Achievement Centers Profit and Loss - % of Revenue

As of Date:

4/30/2026

Location Group:

_BBF no Ad Fund

UNAUDITED

	Month Ending	
	4/30/2026	
	% of Revenue	
Revenue		
Franchise Fees	47,736.79	10.36
Enrollment Kits	103,746.50	22.52
HAL & Software Fees	14,253.54	3.09
Royalties	294,855.25	64.03
Other	0.00	0.00
Total Revenue	460,592.08	100.00
Cost of Revenue		
Cost of Products Revenue	78,886.38	17.13
Total Cost of Revenue	78,886.38	17.13
Gross Profit	381,705.70	82.87
Operating Expenses		
Total Operating Expenses	466,022.85	101.18
Other Income (Expense)		
Total Other Income (Expense)	(477.94)	(0.10)
Net Income (Loss)	(84,795.09)	(18.41)

BB Franchising, LLC

(wholly owned subsidiary of Brain Balance Holdings, Inc.)

Financial Report
December 31, 2025

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Independent Auditor's Report

To the Member
BB Franchising, LLC

Opinion

We have audited the financial statements of BB Franchising, LLC (the "Company"), which comprise the balance sheet as of December 31, 2025, 2024, and 2023 and the related statements of operations, changes in member's equity (deficit), and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, 2024, and 2023 and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audits of the Financial Statements* section of our report. We are required to be independent of the Company and to meet our ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern within one year after the date that the financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Member
BB Franchising, LLC

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Plante & Moren, PLLC

May 21, 2026

Balance Sheet

December 31, 2025, 2024, and 2023

	2025	2024	2023
Assets			
Current Assets			
Cash	\$ 138,797	\$ 64,403	\$ 21,796
Restricted cash	47,980	83,542	134,030
Accounts receivable - Net	546,965	451,182	384,826
Settlement payments receivable - Current	12,225	15,167	-
Deferred franchise costs - Current	9,085	20,732	36,514
Prepaid expenses and other current assets	83,960	100,845	67,463
Total current assets	839,012	735,871	644,629
Website and Software Development Assets - Net	371,617	166,863	164,259
Settlement Payments Receivable - Less current portion	2,222	15,558	-
Other Assets - Deferred franchise costs - Less current portion	32,586	12,865	17,133
Total assets	<u><u>\$ 1,245,437</u></u>	<u><u>\$ 931,157</u></u>	<u><u>\$ 826,021</u></u>
Liabilities and Member's Equity (Deficit)			
Current Liabilities			
Accounts payable and accrued expenses	\$ 241,462	\$ 163,593	\$ 230,177
Current portion of long-term debt	3,491	3,363	3,240
Accrued advertising expenses	187,512	77,535	133,665
Deferred franchise revenue - Current	17,859	23,330	33,121
Deferred software licenses - Current	28,796	29,602	37,085
Total current liabilities	479,120	297,423	437,288
Long-term Debt - Net of current portion	134,116	139,206	142,844
Other Long-term Liabilities			
Deferred franchise revenue - Less current portion	317,921	200,931	164,361
Deferred software license - Less current portion	144,129	90,288	92,775
Total liabilities	1,075,286	727,848	837,268
Member's Equity (Deficit)	170,151	203,309	(11,247)
Total liabilities and member's equity (deficit)	<u><u>\$ 1,245,437</u></u>	<u><u>\$ 931,157</u></u>	<u><u>\$ 826,021</u></u>

Statement of Operations

Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Revenue			
Royalties	\$ 3,515,655	\$ 3,311,061	\$ 3,281,981
Software fees	235,539	199,712	176,501
Coaching, enrollment kit, and other revenue	1,372,630	1,333,317	1,274,825
Advertising fees	876,864	841,894	837,464
Franchise fees	275,981	148,720	87,046
Total revenue	6,276,669	5,834,704	5,657,817
Operating Expenses			
Franchise-related expenses	1,922,584	1,529,276	1,177,741
License and administrative service fees	3,984,091	3,642,517	3,417,429
Advertising and marketing expenses	1,278,110	1,038,376	938,952
Loss on disposal of asset	67,559	-	-
Total operating expenses	7,252,344	6,210,169	5,534,122
Operating (Loss) Income	(975,675)	(375,465)	123,695
Other Income (Expense)			
Other income	59,851	56,616	44,000
Interest expense	(3,809)	(5,988)	(5,652)
Other expense	(19,653)	-	(167)
Total other income	36,389	50,628	38,181
Net (Loss) Income	<u><u>\$ (939,286)</u></u>	<u><u>\$ (324,837)</u></u>	<u><u>\$ 161,876</u></u>

Statement of Changes in Member's Equity (Deficit)

Years Ended December 31, 2025, 2024, and 2023	
Balance - December 31, 2022	\$ (282,152)
Net income	161,876
Contributions	<u>109,029</u>
Balance - December 31, 2023	(11,247)
Net loss	(324,837)
Contributions	<u>539,393</u>
Balance - December 31, 2024	203,309
Net loss	(939,286)
Contributions	<u>906,128</u>
Balance - December 31, 2025	<u><u>\$ 170,151</u></u>

Statement of Cash Flows

Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Cash Flows from Operating Activities			
Net (loss) income	\$ (939,286)	\$ (324,837)	\$ 161,876
Adjustments to reconcile net (loss) income to net cash and restricted cash from operating activities:			
Depreciation and amortization	90,336	49,819	29,920
Credit loss expense	27,822	59,741	5,560
Loss on disposal of asset	67,559	-	-
Changes in operating assets and liabilities that (used) provided cash and restricted cash:			
Accounts receivable	(123,605)	(126,097)	42,623
Deferred franchise costs	(8,074)	20,050	23,393
Prepaid expenses and other assets	16,885	(33,382)	(10,615)
Accounts payable and accrued expenses	77,869	(66,584)	(46,246)
Deferred revenue	164,554	16,809	(89,332)
Accrued advertising expenses	109,977	(56,130)	(98,824)
Net cash and restricted cash (used in) provided by operating activities	(515,963)	(460,611)	18,355
Cash Flows from Investing Activities			
Issuance of notes receivable	-	(61,946)	-
Purchases of website and software development assets	(362,649)	(52,423)	(146,179)
Payments on notes receivable	16,278	31,221	-
Net cash and restricted cash used in investing activities	(346,371)	(83,148)	(146,179)
Cash Flows from Financing Activities			
Payments on debt	(4,962)	(3,515)	(7,507)
Member contribution	906,128	539,393	109,029
Net cash and restricted cash provided by financing activities	901,166	535,878	101,522
Net Increase (Decrease) in Cash and Restricted Cash	38,832	(7,881)	(26,302)
Cash and Restricted Cash - Beginning of year	147,945	155,826	182,128
Cash and Restricted Cash - End of year	\$ 186,777	\$ 147,945	\$ 155,826
Classification of Cash and Restricted Cash			
Cash	\$ 138,797	\$ 64,403	\$ 21,796
Restricted cash	47,980	83,542	134,030
Total cash and restricted cash	\$ 186,777	\$ 147,945	\$ 155,826
Supplemental Cash Flow Information - Cash paid for interest	\$ 3,809	\$ 5,988	\$ 5,652

Notes to Financial Statements

December 31, 2025, 2024, and 2023

Note 1 - Nature of Business

BB Franchising, LLC (the "Company"), a Delaware limited liability company, was formed on November 13, 2007 as a wholly owned subsidiary of Brain Balance Holdings, Inc. (the "Parent"). At December 31, 2025, the Parent also owns BB Corporate, LLC. The Parent provides funds for operational needs of the Company. The operating results could vary significantly if the Company operated independently of the Parent. Accordingly, this affiliation and other related party disclosures must be taken into consideration in reviewing the accompanying financial statements.

The Company is the franchisor of learning centers operating under the trade name Brain Balance Achievement Centers throughout the United States of America. Pursuant to the Company's standard franchise agreement, franchisees operate businesses known as Brain Balance Achievement Centers, offering effective and replicable nonmedical, nonpharmaceutical programs designed to help children become more focused, improve their academic performance, and exhibit positive behavior, which results in enhanced communication and social interaction skills.

Note 2 - Significant Accounting Policies

Use of Estimates

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

Adoption of New Accounting Pronouncement

In July 2025, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*. The ASU introduced a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, *Revenue from Contracts with Customers*. Under the practical expedient, the Company assumes that current conditions as of the balance sheet date will not change for the remaining life of the asset. The standard also permits an accounting policy election to consider collection activity after the balance sheet date when estimating credit losses.

The Company adopted the new guidance on January 1, 2025 on a prospective basis. The adoption of this guidance did not have a significant impact on the financial statements.

December 31, 2025, 2024, and 2023**Note 2 - Significant Accounting Policies (Continued)*****Accounts Receivable***

The Company's accounts receivable balance represents amounts due from franchisees in the ordinary course of business. Accounts receivable are stated at invoice amounts. An allowance for credit losses is established for amounts expected to be uncollectible over the contractual life of the receivables. The Company has elected the practical expedient to assume that the current conditions as of the balance sheet date will not change for the remaining life of the asset. The Company collectively evaluates receivables to determine the allowance for credit losses based on a combination of factors, including the aging of receivables, historical collection trends, and charge-offs, and includes adjustments for current economic conditions. When the Company is aware of a franchisee's inability to meet its financial obligation, the Company may individually evaluate the related receivable to determine the allowance for expected credit losses. The Company has also made the policy election to consider collection activity subsequent to year end in making its estimate of expected losses. The Company considered subsequent collection activity through January 31, 2026. Uncollectible amounts are written off against the allowance for credit losses in the period they are determined to be uncollectible. The recorded allowance for credit losses was \$57,585, \$29,763, and \$0 as of December 31, 2025, 2024, and 2023, respectively. Write-offs of accounts receivable were \$27,822, \$59,741, and \$5,560 during the years ended December 31, 2025, 2024, and 2023, respectively. Total accounts receivable as of January 1, 2023 were \$433,009.

Concentrations of Credit Risk

The Company grants credit in the normal course of business to franchisees in the United States. The Company periodically performs credit analyses and monitors the financial condition of its franchisees to reduce credit risk. The Company performs ongoing credit evaluations of its franchisees but generally does not require collateral to support accounts receivable.

Prepaid Expenses and Other Assets

Prepaid expenses and other current assets consist primarily of prepaid expenses, training materials, and program supplies.

Settlement Payments Receivable

Settlement payments receivable represent amounts to be collected for two franchisee settlements related to two closed franchisees that had unpaid royalty fees. The settlement agreements do not bear interest and have repayment terms ranging in length from 6 to 36 months. The Company has not recorded an allowance for credit losses as of December 31, 2025 and 2024, as the Company believes all amounts are collectible.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation and amortization. Assets are depreciated over their estimated useful lives ranging from three to five years. The cost of leasehold improvements is depreciated over the lesser of the length of the related leases or the estimated useful lives of the assets. Costs of maintenance and repairs are charged to expense when incurred.

Website and Software Development Assets

Acquired intangible assets subject to amortization are stated at cost and are amortized using the straight-line method over the estimated useful lives of the assets. Intangible assets that are subject to amortization are reviewed for potential impairment whenever events or circumstances indicate that carrying amounts may not be recoverable.

December 31, 2025, 2024, and 2023**Note 2 - Significant Accounting Policies (Continued)*****Revenue Recognition***

The Company's revenue consists of franchise fees, royalties, advertising fees, enrollment kits, virtual program kits, software fees, coaching, and other. The Company franchises the right to operate Brain Balance Achievement Centers. The initial term of the franchise agreement is typically 10 years, with an option to renew for a fee or transfer the franchise agreement to a new or existing franchisee, at which point a transfer or renewal fee is typically paid.

The Company has obligations to provide franchisees with the franchise rights to operate Brain Balance Achievement Centers, training, and other assistance to launch their center, as well as to provide software and technology services and brand marketing and advertising support, for which fees are charged. The Company has concluded that certain training is a separate performance obligation due to the nature of the training being non-brand specific and capable of being used by trainees in other businesses. Therefore, initial franchise fees for each agreement are allocated to certain training as described above and the franchise right for each individual franchise. The training revenue is recognized over the term of the training. The franchise right revenue is recognized over the term of the respective franchise agreement beginning on the date the location is opened. Renewal fees are recognized over time, as training and renewal services are provided at the time of the renewal. Transfer fees are recognized over time, as training is provided to the transferees at the time of transfer. Typically, the fee is less than the stand-alone selling price of the training provided at the time of transfer. Income for royalties, software fees, and advertising fees is recognized over the term of the respective franchise agreement as the underlying sales occur.

When a franchise agreement is terminated voluntarily by the franchisee or due to the default of the franchisee, the Company recognizes the remaining initial franchise fee as revenue earned, as no further performance obligations need to be satisfied, and the initial franchise fee is not refundable per the franchise agreement.

Enrollment and virtual program kit revenue represents the fees earned by the Company from the enrollment kits that are purchased by franchisees from a third-party supplier and the Company, respectively. These kits are given to students as part of their enrollment in the center, and revenue is recognized at the time of purchase. The Company has determined that it is acting as principal in these transactions, as the Company assumes the inventory and has responsibility to provide goods based on its specifications. Coaching fee revenue represents fees earned by the Company for additional coaching and trainings requested by the franchisees. Revenue is recognized over time as the coaching is provided. Other revenue consists of fees charged for the annual conference and settlements from terminated franchisees. Annual conference revenue is recognized over time as the conference occurs. Revenue from settlements is recognized at a point in time when the settlement is reached. For the years ended December 31, 2025, 2024, and 2023, revenue recognized at a point in time was \$1,221,558, \$1,255,867, and \$1,198,850, respectively.

The Company has created a national advertising fund. An advertising fee is due monthly from each franchisee pursuant to the franchise agreement. Advertising and marketing expenses are incurred to promote brand awareness and include, but are not limited to, market and consumer research, media relations, advertising, and promotional marketing materials. Advertising fees are collected on a monthly basis, primarily based upon a percentage of franchisee gross sales. The Company recognizes these sales-based advertising fees from franchisees when the underlying franchisee sales occur. The Company records the related advertising expenses as incurred. When revenue of the advertising fund exceeds the related expenses, advertising expenses are accrued up to the amount of revenue to be utilized in the subsequent year. As of December 31, 2025, 2024, and 2023, \$187,512, \$77,535, and \$133,665, respectively, was included in advertising fund accrued expenses. The amount of cash restricted for advertising fund expenses at December 31, 2025, 2024, and 2023 was \$47,980, \$83,542, and \$134,030, respectively.

December 31, 2025, 2024, and 2023**Note 2 - Significant Accounting Policies (Continued)****Payment Terms**

Initial franchise, renewal, and transfer fees are due and typically paid when a franchise agreement is executed and are nonrefundable. Royalties and advertising fees are paid on a monthly basis based upon a percentage of franchisee gross sales. Software fees are paid on a monthly basis based upon a fixed amount defined within the franchise agreement. Enrollment kit fees are paid on a monthly basis based on the number of kits ordered. Coaching fee revenue is due after the coaching is provided and is invoiced net 30. Annual conference fees are typically prepaid upon registering. Settlement fees are due upon signing the settlement agreement. Franchise fees are collected prior to the satisfaction of the Company's performance obligation, resulting in the Company recognizing deferred revenue contract liabilities. Amounts that are expected to be recognized as revenue within one year are classified as current deferred revenue in the balance sheet. Deferred franchise revenue and deferred software licenses as of January 1, 2023 were approximately \$241,000 and \$176,000, respectively.

Allocating the Transaction Price

The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for providing franchisees with the franchise rights to open and operate centers. To determine the transaction price, the Company considers its customary business practices and the terms of the underlying agreement. For the purpose of determining transaction prices, the Company assumes performance obligations will be satisfied as promised in accordance with franchise agreements and that agreements will not be canceled or modified.

The Company's franchise agreements with franchisees have transaction prices that contain a fixed and variable component. Variable consideration includes revenue related to royalties, software fees, and advertising fees, as the transaction price is based on the franchisee's sales. The variable consideration is recognized based on the actual amounts earned each month.

The Company allocates consideration to the training, center opening, and grand opening services provided based on the observable stand-alone selling price of third-party service providers of similar training. The remaining consideration is allocated to the franchise right.

Costs to Obtain a Franchise Agreement

The Company occasionally incurs broker commissions paid to third parties or pays bonuses to certain employees to obtain franchise agreements with franchisees. The commissions/bonuses are related to franchise fee revenue, which is recognized over time. As a result, the commissions are capitalized as deferred franchise costs and are expensed over the term of the respective franchise agreement. Deferred franchise costs as of January 1, 2023 were \$77,040.

Income Taxes

The Company is treated as a partnership for federal income tax purposes. Consequently, federal income taxes are not payable or provided for by the Company. The member is taxed individually on its pro rata ownership share of the Company's earnings. The Company's net income or loss is allocated to the member in accordance with the Company's operating agreement.

Advertising Expense

Advertising expense (exclusive of the franchisee advertising fund) is charged to expense during the year in which it is incurred. Advertising expense for 2025, 2024, and 2023 was \$452,432, \$236,286, and \$132,425, respectively.

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including May 21, 2026, which is the date the financial statements were available to be issued.

Notes to Financial Statements

December 31, 2025, 2024, and 2023

Note 3 - Franchised and Affiliate-owned Centers

The following data presents the status of the Company's franchised and affiliate-owned centers:

	2025	2024	2023
Centers open at beginning of year	65	69	74
Centers opened during the year	9	4	1
Centers closed during the year	(1)	(8)	(6)
Centers in operation at end of year	73	65	69
Centers sold but not yet operational	14	13	6

Note 4 - Accounts Receivable

The activity in the allowance for credit losses is as follows:

	2025	2024	2023
Balance - January 1	\$ 29,763	\$ -	\$ 3,938
Additions charged to expense	27,822	59,741	5,560
Deductions/Write-offs	-	(29,978)	(9,498)
Balance - December 31	\$ 57,585	\$ 29,763	\$ -

Note 5 - Website and Software Development Assets

The Company's website and software development assets at December 31, 2025, 2024, and 2023 are summarized as follows:

	2025		2024		2023	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Website and development assets	\$ 685,033	\$ 313,416	\$ 610,283	\$ 443,420	\$ 564,860	\$ 400,601

Amortization expense for such assets totaled \$90,336, \$49,819, and \$26,605 for the years ended December 31, 2025, 2024, and 2023, respectively.

Note 6 - Long-term Debt

Long-term debt at December 31 is as follows:

	2025	2024	2023
Note payable and accrued interest due to the Small Business Administration at 3.75 percent interest. Monthly interest and principal payments of \$731 began in September 2021. The note is due in September 2050 and is secured by all assets of the Company	\$ 137,607	\$ 142,569	\$ 146,084
Less current portion	3,491	3,363	3,240
Long-term portion	\$ 134,116	\$ 139,206	\$ 142,844

December 31, 2025, 2024, and 2023

Note 6 - Long-term Debt (Continued)

The balance of the above debt matures as follows:

Years Ending	Amount
2026	\$ 3,491
2027	3,625
2028	3,763
2029	3,906
2030	4,055
Thereafter	118,767
Total	<u>\$ 137,607</u>

Interest expense for 2025, 2024, and 2023 was \$3,809, \$5,988, and \$5,652, respectively.

Note 7 - Related Party Transactions***License Agreement***

The Company has a perpetual trademark license agreement with the Parent. The license agreement calls for monthly royalty payments to the Parent based on a percentage of the Company's net sales, as further defined in the agreement. For the years ended December 31, 2025, 2024, and 2023, license fees were approximately \$810,000, \$749,000, and \$723,000, respectively.

Administrative Services Agreement

The Company has an administrative services agreement with the Parent. The Company agreed to reimburse the Parent for the Parent's actual costs incurred in providing administrative support services on behalf of the Company. For the years ended December 31, 2025, 2024, and 2023, administrative service fees were approximately \$3,174,000, \$2,894,000, and \$2,694,000, respectively.

Related Party Advances

In the ordinary course of business, the Company periodically advances funds to and receives funds from the Parent. During 2025, 2024, and 2023, the Company received \$893,488, \$539,393, and \$109,029, respectively, from the Parent, which were deemed to be contributions, as the Company no longer expects the amount to be repaid.

Royalties from Related Parties

The Company is under common ownership with an entity that operates company-owned centers. These centers pay 2 percent of gross sales into the national advertising fund. Total revenue from these centers was \$1,329, \$18,048, and \$22,673 for the years ended December 31, 2025, 2024, and 2023, respectively.

Termination Fees

During 2022, the Company incurred a lease termination fee of \$236,000 on behalf of a franchisee who defaulted on an outstanding lease. As of December 31, 2022, fees in the amount of \$145,000 were outstanding. Such fees were paid during 2023.

Software Development

At December 31, 2025, the Company had accounts payable to a software development company under common ownership totaling \$43,828, that is included in accounts payable on the balance sheet. There are no such payables at December 31, 2024 or 2023.

Notes to Financial Statements

December 31, 2025, 2024, and 2023

Note 7 - Related Party Transactions (Continued)

For the year ended December 31, 2025, the Company paid approximately \$206,000 to the related party, of which approximately \$91,000 was included in the website and software development assets on the balance sheet and \$114,000 was included in the franchise-related expenses on the statement of operations. There were no payments to this related party during the years ended December 31, 2024 or 2023.

EXHIBIT D

STATE ADMINISTRATORS

CALIFORNIA

Franchise Division
Department of Financial Protection and
Innovation
One Sansome Street, Suite 600
San Francisco, CA 94104-4428

HAWAII

Director, Hawaii Department of Commerce
and Consumer Affairs
1010 Richards Street
P.O. Box 40
Honolulu, HI 96813

ILLINOIS

Illinois Attorney General
500 South Second Street
Springfield, IL 62706

INDIANA

Indiana Secretary of State
302 West Washington
Room E-111
Indianapolis, IN 46204

MARYLAND

Office of the Attorney General
Securities Division
200 St. Paul Place
20th Floor
Baltimore, MD 21202

MICHIGAN

Consumer Protection Division
Antitrust and Franchise Unit
670 Law Building
Lansing, MI 48913

NORTH DAKOTA

Franchise Division
Office of Securities Commission
600 East Boulevard - 5th Floor
Bismarck, ND 58505

OREGON

Corporate Securities Section
Dept. of Insurance & Finance
Labor & Industries Bldg.
Salem, OR 97310

RHODE ISLAND

Director of Department of Business Regulation
233 Richmond Street, Suite 232
Providence, RI 02903-4232

SOUTH DAKOTA

South Dakota Department of Labor and
Regulation
Division of Insurance - Securities Regulation
124 S. Euclid Avenue, Second Floor
Pierre, South Dakota 57501

VIRGINIA

Ronald W. Thomas, Director
Securities and Retail Franchising Division
State Corporation Commission
1300 East Main Street
Richmond, VA 23219

WASHINGTON

[The Department of Financial Institutions](#)
Securities Division
P.O. Box 41200
Olympia, WA 98504-1200

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MINNESOTA

Franchise Division
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101-2198

NEW YORK

New York Department of Law
Bureau of Investor Protection and
Securities
120 Broadway, 23rd Floor
New York, NY 10271

WISCONSIN

Franchise Office
[Wisconsin Securities Commission](#)
201 W. Washington Street
Madison, WI 53701

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EXHIBIT E

AGENTS FOR SERVICE OF PROCESS

CALIFORNIA

Department of Financial Protection and
Innovation
One Sansome Street, Suite 600
San Francisco, CA 94104-4428

HAWAII

Business Registration Department
Department of Commerce and Consumer
Affairs
335 Merchant Street, Room 203
Honolulu, HI 96813

ILLINOIS

Chief, Franchise Division
Attorney General's Office
500 South Second Street
Springfield, IL 62706

INDIANA

Secretary of State
201 State House
Indianapolis, IN 46204

MARYLAND

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020

MICHIGAN

Department of the Attorney General's Office
Consumer Protection Division
Franchise Unit
670 Law Building
Lansing, Michigan 48913

NEW YORK

Secretary of State of the State of New York
162 Washington Avenue
Albany, NY 12210

NORTH DAKOTA

Securities Commission
State of North Dakota
Capitol Building
Bismarck, ND 58505

OREGON

Director
Department of Consumer and Business
Services
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310

RHODE ISLAND

Chief Securities Examiner

Department of Business Regulation
Banking Division, Franchise Section
233 Richmond Street, Suite 232
Providence, RI 02903

SOUTH DAKOTA

South Dakota Department of Labor and
Regulation
Division of Insurance - Securities Regulation
124 S. Euclid Avenue, Second Floor
Pierre, South Dakota 57501

TEXAS

Secretary of State
P.O. Box 12887
Austin, Texas 78711

MINNESOTA

Department of Commerce
85 7th Place E Suite 280
St. Paul, Minnesota 55101

NEBRASKA

Nebraska Department of Banking and Finance
1200 N Street
P.O. Box 95006
Lincoln, Nebraska 68509-5006

VIRGINIA

Clerk of the State Corporation Commission
State Corporation Commission
1300 East Main Street
Richmond, VA 23219

WASHINGTON

Securities Division
Washington Department of Financial
Institutions
150 Israel Rd SW
Tumwater, WA 98501

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EXHIBIT F
STATE ADDENDA

BB FRANCHISING LLC
CALIFORNIA ADDENDUM

This Addendum to the Franchise Agreement and Disclosure Document is agreed to by and among BB FRANCHISING LLC and the Franchisee identified below.

1. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**
2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT at least 14 DAYS PRIOR TO EXECUTION OF AGREEMENT.
3. Neither BB FRANCHISING nor any person or franchise broker listed in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, (15 U.S.C.A. 78a et. seq.), suspending or expelling such persons from membership in such association or exchange.
4. California Business and Professions Code Sections 20000 through 20043 provide rights to the Franchisee concerning termination or non-renewal of a franchise. If the Franchise Agreement or Disclosure Document contains a provision that is inconsistent with the law, the law will control.
5. The Franchise Agreement and Disclosure Document provide for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. Sec, 101 et seq.).
6. The Franchise Agreement and Disclosure Document contain a covenant not to compete, which extends beyond the termination of the franchise. This provision may not be enforceable under California law.
7. Both the governing law and choice of law for franchisees operating outlets located in California, will be the California Franchise Investment Law and the California Franchise Relations Act regardless of the choice of law or dispute resolution venue stated elsewhere. Any language in the franchise agreement or amendment to or any agreement to the contrary is superseded by this condition.
8. Any interest rate charged to a California franchisee shall comply with the California Constitution. The interest rate shall not exceed either (a) 10% annually or (b) 5% annually plus the prevailing interest rate charged to banks by the Federal Reserve Bank of San Francisco, whichever is higher.
9. The Franchise Agreement requires binding arbitration. The arbitration will occur in San Francisco, California, with each party bearing its own costs. Prospective franchisees are

encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

10. Our website (www.brainbalancecenters.com) has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of this website may be directed to the California Department of Financial Protection and Innovation at www.dfpi.ca.gov.
11. Before the franchisor can ask you to materially modify your existing franchise agreement, Section 31125 of the California Corporations Code requires the franchisor to file a material modification application with the Department that includes a disclosure document showing the existing terms and the proposed new terms of your franchise agreement. Once the application is registered, the franchisor must provide you with that disclosure document with an explanation that the changes are voluntary.
12. The financial performance representation does not reflect the cost of sales, operating expense, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Brain Balance Center. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source if this information.
13. You must sign a general release if you renew or transfer your franchise. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Sections 31000 through 31516). Business and Professions Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 through 20043).
14. The statute of limitations language in Section 21.10 of the Franchise Agreement may be unenforceable in California. California Corporations Code Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporation Code Section 31000 through 31516).
15. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
16. **The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.**
17. Any provision of a franchise agreement, franchise disclosure document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, Any provision of a franchise

agreement, franchise disclosure document, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable:

- (a) Representations made by the franchisor or its personnel or agents to a prospective franchisee.
- (b) Reliance by a franchisee on any representations made by the franchisor or its personnel or agents.
- (c) Reliance by a franchisee on the franchise disclosure document, including any exhibit thereto.
- (d) Violations of any provision of this division.

The undersigned, officers, directors, and/or shareholders of FRANCHISEE hereby personally guarantee to BB FRANCHISING LLC the due performance of each and every obligation of FRANCHISEE in accordance with this Addendum.

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BB FRANCHISING LLC

**ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT,
FRANCHISE AGREEMENT (STANDARD), AND SATELLITE FRANCHISE
AGREEMENT**

Illinois law shall apply to and govern the Franchise Agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees' right upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Date: _____

FRANCHISE:

By: _____ (L.S.)

By: _____ (L.S.)

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BB FRANCHISING LLC
MARYLAND ADDENDUM

This Addendum to the standard Franchise Agreement, Satellite Franchise Agreement, and Disclosure Document is agreed to by and among BB FRANCHISING LLC and the Franchisee identified below:

1. Item 6 and 11 of the Disclosure Document and Section 6B of the standard Franchise Agreement and Satellite Franchise Agreement are amended by the addition of the following language to the original language:

In Maryland, a FRANCHISEE may obtain an accounting of the Advertising Fund, upon written request, made no more often than once a year.

2. Item 17 of the Disclosure Document and Section 17.01(c) of the standard Franchise Agreement and Satellite Franchise Agreement are amended by the addition of the following language to the original language:

The provision in the Franchise Agreement for the termination of the Franchise Agreement may not be enforceable under Federal Bankruptcy Law (11 U.S.C. §101, et seq.).

3. Item 17, Caption v, and Section 21.01 of the standard Franchise Agreement and Satellite Franchise Agreement, to the extent contrary to Maryland Franchise Registration and Disclosure Law, is hereby deleted and amended by the addition of the following language:

A franchisee to bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Item 17, Caption l, of the Disclosure Document and Section 16.03 of the standard Franchise Agreement and Satellite Franchise Agreement, are hereby amended by the addition of the following language:

The general release required as condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

5. Item 17, Caption x, of the Disclosure Document and Section 21.10 of the standard Franchise Agreement and Satellite Franchise Agreement are hereby amended by the addition of the following language:

All claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

6. Item 17 and the standard Franchise Agreement and Satellite Franchise Agreement are hereby amended by the addition of the following language:

A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to the lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. The Disclosure Document, the standard Franchise Agreement and Satellite Franchise Agreement are hereby amended by the addition of the following language:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

8. The standard Franchise Agreement and Satellite Franchise Agreement are hereby amended by the addition of the following language:

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

9. The standard Franchise Agreement and Satellite Franchise Agreement are hereby amended to delete sections 8.02(b) and 8.02(c).

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Date: _____

FRANCHISE:

By: _____(L.S.)

By: _____(L.S.)

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BB FRANCHISING LLC
MINNESOTA ADDENDUM

This Addendum to the Franchise Agreement and Disclosure Document is agreed to by and among BB Franchising LLC and the Franchisee identified below:

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 liquidate 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 franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, 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, logos 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.
4. Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
5. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
6. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.
7. A court will determine if a bond is required.
8. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.
9. NSF checks are governed by Minnesota Statute 60A.113, which puts a cap of \$40 on service charges.
10. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Date: _____

FRANCHISE:

By: _____ (L.S.)

By: _____ (L.S.)

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BB FRANCHISING LLC

NEW YORK ADDENDUM

This Addendum to the Franchise Agreement and Disclosure Document applies to franchises and franchisees subject to New York laws and regulations:

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Neither we, our affiliates, nor any person identified in Item 2 of this Disclosure Document:

A. Has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations, or is facing any pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

C. Is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither we nor any of our affiliates, predecessors, officers or general partners during the 10-year period immediately before the date of this Disclosure Document has (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

5. The following is added to the end of the “Summary” sections of Item 17(c), titled **“Requirements for franchisee to renew or extend,”** and Item 17(m), entitled **“Conditions for franchisor approval of transfer”**

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in office; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The following language replaces the “Summary” section of Item 17(d) titled **“Termination by franchisee”**:

The Franchisee may terminate the agreement on any grounds available by law.

7. The following is added to the end of the “Summary” section of Item 17(j), titled **“Assignment of contractor by franchisor”**:

However, no assignment will be made except as to an assignee who in good faith and judgment of the franchisor, is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

8. The provisions of Item 17(w) and of the Disclosure Document and Section 21.01 of the Franchise Agreement with regard to the applicable law are hereby deleted and amended by the addition of the following language:

The California choice of law should not be considered a waiver of any right conferred upon us or you by Article 33 of the General Business Law of the State of New York.

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Date: _____

FRANCHISE:

By: _____ (L.S.)

By: _____ (L.S.)

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BB FRANCHISING LLC
NORTH DAKOTA ADDENDUM

This Addendum to the Franchise Agreement and Disclosure Document is agreed to by and among BB FRANCHISING LLC and the Franchisee identified below:

1. Item 17(c) of the Disclosure Document and Section 16.03 of the Franchise Agreement, are hereby amended by the addition of the following language:

Any release required as a condition of renewal, sale, assignment/ transfer shall be ineffective as a release from liability. Franchisor fully complies with Section 51-19-09 of the North Dakota Franchise Investment Law.

2. Item 17(i) of the Disclosure Document and Section 17.04(c) of the Franchise Agreement are amended by the addition of the following language to the original language:

Franchisor does not require and nothing in this section shall require the franchisee to consent to termination or pay liquidated damages.

3. Item 17(r) of the Disclosure Document and Section 18 of the Franchise Agreement are amended by the addition of the following language to the original language, with such language becoming Section 18.08 in the Franchise Agreement:

Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.

4. Item 17(u) of the Disclosure Document and Section 20 of the Franchise Agreement are amended to delete the requirement that arbitration or mediation of disputes must be held in California and to instead specify that the site of arbitration or mediation shall be agreeable to all parties and not remote from the franchisee's place of business.

5. The provisions of Item 17(v) of the Disclosure Document and Section 21.01 of the Franchise Agreement with regard to venue are hereby deleted and amended by the addition of the following language:

The Franchisee is permitted to enter into litigation with BB FRANCHISING, the Franchisor, in any court within the county where the Franchised Business operates within the State of North Dakota.

6. The provisions of Item 17(w) and of the Disclosure Document and Section 21.01 of the Franchise Agreement with regard to the applicable law are hereby deleted and amended by the addition of the following language:

The Franchise Agreement will be construed and enforced under the laws of North Dakota without regard to the rules of conflict of laws.

7. Item 17(x), of the Disclosure Document and Section 21.10 of the Franchise Agreement are hereby deleted in their entirety and amended by the addition of the following language:

Any claims arising under this Agreement shall be subject to the statute of limitations provided under North Dakota law.

8. Section 20.01 of the Franchise Agreement is hereby amended to delete the waiver of punitive or exemplary damages.
9. Section 20.04(a) of the Franchise Agreement is hereby amended to delete the waiver of trial by jury.

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Date: _____

FRANCHISE:

By: _____ (L.S.)

By: _____ (L.S.)

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BB FRANCHISING LLC

VIRGINIA ADDENDUM

This Addendum to the Franchise Agreement and Franchise Disclosure Document is agreed to by and among BB FRANCHISING LLC and the Franchisee identified below.

This Addendum amends the FDD and Franchise Agreement provided to Franchisee as required by the Virginia Retail Franchising Act and applicable regulations. To the extent any provision of the FDD or Franchise Agreement is inconsistent with this Addendum, the terms of this Addendum shall control for franchises offered or sold in Virginia.

1. **Deferral of Initial Fees.** Pursuant to 21 VAC 5-110-65(G) and Va. Code § 13.1-561(B), the Franchisor agrees to defer the collection of the initial franchise fee and all other fees or payments required before the opening of the franchised business from franchisees located in Virginia. These fees shall not be collected until the Franchisor has completed all of its pre-opening obligations under the Franchise Agreement and the franchised business has opened for business.
2. **Non-Waiver of Statutory Right.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.
3. **Termination Only for Reasonable Cause.** Pursuant to Va. Code § 13.1-564(7), the Franchisor acknowledges that the Franchise Agreement may not permit termination of the franchise without reasonable cause. Any provision in the Franchise Agreement allowing the Franchisor to terminate the agreement without reasonable cause is void and of no effect with respect to franchises governed by the laws of the Commonwealth of Virginia.
4. **Governing Law.** Pursuant to Va. Code § 13.1-559(D), for all franchises located in the Commonwealth of Virginia, the Franchise Agreement and any related agreements offered or entered into pursuant to the Virginia Retail Franchising Act shall be governed by the laws of the Commonwealth of Virginia.
5. **Post-Termination Restrictions.** Pursuant to Va. Code § 13.1-563(A)(4), it is unlawful to offer or enter into a Franchise Agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the Franchise Agreement. Accordingly, any provision in the Franchise Agreement that purports to impose such a restriction shall be void and of no effect with respect to franchises governed by the laws of the Commonwealth of Virginia.

Notwithstanding the foregoing, pursuant to Va. Code § 13.1-563(B), in the event that a franchisee sells its franchised business at a mutually agreed upon price to a third party or to Franchisor, such sale may include a provision restricting the franchisee from engaging

in the business of offering, selling, or distributing goods or services at retail for a period of no more than two (2) years following such sale.

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Date: _____

FRANCHISE:

By: _____ (L.S.)

By: _____ (L.S.)

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BB FRANCHISING LLC

**WASHINGTON ADDENDUM TO THE
FRANCHISE DISCLOSURE DOCUMENT, FRANCHISE AGREEMENT,
SATELLITE AGREEMENT AND RELATED DOCUMENTS**

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

The franchisee may terminate the franchise agreement under any grounds permitted under state law.

Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

The undersigned does hereby acknowledge receipt of this addendum.

Dated: _____

BB FRANCHISING LLC

By: _____ (L.S.)
Margaret Ford, CEO

Date: _____

FRANCHISE:

By: _____ (L.S.)

By: _____ (L.S.)

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

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EXHIBIT G-2

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EXHIBIT H

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Non-Renewal:

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Closed/Ceased Operating for Other Reason:

Terminated:

EXHIBIT I

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EXHIBIT J
THIRD-PARTY BILLING AMENDMENT TO
BB FRANCHISING LLC
FRANCHISE AGREEMENT

This Third-Party Billing Amendment (“Amendment”), dated as of the date of the last signature (“Effective Date”), to the Franchise Agreement (defined below) is made by and between BB Franchising LLC, a Delaware limited liability company (hereinafter referred to as Franchisor), having its principal place of business at 1320 North Route 59, Unit 110, Naperville IL 60563, and _____ (hereinafter referred to as Franchisee). This Amendment and the Franchise Agreement (as defined below) are hereinafter referred to as "this Agreement".

RECITALS:

WHEREAS, Franchisor and Franchisee entered into that certain Franchise Agreement and related contracts, dated _____ to open and operate the Brain Balance Center of _____ (the “Franchise Agreement”), pursuant to which Franchisor granted to Franchisee the right to develop and operate the Franchised Business utilizing the Brain Balance Proprietary Marks and all the advantages of the Brain Balance System upon the terms and conditions contained therein; and

WHEREAS, Franchisor is now offering an additional opportunity to offer the Brain Balance System within Franchisee’s Territory on an optional basis; and

WHEREAS, Franchisee has elected to adopt the Third-Party Billing Program in its operation of its Brain Balance Center; and

WHEREAS, Franchisor and Franchisee wish to amend certain provisions contained in the Franchise Agreement to reflect Franchisee’s adoption of the Third-Party Billing Program; and

WHEREAS, Franchisee and Franchisor desire to reflect the foregoing by amending the Franchise Agreement with the revision set forth in this Amendment;

NOW, THEREFORE, in consideration of the mutual agreements, covenants and promises contained in this Amendment, and for good and valuable consideration, Franchisee and Franchisor agree as follows:

1. Definitions. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Franchise Agreement or as listed below:

- (a) “ADA” means the Americans with Disabilities Act;
- (b) “CIN” means the clinically integrated network in which all Brain Balance providers will participate, which is formed as Brain Balance CIN, LLC;
- (c) “Direct-pay” means the practice of billing an enrollee directly for services, rather than billing a Payer for payment;

(d) “EHR” means electronic health record, a digital version of a patient’s health or medical information maintained by a provider;

(e) “HIPAA” means the Health Insurance Portability and Accountability Act;

(f) “MSO” means the managed services organization in contract with the CIN that provides services to the CIN;

(g) “Payer” means a third-party insurance carrier or government program that contracts with the CIN to pay for Brain Balance Program services provided by parties within the CIN network in Franchisee’s region;

(h) “Post-Program Subscription” means the services that Franchisee offers to enrolled parties at the end of the Brain Balance Program services;

(i) “PPA” means the Program Agreement for Participating Providers between Franchisee and the CIN, a form of which is attached as Exhibit A;

(j) “RBT” means Registered Behavior Technician and refers to the type of credentials that are required in order to provide services to enrolled participants under the Third-Party Billing Program;

(k) “SOC 2” means the compliance framework for managing and protecting sensitive personal information that was established by the American Institute of Certified Public Accountants;

(l) “Third-Party Billing Program” means the system and plan by which franchisees in the Brain Balance System are permitted to join the CIN as a provider and bill Payers for the provision of Brain Balance Program services, all pursuant to the limitations and requirements established by the CIN and Franchisor.

2. Voluntary Adoption. Franchisee understands that this Amendment and participation in the Third-Party Billing Program is voluntary. Franchisee is not required to enter into this agreement and adopt these services. By executing this Amendment, Franchisee voluntarily agrees to change the terms of its Franchise Agreement in order to offer additional services. Except as otherwise provided in this Amendment, Franchisee may not opt out of the terms of this Amendment once Franchisee has entered into it.

3. Franchisor Obligations. Franchisor shall provide the following services.

(a) CIN.

i. Franchisor shall form the CIN business entity and support the corporate governance of such entity. Franchisor shall license to the CIN the Marks, standards, and operational methodologies relating to the Brain Balance Program and permit the CIN to require providers within that network including Franchisee to use such systems.

ii. The CIN shall bill Payers for services based on information properly submitted by Franchisee. The CIN shall pay Franchisee as outlined in the PPA. Payments will be made on or about the 15th day of the calendar month after the CIN receives payment for such services.

(b) MSO.

i. Franchisor shall form and maintain the MSO. Franchisor shall bill Payers for services provided by provider members of the CIN, utilizing the data provided by providers.

ii. If Franchisor observes errors or issues in Franchisee's billing data, Franchisor will use best efforts to work with Franchisee to revise and correct information to cure such deficiencies, however Franchisor shall not be liable for identifying errors or deficiencies in Franchisee's billing information.

iii. The MSO shall identify and determine costs and administrative fees associated with operating the MSO, including but not limited to billing, revenue cycle management, accounting, and related services, and shall bill the CIN for such fees. The MSO shall notify Franchisee of any changes to such structure driven by external changes in procedures or costs.

(c) Set Up and Training. Upon Franchisee's execution of this Amendment, Franchisor will provide Franchisee with information and training regarding HIPAA compliance, SOC 2 set up and compliance, and how to obtain proper credentials. Training will be approximately 40 hours.

4. Franchisee Obligations. Franchisee understands and undertakes all of the following obligations.

(a) Join the CIN. Concurrently with execution of this Amendment, Franchisee shall sign the PPA with the CIN. Franchisee shall strictly comply with all requirements under the PPA. Franchisee agrees that the success and reputation of the Brain Balance Program under the Third-Party Billing Program depends on strict compliance with all standardized methods of operation and compliance with legal protocols required under the PPA.

(b) ADA Property Compliance. Franchisee shall comply with Franchisor requirements to verify through third party inspection that its premises meets or exceeds ADA standards and shall provide evidence of such inspection to Franchisor in the form and format reasonably required by Franchisor.

(c) SOC 2 Compliance. Franchisor shall assist Franchisee with configuring its computer and information technology systems in order to comply with SOC 2 protocols. Franchisee shall cooperate with Franchisor fully and shall take such actions as may be required to bring its systems into compliance. During the term of the Franchise Agreement, and any further period in which Franchisee operates under the Marks or which is mandated by the PPA, Franchisee shall comply with any updates, upgrades or modifications to its

systems, configurations, and data security practices that are reasonably required to maintain compliance with the then-current security and technology standards required for HIPAA compliance and maintaining the security of personal data entrusted to Franchisee by consumers.

(d) Immediate Notification in the Event of any Data Incident. Franchisee shall immediately notify Franchisor in the event that it experiences any data breach, data loss, or other cyber incident that results, or may have resulted, in the loss of any personal information about any enrollee or consumer. Franchisee shall fully cooperate at Franchisee's expense with all steps related to access, investigation, reporting, and disclosure required by Franchisor in response to such incident.

(e) HIPAA Compliance and EHR Implementation.

i. Franchisee and all of Franchisee's staff members who will provide care to patients under the Third-Party Billing Program shall attend training provided by Franchisor regarding HIPAA compliance and the use of EHRs as the record-keeping mechanism for information about patients.

ii. Franchisee shall ensure that the Business remains HIPAA compliant at all times, in compliance with the PPA requirements.

iii. Franchisee understands and agrees that adoption of the Third-Party Billing Program requires the Business to record all data about all services provided through EHRs, including for Direct-pay services. Franchisee shall not record data regarding enrollees through any mechanism other than EHRs. In the event that Franchisee elects to permanently stop using the Third-Party Billing Program as provided in Section 6 of this Amendment, Franchisee may stop using EHRs only after receiving written consent from the CIN.

iv. Franchisee shall utilize the EHR system specified by Franchisor at all times and shall not implement or utilize any EHR system or mechanism not approved in writing by Franchisor.

(f) RBT Credentialing.

i. Franchisee understands and acknowledges that all of its coaches who provide Brain Balance Program services to enrollees pursuant to the Third-Party Billing Program must have valid credentials as a Registered Behavior Technician (RBT) in order to qualify to provide services paid by a Payer. Coaches without credentials may not provide Brain Balance Program services to enrollees under the Third-Party Billing Program.

ii. At least thirty (30) days prior to the Third-Party Billing Program's start date, which date shall be communicated by Franchisor, Franchisee will ensure that at least one (1) person working for the Franchised Business has obtained the required RBT credentials.

iii. At any time that the requirements for maintaining valid credentials pursuant to this standard are modified by a Payer or any other relevant credentialing authority, Franchisee shall take appropriate action to ensure that all coaches who will provide services under

the Third-Party Billing Model have taken all additional action necessary to maintain or update their credentials.

5. Fees. The following fees will be added or modified in connection with the Third-Party Billing Program:

(a) Third-Party Billing Program Initiation Fee. Franchisee shall pay Franchisor the sum of One Thousand Five Hundred Dollars (\$1,500) in a lump sum at the time of execution of this Amendment for set up and data migration. This fee shall be deemed earned in full when paid and is not refundable.

i. Franchisee shall pay Franchisor a subscription fee in the amount of Ninety-Five Dollars (\$95.00) for the first seven (7) months after adoption, and Forty-Five Dollars (\$45.00) for each month thereafter.

ii. Franchisee shall pay Franchisor the sum of Seventeen Dollars (\$17.00) per person who enrolls in the Post-Program Subscription.

(b) Royalty and Advertising Fund. Franchisee understands and acknowledges that its obligations to pay Royalty and Advertising Fund fees applies to all Gross Revenue received by Franchisee under this Amendment and that fees payable to Franchisor as outlined in this Section are not deductions from Gross Revenue for the purpose of this calculation.

6. Abandonment of Third-Party Billing.

(a) In the event that Franchisee determines that it will no longer engage in Third-Party Billing Program services, Franchisee must take the following steps: (i) notify Franchisor and the CIN in writing, stating the date on which Franchisee will cease providing these services; (ii) obtain instructions from Franchisor and the CIN regarding the appropriate methods for protection of the information held in EHRs; (iii) comply with all such instructions at Franchisee's sole expense; and (iv) continue to use the EHR system for entry of all records and data, including for Direct-pay arrangements, until informed in writing by the CIN that Franchisee may stop doing so.

(b) Franchisee agrees and understands that abandonment of the Third-Party Billing Program only allows it to revert to offering Direct-pay services only, and does not terminate the other provisions of this Amendment.

7. Termination. Franchisee acknowledges and agrees that any material breach of the PPA constitutes a material breach of the Franchise Agreement, subject to all terms within the Franchise Agreement related to default and termination. Further, Franchisee expressly acknowledges that evidence of a deliberate misrepresentation or non-compliance with the requirements of the PPA constitutes a threat to the reputation and goodwill of the Marks and threatens the viability of the CIN and that it is grounds for default under the Franchise Agreement.

8. Further Modifications.

(a) Technology Fee. The \$1,000 technology fee is eliminated from the Franchise Agreement.

9. Except as expressly modified by this Amendment, all terms, conditions and provisions of the Franchise Agreement (any prior addenda and all schedules thereto) shall remain in full force and effect. The Franchise Agreement (any prior addenda and all schedules thereto and instruments executed in connection therewith), as modified by this Amendment, contain the entire agreement of Franchisee and Franchisor with respect to the Franchised Business.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals this date

_____.

Franchisor:
BB FRANCHISING LLC

Franchisee

By: _____
Maggie Ford, CEO

By: _____

EXHIBIT K
THIRD-PARTY BILLING PROGRAM AGREEMENT FOR PARTICIPATING
PROVIDERS

EXHIBIT K

THIRD-PARTY BILLING PROGRAM AGREEMENT FOR PARTICIPATING PROVIDERS

**BRAIN BALANCE THIRD PARTY BILLING PROGRAM:
PROGRAM AGREEMENT FOR PARTICIPATING PROVIDERS**

This “**Program Agreement**” governs participation in the Brain Balance Third Party Billing Program (“**Program**”). It forms a contract between your organization and Brain Balance CIN, LLC, a Delaware limited liability company (“**CIN**”) which facilitates the Program in collaboration with Brain Balance MSO, LLC, which is also a Delaware limited liability company (the “**MSO**”). CIN is a clinically and financially integrated network through which participating providers work together to offer the Program, in collaboration with MSO, as described in this Program Agreement. Throughout this Program Agreement, your organization may be referred to as “**You**,” “**Your**,” or the “**Provider**”¹. You, as the Provider, and CIN may each be called a “**Program Party**” or collectively, the “**Program Parties**.” By accepting this Program Agreement, You are agreeing to provide services as a participating provider in the CIN.

MSO provides non-clinical management services necessary to implement the CIN’s initiatives, administering the CIN’s day-to-day operations and promoting the Program to prospective participating providers, payers, and other stakeholders. CIN has contracted with MSO for such support and pays management fees to MSO to secure the infrastructure required for CIN’s activities. Providers who participate in the CIN pool their resources together through the CIN to purchase the MSO’s services. This creates efficiencies and cost-savings that allow CIN participants to focus their resources on clinical integration initiatives, and to offer more cost-efficient care. Many of CIN’s obligations under this Program Agreement are performed by MSO under the contract between CIN and MSO, with direction from the CIN Leadership Council. The “**CIN Leadership Council**” is comprised of Council Members nominated by and affiliated with participating provider organizations, as described in greater detail at Exhibit B.

By accepting this Program Agreement, You also confirm your participation in the CIN Organized Health Care Arrangement, as described at Exhibit C, and agree to the Brain Balance General Terms set forth in Exhibit D (“**BB General Terms**”) and the Business Associate Agreement set forth in Exhibit E.

Recitals²

- Brain Balance franchises offer high-quality cognitive, physical and sensory training, together with nutritional guidance, to help clients strengthen and build brain connectivity without the use of

¹ Whenever the context requires, the references to Provider will be inclusive of Provider's Individual Providers.

² These Recitals are incorporated into and made part of this Program Agreement.

medication (the “**BB Services**”). All Brain Balance franchises offer the BB Services to the public on a cash-pay basis.

- CIN is comprised of only those Brain Balance franchises that have voluntarily elected to become Participating Providers in the Program and engage in the following additional activities to enhance the quality, affordability, and accessibility of their services: (a) participation in clinical integration activities, including development and adherence to care pathways aligned with the CIN’s quality and patient experience initiatives; (b) collection and analysis of quality-focused performance metrics; (c) participation in financial integration programs tied to quality and cost-efficiency; (d) implementation of interoperable electronic health records and related clinical support tools; and (e) acceptance of payment from third-party payers to increase access and affordability of the BB Services.
- CIN contracts with organizations on a non-exclusive, voluntary basis, such that Provider is free to contract with Payers outside of this Program, directly or through other provider networks, and to continue its existing business outside of this Program;
- CIN has entered into or intends to enter into agreements with Payers for services rendered by Participating Providers to Payers’ beneficiaries (“**Payer Contracts**”); and
- Provider provides services through Individual Providers who each, individually, are qualified and licensed to deliver such services (as applicable); and
- CIN and Provider want to enter into an agreement, through this Program Agreement, such that Provider, through Individual Providers, will serve as a Participating Provider and provide services upon all the terms and conditions of such Payer Contracts.

ARTICLE I DEFINITIONS

The terms below will have the following meanings in this Program Agreement. Any capitalized term in this Program Agreement not defined below shall be as defined in the Exhibits to this Program Agreement.

1.1. “**Benefit Plan**” means a Payer’s health benefit plan or program, including a health maintenance organization plan, preferred provider arrangement, exclusive provider arrangement, health insurance plan, or other managed care arrangement for providing or arranging health benefits for its members or beneficiaries.

1.2. “**Business Associate**” has the meaning assigned to such term under HIPAA, including, but not limited to, 45 CFR § 160.103. “**Business Associate Agreement**” has the meaning assigned to such term under HIPAA, including, but not limited to, 45 CFR § 160.103. “**CIN Representatives**” has the meaning set forth in Section 3.7. “**Contract Requirements**” means all requirements and conditions, including, but not limited to, those specified in the Payer Contracts, other guidance and regulations issued by Payers, laws and regulations applicable to CIN and/or Provider, and this Program Agreement, including all schedules and exhibits attached hereto. “**Cost-share**” means a charge for which a Covered Individual is directly responsible for as an additional out-of-pocket payment for Covered Services, regardless of

whether defined as a copayment, deductible, coinsurance, or otherwise in the relevant Payer's Benefit Plan. Not all Covered Services have a Cost-share. A Cost-share may be calculated in different ways, such as a fixed-amount or percentage of the total payment due for the Covered Services. "**Covered Individual**" means an individual who is a beneficiary of a Benefit Plan sponsored by a Payer that has entered into a Payer Contract, pursuant to which the Covered Individual is entitled to receive healthcare services, or such other definition as may be included in a Payer Contract. "**Covered Services**" means those services that a Provider is licensed, equipped and staffed to provide and which Provider provides to Covered Individuals and for which a Payer is required to pay pursuant to a Payer Contract (including any corresponding definition therein of covered services). "**Covered Site**" means the clinic of a Participating Provider, or the home or other remote location in which a Covered Individual receives such Covered Services, whether in person through BB SERVICES or via telehealth. "**Exclusion Database**" means the National Practitioner Database and the U.S. Department of Health and Human Services Office of Inspector General List of Excluded Individuals and Entities. "**Individual Providers**" are those individual employees or contractors of a Provider involved in the delivery of care to Covered Individuals on behalf of Provider under this Program Agreement. "**HIPAA**" means the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, the Health Information Technology for Economic and Clinical Health Act of 2009, Public Law 111-5, the HIPAA Privacy Rule modifying 45 CFR Parts 160 and 164, and the HIPAA Security Rule, modifying 45 CFR Parts 160, 162 and 164, together with their implementing regulations. "**Individual Guarantor**" has the meaning set forth in Section 3.6. "**Non-Covered Services**" has the meaning set forth in Section 3.5. "**Participating Providers**" means those organizations who have contractually agreed to participate in CIN's Payer Contracts. A current roster of Participating Providers will be made available to Provider upon request. "**Payer Contracts**" means those contracts entered into between CIN and a "**Payer**" (any third-party sponsor of a Benefit Plan) for the provision and payment of Covered Services by Participating Providers. "**Term**" has the meaning set forth in Section 4.1.

PARTICIPATING PROVIDER RESPONSIBILITIES

2.1. **Services.** Provider agrees it shall provide and perform (through its Individual Providers, as applicable) those Covered Services identified at Exhibit A to Covered Individuals and to accept as payment for such services the amounts set forth therein. Provider agrees to abide by the applicable policies, procedures, and requirements in the Program Manual(s) (defined in the BB General Terms) related to the administration of this Program Agreement. **Credentialing.** Provider shall meet any credentialing standards or other applicable standards of participation set by any Payer with regard to any Payer Contract in which Provider participates, in addition to any qualification standards set by CIN or the MSO for participation in this Program Agreement. Provider must satisfy any credentialing requirements of a Payer before participation in a Payer Contract and participation in CIN is not a substitute for such credentialing. MSO does not perform delegated credentialing or primary source verification, but will provide administrative support to Provider for the credentialing process, such as assistance compiling and following up on credentialing packets submitted to Payers. **Payer Contracts Abide by Contracts.** Provider agrees to be, and shall hereby become, bound by all the terms and conditions of such Payer Contracts as CIN may enter into with Payers that may reasonably be applied to Provider in the same manner and with the same obligations to Payers and Covered Individuals as if Provider were a directly contracting party thereto, subject to the provisions of this Program Agreement. Provider shall be bound by each Payer Contract without further or advanced notice, unless the amount(s) payable to Provider for the Covered Services it provides under such Payer Contract are less than the amount(s) specified at the then-current Exhibit A. In the event that a Payer Contract would reimburse Provider in amount(s) less than the amount(s) specified at the then-current Exhibit A, Provider shall not be bound by such a Payer Contract except upon execution of an agreement to participate, which specifies the amounts Provider will be

reimbursed. Unless Provider executes such an agreement to participate, Provider shall have elected not to provide Covered Services under any Payer Contract under which the amounts payable to Provider would be less than the amount(s) specified at the then-current Exhibit A.

2.3.2 Non-Exclusivity. The contractual relationship established between CIN and Provider shall not be exclusive in that Provider may enter into any third-party payer contract or participate in any other network as it may desire. Provider shall not by virtue of this Program Agreement have exclusive rights as to the provision of Covered Services with respect to any Payer Contract. Nothing in this Program Agreement guarantees Provider's participation in any Payer Contract. Provider recognizes and acknowledges that Provider's eligibility to participate in a particular Payer Contract may vary based on geographic location, the clinical needs of the Covered Individuals and other factors. Provider recognizes that its eligibility for participation in any individual Payer Contract is subject to the discretion of the involved Payer and CIN. For example, the CIN may enter into a Payer Contract with a Payer that does not offer coverage in the geographic area in which Provider offers services. Except as otherwise provided in this Program Agreement, non-participation in a specific Payer Contract(s) shall have no effect on or consequence to participation in, or rights or obligations under, any other Payer Contract or the CIN generally.

2.3.3 Payer Contract List. CIN will maintain a listing of Payer Contracts in which Payer is participating through the CIN and periodically update such listing and furnish it to Provider. Listings of Payer Contracts may be provided to Provider through electronic access or by other means. Provider will abide by the terms of this Program Agreement as to a Payer Contract entered into by the CIN, even if a listing of Payer Contracts has not yet been updated to include such Payer Contract.

2.4. Assist Payer and Covered Individuals. Provider agrees to reasonably assist Covered Individuals to understand and utilize their benefits under a Payer Contract in connection with Covered Services offered by Provider. Provider acknowledges that Payers may place certain obligations upon CIN and Provider regarding the quality of care received by Covered Individuals and that certain Payers may have the right to oversee and review the quality of care administered to Covered Individuals. Provider shall be bound by the terms of all such quality assurance and utilization review programs imposed by any Payer Contract that is the subject of this Program Agreement or by a Program Manual and shall cooperate with each Payer and/or CIN's review of the quality of care administered to Covered Individuals. Provider hereby authorizes CIN and the MSO to release to Payers, without Provider's prior consent, any and all information, records, summaries of records, and statistical reports specific to Provider and/or its Individual Providers (including, but not limited to, utilization profiles pertinent to the provision of Covered Services, professional qualifications, and credentialing information) using Provider's name, Individual Providers' names or any applicable code numbers, as requested by Payers. CIN and the MSO may use such information, records and reports for internal program monitoring and may disclose such information, records, and reports to Payers, other Participating Providers, prospective Participating Providers, and the public so long as any public disclosure identifying an Individual Provider's name or code number is presented to Provider no fewer than ten (10) business days in advance. If Provider objects to any proposed disclosure within the ten (10) day period required by this paragraph, no public disclosure may be made of the specific identity of the Individual Provider. **Clinical and Financial Integration.** Provider agrees to participate in the CIN's clinical and financial integration activities, as selected and overseen by the CIN Leadership Council, which is responsible for developing, reviewing, and revising care pathways and other clinical support tools, as well as holding the CIN and its participants accountable to defined quality metrics through ongoing data analytics. Additional information regarding the clinical integration activities in

which Provider will be expected to participate are described in the Program Manuals. Provider shall always retain full professional discretion within Provider's scope of practice. While the CIN encourages adherence to care pathways and the use of clinical support tools, nothing in these Provider Terms or any Program Manual shall be construed to override or interfere with Provider's independent clinical judgment in individual patient care decisions. In instances where Provider elects to deviate from a recommended care pathway, Provider is encouraged to provide feedback on the rationale to the CIN Leadership Council to support continuous pathway evaluation and refinement. Provider acknowledges that as part of the CIN's financial integration efforts, participation in clinical integration activities, and the results of such activities, may impact Provider's compensation as described in Exhibit A. **Provider's Representations and Warranties**. Provider affirms and incorporates herein by reference those representations and warranties contained in the BB General Terms.

COMPENSATION

3.1. **System Integration to Facilitate Payer Reporting and Claims Submission**. Clinical records related to the provision of Covered Services in this Program must be maintained by Provider in an electronic record platform capable of integration with the MSO's software for billing and data reporting purposes. Such an integration must be complete and functional, as determined in the sole discretion of the CIN, before a Provider can participate in this Program. Provider shall authorize and direct such implementation in collaboration with CIN and MSO. CIN (through its contract with the MSO) will extract the necessary data from the Provider's records of clinical encounters to submit claims or invoices to Payers and report other performance data, both as required by the Payer Contracts. Clinical records maintained by Providers must substantiate the services provided and such substantiating records will be provided to CIN upon request to facilitate payment and/or verify their sufficiency. Provider shall cooperate with the coordination of benefits efforts by CIN and Payers. **Compensation**. Provider shall be compensated for Covered Services in accordance with Exhibit A. **Collection and Provider Payments**. When Provider participates in the delivery of Covered Services under these Program Terms, Provider shall submit a claim to CIN utilizing the coded service identifiers required by the applicable Payer Contract,³ which identifies the service rendered, the Covered Individual, the Individual Provider providing the service, the date and place of service, and all other information reasonably required by CIN and the Payer to process the claim. Provider shall submit claim to CIN (or to a third party designated in writing to Provider by CIN, such as the MSO or a vendor engaged by the MSO to support the Program) promptly, and in any event within thirty (30) days after services were rendered, or within such shorter time as may be required to enable CIN to meet the billing requirements of the applicable Payer Contract. Clinical records maintained by Providers must substantiate the services provided and such substantiating records will be provided to CIN upon request to facilitate payment and/or verify their sufficiency. Provider shall cooperate with the coordination of benefits efforts by CIN and Payers.

³ Coded service identifiers include any listing of descriptive terms and identifying codes, updated from time to time by the Centers for Medicare and Medicaid Services or other industry source, for reporting Health Services on the CMS 1500 claim form or its successor. The codes may include, but are not limited to, American Medical Association Current Procedural Terminology ("CPT®"); CMS Healthcare Common Procedure Coding System ("HCPCS"); International Classification of Diseases, Clinical Modification ("ICD-CM"); and National Drug Code ("NDC"), or their successors, in such version as may be specified in the applicable Payer Contract.

3.3.2 CIN will bill and collect from the various Payers in accordance with the terms and conditions contained herein and the applicable Payer's Payer Contract.

3.3.3 CIN will collect and distribute payment to Provider in the amounts specified herein for Covered Services rendered to Covered Individuals. CIN will use reasonable efforts to issue payment to Provider within ten (10) business days after CIN's receipt of payment for services rendered by Provider under this Program Agreement.

3.3.4 **CIN shall have no liability to Provider or any Participating Provider for any non-payment by a Payer or a Covered Individual.** Providers may seek payment from CIN for Covered Services only to the extent and up to the amount received by CIN from the Payer and/or Covered Individuals and as limited by the terms set forth in this Program Agreement and the exhibits hereto. Services rendered by Provider outside the scope of this Program Agreement shall not be billed by or through CIN, nor shall any Payer have responsibility or liability whatsoever in connection with such services, nor shall this Program Agreement have any force or effect with respect to such services.

3.4. **Cost-shares.** In connection with the claim submission and reconciliation process, CIN will receive information from the Payer, third-party administrator, or other persons or entities involved in the administration of the Covered Individual's benefits regarding any Cost-share obligations that may arise in connection with Covered Services, if any. Based on this information, CIN will perform the billing of the Cost-share obligations and/or direct Participating Providers of the Cost-share amounts to be billed, up to the total reimbursement rate payable to Provider. Provider agrees to perform the billing of Cost-share amounts or refrain from billing Cost-share amounts (i.e. to permit CIN or a third party to do so) pursuant to CIN's instructions and in accordance with any applicable Program Manual. Neither CIN nor Provider shall routinely waive Cost-share obligations required by a Benefit Plan, but it is acknowledged that some Benefit Plans and/or Covered Services will not require Cost-share obligations. **Non-Covered Services.** CIN shall not make any payment to Provider for services rendered that are not Covered Services ("***Non-Covered Services***") under a Payer Contract, and Provider may bill and collect directly from patients or Payers for such Non-Covered Services in accordance with the provisions of the agreements among them, if any, and all legal requirements. All amounts so collected shall be retained by Provider as compensation and shall not be credited towards or otherwise reduce the amount of compensation payable to Provider under the terms of this Program Agreement. **Hold Covered Individuals Harmless.** Except with respect to the collection of Cost-share amounts in accordance with Section 3.4, as applicable, Provider agrees that in no event, including, but not limited to, non-payment by CIN of amounts due Provider under this contract, insolvency of CIN, or any breach of this contract by CIN, shall Provider and its Individual Providers, assignees, or subcontractors have a right to seek any type of payment from, bill, charge, collect a deposit from, or have any recourse against Covered Individuals or any individual acting as a guarantor on a Covered Individual's behalf for Covered Services received (an "***Individual Guarantor***"). The requirements of this paragraph shall survive any termination of this contract for services rendered prior to such termination, regardless of the cause of such termination. The Covered Individuals or any Individual Guarantor shall be third-party beneficiaries of this paragraph only. This paragraph supersedes any oral or written agreement now existing or hereafter entered into between Provider and such a Covered Individual or Individual Guarantor. This provision shall not prohibit the collection of debt owed by Covered Individuals or Individual Guarantors to Provider in connection with services rendered outside this Program Agreement, such as payment for services rendered on a cash-pay basis prior to Provider's participation in this Program. **No Guarantee of Income or Earnings.** Provider agrees that CIN and its affiliates, Participating Providers and CIN and Participating Provider members,

managers, shareholders, directors, officers, agents, contractors and employees (collectively, the “**CIN Representatives**”) make no implications, warranties, promises, representations, or guarantees whatsoever about earnings or income to Provider in connection with Provider’s participation or status as a Participating Provider. The potential earnings and income of Provider in connection with this Program Agreement may vary and can depend on many factors including economic, political, social, and regulatory changes, such as changes to the way consumers and payers reimburse the performance of health care services, changes in the plans and strategies of competitors of Provider and Provider’s investment of time, effort and skill into the services related to this Program Agreement. No testimonials, prior successes, or past results are a guarantee of Provider’s income or earnings. Provider acknowledges that any examples, projections, forward-looking statements, or promotional materials provided by CIN Representatives to Provider regarding potential earnings or income are samples only and express only the possibility of earning potential, not actual earnings or financial or operational performance expected. Such materials are not guarantees, promises, or warranties of any kind, and the CIN Representatives are under no obligation to revise any such materials in light of new information or future events. There is no assurance that Provider’s status as a Participating Provider or its participation in CIN and its Payer Contracts will result in any income or earnings to Provider. CIN and CIN Representatives have not authorized any individual or company to make such a guarantee, promise or warranty. CIN and CIN Representatives expressly disclaim any warranties or guarantees that Provider will experience any income or earnings because of this Program Agreement.

TERM AND TERMINATION

4.1. **Term.** Once Provider has entered into a Third-Party Billing Amendment to the BB Franchising LLC Franchise Agreement and accepted this Program Agreement, including the BB General Terms and any Exhibits incorporated herein, the “**Term**” of this Program Agreement will begin and shall continue for a period of one (1) year (the “**Initial Term**”), unless sooner terminated as provided by this Program Agreement. Upon expiration of the Initial Term, this Program Agreement will automatically renew for successive one (1) year terms (each a “**Renewal Term**”) unless and until terminated as provided by this Program Agreement. CIN will notify Payers of Provider’s participation, pursuant to the terms of the applicable Payer Contracts. Payers will then load Provider as a Participating Provider in any systems necessary to facilitate claims/invoice submission and processing. Provider’s participation in each Payer Contract is dependent upon completion of all applicable notice periods, loading process and any other credentialing or approval requirements imposed by the applicable Payer. As a result of this Process, the timing with which Provider becomes eligible to perform Covered Services for a particular Payer or Covered Individual may vary. **Termination Because of Death.** This Program Agreement shall automatically terminate in the event of the death of all of Provider’s Individual Providers. **Immediate Termination for Specific Breaches.** CIN may immediately terminate this Program Agreement, at CIN’s option, as specified in the BB General Terms. This includes, for example and without limitation, Provider’s failure to remove Individual Providers from providing services upon a loss of proper licensure or exclusion from federal or state health care programs. **Termination After Notice of Default.** Except for those breaches noted in Section 4.3, in the event Provider or CIN shall default in the performance of any term of this Program Agreement, the Program Party not in default may provide to the other Program Party notice of intent to terminate this Program Agreement. The notice shall state the reason(s) for the early termination. If the default is not cured within thirty (30) days of the date of the notice, then this Program Agreement shall terminate. If the default is cured, then no termination will occur. The rights granted hereunder shall not be in substitution for, but shall be in addition to, any and all other rights and remedies for breach of contract available to a non-defaulting Program Party under Applicable Law.

4.4.2 Provider's violation of a Program Manual or refusal to accept updated BB General Terms may, at CIN's option, be treated as a default under this Section 4.4.

4.5. **Termination upon Winding up of Company.** This Program Agreement will automatically and immediately terminate as of the dissolution and winding up of CIN or Provider. **Termination for Legal Compliance.** CIN will have the unilateral right to terminate this Program Agreement to the extent necessary to comply with Applicable Law if it is reasonably determined that continued participation by CIN in this Program Agreement without amendment would put either Program Party at risk of violating any Applicable Law. Prior to termination of this Program Agreement pursuant to this paragraph, CIN will first reasonably attempt to amend this Program Agreement in a manner that will achieve the business purposes hereof and negotiate in good faith with Provider in an effort to achieve a mutually acceptable amendment. If CIN proposes such an amendment to this Program Agreement for purposes of regulatory compliance and such amendment is unacceptable to Provider, either Program Party may choose to terminate this Program Agreement within such timeframe as necessary to comply with Applicable Law. For purposes of this Section 4.6, "reasonably determined" means a determination is made in good faith after consultation with qualified legal counsel who has experience in matters of healthcare regulatory law, and after consideration of the relevant facts and circumstances and potential alternative approaches that might permit continued performance without violation of Applicable Law. **Termination of Payer Contract Participation.** Upon CIN's receipt of notice from any Payer with which CIN has executed a Payer Contract requesting, for any reason or no reason, that Provider or an Individual Provider no longer provide services under a Payer Contract, an Individual Provider's participation in such Payer Contract shall terminate upon written notice to Provider. Such termination of participation in a specific Payer Contract will not cause the termination of this Program Agreement. **Termination Without Cause.** This Program Agreement may be terminated without cause by either Program Party upon ninety (90) days' prior written notice to the other. **Termination Upon Rejected Modification.** This Program Agreement may be terminated in accordance with Section 5.3 (Modification) or as provided in the BB General Terms if You reject updated BB General Terms or Program Manuals. **Payment Following Termination.** After termination of this Program Agreement, Provider shall be entitled to payment as specified herein for Covered Services rendered by Provider prior to the date of termination. If Provider continues to provide Covered Services that were commenced before the date of termination to Covered Individuals after the effective date of termination in accordance with the requirements of this Program Agreement, Provider shall be entitled to continue receiving payment for such services at the rate specified herein until such Covered Services being rendered by Provider are completed.

MISCELLANEOUS PROVISIONS

5.1. **Indemnification.** **Provider's Indemnification.** Provider shall indemnify, defend, and hold harmless CIN and MSO, including such entities' shareholders, directors, officers, agents, and employees (collectively, the "CIN Indemnified Parties") for and from any and all liability, loss, expenses (including reasonable attorneys' fees) and claims for damages for injury arising from acts or omissions by Provider arising from Provider's own gross negligence or willful misconduct, any Individual Providers (including any loss of licensure, adverse licensure or credentialing action, or exclusion/suspension from participation in a federal or state healthcare program or other Benefit Plan) or any officer, agent or employee of Provider, in the rendering of any healthcare services, or arising from any breach or default on the part of Provider with respect to the representations and warranties made in this Program Agreement (including the BB General Terms) or in Provider's performance of this Program Agreement. Provider, upon prompt notice from CIN or any person or entity indemnified hereunder, shall defend, at the expense of Provider,

such action or proceeding. Notwithstanding anything to the contrary in this Program Agreement, Provider's obligations under this Section specifically exclude first party or direct claims against Provider by an indemnified party, or any claim for which a sole and exclusive remedy is provided under another section of this Program Agreement.

5.1.2 Payment Adjustments for Insurance Proceeds. Payments by an indemnifying party under section 5.1.1 are limited to the amount of any liability, loss or damage that remains after deducting therefrom any insurance proceeds and any indemnity, contribution, or other similar payment actually received by the indemnified party in respect of the indemnity claim, less any related costs and expenses, including the aggregate cost of pursuing any related insurance claims and any related increases in premiums or other charge-backs. An indemnified party shall use commercially reasonable efforts to seek to recover any insurance proceeds available in connection with an indemnity claim. Promptly after realization of any insurance proceeds, indemnity, contribution, or other similar payment, an indemnified party shall reimburse the indemnifying party for such reduction in losses for which it was paid under section 5.1.1 before the realization of reduction of such losses.

5.1.3 Cooperation. Each Program Party may from time to time be faced with certain legal issues, actions or claims arising from or relating to this Program Agreement. Each Program Party recognizes the value of cooperating with the other in good faith in such event, to the extent such cooperation does not violate Applicable Law, result in a breach of any insurance policy, or result in a breach of any confidentiality or privilege. Each Program Party agrees to notify the other promptly, and within fourteen (14) days, of receipt of any lawsuit, claim, regulatory action, or notice of intent to file a lawsuit based in any part on this Program Agreement or services provided hereunder. Each Program Party agrees to provide the other with any and all information it possesses which is necessary to the other Program Party's defense in litigation arising under or related to this Program Agreement and which is not reasonably available from another source or subject to laws of confidentiality, attorney-client privilege and work product. The Program Parties shall cooperate in good faith, using best efforts, to address issues in a manner that strongly encourages full cooperation between the Program Parties.

5.2. Assignment. This Program Agreement shall be binding upon and inure to the benefit of the Program Parties hereto. Neither CIN nor Provider may assign or transfer their rights and responsibilities under this Program Agreement without the written consent of the other Program Party, provided that CIN may subcontract and/or assign its rights and responsibilities to the MSO (which may subcontract and/or assign the same), or in connection with a merger, acquisition, or sale of all or substantially all of its assets, or to any subsidiary or parent company of CIN, or to any affiliate of the Innovator companies in connection with a corporate reorganization. Modification. CIN may periodically update the terms of this Program Agreement with no fewer than thirty (30) days' advanced notice. If at any time such an update is not acceptable to you, you must notify CIN within thirty (30) days of the notice of the update. In response to a notice that you have rejected any updated term or condition of this Program Agreement, CIN will have the option to terminate this Program Agreement upon thirty (30) days' notice. Amendments and updates may be made via electronic means as described in the BB General Terms. The rights of the Program Parties under this paragraph are not intended to limit and are subordinate to the rights granted by Section 4.6 (Termination for Legal Compliance). Entire Agreement. The entire agreement between the Program Parties is comprised of: (a) this Program Agreement, together with its exhibits; (b) the Franchise Agreement including any amendments; (c) the BB General Terms, except where expressly contradicted by the terms of this Program Agreement (see Exhibit D); (d) all Business Associate Agreements required in connection with this Program Agreement (see Exhibit E); (e) the

Organized Health Care Arrangement Acknowledgment required in connection with this Program Agreement (see Exhibit C), and (f) all Program Manuals relevant to this Program Agreement. Any prior agreement of the Program Parties, including, but not limited to, prior written or oral agreements, promises, negotiations or representations relating to the subject matter of this Program Agreement that are not contained in the documents listed in this paragraph are of no force and effect. **Third-Party Rights.** The Provider Indemnified Parties and CIN Indemnified Parties shall be third-party beneficiaries of Section 5.1 only. Third-party rights and beneficiary status shall otherwise be as described in the BB General Terms.

Maintenance of Records after Termination. Both Program Parties will maintain records of their activities under this Agreement, and Provider shall ensure that its Individual Providers maintain records and provide such information to the CIN and MSO and to appropriate state and federal authorities as may be necessary for compliance with the provisions of Applicable Law. This obligation is not terminated upon a termination or expiration of this Program Agreement.

Quality Metrics. Notwithstanding any provision of this Program Agreement regarding the confidentiality or proprietary nature of information, it is agreed that CIN and MSO are expressly permitted to disclose and publish information concerning the quality and price of care delivered pursuant to this Program Agreement where such information has been aggregated with that of other Participating Providers and where such disclosure is permitted under Applicable Law.

HIPAA Compliance. Both Program Parties agree to abide by Applicable Law regarding confidentiality of protected health information and other personally identifiable information. The disclosure or use of protected health information in connection with this Program Agreement will generally be made as part of the CIN Organized Health Care Arrangement (“**BB OHCA**”) in accordance with Exhibit C. CIN and MSO act as Business Associates to the members of the BB OHCA. By accepting this Program Agreement, You agree to the terms of the Business Associate Agreement at Exhibit E, which is incorporated herein by reference.

Survival. The BB General Terms shall survive the termination of this Program Agreement as specified in the BB General Terms. In addition, the terms of this Program Agreement that by their terms or nature are intended to survive termination will survive termination, including, without limitation, Article III (as to services rendered prior to termination), Section 4.10 (Payment Following Termination), Section 5.1 (Indemnification), Section 5.2 (Assignment), Section 5.4 (Entire Agreement), Section 5.5 (Third-Party Rights), Section 5.6 (Maintenance of Records after Termination), section 5.7 (Quality Metrics), Section 5.8 (HIPAA Compliance), Section 5.10 (Further Assurances), Section 5.11 (Incorporation by Reference), Section 5.12 (Notices), and such terms as may be specified as surviving termination in the BB General Terms, Business Associate Agreement, and any other exhibit or document incorporated into this Program Agreement by reference.

Further Assurances. Provider and CIN shall execute all documents and instruments and take all further actions as may be reasonably necessary or convenient in order to effectuate the terms of this Program Agreement and the intentions of the Program Parties.

Incorporation by Reference. Every exhibit and Program Manual attached to this Program Agreement or referred to herein is incorporated in this Program Agreement by reference. The terms and conditions of the BB General Terms are incorporated herein, except where expressly contradicted by the terms of this Program Agreement.

Notices. All notices between the Program Parties will be made in accordance with the BB General Terms.

Exhibit A: Services and Reimbursement

Scope of Services

As a Provider in the Brain Balance Third Party Billing Program, You will provide BB Services through Individual Providers who meet state law requirements with regard to their training and licensure to provide such services. Such Individual Providers may include, without limitation, Registered Behavior Technicians (RBT), Board Certified Behavior Analysts (BCBA), or Board Certified Assistance Behavior Analysts (BCaBA), Occupational Therapists (OT), Chiropractors, Medical Doctors, and Nurse Practitioners. As a Provider, You are responsible for verifying the qualifications and licensure of each Individual Provider to deliver the BB Services, and satisfying all other requirements under the General Terms. You shall at all times ensure that Individual Providers offer only such services as fall within their scope of practice, considering Applicable Law, and the certification and training levels of the Individual Providers.

You grant CIN and MSO the authority to enter Payer Contracts concerning Your services in accordance with the Program Agreement and this Exhibit A.

Reimbursement Rates

You will be compensated at a pre-determined minimum rate (the “Minimum Rate”) as depicted in Table I below. Your actual reimbursement rate will consist of the reimbursement rate payable under the applicable Payer Contract held by the CIN.

You agree to accept as payment in full, reimbursement at the rates listed in Table I below (post-Risk Pool Contribution), or such greater rates as may be negotiated by the CIN with respect to a Payer Contract.

Table I: Reimbursement Rates

Service	Description/Code	Minimum Rate
Behavior identification-supporting assessment, administered by one technician under the direction of a physician or other qualified health care professional, face-to-face with the patient, each 15 minutes	CPT® ⁴ 97152	\$50 per unit 6 units
Adaptive behavior treatment by protocol, administered by technician under the direction of a physician or other qualified health care professional, face-to-face with one patient, each 15 minutes	CPT® ⁴ 97153	\$50 per unit 4 units
Adaptive behavior treatment by protocol administered by technician under the direction of a physician or other qualified health care professional, face-to-face with one patient, each 15 minutes	CPT® ⁴ 97155	\$70 per unit 4 units

⁴ CPT® is a registered trademark of the American Medical Association (AMA).

Service	Description/Code	Minimum Rate
Group adaptive behavior treatment with protocol modification, administered by physician or other qualified health care professional, face-to-face with multiple patients, each 15 minutes	CPT® ⁴ 97158	\$40 per unit 4 units 2 or more clients per provider
Therapeutic interventions that focus on cognitive function (e.g., attention, memory, reasoning, executive function, problem solving, and/or pragmatic functioning) and compensatory strategies to manage the performance of an activity (e.g., managing time or schedules, initiating, organizing, and sequencing tasks), direct (one-on-one) patient contact, each 15 minutes	CPT® ⁴ 97130	\$50 per unit 4 units

CIN may enter into and terminate a Payer Contract at any time in its sole discretion and in accordance with the termination provisions of such Payer Contract. CIN and Payers may amend Payer Contracts from time to time without Your consent. You agree to participate in, and become bound by, the terms and conditions of the CIN's Payer Contracts as may be reasonably be applied to You in the same manner as if You were a directly contracting party to such Payer Contracts. You shall be bound by and begin participation in any Payer Contract entered into by CIN without further notice, unless the amount payable to You for Your Covered Services would be less than the Minimum Rate specified in Table I, as may be modified from time to time in accordance with this Exhibit A. In the event that a Payer Contract would reimburse You in an amount less than the Minimum Rate, You shall not be bound by such Payer Contract or required to deliver services in connection with such Payer Contract, unless you agree in writing in advance to participate in such Payer Contract at a different rate, which shall have no impact on the Minimum Rate applicable to Your services under other Payer Contracts.

If CIN wishes to expand the services You provide under one or more Payer Contracts, it shall give notice to You proposing the service to be provided and the corresponding Minimum Rate. Unless the expanded services will cost You additional monies, You must give notice to CIN within thirty (30) calendar days' from the date of the notice if You do not wish to begin offering the proposed service. If no rejection notice is received, the new service will be incorporated into this Exhibit A and Table I, effective no earlier than the thirty first (31st) day following the CIN's notice to You. If You timely reject a proposed additional service, You shall have elected not to participate in such service and it shall not become part of this Exhibit A or Table I. If the expanded services will require You to incur additional costs, the expanded services will be offered to You on an opt-in basis and You will not be permitted to offer the expanded services unless You have specifically opted in with a written acceptance to provide them. In conjunction with this, the Program Parties may amend this Exhibit A and Table I by written consent at any time. For the convenience of the Program Parties, CIN may periodically update Table I to reflect all then-current services and their corresponding Minimum Rates, but all new services that have not been timely rejected will become effective irrespective of whether Table I has been updated to reflect all such services.

Management Fees

MSO charges a management fee to CIN on a cost-plus basis for performing the operations required to successfully implement and operate this program, including negotiation of payer contracts, claim/invoice submission, disbursement of funds to participating providers, management of the risk pools, data analysis

and reporting to Payers and the CIN Leadership Council, assistance with the development of care pathways, and day-to-day administration of the Program. The management fee consists of the actual, documented costs incurred by the MSO in providing management and administrative services to the CIN, plus a fixed percentage markup of two percent (2%) to cover overhead and reasonable margin. The total management fee charged by MSO to CIN will be allocated among all participating providers in the Program proportionately based on the number of claims submitted by the CIN to Payers for each participating provider. You agree that you are responsible for payment of Your allocated portion of such management fees.

Per-Claim Payments

For convenience, a flat rate per claim will be set based on an estimate for the total management fees owed by CIN to MSO for a given calendar year. Such flat rate per claim is referred to as the “Per-Claim Payment”). The initial Per-Claim Payment shall be Twenty-Nine Dollars (\$29.00). When payment is received by CIN for Provider’s services for a given claim, the Risk Pool Contribution will be transferred to the Risk Pool and the Per-Claim Payment shall be retained by the CIN and applied toward Provider’s obligations to pay its proportionate share of the MSO management fees. The Per-Claim Payment shall be periodically reviewed by the MSO in consultation with the CIN Leadership Council and any change in such Per-Claim Payment shall be based on changed third-party expenses and shall be communicated to Provider in writing at least one hundred eighty (180) days before it goes into effect. The CIN shall maintain a ledger of all funds retained and applied as Per-Claim Payments throughout each calendar year. Within ninety (90) days following the end of each calendar year, the CIN shall perform a reconciliation (“True-Up”) comparing the total funds retained as Per-Claim Payments against the actual amounts owed by Provider for management fees. Any excess retained shall be refunded to Provider within thirty (30) days of the True-Up, and any shortfall shall be invoiced to Provider and payable within thirty (30) days of the date the invoice is delivered to Provider in accordance with the notice provisions of the BB General Terms.

Exhibit B: CIN Leadership Council Charter

Purpose and Scope

The CIN Leadership Council (“Council”) is hereby established to provide strategic oversight and coordination regarding the clinical and financial integration activities of the Brain Balance Clinically Integrated Network (“CIN”), and across its key operational domains, in collaboration with Brain Balance Health (“MSO”), including:

- Healthcare quality improvement, including development and refinement of care pathways
- Payer and provider contracting, including value-based and risk-bearing initiatives
- Information technology, digital infrastructure and data governance

The Council provides direction and input to MSO and collaborate with MSO to implement the Brain Balance Third Party Billing Program (the “Program”). The Council ensures alignment of CIN activities with its mission to lower costs of care and improve clinical outcomes for patients.

The Council works in collaboration with MSO to develop and refine:

- Strategic initiatives and policies related to IT systems and data governance
- Care pathways, best practices regarding patient experience, and clinical support tools
- Provider Manual content related to the delivery of clinical care

Together, the Council and MSO:

- Guide payer contracting strategies, including negotiation and execution of value-based agreements
- Monitor performance metrics and ensure accountability across CIN participants

The Council does not engage in the general corporate governance of CIN or in contravention of its Articles of Organization as a Delaware limited liability company.

MSO does not interfere with the professional judgment of participating providers, or the provider-patient relationship and the Council represents the voice of the participating providers in reviewing Program materials to guard against such interference. The Council promptly notifies MSO of any concerns in that regard.

Council Members

The Council is comprised of Council Members appointed by MSO. Individuals affiliated with participating provider organizations may apply to serve as a Council Member by submitting a statement of interest outlining the candidate’s qualifications and commitment to CIN’s mission.

A determination of the appropriate Council size and appointment decisions will be made by MSO on an annual basis after input from the current Council (after the initial year of implementation) and consideration of the following criteria:

- Candidates’ experience and expertise in clinical care, healthcare operations, technology, compliance matters, or payer contracting
- Representation from a diverse mix of provider organizations, areas of expertise, clinical licensure types, practice settings and geographies

- Candidates' historical commitment to service on subcommittees or workgroups, and other forms of collaboration with other CIN participants
- The need to ensure overall sufficiency of clinical input and participation across the CIN

In the event an insufficient number of applications are received, or the applications received do not, in the discretion of MSO, after input from the current Council, achieve adequate levels of clinical participation or diversity across provider types, practice settings, or geographies, MSO may require any or all participating provider organizations to nominate a candidate and supply information outlining such nominee's qualifications for the role.

To promote continuity and institutional knowledge within the Council, Council Member's terms are staggered as follows:

- Each Council Member serves a two-year term, with the option for renewal upon re-election
- In the first year of implementation, the MSO will appoint the initial Council Members and designate half of the initial Council Members to serve one-year terms, after which they may be reelected to a full two-year term.

Meetings

The Council meets at least quarterly, or more frequently as needed. A quorum is achieved by a simple majority of Council Members. Guests may be invited or permitted at the discretion of the Council, and individuals wishing to attend a meeting or comment on an agenda item may request attendance by contacting any Council Member. Meeting agendas and minutes are distributed in advance and archived for reference, and both are made available for review by all participating providers. Decisions are made by simple majority vote of Council Members present at a meeting or may be made by written consent of a majority of Council Members.

Council Members elect a Chair biennially by plurality vote of the Council Members. The Council Chair or their designee, if unavailable, presides over meetings. To promote inclusive participation across the geographically dispersed CIN, meetings shall generally be conducted virtually or in hybrid format.

Subcommittees and Workgroups

The Council promotes collaboration among participating providers and between participating providers and MSO, and champions continuous improvement of the CIN and its participating providers through data-driven insights.

The Council may establish subcommittees or workgroups, in its discretion, to focus on specific domains, such as the following:

- Digital Infrastructure Subcommittee: Provides input into IT infrastructure related to the program, data standards, interoperability, vendor selection, privacy and security.
- Quality Oversight Subcommittee: Develops and revises care pathways, monitors quality metrics, and supports clinical decision-making tools.
- Contracting Subcommittee: Evaluates payer and provider contracting opportunities, including value-based contracts and risk-sharing, and supports financial modeling.

Subcommittees and workgroups, if any, shall report regularly to the full Council, and may include as members individuals who are not Council Members.

Compliance

The Council works to ensure CIN activities and initiatives comply with Applicable Laws and regulations and the ethical duties of participating providers with respect to their patients. The Council may adopt policies and procedures to assist CIN and its participating providers in meeting their legal and ethical obligations. The Council is particularly mindful of maintaining the privacy and security of personal health information and compliance with HIPAA and state-law equivalents, and of ensuring collaboration among participating providers is procompetitive in nature in accordance with state and federal antitrust guidance, and does not violate state or federal fraud and abuse laws, such as the False Claims Act, Anti-Kickback Statute, Physician Self-Referral Law, Civil Monetary Penalties Law, or the Beneficiary Inducement Statute.

The Council may maintain a confidential peer review process to evaluate concerns regarding patient safety, quality of care, unprofessional conduct, or other conduct inconsistent with the expectations and requirements of the Program. The Council endeavors to conduct peer review activities in accordance with such state and federal protections as may be available based on the relevant geography and circumstances to provide immunity and/or evidentiary privilege and encourage candid review. Peer review activities must be conducted in good faith and the Council does not allow such processes to be used for political or economic gain or to address interpersonal disputes unrelated to the legitimate purposes of the peer review process.

Review and Amendment

The Council reviews this Charter annually and amends it as needed by majority vote, subject to approval by the MSO.

Exhibit C: Brain Balance OHCA Declaration

Brain Balance CIN, LLC is a clinically and financially integrated network (“CIN”) comprised of participating providers who hold themselves out to the public as participating in a joint arrangement whereby they engage in the delivery of coordinated cognitive, physical and sensory training, together with nutritional guidance, to help clients strengthen and build brain connectivity without the use of medication, in a manner that qualifies for third-party reimbursement as a covered health care benefit under patient’s health plans (the “Program”). Together, the participating providers in the Program are an Organized Health Care Arrangement (the “BB OHCA”) pursuant to the Health Insurance Portability and Accountability Act of 1996 (“HIPAA”) because of such activities. To assist the OHCA and its participating Covered Entities in the coordination of care and implementation of the Program, MSO and CIN shall each independently act as a Business Associate to the Covered Entities of the OHCA. The participating providers are Covered Entities who engage with one another and with CIN and MSO to deliver the Program to payers and patients, including, without limitation, the following activities:

- Quality assessment and improvement activities in which information regarding treatment provided by participating providers is assessed by other participants and/or the CIN and MSO; and
- Sharing of financial risk for delivering health care, in which PHI created by a participating provider may be reviewed by other participating providers, CIN, and/or MSO, for purposes of administering the sharing of financial risk.

This Declaration is effective beginning on the dates such activities begin and shall remain effective until such activities cease, provided that when any individual Covered Entity ceases participation in the Program (as evidenced by termination of the Program Agreement and any subsequent activities required thereby in connection with care rendered prior to such termination), such individual Covered Entity shall no longer participate in the BB OHCA, except with respect to the exchange of information related to the activities of the OHCA involving such Covered Entity during the Covered Entity’s time as a participant in the BB OHCA.

Brain Balance CIN, LLC makes this OHCA declaration by the below signature of its Manager, Brain Balance Holdings, LLC.

SO DECLARED:

[Brain Balance authorized representative]

This ____ day of _____, 2025

Exhibit D: BB General Terms

Please read these BB General Terms carefully, because they impact Your organization's legal rights and responsibilities and include important topics such as confidentiality, indemnification, disclaimers of implied warranties, and limits on liability.

Throughout these BB General Terms, your organization may be referred to as “You,” “Your,” or as a “Partner.” Brain Balance programs each have a program-specific set of Program Agreement, which specify activities and obligations specific to the program. To achieve consistency across programs and avoid repetition of standard terms in across numerous documents, these BB General Terms are incorporated by reference into all Program Agreement and may be incorporated by reference (where explicitly noted) into other agreements between You and Brain Balance. If a Program Agreement expressly conflicts with these BB General Terms, the terms of the Program Agreement prevail. Whenever possible, however, a Program Agreement and BB General Terms will be interpreted as complementary and supplementary to one another. When You enter into a Program Agreement with Brain Balance or one of its wholly owned subsidiaries, these BB General Terms are incorporated into such Program Agreement and references to “Brain Balance” in these BB General Terms refer to the Brain Balance company⁵ that is a Program Party to such Program Agreement. Throughout these BB General Terms, Brain Balance may be referred to as “We,” “Our,” or “Us.”

1. Independence of Partners. In connection with Brain Balance programs, some Partners are authorized to use Brain Balance's brands or to describe their affiliation with Brain Balance using phrases like “in partnership with Brain Balance.” Similarly, when providing services in connection with a program, a Partner may be permitted to use certain Brain Balance brands. These might include, for example, “Brain Balance,” “Brain Balance Third Party Payer Program,” or various taglines and service marks specific to a program. References to these brands or to a third party as a “Partner” to Brain Balance are not intended to suggest any ownership, employment, endorsement or agency relationship between Brain Balance and any health care facility, health care provider, or other third party, which is expressly disclaimed. Brain Balance helps health plans and healthcare providers identify and engage with one another and patients in need of their services and benefits. The use of Brain Balance branding by such a business Partner means only that the third party has satisfied certain requirements set by Brain Balance and received a license to use of one or more Brain Balance brands. **Claims, obligations, liabilities, or causes of action (whether in contract, common or statutory law, equity or otherwise) that arise out of or relate to services delivered by a Partner (including, without limitation, a healthcare provider or health plan, and any representation made by such a company) may be asserted only against the Partner and not Brain Balance. Brain Balance shall have no liability for any such claims, obligations, liabilities or causes of action and You hereby waive and releases any liability, claim, cause of action or obligation against Brain Balance in connection with the obligations, actions or omissions of other third-party Partners.** For example, You agree that if you believe another Partner has performed

⁵ The Program Parties for each program are specified in the Program Agreement. Where these General Terms are incorporated into an agreement between You and Brain Balance other than a Program Agreement, “Brain Balance” refers to the one or more Brain Balance companies that are party to such agreement.

services, such as clinical health care services, in a manner that is negligent, You can pursue claims and other remedies against the Partner who was the provider of the services but may not assert a claim for such negligence against Brain Balance. **Brain Balance does not take on liability for the conduct of its Partners. Brain Balance is not itself a healthcare provider or a health plan and is not responsible for the provision of healthcare services or health benefits.** As a Partner, You acknowledge that the terms of this paragraph apply to Your own activities and use of Brain Balance brands. To the extent Brain Balance offers forums for communication between Partners, patients, and/or other interested individuals/organizations, We will not be directly or indirectly liable for any content posted by a third party. The limitations on liability and disclaimers contained in this paragraph will survive the termination of all Program Agreement and these BB General Terms.

2. Partner's Indemnification. You agree to indemnify, defend and hold harmless Brain Balance, and the directors, officers, employees, agents, employees and affiliates of any Brain Balance entity (the "**Indemnified Parties**"), from and against any and all losses, claims, damages, liabilities, costs and expenses (including, without limitation, reasonable attorneys' fees and costs) advanced by third parties and arising from your representations under these BB General Terms or any Program Agreement or Your failure to perform obligations under these BB General Terms or any Program Agreement. This indemnification obligation applies whether you purchase, deliver, sell or perform products or services in connection with any Program Agreement. For purposes of this paragraph, your actions include those of your employees, agents, affiliates or representatives. The terms of this paragraph will survive the termination of all Program Agreement and these BB General Terms. The terms of this paragraph set a minimum indemnification obligation, and additional indemnification obligations may be included in Program Agreement, which shall be supplementary and in addition to the indemnification terms of this paragraph.
3. Third-Party Beneficiaries. Except with respect to the right to indemnification of Indemnified Parties under paragraph 2 above, these BB General Terms are not intended to give any legal or equitable right, remedy, or claim to any third party, and there are no third-party beneficiaries to these BB General Terms.
4. Confidential Information. All information and material disclosed in contemplation of or in connection with your participation in a Program which is not generally known to the public and which in the ordinary course of business is maintained by Brain Balance or a Partner as confidential shall be "**Confidential Information**" and remain proprietary to the disclosing company. You agree not to disclose or use such Confidential Information, and Brain Balance agrees not to disclose or use such Confidential Information except: (i) as explicitly permitted by Program Agreement; (ii) as required to provide services or products or otherwise perform obligations described in Program Agreement; (iii) upon the express written consent of the disclosing company; (iv) as required by any Applicable Law; (v) Brain Balance or a Partner may disclose Confidential Information to its lenders, legal and business advisors who have agreed to the obligations in this paragraph for its own internal purposes. Before disclosing Confidential Information in accordance with any legal proceeding or based on the belief that such disclosure is required by Applicable Law, commercially reasonable efforts must be made to notify the company to which the Confidential Information belongs, unless providing such notice is legally prohibited or the legal process or obligation involves a danger of death or

serious physical injury. Confidential Information shall not include any information that is or becomes generally available to the public other than as a result of a breach of the confidentiality requirements these BB General Terms, Program Agreement or another legal obligation, and shall not include information that was rightfully in the recipient's possession prior to receipt from the disclosing company in connection with a Brain Balance program. Brain Balance may disclose your identity as a Partner to carry out their obligations under Program Agreement and to generally promote Brain Balance programs. This means that Brain Balance may disclose to third parties that you are a Partner and/or that you have entered into one or more agreements with Brain Balance. Upon termination of your participation in a program (in accordance with applicable Program Agreement), or if you decide after review not to participate in program to which Confidential Information relates, You and Brain Balance will return or destroy all Confidential Information received in connection with such program, provided that each receiving party shall be permitted to retain copies solely for archival, audit, disaster recovery, legal or regulatory purposes and will not be required to search archived electronic back-up files in order to purge Confidential Information from its archived files. Any Confidential Information retained beyond the termination Program Agreement, or Your decision not to enter into Program Agreement, remains subject to the obligations and restrictions contained in this paragraph regarding Confidential Information, which shall survive the termination of all Program Agreement and/or these BB General Terms. We may, but are not required to, provide You opportunities to post text, photographs, videos or other content in forums accessible by other Partners. You represent that you own all the rights to any content you post, or that you have permission from the owner of such content. You do not transfer ownership of content by posting it, but grant Us an irrevocable, perpetual and non-exclusive license to reproduce, encode, store, copy, transmit, publish, post, broadcast, display, create derivative works from, and otherwise use the content You post to a forum, without any obligation to you. This license does not extend to any Protected Health Information, as defined under Applicable Law.

5. Use of Brands and Description of Programs. Partners may use the names, trademarks, service marks, domain names, logos and other distinctive brand features of other Partners only in connection with and during the term of a Program Agreement and only in accordance with these BB General Terms, and any brand guidelines that may be issued by the owner of such intellectual property from time to time. For example, a Partner that is a healthcare provider may use the logo of a Partner that is a health benefit plan to illustrate to its staff or patients that it is an "in network" provider for such health benefit plan. All uses not in compliance with a Partner's brand guidelines require the express written approval of the Partner who owns such intellectual property. No Partner is under any obligation to continue its current affiliation with any of its own affiliates and each Partner agrees to immediately cease all use of the intellectual property of any affiliate of another Partner upon written request by Brain Balance or the applicable Partner. Each Party will immediately cease all use of the brands or intellectual property of the other Party upon termination of all Program Agreement (and, as applicable, Program Management Terms) and You will immediately cease all use of the brands or intellectual property of other Partners upon termination of Program Agreement involving such Partners, unless authorized by separate agreements directly with another Partner. **If you want to develop your own descriptions, summaries and/or promotional materials describing any Brain Balance program, you agree to obtain Brain Balance's prior written approval of all such materials.** The purpose of such approval is to comply with various state law requirements and to avoid inadvertent misstatements or consumer confusion. Descriptions,

summaries and/or promotional materials you develop are subject to your indemnification obligations under these BB General Terms, in addition to any other remedies available to Brain Balance or its Partners at law and equity. For example, if Brain Balance becomes the subject of a lawsuit alleging Your description of a Program misrepresents the nature, scope or services available in connection with the Program, You will at a minimum defend and indemnify Brain Balance against all such claims. Your use of descriptions, summaries and/or promotional materials supplied by third parties other than Brain Balance (including your consultants, marketing agency, or other vendors) is subject to the same pre-approval process as materials you develop directly, and your use of such materials is subject to your indemnification obligations under these BB General Terms. You agree not to alter or edit any materials provided by Brain Balance describing a Program, except with Brain Balance's express permission.

6. Program Manuals. Brain Balance and its Partners may develop manuals of administrative and operational policies and procedures specific to a program (each a **"Program Manual"**). Brain Balance will provide You with any Program Manual that applies to the Program(s) You join. You agree to abide by these Program Manuals, as may be amended from time to time by Brain Balance or the applicable Brain Balance affiliated Program Party and agree that all Program Manuals are Confidential Information. If the contents of a Program Manual are in direct conflict with the terms or legal obligations arising from related Program Agreement or these BB General Terms, the Program Agreement and these BB General Terms will prevail and apply over the Program Manual. Whenever possible, these BB General Terms, a Program Agreement, and Program Manuals will be interpreted as complementary and supplementary. At no time will any policy, manual or procedure set by Brain Balance, whether contained in a Program Manual or elsewhere, interfere with any professional service provider's exclusive authority and control over the practice of such profession. For example, policies and procedures will not interfere with a health care provider's exclusive authority and control over the practice of medicine or other professional health care services, such as determinations of diagnosis or treatment. New or modified Program Manual terms become effective automatically if you do not reject them within thirty (30) days per the commercially reasonable instructions in the notice provided to You of the new or modified Program Manual terms. If You reject any updated Program Manual, Brain Balance has the option to terminate any Program Agreement you previously accepted upon thirty (30) days' written notice, unless otherwise specified in your Program Agreement. If you reject an update to the Program Manual, and the corresponding Program Agreement are not terminated by Brain Balance, the version of the Program Manual predating the rejected update will remain in effect.
7. Assignment. Neither Brain Balance nor any Partner may assign or transfer any interest in the Program Agreement or these BB General Terms, in whole or in part, without the prior written consent of the other Party, except that Brain Balance may assign the Program Agreement and these BB General Terms to the purchaser of all or substantially all of its assets or business related to the same, so long as the assignee must comply with these BB General Terms and all Program Agreement. Brain Balance may subcontract its obligations or lease, assign, or allow third-party payers, administrators and other organizations (including, for example, coalitions of self-funded employers) to access Programs and include them in offerings to their customers, provided that the third-party must comply with all terms and conditions of any applicable Program Agreement, these BB General Terms, and Applicable Law. If you provide health care services in a Program, Brain Balance will provide to you, upon your request, a written or

electronic list of all current payors and administrators to which your services have been sold, leased, assigned, assumed or otherwise delegated. **If you acquire or merge with another organization or acquire a controlling equity interest in another organization, you must notify Brain Balance so that we may evaluate the eligibility of such organization to participate in each Program in which you participate. You acknowledge that Programs do not automatically extend to any third party you acquire or merge with, and that Brain Balance must confirm their eligibility for various Programs.**

8. Amendments. You are encouraged to keep up to date copies of Program Agreement and these BB General Terms for Your own files related to any Programs You join. Brain Balance may periodically update these BB General Terms. The updated version of these BB General Terms will automatically apply to Program Agreement You accept after the date of the update. You will be provided notice of updates to the BB General Terms with respect to any Programs you have already joined. Updates become effective automatically if you do not reject them within thirty (30) days per the commercially reasonable instructions in the notice. Please let us know if you have any questions or concerns about an update. If you reject any updated BB General Terms, Brain Balance has the option to terminate any Program Agreement you previously accepted upon thirty (30) days' written notice, unless otherwise specified in your Program Agreement. If you reject updated BB General Terms and Brain Balance does not terminate Your participation in one or more programs under Your existing Program Agreement, the version of the BB General Terms in effect prior to the rejected update will remain in effect. Except as provided in this paragraph, BB General Terms may only be modified upon written agreement of You and Brain Balance.
9. Notices. All notices between You and Brain Balance will be effective: when displayed electronically to you upon log-in to an electronic account assigned to You by Brain Balance; upon sending by electronic mail; upon hand delivery; three (3) business days after deposit in the United States mail postage prepaid; or when delivered by a nationally recognized overnight delivery service. The email and mailing addresses Brain Balance will use to provide you notice are those designated on the Brain Balance Intake Form as the email and/or mailing address for all legal notices to You, or, if no such central addresses have been provided, to the contact information provided to Us when you joined a Program. You or Brain Balance may change the contact information to be used for notice purposes by giving notice to the other in accordance with this paragraph. Currently, the mailing address for Brain Balance is 1320 North Route 59, Unit 110, Naperville, IL 60563 and the appropriate email address for notices required under these BB General Terms or any notice due to Brain Balance in connection with Program Agreement is: [notice@Brain Balance.com](mailto:notice@BrainBalance.com). Notice from any Brain Balance company to You will be deemed to have been given by all Brain Balance companies with respect to the subject matter of the notice, and notice from You to a Brain Balance company will be deemed to have been given to all Brain Balance companies with respect to the subject matter of the notice, in order to eliminate unnecessary redundant notices.
10. Limited Use. You agree not to: (i) license, sublicense, sell, resell, transfer, assign, distribute or otherwise commercially exploit or make available to any third party the goods or services provided by Brain Balance in any way without the express written consent of Brain Balance; (ii) modify or make derivative works based upon the goods or services provided by Brain Balance; or (iii) access, use or disclose the goods or services provided by Brain Balance in order

to build a competitive product or service. For the avoidance of doubt, nothing in this paragraph shall be deemed to prohibit you from utilizing the materials and services provided by Brain Balance for your internal business purposes in connection with any Program Agreement. This paragraph is not intended to establish exclusivity for the supply, delivery, or purchase of any goods or services, rather to prevent the unauthorized development of derivative works or the use of services, goods or other works that belong to Brain Balance in connection with any competitive product or service.

11. Law and Forum Selection. Except as otherwise expressly provided by Program Agreement, these BB General Terms and all Program Agreement will be construed and enforced in accordance with the substantive laws of the State in which Provider maintains its primary business address, without regard to conflict of law provisions, and the sole venue for any action concerning any dispute related to these BB General Terms or Program Agreement shall be the state or federal courts located in such jurisdiction. In these BB General Terms, “***Applicable Law***” means any and all applicable federal, state, local, common, foreign and intergovernmental laws, rules, regulations, directives and guidelines, including, but not limited to, HIPAA, the Anti-Kickback provisions of the Social Security Act and related regulations, Section 1877 of the Social Security Act (known as the physician self-referral law and commonly referred to as the “Stark Law”) and related regulations.
12. Severability. The invalidity or unenforceability of any particular provision of these BB General Terms or any Program Agreement will not affect the validity or enforceability of any other provisions, and the remainder of the BB General Terms or Program Agreement will be construed in all respects as if such invalid or unenforceable provision were omitted.
13. Waiver of Breach. The waiver of a breach or violation of any provision of the BB General Terms or Program Agreement is not a waiver of any subsequent breach of the same or other provisions.
14. Headings. The section titles and other headings used in these BB General Terms and in Program Agreement are for convenience of reference only and do not affect their meaning or interpretation.
15. Interpretation. You and Brain Balance waive the application of any rule that ambiguous or conflicting terms or provisions should be construed against the party who (or whose attorney) prepared these BB General Terms or any Program Agreement. Unless context otherwise clearly requires, references to the plural include the singular and the singular, the plural. The words "hereof," "herein," "hereunder" and similar terms refer to these BB General Terms or the applicable Program Agreement as a whole and not to any particular provision, unless otherwise specified. References that a person or entity “will” do something indicate an obligation to do such thing. Examples and references to “includes” and “including” are illustrative and not exhaustive.
16. Limitation of Liability. **Regardless of whether there is a total and fundamental breach of the agreements between You and Brain Balance whether any remedy provided under these BB General Terms and/or Program Agreement fails of its essential purpose, in no event shall Brain Balance be liable for any amounts representing loss of revenues, loss of profits, loss**

of business, the multiple portion of any multiplied damage award or incidental, indirect, consequential, special or punitive damages, whether arising in contract, tort (including negligence) or otherwise, regardless of whether it has been advised of the possibility of such damages. The maximum aggregate amount You may recover in any claim or action against Brain Balance is the total fees You have paid to Brain Balance in the twelve (12) months immediately preceding the occurrence of the event giving rise to the claim or action, provided that this cap shall not apply to a damage award arising from a judgment finding Brain Balance committed gross negligence or willful misconduct. Nothing in this paragraph is intended to waive or limit the professional liability claims or damages which may be asserted by a patient against a health care provider (or by a patient's representative or estate when permitted by state law governing professional liability of healthcare providers). Some jurisdictions restrict the ability to limit liability for certain types of damages. Should any one or more of the limitations in this paragraph be held invalid or inoperable under Applicable Law, each limitation in this paragraph shall be construed as severable and separately enforceable to the fullest extent permitted by Applicable Law, provided that no limitation on liability will apply that is prohibited by Applicable Law.

17. Entire Agreement. These BB General Terms and any Program Agreement You accept, including any exhibits to either, form the entire agreement between You and Brain Balance and contain all of the mutual promises between You and Brain Balance. No oral statements or prior written material not expressly incorporated into these BB General Terms or Program Agreement are of any force or effect. You acknowledge that you have relied solely upon the representations and mutual promises contained in these BB General Terms and any Program Agreement You accept, which supersede any and all other agreements, either written or oral, between You and Brain Balance with respect to the same subject matter.
18. Disclaimer of Warranties. **ALL GOODS AND SERVICES PROVIDED BY BRAIN BALANCE ARE PROVIDED "AS IS," "AS AVAILABLE" AND "WITH ALL FAULTS." BRAIN BALANCE DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY OR OTHER, AND SPECIFICALLY DISCLAIM ALL IMPLIED WARRANTIES OF MERCHANTABILITY, NON- INFRINGEMENT, FITNESS FOR A PARTICULAR PURPOSE, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE OR TRADE PRACTICE. WITHOUT LIMITING THE FOREGOING, BRAIN BALANCE MAKES NO REPRESENTATIONS OR WARRANTIES OF ANY KIND CONCERNING: SUITABILITY OR ADEQUACY OF ANY SERVICE OR MATERIAL FOR AN INDIVIDUAL OR COMPANY'S NEEDS, UNINTERRUPTED SERVICE, OR ACHIEVEMENT OF ANY INTENDED RESULT. BRAIN BALANCE DOES NOT OFFER ANY WARRANTIES.** Brain Balance representatives are not authorized to make any representation outside of or inconsistent with the written terms of these BB General Terms or the written terms of Program Agreement. Neither are other Partners authorized to make any representation, warranty or promise on behalf of Brain Balance.
19. Nature of Agreement; Independent Contractor. Nothing in these BB General Terms or the Program Agreement is intended to create (i) a partnership, joint venture or other joint business relationship between You and Brain Balance or any of their affiliates or between You and any other Partner, or (ii) a relationship of employer and employee between You and Brain Balance

or any affiliates of Yours or Ours. References to any organization as a Brain Balance “Partner” are intended to reflect the collaborative nature of the desired working relationship and are not indicative of any partnership business structure or tax status.

20. Electronic Signatures, Counterparts and Clickthrough Communication. **By accepting these BB General Terms, you are agreeing to conduct business electronically.** Acceptance of these BB General Terms, Program Agreement, or amendments to any of these, may be executed manually or electronically, in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document. Electronic signatures and manual signatures transmitted by electronic means shall be as effective and binding as any manually signed original. When, in the sole discretion of Brain Balance You are provided the opportunity to convey your acceptance or consent by clicking a button, pop-up window, checkbox, dialog box or checklist indicating “I Agree,” “I Accept,” or similar terms, your actions clicking, selecting, or marking these options (“***Clickthrough Communications***”) will have the same force and effect in manifesting your assent as an electronic or manual signature accepting, agreeing and/or consenting to the applicable terms and conditions. Conversely, your actions clicking “I Decline,” “I Do Not Agree,” or similar terms (which shall also be considered Clickthrough Communications) will convey rejection of the terms, conditions, or amendments, in the same manner as a written communication signed manually or electronically. From time to time, Brain Balance may expressly designate other phrases you may use in Clickthrough Communications or other written or electronic communications to indicate acceptance or rejection of terms or conditions. You agree that we may send to You (including via electronic mail) information and promotional materials regarding services, products and programs offered by Brain Balance. You have the right to withdraw consent to conduct business and receive records electronically and may do so by sending notice of the same to Brain Balance in accordance with the notice provisions of these BB General Terms. Withdrawing consent will not affect the legal validity of any records exchanged or business conducted electronically prior to withdrawal. For paper copies of an electronic record, please send a request to Brain Balance using the contact information provided for notice purposes. At this time there are no fees for obtaining paper copies or withdrawing consent to do business electronically.
21. Force Majeure. Neither You nor Brain Balance shall be liable for failure to perform or delay in performance of obligations when such failure or delay is caused by conditions beyond its control, including, but not limited to, war, terrorism, third-party labor dispute, fire, flood, tornado, hurricane, government intervention, embargo, shortage of raw materials, breakdown, shortage or non-availability or failure of transportation facilities or equipment, pandemic, epidemic, outbreak of infectious disease, or public health emergency, or any Act of God or any other condition not occasioned by such entity’s negligence, provided that the entity asserting an event of force majeure (the “***Affected Entity***”) uses commercially reasonable efforts to attempt to remedy the event of force majeure and perform its obligations as soon as is reasonably practicable. The Affected Entity shall, in each instance, provide the other with notice of the event of force majeure within a reasonable time after knowledge thereof and shall use commercially reasonable efforts to remedy the effect of such event as soon as is practicable. If an Affected Entity declares force majeure hereunder, Program Agreement shall remain in full force and effect for a period of sixty (60) days from said declaration. If the event of force majeure continues longer than sixty (60) days from the declaration, then after the expiration of

said sixty (60) days, Brain Balance or the Partner not claiming force majeure may terminate the affected Program Agreement(s).

22. Transactions Prior to Termination. These BB General Terms, as amended from time to time in accordance with their terms, together with any Program Agreement you accept, govern any transaction of services or products made in connection with a Brain Balance program. Termination of Program Agreement shall have no effect on the rights and obligations Brain Balance, or applicable Partners engaged with you in a Program, arising out of any prior transaction.
23. Default Process for Termination of Program Agreement. If Program Agreement specify a term or termination processes inconsistent with this paragraph, those terms govern the termination of the Program Agreement supersede this paragraph. If the Program Agreement is silent as to the procedure for termination, then Brain Balance or any party to the Program Agreement may terminate such Program Agreement upon thirty (30) days' notice to Brain Balance and any other party/parties to the Program Agreement.
24. No Guarantee of Income, Earnings, or Cost-Savings. You agree that Brain Balance, its affiliates, members, managers, shareholders, directors, officers, agents, contractors and employees (collectively, "***Representatives***") make no implications, warranties, promises, representations or guarantees whatsoever about earnings, income, or cost-savings to you in connection with any Program Agreement or any Brain Balance program. Your potential earnings, income or savings in connection with Brain Balance programs may vary and can depend on many factors including economic, political, social and regulatory changes, such as changes to the way consumers and payers reimburse the performance of health care services, changes in the plans and strategies of competitors, your investment of time, effort and skill into related programs. No testimonials, prior successes or past results are a guarantee of your income, earnings or cost-savings. You acknowledge that any examples, projections, forward-looking statements or promotional materials provided by Representatives regarding potential earnings, income or cost-savings are samples only and express only the possibility of earning or cost-saving potential, not actual earnings, cost-savings or financial or operational performance expected. Such materials are not guarantees, promises or warranties of any kind, and the Representatives are under no obligation to revise any such materials in light of new information or future events. There is no assurance that your participation in any program, or any Program Agreement will result in any earnings, income or cost-savings. No Representatives are authorized to make such a guarantee, promise or warranty, which is expressly disclaimed.
25. Non-Solicitation Covenant. Except with Brain Balance's express permission, You agree not to directly or indirectly solicit or hire any individual who performed services for you on behalf of Brain Balance until a period of twelve (12) months have elapsed from the last date such individual performed services for You on behalf of Brain Balance. Program Agreement may specify additional restrictive covenants applicable to one or more program(s) in which you participate.
26. Drafting Counsel. These BB General Terms were prepared by legal counsel to Brain Balance. You acknowledge your right to seek independent counsel and that Brain Balance's legal counsel does not represent You in preparing these BB General Terms or any Program

Agreement.

27. Access to Books and Records. The Parties will make these BB General Terms, all applicable Program Agreement, and their books, documents and records available to the Secretary of Health and Human Services, to the Comptroller General or to their duly authorized representatives to the extent required by Section 1861(v)(1) of the Social Security Act, as amended, and any rules and regulations thereunder.
28. Intentionally omitted and reserved for future use.
29. Intentionally omitted and reserved for future use.
30. Individual Providers. If you elect to offer health care services within a Brain Balance program, it is understood that you will deliver such health care services to patients through individual health care providers (each an “**Individual Provider**”). You represent that you, and each of the Individual Providers delivering your services, possess all licenses, certifications, permits and registrations necessary required to deliver such services in each jurisdiction in which the services will be provided. You represent that each Individual Provider shall be and remain professionally trained and experienced in the performance of the services supplied in connection with a Brain Balance program, and You represent each Individual Provider will take all actions necessary to maintain such training and experience required by the appropriate licensing authorities and to remain board certified or board eligible, if such designations are broadly applicable to their provider type.

You represent and warrant that you have the ability and authority to bind each of the Individual Providers delivering health care services in connection with a Brain Balance program to these BB General Terms and the terms of any Program Agreement You accept, and that to your knowledge, after due inquiry, the execution and delivery of and performance of these terms do not and will not, either directly or indirectly, contravene, conflict with or breach any provision of any contract, agreement or undertaking by you or any of your Individual Providers. You agree to the following:

- a. You will provide to Brain Balance a roster listing each health Individual Provider who will deliver health care services in connection with any Program Agreement and specify in which Program Agreement each will participate. You will update such roster by prompt written notice to Brain Balance within no more than five (5) days of any roster change. You will also furnish such additional information about your Individual Providers as may reasonably be requested or required by Brain Balance.
- b. You covenant and agree to obligate each Individual Provider to comply with these BB General Terms and any accepted Program Agreement in which the Individual Provider participates. You agree to monitor Individual Providers to ensure that all Individual Providers are providing services within the scope of such Individual Provider's practice, as specified in relevant licensure laws and regulations.
- c. Prior to assigning an Individual Provider to provide services in connection with any Program Agreement, you will: (i) conduct a criminal background check on such Individual Provider; (ii) complete a satisfactory search of the National Practitioner

Database and the U.S. Department of Health and Human Services Office of Inspector General List of Excluded Individuals and Entities (“**Exclusion Database**”) and the Centers for Medicare & Medicaid Services Preclusion List to confirm that an Individual Provider has not been precluded, debarred, excluded, suspended or otherwise become ineligible to participate in any federal or state health care program, to the extent applicable; and (iii) ensure that each Individual Provider has not been convicted of a felony for any health-care-related crime. You will complete a satisfactory search of the Exclusion Database with regard to each Individual Provider at least monthly.

31. Required Notifications. You must immediately, and within no more than five (5) business days, notify Brain Balance of the following:

- a. Any license, certification (including board certification), accreditation, permit or registration held by you or an Individual Provider is temporarily or permanently denied, terminated, suspended or otherwise subject to adverse action or change in status, whether by operation of law, voluntary surrender or otherwise (in any jurisdiction);
- b. Any facility or payer denies an application for, suspends, terminates or initiates corrective or professional review action against an Individual Provider’s medical staff membership, privileges or credentials (other than as a result of incomplete or untimely medical records or other administrative reasons, temporary suspensions of fewer than fifteen (15) days' duration, or as a result of voluntary surrender or reduction in privileges, except if such surrender or reduction occurs during an investigation or to avoid an investigation, or in response to any corrective or professional review action as to such privileges);
- c. Cancellation or termination of insurance coverage required of You or an Individual Provider under these BB General Terms or any Program Agreement, or reduction in coverage below the limits so required;
- d. A professional disciplinary action, civil lawsuit (including a malpractice action) or criminal action is initiated or in progress against You or an Individual Provider which, if proven, would constitute a felony, which involves care delivered to a patient in connection with Program Agreement or any exchange or transaction through a Brain Balance program, or which involves fraud/abuse or controlled substances;
- e. The exclusion, suspension or other ineligibility to participate in a federal or state health care program of you or any Individual Provider;
- f. A final adverse determination or finding, or entry into a corporate integrity agreement or a consent decree, involving You or an Individual Provider in any administrative or legal proceeding initiated by any regulatory or enforcement agency for matters concerning the provision of patient care or concerning fraud/abuse that are criminally or civilly proscribed;
- g. Upon discovery that any submission or provision of information (whether by You or an Individual Provider) in response to any request by Brain Balance, or any regulatory authority, was inaccurate or misleading, including any misrepresentation with respect

to the warranties and representations contained in this these BB General Terms;

- h. Any Individual Provider's incapacitation or unavailability that is reasonably likely to result in a reduction or elimination of the services or products You offer through a Brain Balance program or under any Program Agreement.

32. Your Representations and Warranties as a Provider.

- a. *Medical Records.* You agree to maintain and cause Individual Providers to maintain appropriate medical records for all patients to whom you render health care services in accordance with and for no less than the minimum period of time required by Applicable Law. All such records must be promptly completed and maintained in the ProsperityEHR (or its replacement) and in accordance with Applicable Law. You agree to make medical records available to Brain Balance or payers on a concurrent or retrospective basis to facilitate the review of medical necessity (if applicable) and appropriateness of the care provided, when consistent with Applicable Law. To the extent required by Applicable Law, you will make medical records available to appropriate state and federal authorities and their agencies involved in assessing the accessibility and availability of care or investigating member grievances or complaints and to comply with the applicable state and federal laws related to privacy and confidentiality of medical records. Patients shall not be held responsible for any reasonable costs associated with medical record transmission or duplication to have a claim adjudicated.
- b. *Medically Necessary Services.* You will not withhold medically necessary services within your Individual Providers' scope of practice and qualifications from any patient based on considerations of cost or reimbursement under Program Agreement you have accepted. Any breach of this requirement is and shall be grounds for immediate termination of Program Agreement under which you provide services.
- c. *Insurance.* You agree to maintain at your expense: (i) professional liability; and (ii) general liability insurance, to cover any loss, liability or damage alleged to have been committed by You, Your Individual Providers and Your employees and agents involved in the business of providing services or goods in connection with a Brain Balance program, which insurance shall provide coverage on a claims-made or occurrence basis with a per occurrence limit of not less than One Million Dollars (\$1,000,000) per occurrence and Three Million Dollars (\$3,000,000) per annual aggregate, or such higher coverage limit as may be required by Applicable Law. To the extent that any such insurance coverage is provided on a claims-made basis, you agree to maintain coverage for an extended reporting period (tail coverage) for a minimum duration of the maximum statute of limitations for filing claims of claims of professional liability (including medical malpractice) arising out of services provided in connection with all Program Agreement. You will provide Brain Balance with documentation substantiating the existence of any insurance required by this paragraph within fourteen (14) days of Brain Balance's request. It is understood that you may maintain any insurance required by this paragraph regarding the services of an Individual Provider by causing such Individual Provider to secure and maintain such insurance, but You remain responsible for assuring such insurance is in place.

33. Professional Control. You are solely and exclusively in control of all aspects of the delivery of health care services by You and Your Individual Providers. Brain Balance shall neither have nor exercise any control or direction over the methods by which any healthcare provider delivers health care services. Nothing in these BB General Terms or any Program Agreement will alter, or in any way affect, the legal, ethical and professional relationship between and among You, Your Individual Providers and patients, or abrogate any right, privilege or obligation arising out of or applicable to the provider-patient relationship. Brain Balance will not practice medicine or provide health care services or assume responsibility for the care of any patient, which such responsibility rests solely with the applicable healthcare providers. You acknowledge that all Brain Balance services, as well as Brain Balance policies and procedures, licensing or credentialing requirements, and any recommendations Brain Balance may make to You or available to You, such as information regarding care pathways recommended by third parties or quality committees established as part of Brain Balance programs, the practices of other healthcare providers, or quality metrics will not be construed as interference with, or direction or substitution of, your due diligence and judgment in the provision of health care services, and You and/or Your Individual Providers will review and assume full responsibility for any policies, procedures and processes that could impact clinical care. **In rendering health care services, you may not represent or imply that such services are being rendered by or on behalf of BB Franchising LLC.** You agree that all health care services rendered in connection with a Brain Balance program or any Program Agreement in any way shall be provided in strict accordance with currently approved methods and standards of care. You acknowledge that the operation of your facilities and equipment and the selection and supervision of personnel shall remain solely and exclusively under your control and not Brain Balance.
34. Equal Treatment. You agree you will provide or perform services under Brain Balance programs in a manner which does not discriminate based upon source of payment, ethnicity, sex, religion, sexual orientation, gender identity, health status, disability, race, or any illegal basis. You agree to provide services to patients seen in connection with all Brain Balance programs on a basis and in a manner no less favorable than similar services are made available to your general patient population.
35. Continuation of Services. Upon termination of your participation in a Brain Balance program (termination of the applicable Program Agreement), when required by Applicable Law or requested by Brain Balance, you agree to continue to provide and be compensated for health care services under the terms and conditions of each Program Agreement under which you provided health care services until the earlier of such time that: (i) each patient provided services in connection with such Program Agreement has completed the current course of treatment; or (ii) reasonable and medically appropriate arrangements have been made for another suitable health care provider to render such health care services to such patients. You will have no right to continue providing services or to receive compensation for such services under this paragraph if Brain Balance or another Partner has provided notice to you that reasonable and medically appropriate arrangements have been made for another suitable health care provider to render the health care services you were providing patients. Nothing in this paragraph will affect or impair any rights or obligations arising prior to or on the effective date of any termination of the applicable Program Agreement(s), except to the extent such rights or obligations are nullified or impaired by virtue of supervening law or illegality.

36. Out of Pocket Amounts. Your obligation, if any, to collect applicable copayments, coinsurance, deductibles or other personal financial obligations of patients, including financial responsibility for non-covered services, shall be subject to the Program Agreement and policies and procedures of Program Manuals.

37. Primary and Wrap Networks.

- a. You agree to cooperate with Brain Balance upon request if program implementation requires that We verify whether you are an in-network preferred provider within certain primary provider network(s) and/or applicable wrap network(s) payers use outside of Brain Balance programs for patients who may access your services through a Brain Balance program. You acknowledge that if you are not in-network with the primary provider network(s) and/or applicable wrap network(s) used by a health plan participating in a Program, or if any contractual agreements you have entered with a provider network restrict your participation in a Program, patients may be encouraged to seek care from providers who are in-network or who lack such restrictions and patients may be informed that you are outside of the patients' primary provider network and/or wrap network, or, as applicable, subject to contractual restrictions.
- b. Except in emergencies, or in connection with specified workflows in a Program Manual, you agree to refer patients to health care providers who are in-network preferred providers with the primary provider network(s) and/or applicable wrap network(s) through which the patient receives health care benefits, so long as such referral is consistent with sound medical judgment, and except for referrals based on patient preference for a provider who does not meet such criteria. The purpose of this requirement is to assist patients in avoiding increased expenses associated with out-of- network care.

38. State Specific Terms and Conditions. Different rules and regulations may apply depending on the jurisdiction in which services/goods are provided or where the supplier or recipient of services or goods exchanged in connection with a Brain Balance program may be located. Some states require the inclusion of specific terms in agreements of this nature. In order to address the requirements of individual state laws that may be applicable, the terms of Schedule I to the BB General Terms are incorporated herein by reference as follows: (i) each term of Schedule I will apply only to exchanges of services or goods subject to the jurisdiction of the state to which such term applies and not in any other state; (ii) each term of Schedule I shall, to the extent possible, be read to be consistent with the other terms of the BB General Terms;

(iii) if a term of Schedule I cannot be read as consistent with any provision of these BB General Terms, subject to item (iv) below, the term in Schedule I will prevail, but only to the extent of the conflict and only in the applicable state and to the extent required by law; and (iv) if a state law or regulation subordinates itself or any part of it to the contractual agreement of the parties (e.g. the law states, in effect, that the term in question is applicable "unless otherwise agreed"), then the BB General Terms will prevail over the subordinated state law or regulation.

39. Survival. Section 1 (Independence of Partners), Section 2 (Partner's Indemnification), Section 3 (Third-Party Beneficiaries), Section 4 (Confidential Information), Section 5 (Use of Brands and Description of Programs), Section 7 (Assignment), Section 9 (Notices), Section 10

(Limited Use), Section 11 (Law and Forum Selection), Section 12 (Severability), Section 13 (Waiver of Breach), Section 14 (Headings), Section 15 (Interpretation), Section 16 (Limitation of Liability), Section 17 (Entire Agreement), Section 18 (Disclaimer of Warranties), Section 19 (Nature of Agreement), Section 20 (Electronic Signatures), Section 22 (Transactions Prior to Termination), Section 24 (No Guarantee of Income), Section 25 (Non-Solicitation Covenant), Section 26 (Drafting Counsel), Section 27 (Access to Books and Records), Section 30 (Individual Providers), Section 31 (Required Notifications), Section 32 (Your Representations and Warranties), Section 33 (Professional Control), Section 35 (Continuation of Services), and Section 38 (State Specific Terms and Conditions, as applicable) of these BB General Terms, together with all terms necessary to their interpretation or enforcement, shall survive despite the conclusion of any transaction made in connection with a Brain Balance program or the termination of any and all Program Agreement.

SCHEDULE I: STATE SPECIFIC TERMS FOR PROVIDERS

Wisconsin:

- If You provide healthcare services in the State of Wisconsin, You will comply with Wis. Stats. § 609.24 and the notice posting requirements of Wis. Admin. Code INS 9.35(1m), as and when applicable.

Illinois:

- If Your activities in any Brain Balance program include acting as a primary care physician under a discounted health care services plan requiring a gatekeeper option, You must provide Brain Balance with a list of all patients using You as a gatekeeper within five (5) business days after the date that You either give or receive notice of termination of the applicable Program Agreement involving such services, in accordance with 50 Ill. Adm. Code 2051.290(f).

Exhibit E: Business Associate Agreement

HIPAA generally requires that Covered Entities and Business Associates enter into business associate agreements to safeguard Protected Health Information. This is such a business associate agreement and referred to as the “BAA” between our organizations. When the term “Business Associate” is used in this BAA it refers to Brain Balance MSO, LLC, or Brain Balance CIN, LLC, whichever entity is acting as Your business associate with respect to the creation, receipt, use or transmission of Protected Health Information (“PHI”). This BAA should be interpreted as a separate business associate agreement between You, as a member of the BB OHCA, and each of these Brain Balance companies. MSO and CIN are referenced here together to avoid the need for You to enter two separate identical BAAs. Your organization is referred to in this BAA as the “Covered Entity.” This BAA will be effective as soon as it is accepted and replaces any prior business associate agreement you may have had with either Brain Balance company for the services it provides to You in connection with any Brain Balance program.

Article I. Definitions

Section 1.01 Catch-All Definition. The term “HIPAA” means the Privacy, Security, Breach Notification and Enforcement Rules set forth at 45 CFR Parts 160, 162 and 164, as modified by the Health Information Technology for Economic and Clinical Health Act of 2009, and all implementing regulations. Terms used by not otherwise defined in this BAA are as defined by HIPAA, including the following terms: Breach, Data Aggregation, Designated Record Set, Disclosure, Health Care Operations, Minimum Necessary, Notice of Privacy Practices, Required by Law, Secretary, Security Incident, Subcontractor, Unsecured Protected Health Information and Use.

Section 1.02 Specific Definitions.

- (a) Individual. “**Individual**” shall have the same meaning as the term “individual” in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).
- (b) Privacy Rule. “**Privacy Rule**” shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A, D and E.
- (c) Protected Health Information. “**Protected Health Information**” or “**PHI**” shall have the same meaning as the term “protected health information” in 45 CFR 160.103, including PHI transmitted by or maintained in electronic media, limited to the information created, received or used by Business Associate from or on behalf of Covered Entity.
- (d) Security Rule. “**Security Rule**” shall mean the Security Standards at 45 CFR Part 160 and Part 164, Subparts A and C.

Article II. Obligations and Activities of Business Associate

Section 2.01 Regulatory Compliance. Business Associate agrees that it shall comply with the provisions of the HIPAA Rules to the extent such regulations apply directly to Business Associate and as provided at Section 2.11 of this BAA.

Section 2.02 General. Business Associate agrees not to Use or Disclose PHI other than as permitted or required by this BAA or as Required by Law.

Section 2.03 Safeguards. Business Associate agrees to implement and use appropriate administrative, physical and technical safeguards to prevent Use or Disclosure of PHI other than as permitted by this BAA, and to comply with the Security Rule, where applicable.

Section 2.04 Mitigation. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a Use or Disclosure of PHI by Business Associate in violation of the requirements of this BAA, including, without limitation, any Breach.

Section 2.05 Reporting Unauthorized Uses/Disclosures (including Security Incidents and Breaches).

- (a) Business Associate agrees to promptly after discovery report to Covered Entity any Use or Disclosure of PHI that is not permitted by this BAA or the Business Arrangements. This reporting duty includes any Security Incident or Breach of Unsecured PHI, unless Business Associate is prevented from doing so by 45 CFR § 164.412 concerning law enforcement investigations. Business Associate may make the initial report orally but shall promptly follow an oral report with a written report to Covered Entity.
- (b) Each report (oral or written) shall include, if the following information is known to (or can be reasonably obtained by) the Business Associate: (i) contact information for individuals who were or who may have been impacted (e.g., first and last name, mailing address, street address, phone number, email address); (ii) a brief description of the circumstances, including the date of the unauthorized Use/Disclosure and date of discovery; (iii) a description of the types of Unsecured PHI involved (e.g., names, Social Security number, date of birth, address(es), account numbers of any type, disability codes, diagnostic and/or billing codes and similar information); (iv) a brief description of what the Business Associate has done or is doing to investigate, mitigate harm to the individuals impacted and to protect against future unauthorized Uses/Disclosures. Business Associate shall appoint a liaison and provide contact information for this individual to Covered Entity so that Covered Entity may ask questions or learn additional information. Business Associate will have a continuing duty to inform Covered Entity of new information learned by Business Associate regarding the unauthorized Use/Disclosure, including, but not limited to, the information described in items (i) through (iv), above.
- (c) For purposes of reporting an improper Use/Disclosure, discovery shall occur as of the first day on which such Use/Disclosure is known to the Business Associate or, by exercising reasonable diligence, would have been known to the Business Associate.
- (d) Business Associate agrees to cooperate with Covered Entity and provide other information as necessary for Covered Entity to assess and respond to an improper Use/Disclosure.

Section 2.06 Agents and Subcontractors. Business Associate agrees to ensure that any third party, including any agent and/or Subcontractor, that creates, receives, maintains or

transmits Covered Entity's PHI on behalf of Business Associate, agrees to the same obligations, restrictions and conditions that apply to Business Associate with respect to such information under this BAA and/or the HIPAA Rules, including, without limitation, restrictions, conditions and requirements regarding implementation of reasonable and appropriate safeguards to protect electronic PHI, and to notify Business Associate of Breaches, Security Incidents and other improper Uses or Disclosures of PHI.

Section 2.07 Access to PHI. In the event Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to provide access, within ten (10) days of Covered Entity's request, to PHI in a Designated Record Set to Covered Entity in order to meet the requirements under 45 CFR 164.524 (Individuals' rights to access). In the event that an Individual makes a request for access directly to Business Associate, Business Associate shall notify Covered Entity of such request within three (3) business days.

Section 2.08 Amendment of PHI. In the event Business Associate maintains PHI in a Designated Record Set, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 CFR 164.526 within twenty (20) days of Covered Entity's request for such amendment. In the event a request for amendment is made directly to Business Associate by an Individual, Business Associate will notify Covered Entity of such request within three (3) business days.

Section 2.09 Access and Inspection. Business Associate agrees to make internal practices, books and records, including policies and procedures relating to the Use and Disclosure of PHI received from, created by or received by Business Associate on behalf of Covered Entity, available to Covered Entity or to the Secretary of the Department of Health and Human Services for purposes of determining compliance with the HIPAA Rules and this BAA.

Section 2.10 Accounting of Disclosures. Business Associate agrees to document its disclosures of PHI and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures in accordance with 45 CFR 164.528, and to provide such documentation to Covered Entity within twenty (20) days of Covered Entity's request.

Section 2.11 Performance of Covered Entity Obligations. To the extent the Business Arrangements require Business Associate to carry out Covered Entity's obligations under the Privacy Rule, Business Associate shall comply with the requirements of the Privacy Rule that apply to Covered Entity in the performance of such obligation(s).

Article III. Permitted Uses and Disclosures by Business Associate

Section 3.01 General Use and Disclosure. Except as otherwise limited in this BAA, Business Associate may Use or Disclose PHI to perform functions, activities, or services for or on behalf of Covered Entity in connection with the Business Arrangements.

Section 3.02 Minimum Necessary. Business Associate shall Use and Disclose PHI, as well as requests for PHI, in accordance with the principle of "Minimum Necessary" Use and

Disclosure, *i.e.*, only the minimum PHI necessary to accomplish the intended purposes may be Used or Disclosed.

Section 3.03 Use for Business Purposes. Except as otherwise limited in this BAA, Business Associate may Use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate.

Section 3.04 Disclosure for Business Purposes. Except as otherwise limited in this BAA, Business Associate may Disclose PHI for the proper management and administration of Business Associate, provided that such Disclosures are (a) Required By Law; or (b) Business Associate obtains reasonable assurances, prior to disclosure, from the person to whom the information will be disclosed that it will remain confidential and be Used or further Disclosed only as Required by Law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been Breached.

Section 3.05 Data Aggregation. Except as otherwise limited in this BAA, Business Associate may Use PHI to provide Data Aggregation services related to the Health Care Operations of Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B) if so requested by Covered Entity.

Section 3.06 De-Identification. Business Associate may de-identify Covered Entity's PHI in accordance with 45 CFR § 164.514(b) and use and disclose such de-identified information without restriction.

Article IV. Obligations of Covered Entity

Section 4.01 Notification to Business Associate. Covered Entity shall notify Business Associate of: (i) any limitation(s) in its Notice of Privacy Practices in accordance with 45 CFR 164.520, to the extent that such limitation may affect Business Associate's Use or Disclosure of PHI; (ii) any changes in, or revocation of, permission by Individual to Use or Disclose PHI, to the extent that such changes may affect Business Associate's Use or Disclosure of PHI; and (iii) any restriction to the Use or Disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR 164.522, to the extent that such restriction may affect Business Associate's Use or Disclosure of PHI.

Section 4.02 Requests. Covered Entity shall not request Business Associate to Use or Disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

Article V. Term and Termination

Section 5.01 Term and Termination. This BAA shall remain in effect until terminated in accordance with the terms of this Article, provided, however, that termination shall not affect the respective obligations or rights of the parties arising under this BAA prior to the effective date of termination, all of which shall continue in accordance with their terms. For compliance reasons, any termination of this BAA may result in a reduction of service or

product offerings available under the Brain Balance programs or other agreements that depend upon this BAA for regulatory compliance.

Section 5.02 Automatic Termination Without Cause. This BAA will automatically terminate when Covered Entity's participation in all Brain Balance programs involving Business Associate's services to Covered Entity has ended.

Section 5.03 Termination with Cause. Either Covered Entity or Business Associate may terminate this BAA if the other fails to cure a breach of this BAA after ten (10) days' written notice thereof. However, Covered Entity may terminate this BAA by written notice to Business Associate if Covered Entity makes a reasonable determination that the Business Associate has breached a material term of this BAA or has violated any provision of the HIPAA Rules or other applicable federal or state privacy law relating to the obligations of Business Associate under this BAA.

Section 5.04 Return or Destruction of Information. Upon termination of this BAA for any reason, Business Associate agrees either to return to Covered Entity or to destroy all PHI received from Covered Entity, or otherwise through the performance of services for Covered Entity that is in the possession or control of Business Associate or any third party that has received such information from Business Associate or in connection with the performance of services under this BAA. Business Associate shall certify such return or destruction in writing to Covered Entity. In the case of PHI which is not feasible to "return or destroy," Business Associate shall provide written notice to Covered Entity of the PHI retained and extend the protections of this BAA to such PHI, including, without limitation, Business Associate's reporting obligations under Section 2.05 of this BAA, and limit further Uses and Disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such PHI. Business Associate further agrees to comply with other applicable state or federal law, which may require a specific period of retention, redaction or other treatment of such PHI.

Article VI. Miscellaneous

Section 6.01 Injunctive Relief. The Parties acknowledge that the remedy at law for any breach of the terms of this BAA are inadequate and that the damages resulting from such breach are not readily susceptible to being measured in monetary terms. Accordingly, in the event of a breach or threatened breach of this BAA by Business Associate, or any of its Subcontractors, Covered Entity shall be entitled to immediate injunctive relief and may obtain a temporary order restraining any threatened or further Breach.

Section 6.02 Regulatory References. A reference in this BAA to a section in the HIPAA Rules means the section as in effect or as amended.

Section 6.03 Amendment. No oral modification of any of the provisions of this BAA shall be binding on either Party, provided, however, that upon the effective date of any amendment or enactment of any law, regulation, court decision or relevant government publication and/or interpretive guidance or policy that either Party believes in good faith will adversely impact the Use or Disclosure of PHI under this BAA or the compliance of this BAA, such

Party may amend this BAA to comply with such law, regulation, court decision or government publication, guidance or policy by delivering a written amendment to the other Party, which shall be effective thirty (30) days after receipt, or sooner, if required by law.

Section 6.04 Survival. Article I and Sections 5.04 (Return or Destruction of Information) and 6.01 (Injunctive Relief) of this BAA and all other terms necessary to their interpretation or enforcement shall survive the termination of this BAA and all Program Agreements, together with such BB General Terms as are specified therein as surviving.

Section 6.05 Interpretation. Any ambiguity in this BAA shall be resolved to permit compliance with the HIPAA Rules.

Section 6.06 Incorporation of BB General Terms. The BB General Terms are incorporated in this BAA, except where expressly contradicted by the terms of this BAA.

EXHIBIT L
DIGITAL MARKETING TERRITORY AMENDMENT TO THE SATELLITE
FRANCHISE AGREEMENT

DIGITAL MARKET TERRITORY ADDENDUM TO FRANCHISE AGREEMENT

This Digital Market Territory Addendum to the Franchise Agreement (this “Addendum”) is made and entered into as of [date to be determined] (the “Effective Date”) by and between BB Franchising LLC, a Delaware limited liability company (“Franchisor”), and [Franchisee legal name], a [entity type and state] (“Franchisee”).

RECITALS

WHEREAS, Franchisor and Franchisee are parties to that certain Franchise Agreement dated [date to be determined] (the “Franchise Agreement”), pursuant to which Franchisee operates a Brain Balance Center within the Territory described in Schedule I to the Franchise Agreement. Section 1.01 of the Franchise Agreement grants Franchisee the right to operate a single Brain Balance Center solely within the territory described in Schedule I Section 3.03 of the Franchise Agreement states Franchisee may not operate the Franchised Business outside of the Territory unless a separate franchise agreement is signed and an additional Initial Franchise Fee is paid; and

WHEREAS, the parties desire to supplement the Franchise Agreement to allow Franchisee, on a limited and strictly virtual basis, to market and provide the Brain Balance Program to clients located in certain additional geographic area(s) outside the Territory, as more fully described in Exhibit A (each, a “Digital Marketing Territory”), subject to the terms and conditions set forth herein;

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the parties agree as follows:

1. Defined Terms; No Amendment Except as Stated.
 - 1.1 Capitalized terms used and not otherwise defined in this Addendum have the meanings given in the Franchise Agreement.
 - 1.2 A Digital Market Territory is a geographic area within which Franchisor has not granted any other party the right to establish a Brain Balance Center and which Franchisor is willing to permit an existing franchisee to offer the Brain Balance Program on a virtual basis.
 - 1.3 Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.
2. Grant of Limited Virtual Rights in Digital Marketing Territory.
 - 2.1 During the Term (as defined below), Franchisor grants Franchisee a limited, non-exclusive, non-transferable right to market and provide the Brain Balance Program solely on a virtual/remote basis to clients who reside in the Digital Market Territory identified in Exhibit A, subject to all standards, protocols, and requirements of the System, the Operations Manual, and the Franchise Agreement.

- 2.2 This Addendum does not expand Franchisee's Territory under the Franchise Agreement, does not authorize operation of any Center, pop-up, satellite, kiosk, mobile unit, or other physical facility in any Digital Marketing Territory, and does not authorize in-person provision of services to individuals located in any Digital Marketing Territory.
3. Strict Prohibitions in Digital Marketing Territory.
- 3.1 Physical Premises Prohibition. Franchisee shall not, and shall not permit any Affiliate, owner, employee, contractor, agent, or representative to, directly or indirectly, open, lease, sublease, license, operate, manage, or otherwise establish any office, center, clinic, studio, pop-up, or other physical premises or facility of any kind within any Digital Marketing Territory.
- 3.2 In-Person Services Prohibition. Franchisee shall not, and shall not permit any Affiliate, owner, employee, contractor, agent, or representative to, directly or indirectly, market, sell, schedule, or deliver any in-person meeting, consultation, assessment, session, or other in-person service of any kind to any individual located within any Digital Marketing Territory, whether such in-person activity occurs inside or outside the Digital Marketing Territory.
- 3.3 No Local Presence. Franchisee shall not obtain or maintain within any Digital Marketing Territory any local telephone number (including toll-free vanity numbers associated with a locality), mailing address, distribution address, signage, or other indicia of a physical presence.
4. Operations; Standards.
- 4.1 All virtual services delivered under this Addendum are part of the "Franchised Business" for purposes of the Franchise Agreement and must comply with the System, the Operations Manual, Approved Technology and Software, marketing/advertising approvals, privacy and data standards, insurance requirements, reporting, audit, and all other obligations in the Franchise Agreement, as updated from time to time. The Franchise Agreement requires compliance with the Operations Manual and Franchisor's standards for operation, advertising, software, reporting, audits, insurance, and related obligations.
- 4.2 In addition to all marketing requirements specified in the Franchise Agreement, Franchisee shall spend a minimum of ten percent (10%) of its Gross Revenue from each Digital Marketing Territory.
- 4.3 Franchisee must implement and fully use the Brain Balance Cognitive App, Creatio, Prosperity EHR/RCM, the Brain Balance Virtual Kit for each enrollee, and standardized assessments as required by the Operations Manual. Fees for each program and item shall be as designated in the Operations Manual.
- 4.4 All Gross Revenue arising from virtual services provided to clients located in any Digital Marketing Territory shall be included in "Gross Revenue" of the Franchised

Business, and all royalties, advertising contributions, and other amounts due under the Franchise Agreement shall apply in the same manner and timing. The Franchise Agreement defines Gross Revenue and requires monthly royalty and advertising fund contributions calculated on Gross Revenue of the Franchised Business and paid via ACH.

- 4.5 Franchisee shall maintain and produce all records relating to virtual services in the same manner as required for the Franchised Business, subject to Franchisor's inspection and audit rights. The Franchise Agreement grants Franchisor inspection and audit rights over Franchisee's records and operations during normal business hours on notice

5. Digital Marketing Territory Fees.

- 5.1 Initial Term. Upon execution of this Addendum, Franchisee shall pay to Franchisor a fee of Three Thousand Dollars (\$3,000) per territory identified in Exhibit A for the Initial Term of this Addendum. Failure to pay this fee shall void this Addendum.
- 5.2 Initial Technology Fee. In addition to the fee set forth in Section 5.1, Franchisee shall also pay to Franchisor a fee of Five Hundred Dollars (\$500) for support with set up and related technology issues.
- 5.3 Monthly Continuation. In the event that Franchisee elects to continue operating the Digital Marketing Territory, Franchisee shall pay to Franchisor a fee of Four Hundred Dollars (\$400) per month per territory identified in Exhibit A.

- 6. Performance Quota. Franchisee must achieve a minimum of: (1) ten (10) enrollments per calendar quarter; or ten (10) assessments per month in each territory identified in Exhibit A on an ongoing basis. Failure to achieve this minimum performance quota shall be a material breach of this Addendum.

7. Term; Termination.

7.1 Term.

- 7.1.1 The initial term of this Addendum commences on the Effective Date and continues for six (6) months (the "Initial Term"). Upon the expiration of the Initial Term, the rights in the Digital Marketing Territory established by this Addendum shall continue on a month to month basis until terminated by either party. The Initial Term plus any additional time period prior to termination shall be collectively referred to as the "Term."
- 7.1.2 Franchisee understands and acknowledges that Digital Marketing Territories are intended to provide Brain Balance services to communities in which Brain Balance Centers do not exist. Franchisee agrees that, after the expiration of the Initial Term, Franchisor shall have good cause to terminate or not renew the grant of some or all of the Digital Marketing

Territory granted by this Addendum if Franchisor has identified a party willing to develop a Brain Balance Center within that territory.

7.2 Termination.

7.2.1 Franchisee may terminate this Addendum for convenience upon thirty (30) days' written notice for any reason. All fees paid by Franchisee in connection with acquisition of the Digital Marketing Territories shall be retained by Franchisor.

7.2.2 Franchisor may terminate this Addendum on thirty (30) days' written notice as to any Digital Marketing Territory it sells to a third party, provided that Franchisor is in compliance with Section 8.2. In the event that Franchisee signs a franchise agreement for a Digital Marketing Territory listed in this Addendum, this Addendum shall automatically lapse as to that territory.

7.2.3 Franchisor may terminate this Addendum upon written notice if Franchisee breaches this Addendum or the Franchise Agreement, or at any time without cause as listed below, subject to applicable state law. Termination or expiration of the Franchise Agreement automatically terminates this Addendum.

- (a) Ten (10) days after written notice in the event of a monetary default by Franchisee if the default is uncured;
- (b) Thirty (30) days after written notice in the event of a nonmonetary default by Franchisee if the default is uncured; and
- (c) Immediately upon written notice in the event of an incident that materially harms or threatens to harm any person's health or safety.

8. Franchisor's Superior Rights; Sale of Digital Marketing Territory.

8.1 Reservation; Non-Exclusivity. The limited rights granted by this Addendum are non-exclusive and subordinate to Franchisor's and its designees' rights to market and provide services in or from any Digital Marketing Territory. The Franchise Agreement reserves to Franchisor the right to operate or authorize others to operate businesses under the Marks subject to the Agreement.

8.2 Sale or Disposition; Limited Right of First Refusal. Franchisor may, at any time after the Initial Term, sell, franchise, license, or otherwise convey or reserve all or any portion of any Digital Marketing Territory to itself or any third party. Provided that Franchisee is in compliance with the performance quota stated in Section 6, is also in good standing with respect to the Franchise Agreement, and meets Franchisor's then-current minimum qualifications for franchisees, Franchisor shall offer Franchisee the right to open a standard Brain Balance Center within a Digital Marketing Territory listed in Exhibit A prior to entering into a franchise agreement for such area with a third party. In the event that Franchisee fails to execute the

then-current franchise agreement for a territory, Franchisor shall have the right to enter into a franchise agreement with a third party for up to six (6) months, without notice to or approval from Franchisee, and without any obligation to compensate Franchisee. Upon such sale or disposition, Franchisor may modify or revoke, in whole or in part, Franchisee's rights under this Addendum with respect to the affected area(s) on written notice, and Franchisee shall immediately cease virtual services to individuals located in any affected area(s) as directed by Franchisor. In the event that Franchisor fails to sell such territory to a third party within six (6) months, Franchisor shall repeat its offer to Franchisee prior to entering into a franchise agreement with a third party.

9. Marketing; Approvals; Conduct.

- 9.1 All marketing, advertising, and promotional activities relating to any Digital Marketing Territory must comply with Franchisor's approval processes, the Operations Manual, and System Website/social media standards, including any required disclosures identifying the services as provided virtually and identifying the Center's location. The Franchise Agreement requires prior written consent for advertising and prohibits maintaining an independent website, with specified standards for System Website and social media use
- 9.2 Franchisee shall not hold out or imply that it has territorial exclusivity or a physical location in any Digital Marketing Territory.

10. No Assignment; No Rights to Additional Centers.

- 10.1 Franchisee shall not assign, sublicense, or otherwise transfer any rights under this Addendum. Any attempted assignment or transfer is void. The Franchise Agreement restricts assignment and transfers without Franchisor's prior written consent and imposes conditions on any approved transfer
- 10.2 Nothing in this Addendum entitles Franchisee to open or relocate any Center or to obtain any additional territory or franchise. The Franchise Agreement limits Franchisee to a single Center within the Territory and prohibits operation outside the Territory without a separate agreement and additional Initial Franchise Fee

11. Defaults; Remedies.

- 11.1 Any breach of this Addendum constitutes a breach of the Franchise Agreement. Franchisor may exercise any and all rights and remedies under the Franchise Agreement and applicable law, including injunctive relief. The Franchise Agreement provides for termination and injunctive relief upon specified defaults and preserves cumulative remedies

12. Miscellaneous.

- 12.1 Conflicts. If there is a conflict between this Addendum and the Franchise Agreement, this Addendum controls solely with respect to the subject matter hereof; otherwise, the Franchise Agreement controls.
- 12.2 Counterparts; Electronic Signatures. This Addendum may be executed in counterparts and by electronic signatures, each of which is deemed an original.
- 12.3 Entire Agreement on Subject. This Addendum and Exhibit A constitute the entire agreement of the parties with respect to virtual provision of services in the Digital Marketing Territory and supersede any prior discussions on that subject.

Signature page follows

IN WITNESS WHEREOF, the parties have executed this Addendum as of the Effective Date.

FRANCHISOR: BB FRANCHISING LLC

By: _____

Name: _____

Title: _____

Date: _____

FRANCHISEE: [Franchisee legal name]

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A DIGITAL MARKETING TERRITORY DESCRIPTION

1. Total Number of Digital Marketing Territories granted: _____
2. Geographic Description for each Territory: [Insert precise description by county/city/state or by zip codes; attach map if desired]

EXHIBIT M
STATE EFFECTIVE DATES

EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration:

California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

<u>Jurisdiction</u>	<u>Effective Date</u>
California	(Pending)
Illinois	(Pending)
Indiana	(Pending)
Maryland	(Pending)
Michigan	(Pending)
Minnesota	(Pending)
New York	(Pending)
North Dakota	(Pending)
Rhode Island	(Pending)
Virginia	(Pending)
Washington	(Pending)
Wisconsin	(Pending)

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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EXHIBIT N
RECEIPTS

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 BBF offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement or make a payment to BBF or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law.

If BBF does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the state agencies listed in Exhibit D.

BBF's franchise sellers include:

Margaret Ford, CEO	1320 North Route 59, Unit 110, Naperville, IL 60563	(708) 497-9579
Slav Sobkov, COO	1320 North Route 59, Unit 110, Naperville, IL 60563	(708) 497-9579

And additional franchise sellers listed here: Kimberly Malandrino, CFO; Dr. Rebecca Jackson, Chief Program Officer; and Daniel Kramig, Director of Franchise Development. All with the address and phone number listed above.

Issuance Date: May 26, 2026

BBF authorizes the agents listed in Exhibit E to receive service of process for BBF.

I have received a Franchise Disclosure Document effective in Exhibit J that included the following exhibits:

Exhibit A Franchise Agreement and Exhibits and Schedules to Franchise Agreement:

- Schedule 1 – Franchised Territory
- Exhibit 1 – Application License Agreement
- Exhibit 2 – ACH Agreement
- Exhibit 3 – Confidentiality/Non-Competition Agreement
- Exhibit 4 – Conditional Assignment of Telephone Numbers
- Exhibit 5 – Conditional Assignment of Lease
- Exhibit 6 – Owner's Guaranty and Assumption of Franchisee's Obligations
- Exhibit 7 – California Addendum

Exhibit B Satellite Franchise Agreement

- Schedule 1 – Franchise Territory
- Exhibit 1 – Application License Agreement
- Exhibit 2 – ACH Agreement
- Exhibit 3 – Confidentiality/Non-Competition Agreement
- Exhibit 4 – Conditional Assignment of Telephone Numbers
- Exhibit 5 – Conditional Assignment of Lease
- Exhibit 6 - Owner's Guaranty and Assumption of Franchisee's Obligations
- Exhibit 7 – California Addendum

Exhibit C Financial Statements

Exhibit D List of State Administrators

Exhibit E Agents for Service of Process

Exhibit F State Addenda to Disclosure Document

Exhibit G-1 List of Franchisees

Exhibit G-2	List of Franchisees with Signed Agreements but not Open Centers
Exhibit H	List of Former Franchisees
Exhibit I	Operations Manual - Table of Contents
Exhibit J	Third-Party Billing Amendment to the Franchise Agreement
Exhibit K	Third-Party Billing Program Agreement for Participating Providers
Exhibit L	Digital Marketing Territory Amendment to the Franchise Agreement
Exhibit M	State Effective Dates
Exhibit N	Receipts

Date

Franchisee

Please sign and date the above and retain this page in your possession as part of your records.

RECEIPT

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Date

Franchisee

Please sign and date the above and return this page to BB Franchising LLC, 1320 North Route 59, Unit 110, Naperville, IL 60563 for their records.