

FRANCHISE DISCLOSURE DOCUMENT

BRIDGE TO BETTER LIVING FRANCHISING, LLC

A Nebraska limited liability company
4230 Pioneer Woods Drive, Suite B
Lincoln, Nebraska 68506
(402)440-0133
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The franchisee will operate a BRIDGE TO BETTER LIVING business providing senior placement services to help clients find and determine the independent living, assisted living, memory assisted living, long-term care, or senior retirement community best suited for seniors, family members and loved ones under the “BRIDGE TO BETTER LIVING®” mark.

The total investment necessary to begin operation of a BRIDGE TO BETTER LIVING® franchise is \$82,650 to \$111,850. This includes \$48,000 that must be paid to the franchisor or its affiliate(s).

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Mary Ann Stallings at 4230 Pioneer Woods Drive, Suite B, Lincoln, Nebraska, 68506, and (402)440-0133.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise”, which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, 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.

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

Issuance Date: April 30, 2021

How to Use this Franchise Disclosure Document

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

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 Item 20 or Exhibit E.
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 D 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 Bridge to Better Living 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 Bridge to Better Living franchisee?	Item 20 or Exhibit E list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

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

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends 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 A.

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

Special Risks to Consider About *This* Franchise

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

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by arbitration and/or litigation only in Nebraska. Out-of-state arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with the franchisor in Nebraska than in your own state.

Certain states may require other risks to be highlighted. If so, check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

DISCLOSURE REQUIRED BY THE STATE OF MICHIGAN

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

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

franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

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

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, franchisee has the right to request an escrow arrangement.

Any questions regarding this notice should be directed to:

Consumer Protection Division
Attn: Katharyn Barron
Michigan Department of Attorney General
525 W. Ottawa Street, 1st Floor
Lansing, Michigan 48933
(517) 335-7567

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- B – Franchise Agreement
- C – Table of Contents of the Operations Manual
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- F – Form of General Release
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- State Effective Dates Page
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ITEM 1 THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document:

“**Bridge to Better Living**,” “**we**” or “**us**” or “**our**” or “**Franchisor**” means Bridge to Better Living Franchising, LLC, a Nebraska limited liability company, the franchisor of this business.

“**Franchisee**” or “**you**” means the person(s) who buys the franchise and includes your owners if you are a business entity.

“**Disclosure Document**” means this disclosure document, including the cover page, table of contents, Items 1 through 23, and all attached exhibits.

The Franchisor and Its Affiliates

We originally formed as a Nebraska limited liability company on August 27, 2018, under the name Bridge to Better Living Franchising, LLC. Our principal business address is 4230 Pioneer Woods Drive, Suite B, Lincoln, Nebraska, 68506. We do business under our limited liability company name, “Bridge to Better Living Franchising” and the trade name “Bridge to Better Living”. We grant franchises for the establishment, development and operation of a business serving as consultants providing solutions for senior placement services to gather and present the best options to seniors and their families while guiding them through the complex and difficult process of choosing an independent living, assisted living, memory assisted living, long-term care, or senior retirement community (each, a “**Senior Living Retirement Community**”) best suited for the seniors, family members and loved ones (the “**System Services**”), all done in accordance with our distinctive Confidential Information, standards and specifications for providing such services (the “**System**”). We have offered franchises since February 12, 2019. We do not engage in any other business activities. We do not offer franchises in any other lines of business. We do not operate a BRIDGE TO BETTER LIVING Business (as defined below).

We have no predecessors. We do have an affiliate, Bridge to Better Living (the “Affiliate”), that was operated as a sole proprietorship by Mary Ann Stallings under the trade name Bridge to Better Living from 2010 to 2012 and was formed into a Nebraska limited liability company in March of 2012. The Affiliate is located at 4230 Pioneer Woods Drive, Suite B, Lincoln, Nebraska, 68506. The Affiliate is solely owned by Mary Ann Stallings and it is the basis upon which we have been formed. The Affiliate has operated a business substantially similar to that being offered under this Disclosure Document and it has been operated primarily in Lancaster County, Nebraska, since 2010. The Affiliate does not engage in any other line of business and has never offered franchises in this or any other line of business. We have no other affiliates.

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

The BRIDGE TO BETTER LIVING Business

We offer a Franchise Agreement (as defined below) for a business (the “**BRIDGE TO BETTER LIVING Business**” or “**Business**” or the “**Franchised Business**”) operated under the “BRIDGE TO BETTER LIVING®” name and System. The distinguishing characteristics of the System include recognized programs for senior placement services to help find and determine the Senior Living Retirement Community best suited for seniors, family members and loved ones (collectively, the “**Client(s)**”), which include procedures for consultation regarding the Client and the Client needs, the Client’s desired

services, Clientlife style choices, personal care options, and financial issues; comparison of types of living communities, locations, prices, amenities, layouts and features of living accommodations; analysis of Client preferences and needs; and strategies for Client asset management, sales techniques and programs for marketing to the Senior Living Retirement Community institutions (the “**Customers**”). BRIDGE TO BETTER LIVING Businesses provide advice and services to manage and simplify the Client’s choice of a Senior Living Retirement Community, and such Business does not require medical or investment advisory licensing. Through your BRIDGE TO BETTER LIVING Business, you will develop long-term relationships with Clients who are having concerns and need assistance with navigating the complexities of determining placement in a Senior Living Retirement Community. The distinguishing characteristics of the System also include the BRIDGE TO BETTER LIVING Confidential operations manual, uniform operating methods, procedures, and techniques; other confidential operations procedures; and methods and techniques for maintaining our placement in living data base also known as BridgIT, record keeping, personnel management and training, marketing and advertising (collectively, hereinafter the “**Operations Manual**”).

As described in this Disclosure Document, we offer to grant a franchise for a single Franchised Business under the terms and conditions of the Franchise Agreement attached as Exhibit B (the “Franchise Agreement”), which will be the actual contract you sign with us and which describes your rights and obligations. If you desire to develop a Franchised Business in more than one specified territory, you must sign a Franchise Agreement for each Franchised Business.

We identify the System by certain trade names, service marks, trademarks, logos, emblems, distinctive trade dress, and indicia of origin identified in Item 13, including the marks “BRIDGE TO BETTER LIVING®” and the “BRIDGE TO BETTER LIVING” logo, which appears on the cover page of this Disclosure Document, and such other trade names, trademarks, and service marks as we now designate or may in the future designate in writing for use in connection with the System (the “**Marks**” or “**Proprietary Marks**”). We continue to develop, use, and control the use of such Proprietary Marks in order to identify for the public the source of services and products marketed under the Proprietary Marks and System, and to represent the System’s standards of quality, appearance and service.

Before purchasing a franchise or participating in the BRIDGE TO BETTER LIVING Business operations, as applicable, you and each of your employees will be required to undergo both a civil and criminal background check.

Market and Competition

We target our System Services towards older adults who require assistance in managing and sorting the multitude of choices for a Senior Living Retirement Community. Our senior Clients come to us directly or through family members and community resources, including but not limited to physicians, attorneys, trust officers, and social workers, to assist them with our expertise and capability.

Your BRIDGE TO BETTER LIVING Business will compete primarily with other local, regional, and national businesses and chains that provide life management services and services similar to ours to elderly persons. Generally speaking, the advocacy industry for senior placement services and assistance is an emerging market providing increasing opportunities as the general population continues to age and choices for placement increase rapidly. Your competitive advantage will be based on your adherence to our standards and guidelines, as well as your entrepreneurial and managerial abilities and focus on Customer and Client service.

Industry Specific Regulations

Your BRIDGE TO BETTER LIVING Business is subject to all federal, state, and local laws and regulations regarding the provision of our System Services, including workers compensation, corporate, tax, insurance, Equal Employment Opportunity laws, Occupational Safety Health Administration laws, non-discrimination, employment and sexual harassment laws. You are also subject to employment laws such as the Fair Labor Standards Act and various state laws governing such matters as minimum wages, overtime, and working conditions. Certain provisions of the Social Security Act, commonly referred to as the “Anti-Kickback Act,” prohibit the offer, payment, solicitation or receipt of any form of remuneration either in return for the referral of patients or patient care opportunities paid in whole or in part by a federal health care program, including the Veterans Administration, or in return for the recommendation, arrangement, purchase, lease or order of items or services paid in whole or in part by a federal health care program, including Veterans Administration benefits. The Anti-Kickback Act is broad in scope and has been broadly interpreted by courts in many jurisdictions. The Anti-Kickback Act prohibits many business courtesies and arrangements that are common outside the health care industry. In order to comply with the Anti-Kickback Act, the Franchisee must follow the procedures set forth in the Operations Manual and the training described in Item 11. Our intent is to provide you with a System that enables you to advise Clients and help them find the best suited Senior Living Retirement Community in which to live. You will earn your fees by gathering and presenting the best options for a Senior Living Retirement Community to the Clients. Those fees will be paid at the time a Client executes a contract with a Senior Living Retirement Community. You are paid for your services to the Clients and not for referrals to Senior Living Retirement Communities. Placement fees paid to you must take into account only the initial rent and services provided by the Customer and paid for by the Client. Under our System, you may not offer or perform System Services (placement services) for Clients whose care is known by you to rely upon, in whole or in part, and will be paid for with federal health care program funds. Additionally, a number of states have enacted laws which prohibit payment for referrals and other types of “kickback” arrangements. These state laws sometimes apply to all Clients regardless of their insurance coverage.

You should investigate all applicable federal, state, and local laws and regulations with an attorney and/or financial advisor before purchasing a franchise from us. Applicable laws and regulations are subject to change. Laws and regulations may change at any level of government at any time, resulting in increased scrutiny applied to medical, home care, and/or staffing agencies by various levels of government. As such, the costs of compliance may increase. You are responsible for keeping informed about changes in legislation that may impact the operation of your Franchised Business. We strongly urge you to consult with competent local counsel regarding all of the laws and regulations described above and others that may be applicable to you and your Franchised Business.

This document does not include all laws that may apply to your Franchised Business. You should also be aware of pending legislation that may affect your Franchised Business in the future.

We have resources available as a reference to you, but you are solely responsible for investigating, understanding and complying with the laws, regulations and requirements applicable to you and your Franchised Business.

ITEM 2 BUSINESS EXPERIENCE

President and CEO: Mary Ann Stallings

Ms. Stallings has been our only Manager, President, and Chief Executive Officer since our formation as a limited liability company on August 27, 2018. Ms. Stallings has served as the manager and

chief executive for our Affiliate since March 2012. From 2010 to 2012, Ms. Stallings was the founder and owner of the Affiliate before it was formed as a limited liability company. Ms. Stallings is also our director of training and staff development.

Director of Development: Kristine Dykeman-Schoening

Ms. Dykeman-Schoening has been our Director Of Development since September 2018. Immediately prior to that, she was employed since 1989 with Tabitha, a Nebraska nonprofit entity in the senior healthcare industry focused on enhancing the dignity and well-being of older adults, and most recently she was the Vice President of Tabitha Senior Care Continuum.

ITEM 3 LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4 BANKRUPTCY

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

ITEM 5 INITIAL FEES

Single Territory Franchise Fee

The standard initial franchise fee for one Franchised Business is \$48,000 (the “**Initial Franchise Fee**”). The Initial Franchise Fee is deemed fully earned and nonrefundable upon payment. You must pay the Franchise Fee in full on the date you sign the Franchise Agreement. The Initial Franchise Fee is charged for a franchise to operate from one location in an assigned specific territory that we describe as the “**Territory**.” The Territory for each Franchise will be defined by zip codes or other geographic or political boundaries and generally includes a population of up to 300,000 people as further described in Item 12. The number of people in the Territory is determined in accordance with the most current US Census data. We reserve the right to use the services of any reputable provider of demographic information.

The Initial Franchise Fee and any Additional Territory Franchise Fee (as defined below) offsets the expenses that we incur in marketing, researching, awarding and training franchisees. The Initial Franchise Fee and any Additional Territory Franchise Fee are payable at the time you sign the applicable Franchise Agreement and are fully earned by us and non-refundable.

Additional Territories

In our sole discretion, we may offer qualified candidates the right to Open (as defined in this Item 5 below) and operate multiple BRIDGE TO BETTER LIVING Businesses. The Territory granted to you under an additional Franchise Agreement is called an “**Additional Territory**”. If you enter into two or more Franchise Agreements at the same time, and the Territories granted to you under the Franchise Agreements are contiguous, we may allow you to operate the BRIDGE TO BETTER LIVING Businesses under all Franchise Agreements from the same Approved Location (as defined in Item 11). If we authorize you to do so, you will execute an appropriate amendment to each Franchise Agreement in the form set forth in Attachment 4 to the Franchise Agreement.

We will discount the Initial Franchise Fee for each additional Franchise Agreement by 25%, or \$12,000 (the “**Additional Territory Franchise Fee**”) if you sign the additional Franchise Agreement and

pay the Additional Territory Franchise Fee within four months after the first Franchise Agreement is signed by Franchisor. In that case, the discounted Additional Territory Franchise Fee would be \$36,000. The Additional Territory Franchise Fee for any Franchise Agreement for an Additional Territory that is not signed within four months after the first Franchise Agreement is signed by Franchisor is not discounted.

“**Opening**” or “**Open**” as used in this Disclosure Document means that (i) Franchisee has met all of the prerequisites to open and operate the Franchised Business set forth in the Franchise Agreement, (ii) the Franchisor has confirmed to the Franchisee that Franchisee has done so, and (iii) the Franchisee is operational as it has begun to offer System Services to Clients in accordance with the Franchise Agreement.

VetFran and Those Who Are Experienced in Senior Care

To honor those men and women who have served in the U.S. military, the Veterans Transition Franchise Initiative, known as “**VetFran**,” was developed to help those individuals transition to civilian life. This initiative is a voluntary effort of International Franchise Association (“**IFA**”) member-companies and is designed to encourage franchise ownership by offering financial incentives to honorably discharged veterans. We offer a 10% discount of the Initial Franchise Fee for the first BRIDGE TO BETTER LIVING Business to individuals who qualify under VetFran. To honor those men and women who have dedicated part of their lives to helping the elderly population, we offer a 10% discount of the Initial Franchise Fee for the first BRIDGE TO BETTER LIVING Business to qualified individuals with a minimum of five years’ experience at the senior care management level. The 10% discounts do not apply to any Franchise Agreement for an Additional Territory and does not apply if any other discount applies.

ITEM 6 **OTHER FEES**

(1) TYPE OF FEE ¹	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
Royalty	8% of Gross Revenues or the Royalty Minimum, whichever is greater	Monthly fee, payable weekly via ACH	See Note 2
Brand Fund Contribution	2% of Gross Revenues	Monthly fee, payable weekly via ACH	See Note 3
Minimum Local Advertising, Marketing and Promotional Expenditures	(a) Initial Marketing Set-Up Fee = \$2,500 and (b) 10% of Gross Revenues or monthly minimum of \$1,500, whichever is greater	(a) 10 business days after completion of the Initial Training Program (b) Monthly, as incurred	See Note 4. We set a yearly maximum required local marketing and advertising expenditure of \$45,000.
BridgIT User Fee	\$99 plus \$49 per user	Monthly	See Note 5

(1) TYPE OF FEE ¹	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
Office 365 Exchange Business Premium	\$12.50 per user per month	Monthly from date of initial setup	See Note 5
Transfer Fee (a) Transfers, generally (b) If the transfer is to a current franchisee or to the heirs of a current franchisee (in the case of death or disability)	(a) 50% of then-current Initial Franchise Fee, but no less than \$24,000 (b) No charge	Upon application to transfer	See Note 6
Renewal Fee	25% of then-current Initial Franchise Fee, but no less than \$12,000	Upon signing then-current form of Franchise Agreement	
Interest	1.5% per month, not to exceed the highest rate allowed by law	As incurred	
Insufficient Funds Fee	\$50 per violation	As incurred	
Relocation Fee	Costs and expenses	As incurred	See Note 7
Testing or Supplier Approval Fee	Costs and expenses	Upon request	See Note 8
Audit Fee	Costs and expenses	As incurred	See Note 9
Additional Training	Then-current per person weekly fee, plus expenses Currently = \$500	As incurred	See Note 10
Legal Fees and Expenses	Costs and expenses	As incurred	You must reimburse us for any costs and expenses we incur, including but not limited to attorneys' fees, for any failure to pay amounts when due or your failure to comply any provisions of the Franchise Agreement.

(1) TYPE OF FEE ¹	(2) AMOUNT	(3) DUE DATE	(4) REMARKS
Management Fee	20% of Gross Sales, plus expenses	If incurred, monthly with Royalty payment	If we must operate the Franchised Business in certain circumstances (death, disability, etc.), we will charge a management fee and you must reimburse our expenses.
Indemnification	Varies by amount of any claim of liability or loss we incur	On demand	See Note 11
Post-Termination or Post-Expiration Expenses	Costs and expenses	As incurred	See Note 12
Insurance Premiums	Unpaid premiums, if any	On demand	See Note 13

Notes:

1. Fees Generally - unless otherwise indicated below, all the fees listed above are uniformly imposed by us, payable to us, and once paid are non-refundable.
2. Royalty – As a performance-based franchise system, we have implemented a continuous Royalty (as defined in this Note 2 below) fee structure together with a continuous Brand Fund Contribution (as defined in Note 4 below) structure to strengthen the BRIDGE TO BETTER LIVING brand and increase market penetration. In order for you to maintain your rights to the Territory, beginning with the first month after the Franchise Agreement is signed by the Franchisor, you must pay us a continuing monthly royalty equal to the greater of (i) 8% of your Gross Revenues or (ii) the Royalty Minimum (as defined in the chart below) for the applicable month (“**Royalty**”). “**Gross Revenues**” means all revenues you collected from any source for all business conducted at, from, or through your BRIDGE TO BETTER LIVING Business, including successful placement fees, consulting income, and any other revenue during the month, to be paid weekly. Gross Revenues does not include (i) the amount of any applicable sales tax imposed by any federal, state, municipal, or other governmental authority and (ii) corrections for errors and billings.

We impose a minimum Royalty amount, but we allow you a reasonable period of time to build your Business to the point that 8% of the Gross Revenues would meet or exceed the minimum required Royalty amount. **We make no representation to you that your Gross Revenues will ever reach that level.** The “**Royalty Minimum**” applicable to each month is set forth in the following schedule:

Months after signing Franchise Agreement	Royalty Minimum Requirement Per Month
1*-6	\$0
7-9	\$400
9-23	\$800
24 and each month after, including any renewal terms	\$1,200

*Month 1 is the period commencing on the effective date of the Franchise Agreement and ending on the day before the same date of the following calendar month. Month 2 and each succeeding month commences immediately following the end of the prior month.

If you are an existing franchisee purchasing an additional Franchised Business your Royalty Minimum for the additional Franchised Business is the same as set forth in the chart above. In addition to our other remedies as set forth in this Disclosure Document, including the Franchise Agreement, if you do not pay the Royalty, we may exercise our legal remedies up to and including terminating the Franchise Agreement.

3. Brand Development – We may establish a brand development fund (the “**Fund**” or “**Brand Fund**”) as further described in Item 11. If we require you to contribute to the Fund, then beginning with the first full month after Opening of your Business or such later date as we may designate, you will be required to pay the amount of 2% of your Gross Revenues (the “**Brand Fund Contribution**”) on a monthly basis to the Brand Fund in the same manner as the Royalty due under the Franchise Agreement or as we may otherwise prescribe (Section 12.4.1 of the Franchise Agreement). We may reallocate all or a portion of this fee to a regional Cooperative (as defined in Item 11) marketing program if one is established by us in your region. If you are an existing Franchisee purchasing an additional Franchised Business your Brand Fund Contribution for the additional Franchised Business is as set forth in this Note 4. In addition to our other remedies as set forth in this Disclosure Document, including the Franchise Agreement, if you do not pay the Brand Fund Contribution, we may exercise our legal remedies up to and including terminating the Franchise Agreement as provided in the Franchise Agreement.
4. Local Advertising, Marketing and Promotional expenditures are paid to third parties – In addition to the Brand Fund Contribution, we impose (i) the initial marketing set up fee of \$2,500 which is payable directly to our marketing vendor, plus we require you to spend (ii) at least 10% of Gross Revenues (measured annually), or \$1,500 monthly minimum, whichever is greater, on local marketing and promotion in accordance with our standards and specifications and an annual marketing plan approved by us (collectively, “**Local Marketing Requirement**”). Our marketing vendor is presently Big Marlin Group. The Initial Marketing Set-Up Fee includes the build-out of the franchise location page for the BRIDGE TO BETTER LIVING website, the location homepage and contact page, the resource page and guidance blog(s), plus the initial design of the wrap for your vehicle. The minimum monthly payment also includes a monthly charge of \$595 for a marketing plan with our marketing vendor. You may spend any additional sums you wish on local marketing. We set a yearly maximum required local marketing and advertising expenditure of

\$45,000. You must send us proof of these expenditures as directed in the Operations Manual. Currently, receipts are due within 90 days of the end of each year.

5. BridgIT User Fee and Office 365 Exchange Business Premium. The BridgIT User Fee is for set up, initial design, maintenance and support of BridgIT service system, payable directly to our vendor, Senior Place, LLC. The Office 365 Exchange Business Premium is payable directly to Franchisor to be included in Franchisor's Office 365 Exchange Business Premium plan. Either of these fees may increase with 30-day notice based on suppliers or new technology expenses.
6. Transfer Fee -we have the right to condition the proposed sale or transfer of the Franchise Agreement, your BRIDGE TO BETTER LIVING Business, or of any interest in you upon your payment of a transfer fee. This transfer fee does not apply to an assignment of interest to an owner's own entity or an assignment to a Permitted Transferee as defined in and under the Franchise Agreement. We have a right of first refusal on any proposed transfer for \$1.00 or other valuable consideration.
7. Relocation – any relocation must be approved by us. Except in cases of emergency, the new Approved Location must be occupied and Open prior to vacating the old location.
8. Testing - if we incur any costs in testing a particular service, product or evaluating a supplier at your request, you must reimburse us our reasonable testing costs, regardless of whether we subsequently approve the product or supplier. See Item 8 of this Disclosure Document for more information about designated and approved suppliers.
9. Audit Fee - paid by Franchisee if difference in reported royalties are 2% or greater. You must maintain accurate business records, reports, accounts, books and data relating to the operation of your BRIDGE TO BETTER LIVING Business. BRIDGE TO BETTER LIVING, or our designee, has the right, at any time during normal business hours, to inspect and/or audit your business records, to determine whether you are current with suppliers and/or otherwise are operating in compliance with the terms of the Franchise Agreement and the Operations Manual. If any audit reveals that you have understated your Local Marketing Requirement or any payments due to us by more than 2%, or if you have failed to submit timely reports and/or remittances for any 2 reporting periods within any 12-month period, you must pay the reasonable cost of such audit and/or inspection, including the cost of outside auditors and attorneys (to the extent we incur such costs), together with the amount(s) due.
10. Additional Training - To assist Franchisee in the operation of Franchisee's Business, Franchisor may offer additional training programs and/or refresher courses to Franchisee. Franchisor may require Franchisee's attendance at these programs and/or courses. We have the right to charge our then-current fee for providing ongoing training and refresher courses, and you will also be responsible for the cost of salaries, meals, lodging, and transportation associated with attending additional training for all of your attendees. We may hold and may require your attendance at an annual conference or regional conferences. We do not currently require you to attend the conferences but may do so in the future.
11. Indemnification. - you and your shareholders, partners, members, officers, directors, and managers ("**Principals**") agree to indemnify us and our affiliates for losses we incur based on your operation of the BRIDGE TO BETTER LIVING Business. We will have the right to defend any such claim against us in such manner as we deem appropriate or desirable.
12. Post-Termination or Post-Expiration Expenses - upon termination, expiration, non-renewal, and/or

transfer of the Franchise Agreement by either you or us, you are responsible for all costs and expenses associated with your ceasing of and de-identification with the BRIDGE TO BETTER LIVING Business and the System.

13. Insurance policies - Payable to us if you fail to maintain the required insurance coverage and we elect to obtain coverage for you.

ITEM 7 **YOUR ESTIMATED INITIAL INVESTMENT**

YOUR ESTIMATED INITIAL INVESTMENT

(1) TYPE OF EXPENDITURE	(2) ESTIMATED AMOUNT Low High		(3) METHOD OF PAYMENT	(4) WHEN DUE	(5) TO WHOM PAYMENT IS TO BE MADE
Initial Franchise Fee ¹	\$48,000	\$48,000	Lump Sum	When Franchise Agreement signed	Us
Construction/ Leasehold Improvements/ Furniture and Fixtures ²	\$1,000	\$4,000	As Incurred	As Arranged	Contractor/Third-Party Providers
Equipment ³	\$300	\$900	As Arranged	Before Opening	Third-Party Providers
Signage (interior and exterior) ⁴	\$500	\$2,600	As Arranged	As Arranged	Third-Party Providers
Computer and Software ⁵	\$1,100	\$3,100	As Arranged	As Arranged	Third-Party Providers or Us
Opening Inventory ⁶	\$0	\$0	As Arranged	As Incurred	Third-Party Providers
Rent Deposit ⁷	\$500	\$750	As Incurred	As Arranged	Landlord
Utility Deposits ⁸	\$0	\$300	As Incurred	As Arranged	Utility Providers
Insurance Deposits and Premiums ⁹	\$450	\$1,350	As Arranged	As Arranged	Insurance Company
Pre-Opening Travel Expense ¹⁰	\$2,000	\$3,000	As Incurred	As Arranged	Airline, Hotel, Restaurants
Grand Opening Advertising ¹¹	\$3,000	\$5,000	As Incurred	As Arranged	Third-Party Providers
Professional Fees ¹²	\$2,500	\$4,500	As Arranged	As Arranged	Attorneys, Accountants
Business Permits and Licenses ¹³	\$100	\$350	As Incurred	As Arranged	Licensing Authorities
Printing, Stationery and Office Supplies ¹⁴	\$200	\$500	As Incurred	As Arranged	Third-Party Providers
Initial Marketing Set-Up Fee ¹⁵	\$2,500	\$2,500	Lump Sum	Within 10 business days after completion of the Initial Training Program	Third-Party Provider

Additional Funds – 3 Months ¹⁶	\$20,500	\$35,000	As Incurred	As Arranged	Various
Total	\$82,650	\$111,850			

All fees paid to us are non-refundable under any circumstances.

Notes:

- 1 **Initial Franchise Fee.** The Initial Franchise Fee is discussed in Item 5.
- 2 **Construction/Leasehold Improvements/Furniture & Fixtures.** You are permitted to have a home office at the personal residence of the Operating Principal (as defined in Item 15) for the first 18 months after the signing of the Franchise Agreement, after which you must have an Approved Location other than a personal residence from which to operate your Business as further described in Item 11. Normally, office space is obtained on a leasehold basis. It is extremely difficult to estimate lease acquisition costs because of the wide variation in these costs among various locations. Minimal leasehold improvements are generally required before operation. The range represents the approximate costs associated with acquiring basic office supplies and furniture and fixtures generally consisting of desk, chair, filing cabinet, bookcase, conference table and chairs. These estimates are based on a shared services office facility, and the difference between the low and high are due to the differences between leasing a move-in ready office space versus one in need of painting.
- 3 **Equipment.** The Equipment estimate consists of a senior mobility accessible vehicle that has been approved by us for use in the business. The vehicle must be white and be professionally wrapped with the approved marketing content. The cost of the vehicle wrap is included in the Signage estimate. The low end of the range assumes you lease the vehicle with one month due at inception. The high end assumes a lease with three months due at inception. Three months lease carrying costs are included in the Additional Funds estimate. We assume you will lease your vehicle, but if you choose to purchase the vehicle instead, the costs will be higher. This estimate does not include transportation or set-up charges.
- 4 **Signage.** This estimate includes wall signage for the exterior of the building and interior signage such as logo graphics for windows and brand identification such as wall graphics, etc. The Signage estimate also includes the cost of the vehicle wrap.
- 5 **Computer and Software.** The amount shown represents the base low end of a desktop computer to a laptop (allowing for mobility), each that runs Windows, as well as a range to obtain a faster processor. Also included in the estimate is the BridgIT User Fee (\$99 per month plus \$49/user per month), plus Office 365 Exchange Business Premium (\$12.50 per user per month) and QuickBooks (\$35 per month).
- 6 **Opening Inventory.** Inventory is not applicable to this franchise concept.
- 7 **Rent Deposit.** The rent estimate represents a three-month deposit for a shared services month-by-month office. A rent deposit is usually required by a landlord.
- 8 **Utility Deposits.** You may be required by your utility companies (such as gas, water and/or electric) to provide security deposits. This estimate will vary based on municipality and service provider.

- 9 ***Insurance Deposits and Premiums.*** The insurance requirements are described in Item 8. This estimate represents the premium deposit to initiate coverage. The low end of the range represents the premium for one month and the high end of the range represents the premium for three months.
- 10 ***Pre-Opening Travel Expense.*** This estimate represents your out-of-pocket expenses for travel, meals and lodging for two people to attend five days of training in Lincoln, Nebraska. This estimate does not include labor costs.
- 11 ***Grand Opening Advertising.*** You are required to conduct a grand opening advertising campaign in the time period from 60 days prior to opening until 90 days after opening.
- 12 ***Professional Fees.*** This estimate includes the fees pertaining to initial reviews and advisory services provided by your attorney and accountant.
- 13 ***Business Permits and Licenses.*** These are estimates of the costs for obtaining local business licenses which typically remain in effect for one year. The cost of these permits and licenses will vary substantially depending on the location of the Franchised Business. We strongly recommend that you verify the cost for all licenses and permits required in your jurisdiction before signing the Franchise Agreement.
- 14 ***Printing, Stationery and Office Supplies.*** This estimate includes your initial stock of business cards and various office supplies including items bearing the Marks.
- 15 ***Initial Marketing Set-Up Fee.*** This fee is described in Item 6.
- 16 ***Additional Funds.*** This range is an estimate for the costs to operate your business for the initial three months and includes such items as phone, rent, utilities, insurance, initial staffing, brand fund and advertising expenses. Some of these expenses may be offset by any revenue you may make during this initial phase.

The above estimates are based on the experience of our Affiliate and its predecessor, which operates a business substantially similar to the franchise being offered to you. If you operate a home office during the start-up phase of your business, your costs may be less than the estimates provided above.

ITEM 8 **RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

Required Supplies and Suppliers

You must operate the Franchised Business according to our System standards. System standards include the matters in the Operations Manual, which we have a right to change at any time, and those may regulate among other things, the types, models and brands of required equipment, signs, stationery, promotional materials, uniforms, any items bearing our Marks, signage, furniture, décor, point of sale system (POS), and other items necessary to operate the Franchised Business. From time to time, we will provide you a list of approved manufacturers, suppliers and distributors authorized to supply items or services used to operate the Franchised Business (“**Required Suppliers List**”; each supplier on the Required Suppliers List is a “**Required Supplier**”) and a list of approved products, materials, equipment, signs, stationery, logos, supplies and other items or services necessary to operate the Franchised Business or offer for sale to Clients of your Franchised Business (“**Required Supplies List**”). You must purchase, sell and use only those suppliers and supplies that are listed on the Required Suppliers List or Required Supplies List. We do not have an affiliate that is a supplier of products or services to us or any franchisee.

Currently neither we nor any of our affiliates are Required Suppliers or the only Required Suppliers of any good or service. Neither we nor any of our officers or principals own an interest in any of our Required Suppliers.

Any item used in the Franchised Business that is not specifically required to be purchased in accordance with the Required Suppliers List or the Required Supplies List must conform to our established standards and specifications.

We apply the following general criteria in approving a proposed supplier:

1. Ability to provide sufficient quantity of product;
2. Quality of products and/or services at competitive prices;
3. Production and delivery capability; and
4. Dependability and general reputation.

We may revoke approval of a supplier if a supplier no longer meets these general criteria. You will receive notice of our approval or disapproval of a proposed supplier within 30 days of our receipt of all pertinent information. We may change the number of approved suppliers or distributors at any time, including designating an affiliate, a third party, or ourselves as the exclusive source for any particular item. We may also develop certain proprietary products which you must purchase from us and offer for sale through your Franchised Business.

If you would like to offer for sale to Clients of the Franchised Business or use to operate the Franchised Business any product, material, equipment or supply or purchase any products from a supplier not on either of these lists, you must obtain our prior written approval. In that case, you must notify us and submit to us all information, specifications and samples that we may request regarding a supplier, service or product proposed by you. We may require that our representatives be permitted to inspect the proposed supplier's facilities and that samples from the proposed supplier be delivered to us for evaluation and testing. We have the absolute right to determine whether such supplier's goods or products meet the System standards and our specifications and may approve or disapprove any proposed supplier. We will typically provide response to such written request within 30 days from the date we receive your written request and the necessary items we require for review. Although products, services or suppliers may be approved by us, we and our affiliates expressly disclaim all warranties, including warranties of merchantability and fitness for any particular purpose, with respect to products, services, fixtures, furniture (including without limitation any required computer systems), signs, stationery, supplies or other approved items sold to or provided to you by us or any third-party, including any Required Supplier. We reserve the right to designate exclusive suppliers, the right to designate us or our affiliate(s) as an approved or exclusive supplier, and the right to earn fees on franchisee purchases from suppliers. We do not charge you a fee to obtain our approval for a supplier.

Standards and Specifications

You may only offer approved services and products ("**Approved Services and Products**") through your Franchised Business. All Approved Services and Products must meet our standards and specifications. In order to: (i) better assure the quality of the Approved Services and Products; (ii) assure the supply of the Approved Services and Products; and/or (iii) enable us to take advantage of marketplace efficiencies, we have the right to require you to purchase certain Approved Services and Products only from us or other suppliers or distributors approved or designated by us. In addition to using services and products which are

required to be purchased from Required Suppliers or that must be Required Supplies, you may be obligated to purchase items that meet our minimum guidelines, standards and specifications. Our guidelines, standards and specifications may impose minimum requirements for quality, uniformity, design and appearance. Those will be communicated to you in our Operations Manual or other communication used in our System. Presently, we have established guidelines, standards and specifications for all advertising, promotion and logo use. You must adhere to our guidelines, standards and specifications for content, size, color paper stock and typeface. All advertisements are subject to our approval or disapproval and we must be given at least 10 business days to review your proposed advertisements. A request from you for approval will be deemed disapproved until such time as we give written approval of same. In addition, your insurance policy must meet our minimum specifications as we prescribe. We will also provide you with an array of operating forms and other supplies which you will reproduce and must use in the operation of your Franchised Business.

Computer Hardware and Designated Software

You are required to purchase and utilize computer hardware and Designated Software as more fully described in Item 11 of this Disclosure Document. Any revised, new or additional software required by Franchisor must be implemented by you.

Insurance

You must obtain and maintain at all times during the term of the Franchise Agreement the insurance coverages we require, and at your expense. We must be named as an “Additional Insured” on a primary and non-contributory basis on your insurance policies for Commercial General Liability and Auto Liability. We have the right to increase or modify the minimum insurance requirements upon 30 days prior written notice to you, and you must comply with any modification within the time specified in the notice.

The policies must be written by an insurance company licensed to do business in the state in which you operate your Franchised Business. The insurance company must have at least an “A-(VII)” Rating Classification as indicated in A.M. Best’s Key Rating Guide in accordance with our standards and specifications and as specified in the Operations Manual or otherwise in writing. The policy or policies must include, at a minimum, the following coverages:

Required Coverages:

- Professional Liability with minimum limits of \$1,000,000 per claim and a policy aggregate of \$1,000,000.
- Commercial General Liability insurance, written on an ISO CG 00 01 policy form or equivalent, insuring us on a primary and noncontributory basis, and you against all claims, suits, obligations, liabilities and damages, including attorney fees, based upon or arising out of actual or alleged bodily injury, personal injury or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Franchised Business, including coverage in the following limits:

Coverage	Minimum Limits of Coverage
General Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Each Occurrence	\$1,000,000
Fire Damage (Legal Liability)	\$50,000

- Commercial Automobile liability insurance, including all owned, non-owned and hired vehicle coverage, with a combined single limit of at least \$1,000,000 each accident, subject to a maximum retention of \$5,000.
- Workers' Compensation/Employer's Liability insurance with minimum limits of \$500,000 each accident/\$500,000 policy limit - disease/\$500,000 each employee – disease and, in some jurisdictions, stop gap liability (also known as employers' contingent liability), as well as any other insurance required by law in the state and/or county in which the Franchised Business is located and operated.
- Any additional insurance and types of coverage as required by the terms of any lease for the Franchised Business or as required by us.
- Network Security/Data Breach (Cyber Liability) coverage with minimum limits of \$1,000,000 per claim and \$1,000,000 in the aggregate.
- Umbrella coverage over Commercial General Liability, Commercial Automobile Liability, and Employer's Liability coverages purchased by you with minimum limits of \$1,000,000.
- Commercial Property insurance, written on a "Special" form Cause of Loss, on all real and personal property used in the operation of the Franchised Business for full repair and replacement value of the property, except that an appropriate deductible clause will be permitted not to exceed \$2,500.

Recommended Coverages:

- Crime-Fidelity Employee Dishonesty coverage with Third Party Crime endorsement added. The limit of insurance will be in a minimum amount no less than \$25,000 and a deductible per claim of no more than \$1,000.
- Employment Practices Liability coverage for a minimum of \$1,000,000.
- Sexual Abuse and Molestation Coverage for a minimum of \$500,000 with a minimum policy aggregate of \$500,000.
- Business interruption extra expense insurance for actual losses sustained, for a period of indemnity no less than a six-month period.

Any coverage not provided through a preferred broker is subject to prior approval and review by us. The insurance afforded by the policy or policies for Commercial General Liability and Professional Liability will not be limited in any way by any insurance which may be maintained by us. You must provide us with a current Certificate of Insurance issued on a standard ACORD certificate of insurance form as evidence of all required and optional insurance policies before you will be permitted to open for business, begin any construction, or hire your first employee.

If you do not provide us with the required insurance certificate or if you fail to obtain and/or maintain the insurance coverages we require, we will have the right (but not the obligation) to obtain the required insurance for you.

Marketing

We must approve all marketing material before its first publication or other use, and any such material must be approved by us again every 12 months. A request from you for approval will be deemed disapproved until such time as we give written approval of same.

Miscellaneous

You must purchase or lease office space, commencing no later than 18 months after the signing of

the Franchise Agreement by Franchisor, from which to operate your Franchised Business as further described in Item 11. When you purchase or lease an office space for your Franchised Business, you must find a site that meets our standards and specifications for a Franchised Business. You may be able to use executive office suite space to satisfy this requirement.

There are currently no purchasing or distribution cooperatives. We may negotiate discounted group rates, as we deem appropriate, for purchases of office supplies, printing, and other items necessary for the operation of the Franchised Business. We may have supply purchase agreements in effect for items including office supplies, insurance, payroll services, background checks, answering services, printing, and training.

Neither we nor our Affiliate currently receive revenue or other material consideration from any suppliers as a result of purchases or leases by you or other franchisees, but we reserve the right to do so. We anticipate receiving rebates/consideration from some suppliers based on certain levels of purchases by franchisees. When and if we do receive such consideration we will disclose the precise basis by which we receive or derive that consideration. Any such revenues or consideration will be income to us to be used in our discretion as we determine. In the fiscal year ended December 31, 2020, neither we nor our Affiliate earned revenue from rebates from suppliers.

We estimate that approximately 13% to 15% of your expenditures for equipment and auto leases (excluding real estate) and purchases in establishing your Franchised Business and less than 12% of your expenditures on an ongoing basis will be for goods and services which are subject to sourcing restrictions (that is, for which supplies we must approve, or which must meet our standards or specifications).

We did not receive any revenues from franchisees for purchases of services and products or leases from Franchisor. We do not provide or withhold material benefits to franchisees (such as renewal rights or the right to Open additional businesses) based on whether or not franchisees purchase through the sources we designate or approve; however, purchases of unapproved products or from unapproved vendors in violation of the Franchise Agreement will entitle us, among other things, to terminate the Franchise Agreement.

ITEM 9 **FRANCHISEE'S OBLIGATIONS**

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

Obligation	Section in Franchise Agreement	Disclosure Document Item
a. Site selection and acquisition/lease	7.1	Item 12
b. Pre-opening purchases/leases	7.5	Items 6,7,11
c. Site development and other pre-opening requirements	7.1	Items 6,7,11
d. Initial and ongoing training	7.3	Item 11

Obligation	Section in Franchise Agreement	Disclosure Document Item
e. Opening	7.4	Item 11
f. Fees	3	Items 5,6
g. Compliance with standards and policies/operating manual	7.7	Items 8,11
h. Trademarks and proprietary information	4	Items 13,14
i. Restrictions on products/services offered	7.6	Items 8,12,16
j. Warranty and customer service requirements	7.7	Items 8,15
k. Territorial development and sales quotas	1.2	Items 12,17
l. Ongoing product/service purchases	7.5	Item 8 and 11
m. Maintenance, appearance and remodeling requirements	7.17 and 7.19	Items 6,8,11,17
n. Insurance	9	Items 6,8
o. Advertising	12	Items 6,11
p. Indemnification	13	Item 6
q. Owner's participation/management/staffing	7.2	Items 11,15
r. Records and reports	10	Item 6
s. Inspections and audits	11	Items 6,11
t. Transfer	14	Item 17
u. Renewal	2.2	Item 17
v. Post-termination obligations	16.1	Item 17
w. Non-competition covenants	17	Items 15,17
x. Dispute resolution	18	Item 17

ITEM 10 **FINANCING**

We do not offer direct or indirect financing and do not guarantee your note, lease or other obligations. We will not receive payment or other consideration from any person or persons for placing your financing with a lender.

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

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

Pre-Opening Obligations

Before you Open the BRIDGE TO BETTER LIVING Business, we will perform the following obligations:

1. We will loan to you one copy of or provide you with password protected electronic access to our proprietary and confidential Operations Manual, which we may amend periodically. (Section 6.1 of the Franchise Agreement). The Table of Contents of the Operations Manual is included as Exhibit C to this Disclosure Document. The Operations Manual has a total of approximately 150 pages. You must operate the BRIDGE TO BETTER LIVING Business in accordance with all applicable federal, state, and local laws, regulations, and ordinances, and must obtain our written consent before deviating from any of our standards and specifications to comply with any law or regulation, which approval we will not unreasonably withhold.
2. We will provide specifications for, and designate, sources of supply from which you agree to purchase inventory, goods and supplies necessary for your start-up and ongoing operations of the BRIDGE TO BETTER LIVING Business, including computer hardware and software specifications (Section 7.5.1 of the Franchise Agreement).
3. We will assist you in the preparation of a marketing plan for your Opening marketing program (Section 6.4 of the Franchise Agreement).
4. We will provide our initial tuition-free training program (as further described below in this Item 11, the “**Initial Training Program**”) at least 30 days prior to the Opening of your BRIDGE TO BETTER LIVING Business (Section 8.1 of the Franchise Agreement).

Site Selection and Opening

1. You must operate the BRIDGE TO BETTER LIVING Business from a location that we approve in advance and in writing (“**Approved Location**”). Franchisee’s Approved Location may solely for the first 18 months after the signing of the Franchise Agreement by Franchisor (“**Start-Up Period**”) be a home office at the Operating Principal’s personal residence so long as the home office complies our standards and specifications and is maintained in the condition and appearance consistent with, our standards for a home office. No later than the end of the Start-Up Period, the Approved Location must be at an office location separate from any personal residence (“**Office**”), which will exist and be used solely and exclusively for the operation of the BRIDGE TO BETTER LIVING Business under the Franchise Agreement but may be located in an executive office space. You are responsible for purchasing or leasing and obtaining our written approval for an Office as

an Approved Location by no later than the end of the Start-Up Period. Any Office (including all signage) must comply with our standards and specifications and must be maintained in the condition and appearance consistent with our standards. Our approval of any Approved Location indicates only that we believe that the Approved Location falls within our acceptable criteria as of the approval date. We will act promptly (generally within 10 to 14 business days) following our receipt from you of your proposed location. We will utilize our general experience to provide guidelines and criteria for selection of an Office. Based on the requirements of the Franchise Agreement, the factors we consider for approval of an Office are whether the proposed location is located in your Territory, if it is located in a conventional office located outside of any personal residence, and if it is used solely and exclusively for the operation of the BRIDGE TO BETTER LIVING Business. Other than these factors, we do not consider any other factors when granting approval of the Office. Upon receipt of written notice of our acceptance of your proposed location for an Office, you may sign a lease. You may not relocate the BRIDGE TO BETTER LIVING Business without our prior written consent. It is your obligation to locate a site for your Business and to provide us with all necessary information in accordance with the timing requirements established in the Franchise Agreement so that we may approve your location in time for you to Open your BRIDGE TO BETTER LIVING Business in accordance with the requirements established in the Franchise Agreement. If you fail to provide us with all such necessary information in accordance with the timing requirements established in the Franchise Agreement, your failure to do so will be a default of the Franchise Agreement and we may, in addition to all other remedies provided for under the Franchise Agreement, terminate the Franchise Agreement.

2. We estimate that it will take approximately two to four months from the signing the Franchise Agreement by Franchisor for you to Open your BRIDGE TO BETTER LIVING Business. The actual length of this period will depend upon factors such as the length of time necessary to prepare your personal residence or lease or otherwise obtain office space and to successfully complete our training; to complete criminal, civil, credit and bankruptcy background checks for you and your employees (which may take up to one week); whether you can acquire acceptable financing arrangements; our training schedules; delivery schedules for inventory and equipment and other factors. Under the Franchise Agreement, you are required to Open your BRIDGE TO BETTER LIVING Business no later than four months after the Franchise Agreement is signed by Franchisor. If the BRIDGE TO BETTER LIVING Business has not been Opened within that four-month period, we have the right to terminate your Franchise Agreement and retain the full franchise fee (Sections 7.4 and 15.2.4 of the Franchise Agreement).

Post-Opening Assistance

1. We will provide a minimum of one on-site visit at your Business premises within 60 to 90 days after Opening of your Business, such visit lasting approximately two days (See Section 6.5 of the Franchise Agreement).
2. We will provide you continuing consultation and advice as we deem necessary and appropriate regarding the management and operation of your BRIDGE TO BETTER LIVING Business. We have the right to provide such assistance by telephone, facsimile, electronic communication, video, audio or cloud conferencing, online meetings, group messaging and on-site visits (Section 6.5 of the Franchise Agreement).
3. We have the right to hold and require your attendance at an annual conference, regional conferences, or additional training at locations to be selected by us. We will determine the topics and agenda for such conferences and training to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between

franchisees and our personnel regarding BRIDGE TO BETTER LIVING Business operations and programs, and recognizing franchisees for their achievements. We may require you to pay a registration fee. All expenses, including your and your employees' transportation, and lodging, meals, and salaries, are your sole responsibility. We may use contributions from the Brand Fund for purposes related to the annual conference, regional conferences or other training, including costs related to productions, programs, and materials (Section 6.7 of the Franchise Agreement).

4. We have the right, but not the obligation, to establish and maintain a toll-free telephone number for the purpose of accepting and confirming Client inquiries nationwide, Client service, and Client follow-up and satisfaction surveys. If we establish a toll-free number, you must comply with our procedures for implementing the nationwide service as we specify in the Operations Manual or otherwise in writing (Section 6.6 of the Franchise Agreement) and the franchisees may be charged by us for the direct and indirect costs of establishing, maintaining and manning the nationwide services.

Marketing

We may establish a Brand Fund (as defined in Item 6). When we decide to implement a Brand Fund, we will notify you in writing of the commencement date and the contributions required by you. If we require you to contribute to the Fund, then beginning with the first full month after Opening of your Business or such later date as we may designate, you will be required to pay the amount of 2% of your Gross Revenues on a monthly basis to the Brand Fund in the same manner as the Royalty due under the Franchise Agreement or as we may otherwise prescribe (Section 12.4.1 of the Franchise Agreement). We have the right to use the Brand Fund contributions to develop, produce, and distribute national, regional, and/or local marketing programs and to create marketing materials and public relations that promote, in our sole judgment, the services offered by System franchisees (Section 12.4.2 of the Franchise Agreement). We may use the Brand Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing marketing materials or programs, including (a) the cost of preparing and producing television, radio, magazine, and newspaper marketing campaigns; (b) the cost of creating marketing materials; (c) the cost of public relations activities and marketing agencies; (d) the cost of developing and maintaining one or more Internet websites as well as search engine optimization for those websites; and (e) personnel and other departmental costs for marketing that we internally administer or prepare. Nevertheless, not all System franchisees will benefit directly or on a pro rata basis from such expenditures (Section 12.4.2 of the Franchise Agreement). While we do not anticipate that any part of Brand Fund contributions will be used for marketing which is principally a solicitation for franchisees, we reserve the right to use the Fund for public relations or recognition of our brand, for the creation and maintenance of a web site, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any marketing materials indicating "Franchises Available" (Section 12.4.2 of the Franchise Agreement). As of the Issuance Date of this Disclosure Document, we have not established the Fund and did not collect any contributions from our franchisees.

We will use the Brand Fund contributions to develop and prepare marketing programs that we will distribute to System franchisees for their use in marketing the business (Section 12.4.2 of the Franchise Agreement). The marketing materials will be prepared by us and by outside sources. If we do not spend all Brand Fund contributions by the end of each fiscal year, the funds will be carried forward into the next fiscal year. You must contribute to the Brand Fund regardless of amounts due from other System franchisees. BRIDGE TO BETTER LIVING Businesses operated by us and our affiliates may contribute to the Fund, but not necessarily on the same basis as franchisees. Should the marketing contribution for the System decrease at any time, we have the right to reduce the contribution from BRIDGE TO BETTER LIVING Businesses owned by us and our affiliates to the same rate required for franchised BRIDGE TO BETTER LIVING Businesses.

We have the sole right to determine how to spend contributions to the Brand Fund, or any funds from any other marketing program, and the sole authority to determine the selection of the marketing materials and programs. We are not required, under the Franchise Agreement, to spend any amount of the Brand Fund contributions in your Territory. We have the right to reimbursement from the Brand Fund contributions for reasonable costs and overhead, if any, as we may incur in activities which are reasonably related to directing and implementing the Brand Fund and marketing programs for franchisees and the System, including costs of personnel for creating and implementing marketing, promotional and marketing programs (Section 12.4.4 of the Franchise Agreement). There is no requirement that the Brand Fund be audited. Upon your written request, we will provide you with an unaudited accounting of Brand Fund expenditures.

There is presently no franchisee advisory council associated with the Brand Fund, but we reserve the right, in our discretion, to form a franchisee advisory council once we have a sufficient number of franchisees to form such an organization. Other than operating the Brand Fund, we are not required to spend any amount on marketing in your area or Territory.

Local Marketing and Advertising

Based on an annual plan approved by us, we require you to spend the Local Marketing Requirement (as defined in Item 6) of (i) the initial marketing set up fee of \$2,500, due directly to our marketing vendor for initial set up, plus (ii) at least 10% of Gross Revenues (measured annually) or \$1,500 monthly minimum, whichever is greater, on local marketing and promotion within your Territory in accordance with our standards and specifications. The maximum amount we require is \$45,000 annually. You are permitted to develop and use your own marketing materials, subject to our approval. All of your advertising and marketing materials must prominently display the Proprietary Marks, and may include trade dress, color combinations, designs, symbols, and slogans, only in the manner and to the extent specifically permitted by the Franchise Agreement or by our prior written consent. You must submit to us and we must approve all marketing, publicity, signs, decorations, furnishings, equipment or other materials employing the Proprietary Marks, or related marks, before first publication or use, which approval will not be unreasonably withheld. We will inform you in writing of our approval or disapproval of your proposed marketing materials within 10 days of submission. We reserve the right to approve all signs, stationery, business cards, forms, and other materials and supplies bearing the Proprietary Marks. You must identify yourself as the owner of the BRIDGE TO BETTER LIVING Business (in the manner we prescribe) in conjunction with any use of the Proprietary Marks including on invoices, order forms, receipts, and business stationery, as well as at such conspicuous locations as we may designate in writing at the Approved Location of the BRIDGE TO BETTER LIVING Business (Section 12.6 of the Franchise Agreement).

For a time period of 60 days before you Open your Business through 90 days after Opening, you must work with and prepare for, advertise for, and hold a chamber of commerce (or similar organization) event, to include other advertising, spending at least \$3,000 spreading the word about your new Business. This \$3,000 would be for initial Opening or grand opening advertising.

Regional Marketing Cooperative

There are currently no regional cooperatives in existence for the System. However, we have the right to designate any geographical area for purposes of establishing a regional marketing and promotional cooperative (“**Cooperative**”) (Section 12.5 of the Franchise Agreement). If we decide to establish a Cooperative, the members of the Cooperative will be all BRIDGE TO BETTER LIVING Businesses in that area, whether owned by us or franchised. If a Cooperative has been established at the time you begin operating under the Franchise Agreement, at our direction, you must immediately become a member of

such Cooperative. Any contribution made towards a Cooperative will be credited against your Local Marketing Requirement. If a Cooperative is established at any later time during the term of the Franchise Agreement, at our direction, you must become a member of such Cooperative no later than 30 days after the date on which the Cooperative begins operation. If the BRIDGE TO BETTER LIVING Business is within the territory of more than one Cooperative, you are required to be a member of only one such Cooperative (Section 12.5 of the Franchise Agreement). Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by us. If established, all contributions to the Cooperative will be maintained and administered under the written documents governing the Cooperative. Those documents and any financial statements prepared by the Cooperative will be made available to the members of the Cooperative to review. We reserve the right to change, dissolve or merge any Cooperative (Section 12.4.7 of the Franchise Agreement).

Each Cooperative will be organized for the exclusive purpose of administering regional marketing programs and developing, subject to our approval, standardized marketing materials for use by the members in local marketing (Section 12.5.2 of the Franchise Agreement). No promotional or marketing plans or materials may be used by a Cooperative or furnished to its members without our prior approval. All such plans and materials will be submitted to us in accordance with the procedure set forth in Section 12.1 of the Franchise Agreement (Section 12.5.3 of the Franchise Agreement). Each Cooperative will have the right to require its members to make contributions to the Cooperative in such amounts as are determined by the Cooperative; provided, however, that you will not be required to contribute to any Cooperative in excess of your Local Marketing Requirement (Section 12.5.4 of the Franchise Agreement). Each member franchisee must submit its respective contribution to the Cooperative as provided in the Franchise Agreement together with such other statements or reports as we may require or as may be required by the Cooperative with our approval (Section 12.5.5 of the Franchise Agreement). We have the right to grant to any franchisee an exemption for any length of time from the requirement of membership in a Cooperative, upon written request of such franchisee stating reasons supporting such exemption. Our decision concerning such request for exemption will be final (Section 12.5.6 of the Franchise Agreement).

Computer System

You will purchase and/or lease and use any and all computer software programs, including QuickBooks Online (\$35 per month), our BridgIT software (\$99 per month plus \$49/user per month), and Office 365 Exchange Business Premium (\$12.50 per user per month), which we designate for use for the System (collectively the “**Software**” or “**Designated Software**”) and will purchase or lease such computer hardware and contract with the provider(s) as may be necessary for the efficient operation of the Software. We reserve the right to change the Designated Software at any time upon 30 days’ notice. Our Designated Software provides various technology solutions including Client and living institution relationship management, staff relationship management, billing management, and management of BRIDGE TO BETTER LIVING Businesses. In particular, our BridgIT software service, which we have custom designed, provides client relationship management functions relating to Clients and Senior Living Retirement Communities. The fee for the BridgIT service may change upon prior notice to you.

We have the right to require you to update or upgrade computer hardware components and/or Designated Software, as we deem necessary. In addition, we have the right to require you to enter into a separate maintenance agreement for such computer hardware and/or Software. We reserve the right to require you to install or subscribe to a “systems backup solution” which backs up critical data stored in your computer system using an off-premises storage location. Notwithstanding the fact that you must buy or lease, use and maintain the computer hardware and Software under our standards and specifications, you will have the sole and complete responsibility for: 1) the acquisition and operation of the computer hardware and Software and for maintaining and upgrading the computer hardware and Software as required; and 2) any and all consequences that may arise if the computer hardware or Software is not properly operated,

maintained and upgraded. (Section 7.9 of the Franchise Agreement). We reserve the right to have independent access to any data you collect electronically and do not currently have any contractual limitations on our right to access such information. You must install, at your expense, the necessary computer hardware and software to provide us with full and direct electronic access to all of your data, software systems, and related information. If we develop and custom design any software programs in addition to or as a substitute for the Designated Software or for conducting accounting, client management functions and related activities (together with our custom- designed BridgIT Service system, the “**Proprietary Software Program**”), you, at your own expense, agree to obtain the computer hardware required to implement the Proprietary Software Program into your BRIDGE TO BETTER LIVING Business, and to comply with all specifications and standards prescribed by us regarding the Proprietary Software Program as provided in the Operations Manual. The Proprietary Software Program will be and is proprietary to us and our Confidential Information. You may not make any disclosure, duplication, or other unauthorized use of, or attempt to reverse engineer or obtain the source code of, any portion of the Proprietary Software Program. We or our designee agree to provide ongoing service and support to you regarding the Proprietary Software Program and will lease such software to you at the then current rates published by us.

The initial cost of our required computer hardware and software is \$1,100 to \$3,100. You may be required to pay for any optional or required maintenance, support, upgrades and updates to the computer hardware and Designated Software.

Internet

Other than the webpage that we may provide to you, you are not permitted to maintain an individual website related to the BRIDGE TO BETTER LIVING Business, or to establish a URL incorporating any variation of the “BRIDGE TO BETTER LIVING” name or the Proprietary Marks, without our prior written approval (Sections 12.3.2 of the Franchise Agreement). We do not allow you to advertise on the Internet or via social media marketing app providers without our prior written approval in accordance with the marketing requirements above (Section 12.3 of the Franchise Agreement).

Area Computer Network Business, Intranet or Extranet Participation

You are required to participate in any System-wide area computer network, intranet system or extranet system that we implement and may be required by us to use such area computer network, intranet system or extranet system to, among other things: (i) submit your reports due under the Franchise Agreement to us on-line; (ii) view and print portions of the Operations Manual; (iii) download approved local marketing materials; (iv) communicate with us and other System franchisees; and (v) training. You agree to use the facilities of any such area computer network, intranet system, or extranet system in strict compliance with the standards, protocols, and restrictions that we include in the Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

Training

Your Operating Principal and your Key Manager (if you have a Key Manager) (each as defined in Item 15), must attend and complete to our satisfaction our Initial Training Program at least 30 days prior to the Opening of your BRIDGE TO BETTER LIVING Business. Their failure to do so may result in termination of the Franchise Agreement without any refund to you. (Section 7.3 of the Franchise Agreement). If you are an entity, at least one of the trainees must be your general partner, principal shareholder, president, or manager as appropriate. (Section 8.1 of the Franchise Agreement). If you have a designated Key Manager under Section 8.1 of the Franchise Agreement, then he/she will be the other

trainee.

The Initial Training Program will be held in our Lincoln, Nebraska based main office. The Initial Training Program will include one week (5 business days) of training, Monday through Friday. In the Training Program table below you will see a description of the Initial Training Program as it currently exists. We typically schedule training four to six times a year, approximately every eight to 12 weeks. We expect new franchise owners to start the Initial Training Program between four and six weeks after signing the Franchise Agreement by Franchisor. We will train two people, consisting of the franchise owners or an owner and manager. Prior to the Initial Training Program, Franchisor will provide virtual orientation and pre-training to assist you with establishing your business. Prior to scheduling training, key pre-Opening tasks must be completed such as locating your office and signing a lease (if you will not utilize a home office during the Start-Up Period) and procuring business-related licenses.

Mary Ann Stallings will oversee initial Training and her background can be found in Item 2 of this document. She has over 10 years of experience with the BRIDGE TO BETTER LIVING concept. Ms. Stallings is also the Manager, President and Chief Executive Officer of our company and the director of learning and training. Also assisting as a trainer will be Kristine Dykeman-Schoening, our director of development, who has over 30 years of experience in our industry of well-being for seniors. Trainees are expected to read and have completed a thorough review of the Operations Manual prior to attending the Initial Training Program as this is the basis of instructional material. Supplemental training will be provided in a review of the material along with hands-on, observational and visual instruction on our daily procedures and best practices for operating the business. Please refer to the chart below for the topics covered.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Welcome & Overview: Our Brand History, Mission, Vision and Motto	1	0	Lincoln, Nebraska
Pre-Opening Networking, Marketing & Researching Local Communities	4*	0	Lincoln, Nebraska, and Virtual Training
Personnel: Recruiting and Managing Staff for Business Growth	1	0	Lincoln, Nebraska
Setting Up and Creating Your Software and Customer Database	2*	4	Lincoln, Nebraska, and Virtual Training
Marketing: Client Outreach, Advertising, Networking, Presentations and Community Listings	4	6	Lincoln, Nebraska
Operations: Daily Procedures, Managing Your Schedules with Clients & Communities, and Maintaining Confidentiality of the System	5	8	Lincoln, Nebraska
Financial Management: Billing, Franchise Reporting and Royalties	3	0	Lincoln, Nebraska

Subject	Hours of Classroom Training	Hours of On-The-Job Training	Location
Planning Your Market Launch and Starting Operations	2	0	Lincoln, Nebraska
HOURS	22	18	
TOTAL HOURS	40*		*Incl. Virtual

Following completion of the Initial Training Program, we will evaluate business readiness and authorize the business launch or identify additional training required. We evaluate: pre-Opening marketing, launch plan, initial community outreach plans, daily operations/procedures, client relationship management, billing and payment processing.

We may periodically conduct an annual conference, convention, or training session and if we do, we will determine its duration, curriculum and location. Currently, attendance at these programs is optional and you must pay all travel and living expenses for you and your personnel.

ITEM 12 **TERRITORY**

Your Territory is identified in the Franchise Agreement, and is defined by zip codes or other geographic or political boundaries, and will include a population of at least 300,000 people, determined in accordance with the most current US Census data. Zip codes are a system of postal codes used by the United States Postal Service and are changed by it from time to time. Changes by the US Postal Service may affect the zip codes and the geographic area that makes up the Territory. Territory size may be impacted by natural boundaries such as rivers, mountain ranges, etc.

You may not relocate the BRIDGE TO BETTER LIVING Business without our prior written consent. If you lose possession of the Approved Location through no fault of your own, you must relocate your BRIDGE TO BETTER LIVING Business to a new Approved Location within your Territory to complete the unexpired portion of the term of this Agreement. You must notify us of your intention to relocate, procure a site acceptable to Franchisor within 90 days prior to closing operations at your current Approved Location, and Open for business at the new Approved Location within 30 days of closing business at your existing Approved Location.

We do not grant any options, rights of first refusal or similar rights to obtain additional BRIDGE TO BETTER LIVING Businesses. If you are granted the right to enter into more than one Franchise Agreement at the same time, the Additional Territory under each Franchise Agreement will include a population of up to 300,000 people, determined in accordance with the most current US Census data, and must be contiguous. Your Approved Location must be within the Territory or an Additional Territory. Once your Franchised Business is Open for business, if we feel demand for System Services justifies it, we may allow you to operate the Franchised Business out of more than one location within your Territory to better serve the Clients in your Territory. There will be no additional initial fees associated with such additional location within your Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. Except as otherwise provided in and during the term of the Franchise Agreement, for so long as you comply with the terms and conditions of the Franchise Agreement, we will not establish and operate, nor license any party other than you to establish and operate, any BRIDGE TO BETTER LIVING Business under the System and the Proprietary Marks within your Territory. Other than a change in the boundaries of zip codes,

the boundaries of your Territory will not change, even if the population within your Territory increases or decreases.

In consideration of our agreement not to grant another BRIDGE TO BETTER LIVING franchise in your Territory, you must at all times use your best efforts to promote and increase the sales and service of the BRIDGE TO BETTER LIVING Business and to effect the widest and best possible distribution, sale and placement, solicitation and servicing of all potential Clients for authorized BRIDGE TO BETTER LIVING System Services throughout the Territory. You can solicit sales but you cannot provide services or any other related products, materials and equipment outside of your Territory. If you wish to provide services or any other related products, materials and equipment outside of your Territory, in unassigned areas, then you must have our prior written approval. Even if we have given our approval, we have the right, at any time and for any reason, to withdraw our permission to you to perform further services for either preexisting or new Clients outside your Territory. As such, you understand that the privilege to perform services outside of your Territory may be withdrawn at any time and any operation outside of your Territory is at your risk. These conditions on soliciting sales or performing services outside of your Territory pertain to all channels of distribution including, without limitation, by electronic means such as the Internet and websites. If, before your Franchise Agreement is signed by you and Franchisor or before you Open your Business, another BRIDGE TO BETTER LIVING franchisee has been serving Clients in an area previously unassigned to any franchisee that is now in your Territory, we will, in the best interests of continuity of client care, permit that franchisee to continue to serve those Clients in your Territory.

We and our affiliates will have the right, without compensation to you, to: (i) own and operate BRIDGE TO BETTER LIVING Businesses at any location(s) outside your Territory, or to license others the right to own and operate BRIDGE TO BETTER LIVING Businesses at any location(s) outside your Territory; (ii) own and operate and license others to own and operate similar businesses under different marks inside or outside your Territory; (iii) use the Proprietary Marks and System in connection with ancillary services and products, promotional and marketing efforts, inside and outside the Territory; (iv) use the Proprietary Marks and System, and license others to use the Proprietary Marks and System, to engage in any other activities not expressly prohibited in the Franchise Agreement; and (v) communicate about the System, its products and services on the Internet (including social media).

Alternative Services

Franchisor, and its affiliates, franchisees, licensees and designees have the right to distribute certain products or services, whether currently existing, in research and development, or developed in the future, in your Territory in such manner and through such channels of distribution as we determine without compensation to you. The Franchise Agreement grants you no rights: (i) to distribute the services as described in this paragraph; or (ii) to share in any of the proceeds from our activities through such products and services.

Corporate and National Accounts

We have the exclusive right to negotiate and enter into agreements or approve forms of agreements to provide System Services to the clients of any businesses whose physical presence and/or clients are not confined within any one particular franchisee's Territory, regardless of the contract amount or the portion of the total amount of the services you may want to perform (a "**Corporate Account**"). We have the right to determine whether a particular Customer is a Corporate Account. After we sign a contract with a Corporate Account, we have the right to provide, directly or through any affiliate, franchisee, another licensee or franchisee utilizing the Proprietary Marks or other marks, services to the Client(s) within the Territory on the terms and conditions contained in the Corporate Account bid or contract. If you are then qualified to perform the System Services, in compliance with the terms of your Franchise Agreement(s)

and any addendum(s) thereto, we will offer you the opportunity to perform the Services required in your Territory for the Corporate Account upon the terms we have negotiated. If you refuse to perform or cannot perform such Services on such terms, we and any other franchisee we designate will have the right to perform Services for the Corporate Account and its Clients within your Territory, without compensation to you.

Our grant of a BRIDGE TO BETTER LIVING Business does not give you: (i) any right to offer any services via e-commerce; (ii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; or (iii) any right to distribute, market, or implement our services in any channel of distribution not specifically identified in the Franchise Agreement.

ITEM 13 **TRADEMARKS**

You will have the right to use the Proprietary Marks we designate for use in accordance with the Franchise Agreement in connection with the System.

We license from our Affiliate the exclusive right to use or license to use the Marks, including those with the Registration Nos. listed below. The Marks set forth have been registered on the Principal Register of the United States Patent and Trademark Office. We have been granted an effective registration of the marks indicated below on the Principal Register of the United State Patent and Trademark Office. We have filed the required renewals and affidavits due as of the Issuance Date of this Disclosure Document.

MARK	REGISTRATION NUMBER	REGISTRATION DATE	REGISTER
BRIDGE TO BETTER LIVING	5,263,330	August 15, 2017	Principal
	5,263,331	August 15, 2017	Principal
PLACEMENT WITH PASSION	5,283,696	September 12, 2017	Principal
KID APPROVED. PARENT PREFERRED	5,283,698	September 12, 2017	Principal

Our Affiliate has applied for registration on the Principal Register for the trademarks THE BRIDGE™ and BRIDGIT™ under the Trademark Act of 1946 (Lanham Act, 15 USC Sec. 1051 et seq) based on actual use of each mark. The application for THE BRIDGE™ was submitted on April 23, 2021, and is identified as Application Serial No. 90668386. The application for BRIDGIT™ was submitted on April 23, 2021, and is identified as Application Serial No. 90668415. We do not have a federal registration for THE BRIDGE™ or BRIDGIT™. Therefore, THE BRIDGE™ and BRIDGIT™ do not have many legal benefits and rights as a federally registered trademark. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

Involving the Proprietary Marks, there are currently no effective determinations of the United States Patent and Trademark Office, the Trademark Trial and Appeal Board, the trademark administrator of any state or any court, and there are no pending interference, opposition or cancellation proceedings, nor

any pending material litigation.

You must promptly notify us of (i) any suspected unauthorized use of the Proprietary Marks, (ii) any challenge to the validity of the Proprietary Marks, or (iii) any challenge to our ownership of, our right to use and to license others to use, or your right to use the Proprietary Marks. We have the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including the right to settle the proceedings or litigation. We have the exclusive right, but not the obligation, to affirmatively prosecute actions against third parties for infringement or threatened infringement of the Proprietary Marks.

We will defend you against any third-party claim, suit, or demand arising out of your use of the Proprietary Marks. We have the right to determine if you have used the Proprietary Marks in accordance with the Franchise Agreement, we will pay the cost of defending the action, including the cost of any judgment or settlement. If we determine that you have not used the Proprietary Marks in accordance with the Franchise Agreement, you will be required to pay for the defense or to reimburse us for costs we incur in providing the defense, including the cost of any judgment or settlement. In the event of any litigation relating to your use of the Proprietary Marks, you are required to sign all documents and assist us, as we deem necessary, to carry out the defense or prosecution including becoming a nominal party to any legal action. Except to the extent that such litigation is the result of your use of the Proprietary Marks in a manner inconsistent with the terms of the Franchise Agreement, we will reimburse you for your out-of-pocket costs in performing such acts.

We are not aware of any superior prior rights or infringing uses that could materially affect your use of the Proprietary Marks in any state; however, a federal trademark registration does not necessarily protect the use of the concerned mark against a prior user in a given relevant market area. Therefore, before entering into the Franchise Agreement, you should make every effort to ascertain that there are no existing uses of the Proprietary Marks or confusingly similar marks being used in the market area where you wish to do business. You should immediately notify us of any confusingly similar marks you discover.

We are the lawful and sole owner of the domain name: www.BRIDGETOBETTERLIVINGFRANCHISING.com. You cannot register any of the Proprietary Marks now or hereafter owned by us or any abbreviation, acronym or variation of the Proprietary Marks, or any other name that could be deemed confusingly similar, as an Internet domain name. We retain the sole right to advertise the System on the Internet and to create, operate, maintain and modify, or discontinue using a website using the Proprietary Marks. You may access our website. Except as we may authorize in writing in advance, however, you cannot: (i) link or frame our website; (ii) conduct any business or offer to sell or advertise any products or services on the worldwide web; and (iii) create or register any Internet domain name in connection with your franchise.

You may use only the Proprietary Marks that we designate and may use them only in the manner we authorize and permit. Any goodwill associated with Proprietary Marks, including any goodwill which might be deemed to have arisen through your activities, inures directly and exclusively to our benefit. You may use the Proprietary Marks only for the operation of the BRIDGE TO BETTER LIVING Business and only at the Approved Location or in marketing for the BRIDGE TO BETTER LIVING Business. You will use all Proprietary Marks without prefix or suffix and in conjunction with the symbols “SM”, “TM” or “®” as applicable. You may not use the Proprietary Marks in connection with the offer or sale of any services or products that we have not authorized for use in connection with the System. You may not use the Proprietary Marks as part of your corporate or other legal name. We must approve your legal name and all fictitious names under which you propose to do business in writing before use. You must use your partnership, corporate or limited liability company name followed by the phrase “an independently owned and operated BRIDGE TO BETTER LIVING Business”. You must promptly register at the office of the county in which

your BRIDGE TO BETTER LIVING Business is located, or such other public office as provided for by the laws of the state in which your BRIDGE TO BETTER LIVING Business is located, as doing business under such assumed business name.

We reserve the right to substitute different proprietary marks for use in identifying the System and the businesses operating thereunder. You must discontinue using all Proprietary Marks which we have notified you, in writing, have been modified or discontinued within 10 days of receiving written notice and must promptly begin using such additional, modified or substituted Proprietary Marks at your expense.

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

We do not own any registered patents material to the franchise, and we do not have any pending patent applications that are material to the franchise. We own all right and title to and claim copyright and trade secret protection for several aspects of the System, including the Operations Manual, marketing program and materials, Business materials, the BridgIT software service and any other Proprietary Software Program developed by us. While we claim copyrights in these and similar items used in operating a Franchised Business, we have not registered these copyrights with the United States Copyright Office. You may use these items only as we specify while operating your Franchised Business and must stop using these items immediately if we direct you to do so and also when the franchise is terminated.

There are no current determinations, proceedings or litigation involving any of our copyrighted materials. Should you become aware that any unauthorized third party is using any of our copyrighted materials, we request that you notify us of such unauthorized use. We have the right to revise our System and any of our copyrighted materials and may require that you cease using any outdated copyrighted material. You will be responsible for printing any revised or new marketing, promotional or other business materials.

During the term of the Franchise Agreement, you will receive information that we consider trade secret and confidential information. You may not, during the term of the Franchise Agreement or thereafter, communicate, divulge, reproduce, or use for the benefit of any other person, partnership, association, corporation, or limited liability company any trade secrets, copyrighted materials, methods and other techniques and know-how concerning the operation of the BRIDGE TO BETTER LIVING Business (“**Confidential Information**”). Certain information regarding the Customers and Clients, including (i) current and prospective Customer names and addresses, (ii) current and prospective Client names and addresses, (iii) other personal or financial information about Customers and Clients, (iv) Customer purchasing histories, (v) rates charged to Customers (subsections (i)-(v) collectively “**Customer Lists**”), (vi) sources of suppliers, (vii) Corporate Account information and (viii) any Proprietary Software Program developed by us also constitute Franchisor’s trade secrets and Confidential Information. You may divulge such Confidential Information only to your employees who must have access to it in order to perform their employment obligations. You may not divulge personal information regarding Clients or Customers, except as absolutely necessary to assist your Clients and to operate your BRIDGE TO BETTER LIVING Business. You must execute and you must require your Principals to execute a Confidentiality and Non-Compete Agreement, similar to the form attached as Attachment 3 to the Franchise Agreement. Such agreement will identify us as a third-party beneficiary to the agreement and will give us independent enforcement rights. All Key Managers and other key employees who have access to your Confidential Information must execute a non-competition and confidentiality agreement included in the Operations Manual. You acknowledge and agree that any Client or Customer lists you or we may develop for use by you in conjunction with operating your BRIDGE TO BETTER LIVING Business are our proprietary information. Although we own the Client lists and the Customer lists and certain Client and Customer related data, we are not responsible for complying with the Health Insurance Portability and Accountability Act of 1996 as amended (“**HIPAA**”).

You are responsible for complying with HIPAA and for maintaining the confidential nature of Client and Customer information as required by HIPAA. You are prohibited from transferring Client and Customer information, except as required by HIPAA.

The Franchise Agreement provides that if you, your employees, or Principals develop any new concept, process or improvement in the operation or promotion of the BRIDGE TO BETTER LIVING Business, you will promptly notify us and provide us with all necessary related information, without compensation. Any new concept, process or improvement will become our sole property and we will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related to such new concepts. You and your Principals will assign to us any rights you may have or acquire in new concepts you or your employees develop, including the right to modify such concept, process or improvement, and otherwise will waive and/or release all rights of restraint and moral rights to any new concepts you or your employees develop. We will have the sole and exclusive right to copyright, register, or patent in our name any such concept, process, or improvement developed by you. You and your Principals agree to assist us in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide us with all necessary documentation for obtaining and enforcing such rights. You and your Principals will irrevocably designate and appoint us as your agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that such provisions of the Franchise Agreement are found to be invalid or otherwise unenforceable, you and your Principals will grant to us a worldwide, perpetual, non-exclusive, fully paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent the Franchise Agreement, directly or indirectly infringe on your rights to the new concepts.

The Operations Manual is owned by and belongs to us and we have the right to terminate your access upon the expiration or termination of the Franchise Agreement. You may not make any disclosure, duplication, or other unauthorized use of any portion of the Operations Manual.

You must keep the passwords and any access codes to the Operations Manual confidential. If there is a dispute with the contents of the Operations Manual, the terms of our master copy will control.

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

If you are an individual, you will perform all the obligations of the Operating Principal (as defined below) and devote all of your working time to the Business. Upon executing the Franchise Agreement, you will designate yourself or another individual to serve as your Operating Principal (“**Operating Principal**”). The Operating Principal will be obligated to participate in the direct operation of the Business and have the full authority to act on your behalf in all matters related to the performance of the Franchise Agreement and the operation of the BRIDGE TO BETTER LIVING Business. We will have the right to rely on any and all directions, elections, information and other communication from your Operating Principal as being made by you and on your behalf, even if we receive information from any other owner or person who claims to have an ownership interest in your Business which may be contrary to or different from the information provided by your Operating Principal. We have no duty or obligation to inquire into or resolve any conflicting information provided by your Operating Principal and any other person on your behalf.

The Operating Principal will, during the entire period he or she serves as such, (i) unless agreed upon in writing by us, maintain a direct or indirect ownership interest in the Franchisee and Franchised Business; (ii) establish the operation of the BRIDGE TO BETTER LIVING Business as his or her primary

business focus and devote his or her best efforts to the supervision and conduct of the BRIDGE TO BETTER LIVING Business; (iii) meet our standards and criteria for such individual, as set forth in the Operations Manual or otherwise in writing by us; and (iv) satisfy the training requirement discussed in Item 11. You must keep us informed of the identity of your Operating Principal.

Even if you designate and retain an Operating Principal other than yourself, you will remain obligated to oversee the operations of the BRIDGE TO BETTER LIVING Business, and you must devote the necessary time and best efforts for the proper and effective operation of the franchise. You must at all times faithfully, honestly and diligently perform your obligations under the Franchise Agreement and you must not engage in any business or other activities that will conflict with your obligations under the Franchise Agreement.

You may be an absentee owner of your Franchised Business if you delegate the day-to-day operation of your BRIDGE TO BETTER LIVING Business to a full-time manager (“**Key Manager**”) with our consent. Your BRIDGE TO BETTER LIVING Business must, at all times, be staffed with at least one (1) person who has successfully completed Franchisor’s Initial Training Program before assuming any managerial responsibility. If you operate more than one BRIDGE TO BETTER LIVING Business with separate Approved Locations, you must have a properly trained Key Manager at each Approved Location. You must keep us informed at all times of the identity of all employees acting as Key Managers or any other employees having Client or Customer contact employed by your BRIDGE TO BETTER LIVING Business and any change in their employment status. All System Services must meet our standards and criteria for such individual, as set forth in the Operations Manual or otherwise in writing by us and be employed by you. They may not work as independent contractors.

In the event that a Key Manager resigns or is otherwise terminated, you or your Operating Principal must assume the Key Manager’s responsibilities, or you must hire a replacement within 30 days after the resignation or termination of the former Key Manager who meets our then-current standards for Key Managers. The new Key Manager must complete the Initial Training Program to our satisfaction within 45 days after being hired. Your Key Manager(s) will devote full time and best efforts to the day-to-day operation and management of the BRIDGE TO BETTER LIVING Business and will not engage in any other business activity. If you are married, your spouse will be bound by the confidentiality and non-compete covenants of the Franchise Agreement and will execute the Confidentiality and Non-Compete Agreement attached as Attachment 3 to the Franchise Agreement.

In addition, you, your Operating Principal, and any other Principal must (a) undergo criminal and civil background checks as well as a credit check, which you must pass to our satisfaction; and (b) provide at least two (2) references meeting our satisfaction. Your employees must undergo a variety of background checks, depending on their position including criminal, civil, medical and credit checks. You and your employees may be required to undergo criminal and civil background rescreening. Any employee failing to meet our criteria for clean background checks must be terminated by you immediately. We have the right to terminate the Franchise Agreement immediately in the event you or any Principal of the Franchised Business fails to meet our criteria for a clean criminal background check.

You, your Operating Principal, and any other Principal and their spouses must sign the Guaranty and Assumption of Obligations attached to the Franchise Agreement as Attachment 2, together with the Confidentiality and Non-Compete Agreement attached to the Franchise Agreement as Attachment 3. A “**Principal**” is any of your shareholders, partners, members, officers, directors, and managers, as applicable.

You are not an agent, legal representative, joint venturer, partner or employee of ours. You will be an independent contractor and are in no way authorized to make any contract, agreement, warranty or representation or to create any obligation, express or implied, on behalf of us.

You, your spouse, and all holders of a legal or beneficial interest in the Franchisee entity must personally guarantee the obligations of Franchisee to us and enter into a Non-Compete Agreement.

All of your employees having access to confidential information may be required to sign employment agreements with confidentiality agreements in a form approved by us.

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

You must offer and sell all of the System Services that we require and only the services that we authorize for the System. You will not offer to sell or provide at or through the BRIDGE TO BETTER LIVING Business any merchandise, products or services that have not been approved by us in writing, or use the Business premises for any other business purpose other than the operation of the BRIDGE TO BETTER LIVING Business. You may not sell any products, materials, ingredients, supplies, paper goods, uniforms, fixtures, furnishings, signs, or equipment that do not meet our standards and specifications.

You must provide System Services in accordance with our standards and specifications. We have the right to require you to offer and sell additional goods or services as we may designate. There are no limits on our right to do so. You must stop using or offering disapproved services or products immediately upon notice that such services or products have been discontinued. If the law prohibits the use or sale of any product or service, use must cease immediately.

You must cooperate with us by maintaining high standards in the operation of the franchise and you must at all times, give prompt, courteous and efficient service to your Clients and Customers and not engage in any business or other activities that will conflict with your obligations under the Franchise Agreement. The BRIDGE TO BETTER LIVING Business will, in all dealings with its Clients, Customers, suppliers and the public, adhere to the highest standards of honesty, integrity, fair dealing, moral and ethical conduct.

Other than the Corporate Accounts discussed in Item 12, we do not impose restrictions that limit your access to Customers. We also reserve the right to develop certain national or regional alliance programs. Your obligation to participate and our policies and procedures for national or regional alliance programs or accounts will be included in the Operations Manual.

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	Summary
a. Length of franchise term	2.1	10 years

Provision	Section in Franchise Agreement	Summary
b. Renewal or extension of the term	2.2	If you are in good standing and satisfy the renewal conditions, you have the right to renew the Franchise Agreement for one successive, additional 10-year period, provided certain conditions are met. The renewal franchise agreement will also contain three separate options to renew for the period of five years each, subject to the terms and conditions of the renewal franchise agreement.
c. Requirements for Franchisee to renew or extend	2.2	Your renewal right permits you to remain as a Franchisee after the initial term of your Franchise Agreement. However, to remain a Franchisee, you must meet all required conditions to renewal. These conditions are: You timely notify us in writing of your intention to renew; you have the right to continue to operate the BRIDGE TO BETTER LIVING Business at the Approved Location for the duration of the renewal term or have secured an approved substitute Approved Location; you have satisfactorily completed all necessary maintenance, refurbishing, renovating, updating and remodeling of the Approved Location to bring the BRIDGE TO BETTER LIVING Business and all equipment into full compliance with our then-current system standards and specifications no later than 90 days before the expiration of the then-current term; you are not in breach of any provision of the Franchise Agreement or any other agreement between you and us, our affiliates, and/or our major suppliers and vendors, and you have substantially complied with the Franchise Agreement and all such other agreements during their respective terms; you have satisfied all monetary obligations you owe us, our affiliates, and/or our major suppliers and vendors; you execute our then-current form of franchise agreement, the terms of which may vary materially from the terms of your original Franchise Agreement and may include, without limitation, an adjustment to the number of people in the Territory as of the effective date of each renewal term and increased marketing obligations; but, will have at least (3) separate options to renew the then-current form of franchise agreement, subject to the terms and conditions for renewal in the then-current form of franchise agreement; you satisfy our then-current training requirements; you pay a renewal fee equaling 25% of our then-current initial franchise fee based on the number of persons in the Territory as of the effective date of each renewal term, but no less than \$12,000; and you sign a general release in substantially the form attached as Exhibit F.
d. Termination by Franchisee	No Provision	You do not have the contractual right to terminate the Franchise Agreement.
e. Termination by us without cause	No Provision	Not Applicable.

Provision	Section in Franchise Agreement	Summary
f. Termination by franchisor with cause	15	We have the right to terminate the Franchise Agreement with cause.
g. Cause defined - curable defaults	15	We have the right to terminate the Franchise Agreement after providing you written notice and a 15-day cure period if: (i) you fail to pay any monies you owe us or our affiliates; (ii) any audit reveals that you have understated your Royalty, Brand Fund Contribution, or other local marketing requirement expenditures by more than 2%, or if you have failed to submit timely reports and/or remittances for any two reporting periods within any 12-month period; (iii) you fail to immediately endorse and deliver to us any payments due to us from any third party that is erroneously made to you; (iv) you fail to Open the BRIDGE TO BETTER LIVING Business within four months from the date the Franchise Agreement is signed by Franchisor; (v) you fail to operate the BRIDGE TO BETTER LIVING Business during the months, days and hours that we prescribe; (vi) you, your Operating Principal, or your Key Manager, fails to personally supervise BRIDGE TO BETTER LIVING Business operations or employ adequate personnel; (vii) you fail to maintain our quality controls and standards; (viii) you fail to terminate any employee who is convicted of or pleads guilty or no contest to a felony; takes part in any criminal misconduct relevant to the operation of the BRIDGE TO BETTER LIVING Business; or, refuses to undergo or fails to pass a criminal background check; (ix) the conduct of you, your Operating Principal, or Key Manager reflects adversely on the System or the Proprietary Marks; (x) you fail to terminate an employee who is found guilty of committing any act of violence or abuse or financial exploitation against any Client; (xi) you fail to procure or maintain any licenses, certifications, or permits necessary for the operation of your BRIDGE TO BETTER LIVING Business; (xii) you order or purchase logoed supplies, signs, furnishings, fixtures, or equipment from a supplier that we have not approved; (xiii) you fail to maintain the insurance required by Section 9 of the Franchise Agreement; or, (xiv) you fail to comply with any law or regulation applicable to your BRIDGE TO BETTER LIVING Business. Except for defaults by Franchisee that have a 15-day cure period as provided in the immediately preceding paragraph and defaults for which Franchisee is not entitled to a cure period as described below, upon any default which is capable of being cured, we have the right to terminate the Franchise Agreement after providing you written notice stating the nature of the default and giving you 30 days to cure the default. Defaults that are susceptible of being cured include, but are not limited to, failure to comply with any other requirement imposed by the Franchise Agreement.
h. Cause defined – non-curable defaults	15.1	We have the right to terminate the Franchise Agreement with notice, but without an opportunity to cure if: (i) you make an assignment for the benefit of creditors, file a voluntary petition in bankruptcy, are adjudicated bankrupt or insolvent, file or acquiesce in the filing of a

Provision	Section in Franchise Agreement	Summary
		petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consent to or acquiesce in the appointment of a trustee or receiver for you or the BRIDGE TO BETTER LIVING Business; (ii) proceedings are commenced to have you adjudicated bankrupt or to seek your reorganization under any state or federal bankruptcy or insolvency law and such proceedings are not dismissed within 60 days, or a trustee or receiver is appointed for you or the BRIDGE TO BETTER LIVING Business without your consent and the appointment is not vacated within 60 days; (iii) you or your Principals, officers or directors take part in criminal acts or misconduct, or refuse to undergo or fail to pass a criminal background check to our satisfaction; (iv) you commit fraud in the operation of the BRIDGE TO BETTER LIVING Business; (v) you make any misrepresentations in connection with the franchise application; (vi) you fail to complete our Initial Training Program; (vii) you receive 2 or more written notices of default within any 12-month period, whether or not the defaults are of the same or different nature and whether or not the defaults have been cured after notice; (viii) you materially breach any other agreement with us or our affiliates; (ix) you misuse the Proprietary Marks or Confidential Information or you misuse or disseminate Customer or Client information; (x) you commit any act of violence or abuse or financial exploitation against any Client; (xi) you violate the in-term restrictive covenants of the Franchise Agreement; (xii) a lien or writ of attachment or execution is placed against you and is not released or bonded against within 30 days; (xiii) you are insolvent; (xiv) you abandon the BRIDGE TO BETTER LIVING Business; (xv) you offer any unauthorized or unapproved products or services in connection with the operation of your BRIDGE TO BETTER LIVING Business; (xvi) you misuse our Proprietary Software; (xvii) any governmental action is taken against you that results in any obligation upon us; (xviii) you fail to comply with any laws or regulations regarding terrorism; (xix) if there are insufficient funds in your bank account to cover a check or EFT payment to us 3 or more times within a 12 month period; (xx) you use Client or Customer or BRIDGE TO BETTER LIVING Business property for personal use; (xxi) you transfer the BRIDGE TO BETTER LIVING Business without complying with Section 14 of the Franchise Agreement; or (xxii) you fail to meet the mandatory system standards set forth in the Operations Manual and fail to cure within the time period (if any) in the Operations Manual.
i. Franchisee's obligations on termination/non-renewal	16.1	Upon termination or expiration of the Franchise Agreement, you must: (i) cease all operations under the Franchise Agreement; (ii) promptly pay all sums you owe us; (iii) cease using the Proprietary Marks and System; (iv) immediately turn over to us the Operations Manual, Customer and Client lists and any information you may have about former, existing, or potential Customers or Clients, and all other Confidential Information; (v) cease using and assist in transferring all of your e-mail addresses and telephone numbers to us; (vi) return to us all items reflecting the

Provision	Section in Franchise Agreement	Summary
		Proprietary Marks; (vii) cease holding yourself out as a BRIDGE TO BETTER LIVING Franchisee; (viii) take necessary action to amend or cancel any business name or equivalent registration which contains our trade name or Proprietary Marks; (ix) allow us to inspect your financial records; (x) comply with the post term covenants contained in the Franchise Agreement; (xi) cease to use in marketing or in any other manner any methods, procedures, or techniques associated with us or the System; (xii) terminate, or allow us to terminate, all agreements with approved/designated suppliers; (xiii) cooperate with us to transfer all Clients to us or our affiliate, another franchisee, or an approved substitute provider; and (ix) execute periodically any papers, documents, and assurances necessary to effectuate termination or nonrenewal.
j. Assignment of contract by franchisor	14.7	We have the right to sell, transfer, and assign our rights under the Franchise Agreement, and upon any assignment or transfer the transferee or assignee will solely be responsible for all of our obligations arising after the transfer, sale, or assignment.
k. "Transfer" by Franchisee – defined	14.1	You and your Principals cannot sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in the Franchise Agreement, in the Franchise Business, or in Franchisee without our prior written consent.
l. Franchisor approval of transfer by Franchisee	14.1	You may not transfer any rights in the franchise without our prior written consent. We have the right to condition our approval of any sale, transfer, assignment or encumbrance as described below.
m. Conditions for franchisor approval of transfer	14.1 and 14.3	(i) All of your accrued monetary obligations to us have been paid; (ii) all existing defaults under the Franchise Agreement have been cured; (iii) you execute a general release in substantially the form attached as Exhibit F in favor of us and our affiliates; (iv) you provide us a copy of the executed purchase agreement; (v) the transferee meets our qualifications; (vi) the transferee executes our then-current form of franchise agreement; (vii) you or the transferee pay us a transfer fee of 50% of the then-current initial franchise fee but not less than \$24,000; (viii) the transferee satisfactorily completes our Initial Training Program; (ix) you comply with the post term provisions of the Franchise Agreement; (x) the transferee obtains all necessary licenses and permits required to operate the BRIDGE TO BETTER LIVING Business; (xi) to the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer; (xii) the transfer is made in compliance with all applicable laws; (xiii) the purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the BRIDGE TO BETTER LIVING Business and performance under its Franchise Agreement; (xiv) you must request that we provide the prospective transferee with our current form of disclosure document and we will not be liable for any representations not included in such disclosure document; (xv) our approval of the transfer will not

Provision	Section in Franchise Agreement	Summary
		constitute a waiver of any claims we may have against the transferring party; (xvi) we will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning you and your BRIDGE TO BETTER LIVING Business as you have supplied us or that we have a right to receive from other sources; (xvii) a new partner, shareholder, or member owning any of the outstanding ownership interest in you will be required to sign a Guaranty and Assumption of Obligations Agreement in the form attached to the Franchise Agreement as Attachment 2 and a Confidentiality and Non-Compete Agreement in the form attached to the Franchise Agreement as Attachment 3 personally guaranteeing your obligations under the Franchise Agreement and agreeing to be bound by restrictions on transfer, competition, and disclosure of Confidential Information, as well as your representations and acknowledgements, post-term obligations, and the dispute resolution provisions of the Franchise Agreement; and (xviii) we may withhold or condition our consent to any transfer as we deem appropriate based on the circumstances of the transfer or otherwise. You are not required to pay a transfer fee and the assignment will not be subject to our right of first refusal if you are assigning your rights under the Franchise Agreement to a corporation, limited liability company, or trust if: (i) the corporation, limited liability company, or trust is newly organized by you and its activities are confined to operating the BRIDGE TO BETTER LIVING Business to be transferred; (ii) the individual(s) who form the corporation, limited liability company, or trust are the owner(s) of 100% of the outstanding shares of the corporation, interests in the limited liability company, or grantor and beneficiaries of a trust; (iii) the corporation, limited liability company, or trust agrees in writing to assume all of your obligations under the Franchise Agreement; and (iv) all Principals of the corporation, limited liability company, or trust execute a Guaranty and Assumption of Obligations Agreement in the form attached to the Franchise Agreement as Attachment 2 and a Confidentiality and Non-Compete Agreement in the form attached to the Franchise Agreement as Attachment 3.
n. Franchisor's right of first refusal to acquire Franchisee's business	14.2	You must first offer to sell the BRIDGE TO BETTER LIVING Business to us on the same terms and conditions as those offered by a third party. We will notify you, within 30 days after receiving the offer, whether we wish to exercise our right to purchase your business.
o. Franchisor's option to purchase Franchisee's business	14.2	We have an option to purchase your BRIDGE TO BETTER LIVING Business upon termination or expiration of the Franchise Agreement.

Provision	Section in Franchise Agreement	Summary
p. Death or disability of Franchisee	14.4	Upon your death or disability, your rights under the Franchise Agreement may pass to your heirs or beneficiaries, provided that, within 45 days of your death or disability, (i) have been approved by Franchisor as qualified to operate the franchise (based on Franchisor's then-current qualification requirements), (ii) they have executed our then-current form of Franchise Agreement for the unexpired term of the franchise, and (iii) they successfully complete our Initial Training Program. We have the right to determine if your heirs or beneficiaries are qualified to operate the BRIDGE TO BETTER LIVING Business. If we determine that they are unqualified, then your executor, administrator, or personal representative will have an additional 90 days to transfer your interest to a third party who satisfies the requirements in subsections (i) through (iii).
q. Non-competition covenants during the term of the franchise	17.1	During the term of the Franchise Agreement, neither you, your Principals, Key Managers, nor any person who has access to Confidential Information may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company, or other entity: (i) own, maintain, engage in, lend money to, extend credit to, have any interest in, or serve as an officer, director, executive, or Principal of any other business offering any of the System Services or any other products or services offered or authorized for use by System franchisees, which business is located in the United States, its territories or commonwealths, or any other country, province, state, or geographic area in which we have used, sought registration of, or registered the Marks or the same or similar marks or operate or license others to operate a business under the Marks or the same or similar marks; (ii) employ or seek to employ any person who is at that time employed by us, our affiliates, or any other System franchisee, or otherwise directly or indirectly induce or seek to induce an employee to leave his or her employment; or (iii) divert or attempt to divert any business or Clients or Customers of the BRIDGE TO BETTER LIVING Business or System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act which injures or prejudices the goodwill associated with the Proprietary Marks or the System.
r. Non-competition covenants after the franchise is terminated or expires	17.2	For a period of two years after the expiration and nonrenewal, transfer or termination of the Franchise Agreement, regardless of the cause, neither you, your Principals, Key Managers, nor any person who has access to Confidential Information may, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company, or other entity: (i) enter into any business offering franchises or licenses to operate System Services or any other products or services offered or authorized for sale by System franchisees at the time your agreement is terminated or otherwise expires and is not renewed; (ii) own, maintain, engage in, lend money to, extend credit to, be employed as an officer, director, Principal or executive of, or have any interest in any other business offering System

Provision	Section in Franchise Agreement	Summary
		Services or any other products or services authorized by us for sale by System franchisees at the time your Franchise Agreement is terminated or otherwise not renewed (a) at the BRIDGE TO BETTER LIVING Business premises, (b) within the Territory granted, or (c) within a radius of 30 miles of the perimeter of the Territory granted; or (iii) solicit business from a Corporate Account or Client(s) or Customer(s) of your former Franchise or contact any of our suppliers or vendors for any competitive business purpose nor solicit any of our employees or the employees of our affiliates or any other System franchisee to discontinue employment.
s. Modification of the Franchise Agreement	22.12	The Franchise Agreement may only be modified or amended in writing signed by all parties.
t. Integration/merger clauses	22.1	Only the terms of the Franchise Agreement and related agreements are binding (subject to applicable state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement and other related agreements might not be enforceable. We may not disclaim representations made in the Disclosure Document.
u. Dispute resolution by arbitration or mediation	18.4.1	Any dispute or claim relating to or arising out of the Franchise Agreement must be resolved by mandatory arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association (“AAA”) or another arbitration service agreed to by the parties. Any proceedings will be conducted at the office of the AAA located in the city where our headquarters is located at the time of the dispute. In addition, owners of your BRIDGE TO BETTER LIVING Business are obligated to submit arguments between themselves to arbitration if Franchisor so orders.
v. Choice of forum	18.9	All other disputes must be brought only in the state and federal courts where our headquarters is located at the time of the dispute (subject to state law).
w. Choice of law	18.9	Nebraska law applies (subject to state law), except that disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

ITEM 18 **PUBLIC FIGURES**

We do not currently use any public figure to promote our franchise, and thus we have no compensation or other benefit given or promised to a public figure.

ITEM 19 **FINANCIAL PERFORMANCE REPRESENTATION**

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

information provided in this Item 19, for example, by providing information about possible performance of a particular location or under particular circumstances.

As of the Issuance Date of this Disclosure Document, and as indicated in Item 20, we had two company-owned outlets, both of which are owned by our Affiliate, Bridge to Better Living LLC, and one Opened franchised outlet in the System that entered into a Franchise Agreement with us on November 12, 2020. The Financial Performance Representation appearing below is derived from the actual historical performance of only our company-owned outlet located in Lincoln, Nebraska (the "**Reporting Location**"). The Reporting Location has been in continuous operation since February 2010. It offers services similar to what will be offered in the franchise model. The Reporting Location is not a franchisee. Because the Opened franchised outlet is a start-up business, we make no representations regarding its history of operations, historic performance, and we are not presenting a forecast of future potential performance.

As of December 31, 2020, our Affiliate, Bridge to Better Living LLC, also owns and operates a satellite Bridge to Better Living location in Omaha, Nebraska. Financial results from this location are not included in this Item 19 because this location was operated on a part-time basis and was not fully staffed during 2020. Thus, its revenue and cost profile is substantially different than what a Franchisee operating full-time can expect to achieve. This Affiliate-owned location is not representative of the financial results that a Franchisee can expect, and so the financial results for this location are not included in this Item 19.

The Reporting Location operates on a full-time basis and offers consulting services substantially similar to those that will be offered by you. The Reporting Location business operated by our Affiliate operates in Lincoln, Nebraska, which has a population of about 293,446. That business is substantially similar to the business being offered through this Disclosure Document. The Gross Revenue (as defined below) and cost information for the Reporting Location are based upon its internal profit and loss statement. The information has not been audited or independently verified.

Financial Performance

Table I below represents the financial results of the Reporting Location, located in Lincoln, Nebraska, from January 1, 2019, through December 31, 2019, and January 1, 2020, through December 31, 2020. Please see the Notes below Table I to assist you in understanding the bases of the figures.

TABLE I

	2019			2020		
Gross Sales						
Consulting Income	\$529,185			\$452,485		
Total Gross Sales	\$529,185		100.0%	\$452,485		100.00%
Operating Expenses						
Advertising and Marketing	\$47,026		8.9%	\$49,179		10.9%
Computer Expense	\$4,696		0.9%	\$6,275		1.4%
Donations	\$1,395		0.3%	\$370		0.1%
Dues and Subscriptions	\$2,461		0.5%	\$4,282		0.9%
Insurance	\$6,605		1.2%	\$9,587		2.1%

Office Supplies	\$9,584	1.8%	\$11,059	2.4%
Payroll Wages and Taxes	\$198,677	37.5%	\$189,985	42.0%
Professional Services	\$1,209	0.2%	\$1,728	0.4%
Rent	\$7,492	1.4%	\$42,253*	9.3%
Taxes and Licenses	\$971	0.2%	\$137	0.0%
Telephone	\$9,070	1.7%	\$8,215	1.8%
Travel	\$2,649	0.5%	\$3,732	0.8%
Vehicle Expenses	\$13,112	2.5%	\$13,015	2.9%
Other Expenses	\$9,050	1.7%	\$8,033	1.8%
Total Operating Expenses	\$313,997	59.3%	\$347,850	77.0%
EBITDA	\$215,188	40.7%	\$103,862	23.0%
Franchise Expenses not incurred by our affiliate				
Royalty 8%	\$42,335	8.0%	\$36,199	8.0%
Brand Fund 2%	\$10,584	2.0%	\$9,050	2.0%
Technology Fee 3 users	\$2,952	0.6%	\$2,952	0.7%
EBITDA after Franchise Expenses	\$159,317	30.1%	\$55,661	12.3%

*The rent for the 2020 reporting period is significantly higher than the rent for the 2019 reporting period because the Reporting Location leased additional space for operations of the Franchisor, including additional space for training.

Notes:

- 1) The services sold at the Reporting Location, located in Lincoln, Nebraska, do not differ materially from those that will be sold at a Franchised Business location. We anticipate that the expenses to operate the Reporting Location will be substantially similar to the direct costs necessary to operate your Business.
- 2) The results in Table 1 above represent the performance of our Reporting Location, located in Lincoln, Nebraska. Lincoln has a population of about 293,446. The market where your Business will be located may differ. Thus, to the extent that your Business is not situated in a similar geographic location with a similar demographic make-up, your results may differ. As such, the results achieved by our Affiliate may not be typical for a Business in your area.
- 3) The Gross Revenues of the Reporting Location for 2019 are based on the one-year period of January 1, 2019, through December 31, 2019. The Gross Revenues of the Reporting Location for 2020 are based on the one-year period of January 1, 2020, through December 31, 2020. **“Gross Revenues”** means, with respect to the Reporting Location, all revenues collected by the Reporting Location from any source for all business conducted at, from, or through its business, including successful placement fees, consulting income,

and any other revenue during the applicable period. Gross Revenues does not include (i) the amount of any applicable sales tax imposed by any federal, state, municipal, or other governmental authority and (ii) corrections for errors and billings. The Reporting Location's operations for the period of January 1, 2020, through December 31, 2020, were impacted by the COVID-19 pandemic.

4) The sales/ revenues shown in Table 1 reflect the experience of the single Reporting Location and should not be considered as the actual or potential sales that you will realize. The financial performance representations made are not a forecast of future financial performance for you and your Business. We do not represent that you can expect to attain any particular sales or performance level. For the reasons stated in this Disclosure Document, a new Franchisee's individual financial results may differ from the results stated in the financial performance representation made in this Item 19.

5) These results are unaudited.

6) These results represent sales of services similar to those that will be available to a Franchisee to sell.

7) Written substantiation for the financial performance representation made in this Item 19 will be made available to the prospective Franchisee upon reasonable request.

8) You should also be aware that the financial performance of any particular location might be affected by a number of factors that may vary due to the individual characteristics of the Territory. These factors include, but are not limited to, competition from other businesses; location of your Territory; your experience; your ability to operate the business; the quality and effectiveness of your managerial skills; and your decisions with respect to advertising programs, personnel and cost controls; geographic and socioeconomic conditions in your locality; business cycles; and the performance of the local, national and world economy.

9) Because we are a new System, we do not currently have any franchisees upon which to base earnings or make historical representations other than our Reporting Location. Our franchised outlet has only been Open since April 1, 2021. Thus, only the numbers for the Reporting Location have been used and there are no other outlets with which to reasonably compare.

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

Other than the preceding financial performance representation, Bridge to Better Living Franchising, LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mary Ann Stallings at 4230 Pioneer Woods Drive, Suite B, Lincoln, Nebraska, 68506, 402-440-0133, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20**OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1
Systemwide Outlet Summary
For Years 2018, 2019, 2020

OutletType	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2018	0	0	0
	2019	0	0	0
	2020	0	0	0
Company-Owned*	2018	2	2	0
	2019	2	2	0
	2020	2	2	0
TOTAL OUTLETS	2018	2	2	0
	2019	2	2	0
	2020	2	2	0

*The Company-Owned Outlets reflected in the chart above are owned and operated by our Affiliate.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2018, 2019, 2020

State	Year	Number of Transfers
None	2018	0
	2019	0
	2020	0
TOTAL	2018	0
	2019	0
	2020	0

Table No. 3
Status of Franchised Outlets
For Years 2018, 2019, 2020

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
None	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0
TOTAL	2018	0	0	0	0	0	0	0
	2019	0	0	0	0	0	0	0
	2020	0	0	0	0	0	0	0

Table No. 4
Status of Company-Owned Outlets*
For Years 2018, 2019, 2020

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of Year
Nebraska	2018	2	0	0	0	0	2
	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2
TOTAL	2018	2	0	0	0	0	2
	2019	2	0	0	0	0	2
	2020	2	0	0	0	0	2

*The Outlets in the above chart are owned and operated by our Affiliate.

Table No. 5
Projected Openings as of December 31, 2020

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Current Fiscal Year
Colorado	1	1	0
Kentucky	0	1	0
South Carolina	0	1	0
TOTAL	1	3	0

A list of our franchisees is attached as Exhibit E to this Disclosure Document. Included on Exhibit E to this Disclosure Document is a list of our franchisees who have been terminated, canceled, not renewed,

or otherwise voluntarily or involuntarily ceased to do business as of the issuance date of this Disclosure Document, or those of our franchisees who have not communicated with us within the 10-week period immediately preceding the date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict them from discussing with you their experiences as a franchisee in our System. There are no trademark-specific organizations formed by our franchisees that are associated with the System.

As of the date of this Disclosure Document, we are not offering any existing franchised outlets we control that were previously owned by a franchisee. If we begin to offer any such franchised outlet, specific information about the outlet will be provided to you in a supplement to this Disclosure Document.

ITEM 21 **FINANCIAL STATEMENTS**

Attached to this Disclosure Document as Exhibit D are our audited financial statements for the fiscal years ended December 31, 2020, and December 31, 2019.

We have not been in business for three years or more and cannot include all financial statements required for Item 21.

Our fiscal year end is December 31st.

ITEM 22 **CONTRACTS**

Attached as Exhibits to this Disclosure Document are the following contracts and their attachments:

- | | | |
|----|-------------------------|-----------|
| 1. | Franchise Agreement | Exhibit B |
| 2. | Form of General Release | Exhibit F |

ITEM 23 **RECEIPTS**

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

EXHIBIT A TO THE FRANCHISE DISCLOSURE DOCUMENT

LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

This list includes the names, addresses and telephone numbers of state agencies having responsibility for franchising disclosure/registration laws, and serving as our agents for service of process (to the extent that we are registered in their states). This list also includes the names, addresses and telephone numbers of other agencies, companies or entities serving as our agents for service of process.

State	State Agency	Agent for Service of Process
CALIFORNIA	Commissioner of the Department of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West 4 th Street, Suite 750 Los Angeles, CA 90013 (213) 576-7505 Toll-free (866-275-2677)	Commissioner of the Department of Financial Protection and Innovation
HAWAII	Business Registration Division Department of Commerce and Consumer Affairs 335 Merchant Street, Room 203 Honolulu, HI 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii
ILLINOIS	Office of Attorney General Franchise Division 500 South Second Street Springfield, IL 62706 (217) 782-4465	Illinois Attorney General
INDIANA	Indiana Secretary of State Securities Division 302 West Washington St., Room E-111 Indianapolis, IN 46204 (317) 232-6681	Indiana Secretary of State 201 State House Indianapolis, IN 46204
MARYLAND	Office of the Attorney General Division of Securities 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, MD 21202-2020 (410) 576-6360
MICHIGAN	Michigan Department of Attorney General Consumer Protection Division Antitrust and Franchise Unit 670 Law Building Lansing, MI 48913 (517) 373-7117	Michigan Department of Commerce, Corporations and Securities Bureau
MINNESOTA	Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, MN 55101-2198 (651) 539-1500	Minnesota Commissioner of Commerce

State	State Agency	Agent for Service of Process
NEW YORK	Office of the New York State Attorney General Investor Protection Bureau, Franchise Section 28 Liberty Street, 21 st Floor New York, NY 10005 (212) 416-8236 Phone (212) 416-6042 Fax	Attention: New York Secretary of State New York Department of State One Commerce Plaza 99 Washington Avenue, 6 th Floor Albany, NY 11231-0001 (518) 473-2492
NORTH DAKOTA	North Dakota Securities Department 600 East Boulevard, 5 th Floor Bismarck, ND 58505-0510 (701) 328-4712	North Dakota Securities Commissioner
RHODE ISLAND	Department of Business Regulation Securities Division 1511 Pontiac Avenue, Building 68-2 Cranston, RI 02920 (401) 462-9585	Director of Rhode Island Department of Business Regulation
SOUTH DAKOTA	Division of Insurance Securities Regulation 124 South Euclid, Suite 104 Pierre, SD 57501 (605) 773-3563	Director of South Dakota Division of Insurance-Securities Regulation
VIRGINIA	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9 th Floor Richmond, VA 23219 (804) 371-9051	Clerk of State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, VA 23219 (804) 371-9733
WASHINGTON	Department of Financial Institutions Securities Division P.O. Box 9033 Olympia, WA 98507-9033 (360) 902-8760	Director of Washington Financial Institutions Securities Division 150 Israel Road, SW Tumwater, WA 98501
WISCONSIN	Wisconsin Securities Commissioner Securities and Franchise Registration 345 W. Washington Avenue Madison, WI 53703 (608) 266-8559	Commissioner of Securities of Wisconsin

EXHIBIT B TO THE FRANCHISE DISCLOSURE DOCUMENT

FRANCHISE AGREEMENT

BRIDGE TO BETTER LIVING FRANCHISING, LLC
FRANCHISE AGREEMENT



FRANCHISEE

DATE OF AGREEMENT

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ATTACHMENTS

- 1 - Franchise Fee, Territory, Owners and Guarantors
- 2 - Guaranty and Assumption of Obligations
- 3 - Confidentiality and Non-Compete Agreement
- 4 - Additional Territory Addendum
- 5 - Electronic Funds Transfer Authorization
- 6 - Definitions
- 7 - Irrevocable Power of Attorney
- 8 - Franchisee Acknowledgment Statement

BRIDGE TO BETTER LIVING FRANCHISING, LLC
FRANCHISE AGREEMENT

THIS AGREEMENT, together with the attachments hereto (collectively the “**Agreement**” or “**Franchise Agreement**”), is entered into by and between Bridge to Better Living Franchising, LLC, a Nebraska limited liability company, with its principal business address at 4230 Pioneer Woods Drive, Suite B, Lincoln, NE 68506 (“**Franchisor**”, “**us**”, “**our**” or “**we**”), and _____, whose principal address is _____, an individual/partnership/corporation/limited liability company resident/established in the State of _____ (“**Franchisee**” or “**you**”), and is effective as of the date Franchisor executes this Agreement as indicated on the signature page of this Agreement (“**Effective Date**”).

RECITALS

A. Franchisor and its owners and Affiliates have expended a considerable amount of time, effort, and money to develop a System (defined below) for the operation of a distinctive business providing senior placement services to facilitate the process of finding the best independent living, assisted living, memory assisted living, long term care, or senior retirement community (collectively, the “**Senior Living Retirement Community**”) for seniors, family members and loved ones (collectively the “**Client(s)**”), pursuant to and under Franchisor’s “BRIDGE TO BETTER LIVING®” and other Proprietary Marks (this System of business is known as the “**BRIDGE TO BETTER LIVING Business**”, sometimes referred to in this Agreement as the “**Franchised Business**” or “**Business**”).

B. Franchisor is engaged in the business of granting franchises to operate BRIDGE TO BETTER LIVING Businesses.

C. Franchisee desires to enter into an agreement with Franchisor to obtain the rights to establish, develop and operate a BRIDGE TO BETTER LIVING Business serving as consultants providing solutions for senior placement services to gather and present the best options to Clients while guiding them through the complex and difficult process of choosing a Senior Living Retirement Community (collectively the Senior Living Retirement Communities are the “**Customers**”) best suited for the specific Client (the “**System Services**”), all done in accordance with our distinctive standards and specifications for providing the System Services set forth in this Agreement and in the confidential operations manual (hereinafter the “**Operations Manual**”) provided by Franchisor and modified from time to time (collectively the “**BRIDGE TO BETTER LIVING® System**” or the “**System**”).

D. Franchisor authorizes the use of various trade names, trademarks and service marks including, without limitation, the service marks “BRIDGE TO BETTER LIVING®”, “BRIDGE TO BETTER LIVING®” design mark, “PLACEMENT WITH PASSION®”, “KID APPROVED. PARENT PREFERRED®”, together with such others as we, or may in the future, designate in writing for use in connection with the System (the “**Proprietary Marks**” or “**Marks**”). The rights to use all such Proprietary Marks are authorized by Franchisor in writing as part of the System, but will be owned exclusively by Franchisor or its Affiliate and all use of the Proprietary Marks will inure to Franchisor’s benefit.

E. Franchisee has applied to Franchisor for a franchise to operate a BRIDGE TO BETTER LIVING Business and such application has been approved in reliance upon all of the representations made in the application.

F. Franchisee acknowledges that adherence to the System, and in particular the terms of this Agreement, are essential to the operation of its BRIDGE TO BETTER LIVING Business.

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises, commitments and understandings contained in this Agreement, Franchisor and Franchisee agree as follows:

1. GRANT OF FRANCHISE

1.1. Grant and Acceptance. Franchisor hereby grants to Franchisee, upon the express terms and conditions contained in this Agreement, and Franchisee hereby accepts, the right and obligation to establish and operate one franchised BRIDGE TO BETTER LIVING Business, under the System, including the Proprietary Marks, at the Approved Location (as defined in Section 7.1). Franchisee agrees to only use the System, together with the Proprietary Marks, in the operation of the BRIDGE TO BETTER LIVING Business. Franchisor has the right to supplement, improve or otherwise modify the System from time to time, and Franchisee agrees to comply with all changes which may include, without limitation, the offer and sale of new or different services and such ancillary products as Franchisor may specify. The grant described does not include: (i) any right to offer any product or service via e-commerce or digital media; (ii) any right to establish an independent website or to establish a URL incorporating the Proprietary Marks or any variation thereof; or (iii) any right to distribute, market, or implement Franchisor's products and services in any channel of distribution not specifically identified in this Agreement.

1.2. Territory and Additional Territory.

1.2.1. During the term of this Agreement, for so long as Franchisee complies with the terms and conditions of this Agreement, neither Franchisor nor any parent, subsidiary or Affiliate of Franchisor will license or operate any other BRIDGE TO BETTER LIVING Business within the geographic area identified in Attachment 1 (the "**Territory**"), the terms of which are incorporated in this Agreement by reference; provided, however, that Franchisor and its Affiliates retain all other rights, including, without limitation, the rights described in Section 1.3. Your Territory is defined by Zip Codes or other geographic or political boundaries and includes a population of at least 300,000 people, determined in accordance with the most current US Census data. Zip Codes are a system of postal codes used by the United States Postal Service ("**USPS**") and are changed by it from time to time. Changes by the USPS may affect the Zip Codes and the geographic area that make up the Territory. Territory size may be impacted by natural boundaries such as rivers, mountain ranges, etc.

1.2.2. If Franchisee has entered into an additional franchise agreement with Franchisor at the same time as this Agreement for an adjacent Territory and paid the Additional Territory Franchise Fee (as defined in Section 3.1.2), and Franchisee desires to operate the additional Territory from the same Approved Location, and Franchisor has approved of same, then Franchisee will also enter into the Additional Territory Addendum generally in the form of Attachment 4.

1.3. Reserved Rights; Alternative Services.

1.3.1. Franchisee expressly understands and agrees that Franchisor and Franchisor's Affiliates will have the right to: (i) own and operate BRIDGE TO BETTER LIVING Businesses at any location(s) outside Franchisee's Territory, or to license others the right to own and operate BRIDGE TO BETTER LIVING Businesses at any location(s) outside Franchisee's Territory; (ii) own, operate and license others to own and operate similar businesses under different marks inside or outside Franchisee's Territory; (iii) use the Proprietary Marks and/or System in connection with ancillary services and products, promotional and marketing efforts, in businesses inside and outside the Territory; (iv) use the Proprietary Marks and/or System, and license others to use the Proprietary Marks and/or System, to engage in any other activities not expressly prohibited in this Agreement; and, (v) provide services to Corporate Accounts (as defined in Section 1.4.1) under the terms and conditions in Section 1.4.

1.3.2. Franchisee acknowledges and agrees that Franchisor, and its Affiliates, franchisees, licensees and designees have the right to distribute certain products and services, whether now existing or developed in the future, in Franchisee's Territory in such manner and through such channels of distribution as Franchisor determines. Such products and services will include, but are not limited to electronic records retention tools or programs. Franchisee understands that this Agreement grants Franchisee no rights: (i) to distribute such products or services as described in this Section 1.3.2; or (ii) to share in any of the proceeds received by any such party therefrom.

1.4. Corporate Accounts. Franchisor will have the exclusive right, unless otherwise specifically delegated in writing, on behalf of itself, any Affiliate, Franchisee, and/or other franchisees utilizing the Proprietary Marks, to negotiate and enter into agreements or approve forms of agreement to provide services to "Corporate Account" Customers.

1.4.1. The term "**Corporate Account**" means any Customer, or Customer with people who may become clients, which, on its own behalf or through agents, franchisees, or other third parties, owns, manages, controls or otherwise has responsibility for a business, including institutional Customers, whose physical presence and/or Clients are not confined within any one particular franchisee's Territory. Franchisor has the right to determine whether a particular Customer is a Corporate Account and Franchisor's determination will be final and binding.

1.4.2. Following the execution of a contract with or the acceptance of a bid by a Corporate Account Customer, which contemplates the provision of System Services to one or more Clients within the Territory, we will do the following: If you are then deemed qualified by us to perform the System Services, having demonstrated to us your abilities, and you are in compliance with the terms of your Franchise Agreement(s), including any addendum(s) thereto, we will offer you the opportunity to perform the System Services required in your Territory for the Corporate Account Customer upon the terms we have negotiated. If you refuse to perform or cannot timely perform such System Services on such terms, we and any other Affiliate or franchisee we designate will have the right to perform System Services for the Corporate Account Customer and its Clients within your Territory, without compensation to you.

1.4.3. Neither the direct provision by Franchisor (or an Affiliate, franchisee, licensee, or agent of Franchisor) of the System Services as authorized in Section 1.4.2 above, nor Franchisor's contracting with another party to provide such System Services as authorized in Section 1.4.2 above, will constitute a violation of Section 1.2 relating to Territory protection, even if such System Services are delivered from a location within Franchisee's Territory. Franchisee disclaims any compensation or consideration for work performed by others in the Territory pursuant to this Section.

1.5. Performance Standards Continuing Royalty Fee, and Minimum Royalty Fee. We have implemented a continuous Royalty Fee (as defined in Section 3.3.1) structure, together with a continuous Brand Fund Contribution (as defined in Section 3.3.2) structure, to strengthen the BRIDGE TO BETTER LIVING brand and increase market penetration. Franchisee must pay, without offset, credit or deduction of any nature, to Franchisor the Royalty Fee and Brand Fund Contribution in accordance with Section 3.3.1 and Section 3.3.2 respectively.

1.5.1. Franchisee's failure to timely pay the Royalty Fee and/or Brand Fund Contributions in any month will constitute a default under this Agreement and, in addition to the other remedies set forth in this Agreement, Franchisor has the right to implement any one or more of the following actions: (i) decrease/reduce or otherwise change the size of the Territory; (ii) establish other franchises within the Territory; (iii) permit other franchisees to provide services to Clients and Customers located within Franchisee's Territory; or, (iv) in addition to all other remedies provided under this Agreement and by law, terminate this Agreement as provided in this Agreement. Franchisee may cure such default as follows: Franchisor will request that Franchisee provide to Franchisor a detailed business plan within thirty (30) calendar days after such request setting forth the plan for meeting the payment requirements within a reasonable period of time, not to exceed six (6) months. Such business plan will be in form and substance acceptable to Franchisor. If Franchisee provides the business plan within thirty (30) calendar days, Franchisor will review it within fourteen (14) calendar days after it is received. If Franchisor, in its sole judgment, believes that the business plan is reasonably achievable, Franchisor will give to Franchisee additional time to meet the Gross Revenues requirements agreed upon in accordance with the business plan. If Franchisee fails or refuses to provide a business plan within thirty (30) calendar days, or if Franchisor determines that the business plan is not achievable, or if Franchisor approves the business plan but Franchisee fails to meet the payment requirements in accordance with the plan, Franchisor may give Franchisee notice of termination under this Agreement. Details as to the form and content required for the business plan and the process described above may be more specifically set forth and modified in the Operations Manual.

2. TERM AND RENEWAL

2.1. Term. The initial term of the Franchise is for a period of ten (10) years, which will begin on the date that Franchisor signs this Agreement.

2.2. Renewal. Franchisee has the right to renew this Agreement for one (1) successive, additional ten (10) year period, provided Franchisee is at the time of renewal in good standing and has met the following conditions hereinafter set forth in sections 2.2.1 through 2.2.9. The renewal franchise agreement will also contain 3 separate options to renew for the period of 5 years each, subject to the terms and conditions of the renewal franchise agreement.

2.2.1. Franchisee has notified Franchisor of Franchisee's intention to renew this Agreement in writing at least one hundred twenty (120) days prior to expiration of the current term;

2.2.2. Franchisee has demonstrated to Franchisor's satisfaction that Franchisee has the right to operate the BRIDGE TO BETTER LIVING Business at the Approved Location for the duration of the renewal term; or, if Franchisee is unable to operate the BRIDGE TO BETTER LIVING Business at the Approved Location, Franchisee has secured a substitute Approved Location;

2.2.3. Franchisee has completed, to Franchisor's satisfaction, no later than ninety (90) days prior to the expiration of the then-current term, all maintenance, refurbishing, renovating, updating

and remodeling of the Approved Location required to bring the Business and all equipment into full compliance with Franchisor's then-current performance and System Standards;

2.2.4. Franchisee is not in breach of any provision of this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's Affiliates and Franchisor's approved/designated suppliers and vendors, and Franchisee has substantially complied with this Franchise Agreement and all such agreements during their respective terms;

2.2.5. Franchisee has satisfied all monetary obligations Franchisee owes Franchisor, Franchisor's Affiliates, Franchisor's approved/designated suppliers and vendors;

2.2.6. Franchisee executes Franchisor's then-current form of franchise agreement, the terms of which may vary materially from the terms of this Agreement and may include, without limitation, an adjustment to the number of people in the Territory as of the effective date of each renewal term and increased marketing obligations; but, will have at least (3) separate options to renew the then-current form of franchise agreement, for a period of five (5) years each, subject to the terms and conditions for renewal in the then current form of franchise agreement;

2.2.7. Franchisee satisfies Franchisor's then-current training requirements for renewing franchisees at Franchisee's expense, as of the date of such renewal, if any;

2.2.8. Franchisee signs a complete and general release of Franchisor, in the form Franchisor prescribes. The release will not be inconsistent with any applicable state statute regulating franchises; and

2.2.9. Franchisee pays Franchisor a renewal fee equal to twenty-five percent (25%) of Franchisor's then-current Franchise Fee, but no less than \$12,000.

3. FEES

3.1. Franchise Fee.

3.1.1. In consideration of the franchise granted to Franchisee by Franchisor, Franchisee must pay Franchisor an initial franchise fee upon execution by Franchisee of this Agreement (the "**Franchise Fee**") in the amount set forth on Attachment 1 attached to this Agreement. The Franchise Fee is non-refundable and is deemed fully earned upon payment in consideration of administrative and other expenses Franchisor incurs in granting the franchise and for Franchisor's lost or deferred opportunity to franchise others.

3.1.2. If Franchisee has entered into an additional franchise agreement and paid the Additional Territory Franchise Fee (as defined below) for a Territory that is adjacent to the Territory of this Agreement within four (4) months after Franchisor signs this Agreement, the Franchise Fee due from Franchisee for the additional Territory is (the "**Additional Territory Franchise Fee**") will be discounted to \$36,000. If Franchisee enters into an additional franchise agreement or pays the Additional Territory Franchise Fee after the day that is four (4) months after Franchisor signs this Agreement, the Additional Territory Franchise Fee will be \$48,000. Any Additional Franchise Fee is non-refundable and is deemed fully earned upon payment in consideration of administrative and other expenses Franchisor incurs in granting the franchise and for Franchisor's lost or deferred opportunity to franchise others.

3.2. Initial Marketing Set-Up Fee. Franchisee must pay a non-refundable initial marketing set-up fee of \$2,500 for build-out of the franchise location page for the BRIDGE TO BETTER LIVING website, location homepage, contact page, resource page and guidance blog(s), plus initial design of the Vehicle Wrap, which is due and payable directly to Franchisor's marketing vendor within 10 business days after completion of the Initial Training Program (as defined in Section 8.1).

3.3. Royalty Fee and Brand Fund Contribution.

3.3.1. Royalty Fee. Beginning with the first month after the Franchise Agreement is signed by the Franchisor, Franchisee must pay, without offset, credit or deduction of any nature, to Franchisor a monthly royalty fee equal to the greater of (i) eight percent (8%) of Gross Revenues or (ii) the Royalty Minimum (as defined below) for such month (the "**Royalty Fee**"). The Royalty Fee must be paid weekly, in the manner specified below and in Section 3.5 of this Agreement or as otherwise prescribed in the Operations Manual. Although it is a monthly fee it is to be paid, in part, weekly, with a true-up payable the last week of the month if required based on the Royalty Minimum. "**Gross Revenues**" means all revenues you collected from any source for all business conducted at, from, or through the BRIDGE TO BETTER LIVING Business, including successful placement fees, consulting income, amounts received from the sale and delivery of services, products, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, and any other revenue during the reporting period. Gross Revenues does not include (i) the amount of any applicable sales tax imposed by any federal, state, municipal, or other governmental authority; (ii) corrections for errors and billings; and (iii) any bona fide reductions Franchisee may make for the sole purpose of maintaining Customer relationships.

We impose a minimum Royalty Fee amount, but we allow you a reasonable period of time to build your Business to the point that 8% of the Gross Revenues would meet or exceed the required minimum Royalty Fee amount. **We make no representation to you that your Gross Revenues will ever reach that level.** The "**Royalty Minimum**" applicable to each month is set forth in the following schedule:

Months after signing of Franchise Agreement by Franchisor	Royalty Minimum Requirement Per Month
1*-6	\$0
7-9	\$400
9-23	\$800
24 and thereafter, including renewal term, if any	\$1,200

*Month 1 is the period commencing on the day on which Franchisor signs this Franchise Agreement and ending on the day before the same day of the following calendar month, with Month 2 and each succeeding month to commence immediately following the end of the prior month.

3.3.2. **Brand Fund Contribution.** Franchisor has the right to establish a brand development fund (the “**Brand Fund**”) as further described in Section 12.4 to promote the System. Franchisor also has the right to require Franchisee to participate in and contribute to the Brand Fund an amount each month equal to two percent (2%) of Franchisee’s Gross Revenues (the “**Brand Fund Contribution**”), in the manner Franchisor prescribes. If Franchisor requires Franchisee to contribute to the Brand Fund, then beginning with the first full month after Opening of your Business or such later date as we may designate, you must pay the Brand Fund Contribution in the same manner as the Royalty Fees due and payable under this Agreement or as otherwise prescribed in the Operations Manual.

3.4. **IT Maintenance Fee; Technology User Fee.** For each Approved Location, Franchisee must pay to the designated software provider a monthly fee for use and maintenance of the BridgIT software program and any other designated software programs as well as email services and other technology support (“**IT Maintenance Fee**”). For each Approved Location, Franchisee must pay to the designated service provider a monthly user fee (“**Technology User Fee**”). Franchisee must pay the IT Maintenance Fee and Technology User Fee at the time specified by the designated software provider. Franchisor reserves the right to require Franchisee to pay the fees directly to Franchisor, to change its IT providers, change its designated software and/or to increase the amount of the IT Maintenance Fee and/or Technology User Fee. If Franchisor requires the IT Maintenance Fee or Technology User Fee to be paid directly to Franchisor, then the payment will be made in accordance with and subject to Section 3.5.

3.5. **Manner of Payment.** Franchisor will review weekly the billing and related information provided to Franchisor by Franchisee through designated software. Franchisor will not be responsible for collections or for carrying or underwriting any accounts receivable on behalf of Franchisee. Franchisee will be solely responsible for all collection activities, and for ensuring that Customers remit full payment directly to Franchisee.

3.5.1. On a weekly basis on a date designated by Franchisor, Franchisee will submit to Franchisor, in a format and manner directed by Franchisor, a true and accurate statement of Franchisee’s Gross Revenues and billings for the preceding week just ended (“**Weekly Reports**”). Franchisee will make available to Franchisor all original books and records that Franchisor may deem necessary to ascertain Franchisee’s Gross Revenues and billings for reasonable inspections at reasonable times.

There will be deducted from Gross Revenues for purposes of the computation of payments due Franchisor (but only to the extent they have been included) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to Clients or Customers, if such taxes are separately stated when charged and if such taxes are paid to the appropriate taxing authority.

3.5.2. Franchisee will pay Franchisor a late fee in an amount up to two hundred fifty dollars (\$250.00) for each occurrence if a Weekly Report is not submitted on its due date or if a Royalty Fee is not paid when due.

3.5.3. Despite any designation by Franchisee, Franchisor will have the absolute right to apply any payments by Franchisee to any past due indebtedness of Franchisee for Royalty Fees, purchases from Franchisor, interest or any other indebtedness owed by Franchisee to Franchisor, in such amounts and in such order as Franchisor will determine.

3.5.4. All Royalty Fees, amounts due for purchases by Franchisee from Franchisor, Brand Fund Contributions, and other amounts that Franchisee owes to Franchisor will be required to be

paid to Franchisor through an Electronic Depository Transfer Account (“**EDTA**”) as further described in the Operations Manual. Immediately following execution of this Agreement, if directed by Franchisor, Franchisee will set up an EDTA and Franchisor will have access to such account to receive payment for Royalty Fees and any other amounts which Franchisee owes to Franchisor. Each week, Franchisee will make deposits to the EDTA sufficient to cover amounts owed to Franchisor for Royalty Fees and other monies owed by Franchisee to Franchisor. For the purposes of this Agreement, workweeks run from Sunday through Saturday. Deposits are due the Friday following the previous workweek. Franchisee will not withhold payment of any Royalty Fees or other amounts that Franchisor claims are due to Franchisor. Any alleged non-performance or breach of Franchisor’s obligations under the Franchise Agreement or any related agreement does not establish a right at law or in equity for Franchisee to withhold payment due Franchisor for Royalty Fees or other amounts that Franchisor claims are due to Franchisor.

3.5.5. Franchisee will pay to Franchisor promptly and when due the amount of all sales taxes, use taxes, personal property taxes and similar taxes imposed upon, required to be collected, or paid by Franchisor on the account of services or goods furnished by Franchisor to Franchisee through sale, lease or otherwise, or on account of collection by Franchisor of the initial Franchise Fee, all Royalty Fees and other amounts which Franchisee owes to Franchisor.

3.5.6. Franchisee’s signature (or the signature on behalf of a Franchisee entity) on this Agreement constitutes: (i) Franchisee’s consent to make filings with the Franchisor by electronic means, if Franchisor so requests, and Franchisee’s representation and warranty to Franchisor that each electronic filing made by Franchisee is true and correct in all respects, and (ii) Franchisee’s consent and representation to Franchisor that each electronic signature will be equivalent to Franchisee’s actual signature for all intents and purposes. Franchisor reserves the right to require Franchisee to conduct all billing activities, and remit the Royalty Fee, Brand Fund Contributions, and other amounts owed in such manner as Franchisor will prescribe, including by EDTA and related Electronic Fund Transfer Authorization (“EFT”).

3.6. **Insufficient Funds.** If any check or other form of payment is not honored, Franchisee will be responsible for the amount of the payment plus any service charges Franchisor incurs and the late fee.

3.7. **Failure to Pay Fees in a Timely Manner.** Any late payment or underpayment of the Royalty Fee, Brand Fund Contribution, and any other charges or fees Franchisee owes Franchisor or Franchisor’s Affiliates, will bear interest from the due date until paid up to eighteen percent (18%) interest per year, but not to exceed the highest lawful interest rate which may be charged for commercial transactions in the state in which Franchisee’s Business is located. Nothing contained in this Section will prevent Franchisor from exercising, in Franchisor’s sole judgment, any other rights or remedies available to Franchisor under this Agreement. Franchisee also acknowledges that this Section 3 will not constitute agreement by Franchisor to accept such payments after the same are due and payable or a commitment by Franchisor to extend credit to, or otherwise finance Franchisee’s operation of, the Franchised Business. Franchisee acknowledges that its failure to pay all amounts when due will constitute, in addition to all other remedies available to Franchisor, grounds for termination of this Agreement, as provided in Section 15, despite the provisions of this Section 3. Nothing in this Section will limit Franchisor’s right and remedies under any other provision of this Agreement.

3.8. **Taxes on Payments.** Franchisee is responsible for payment of all taxes, if any, levied on or deducted from any amounts payable to Franchisor or its Affiliates under this Agreement. The amount of such taxes must be paid by Franchisee to Franchisor or such Affiliate together with the payment to which it relates or as otherwise required by applicable law so that the amount actually received by

Franchisor or such Affiliate in respect of such payment (after payment of such taxes) equals the full amount stated to be payable in respect of such payment. To the extent any applicable law requires or allows any such deduction, payment or withholding to be paid by Franchisee directly to a governmental authority, Franchisee must account for and pay such amounts promptly and provide to Franchisor Revenues or other proof of such payment promptly upon receipt.

4. PROPRIETARY MARKS

4.1. Franchisee's Use of the Proprietary Marks.

4.1.1. Franchisee will use only the Proprietary Marks which Franchisor designates, and will use them only in the manner Franchisor authorizes and permits;

4.1.2. Franchisee will only use the Proprietary Marks for the operation of the BRIDGE TO BETTER LIVING Business and only at the Approved Location and for marketing of the BRIDGE TO BETTER LIVING Business only in the manner approved by Franchisor.

4.1.3. Franchisee will use all Proprietary Marks without prefix or suffix and in conjunction with the symbols "TM", "SM", "S", or "@", as applicable. Franchisee may not use the Proprietary Marks in connection with the offer or sale of any services or products that Franchisor has not authorized for use in connection with the System. Franchisee may not use the Proprietary Marks as part of Franchisee's corporate or other legal name. Franchisee's legal name and all fictitious names under which Franchisee proposes to do business must be approved by Franchisor in writing before use. Franchisee must use Franchisee's corporate or limited liability company name followed by the phrase "an independently owned and operated BRIDGE TO BETTER LIVING Business". Franchisee must promptly register at the office of the county in which Franchisee's Business is located, or such other public office as provided for by the laws of the state in which Franchisee's Approved Location is located, as doing business under such assumed business name.

4.1.4. Franchisee must identify itself as the owner of the BRIDGE TO BETTER LIVING Business (in the manner Franchisor prescribes) in conjunction with any use of the Proprietary Marks including, without limitation, on invoices, revenues, Client and Customer forms and questionnaires, and business cards, as well as at such conspicuous locations as Franchisor may designate in writing at the Approved Location. As used in this Agreement, owners of Franchisee are sometimes interchangeably referred to as Principals of the Franchisee.

4.1.5. Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, Operations Manual, and any unauthorized use thereof will constitute an infringement of Franchisor's rights.

4.1.6. Franchisee will not use the Proprietary Marks to incur any obligation or indebtedness on Franchisor's behalf.

4.1.7. Franchisee will execute all documents Franchisor deems necessary to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability.

4.1.8. Franchisee must promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, or any proprietary software Franchisor may now or hereafter designate for use in connection with the System, including without limitation Franchisor's BridgIT software program, any

challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks.

4.1.9. Franchisee expressly understands and acknowledges that:

4.1.9.1. Franchisor owns all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

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

4.1.9.3. During the term of this Agreement and after its expiration or termination, Franchisee will not directly or indirectly contest the validity of, or Franchisor's ownership of, or right to use and to license others to use, the Proprietary Marks;

4.1.9.4. Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

4.1.9.5. Any and all goodwill arising from Franchisee's use of the Proprietary Marks will inure solely and exclusively to Franchisor's benefit, and upon expiration or termination of this Agreement, no monetary amount will be assigned as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

4.1.9.6. Except as specified in Section 1.3 of this Agreement, the license of the Proprietary Marks granted to Franchisee under this agreement is nonexclusive and Franchisor retains the right, among others, (i) to use the Proprietary Marks itself in connection with selling products and services; (ii) to grant other licenses for the Proprietary Marks; and (iii) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

4.1.9.7. Franchisor reserves the right to substitute different proprietary marks for use in identifying the System and the businesses operating under the System. Franchisee will discontinue using all Proprietary Marks which Franchisor has notified Franchisee, in writing, have been modified or discontinued within (10) days of receiving written notice and, at Franchisee's sole cost and expense, will promptly begin using such additional, modified or substituted Proprietary Marks.

4.1.9.8. If Franchisor is subject to a bankruptcy, insolvency, or similar proceeding, and a trustee or receiver is appointed for Franchisor in such proceeding, the provisions of Section 365(n) of the Bankruptcy Code, 11 U.S.C. §365(n), shall determine the parties' rights under this Franchise Agreement and Section 365(n) of the Bankruptcy Code is incorporated herein by this reference.

4.2. Litigation Involving the Marks. Franchisee acknowledges that Franchisor has the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Franchisor's rights to the Proprietary Marks. Franchisor will defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, Franchisor will bear the cost of such defense,

including the cost of any judgment or settlement. If Franchisor determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, Franchisee will bear the cost of such defense, including the cost of any judgment or settlement. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee will execute any and all documents and do such acts as Franchisor determines are necessary to carry out such defense or prosecution including, without limitation, becoming a nominal party to any legal action. Except to the extent that such litigation is the result of Franchisee's use of the Proprietary Marks in a manner inconsistent with the terms of this Agreement, Franchisor agrees to reimburse Franchisee for Franchisee's out-of-pocket costs in performing such acts.

5. CONFIDENTIAL INFORMATION

5.1. Nondisclosure. During the term of this Agreement, Franchisee will receive or may become aware of information that Franchisor considers a trade secret and confidential information. Such information includes, without limitation, information Franchisor designates as confidential, Franchisor's proprietary software system, including without limitation the BridgIT software service, Operations Manual, methods and techniques for evaluating Client needs and Customer amenities and offerings, copyrighted materials, methods and other techniques and know-how concerning the operation of the BRIDGE TO BETTER LIVING Business, names and other information relating to suppliers, as well as information regarding Clients and Customers, including (i) current and prospective Customer names and addresses, (ii) current and prospective Client names and addresses, (iii) information about credit extensions to Clients and Customers, (iv) Client purchasing histories, and (v) rates charged to Clients and Customers (subsections (i)-(v) collectively the "**Customer Lists**"), (vi) sources of suppliers, (vii) Corporate Account information, and (viii) any proprietary software program developed by us. Any and all information, knowledge, know-how, techniques, and other data that Franchisor designates as confidential will also be deemed Confidential Information for purposes of this Agreement (together all of the above in this Section 5.1 is the "**Confidential Information**"). Franchisee will not, during the term of this Agreement or thereafter, communicate, divulge, reproduce or use for the benefit of any other person, partnership, association, corporation, or limited liability company any Confidential Information. Franchisor may divulge such Confidential Information only to such of Franchisee's employees who must have access to it to operate the BRIDGE TO BETTER LIVING Business. Franchisee further agrees to maintain in the fullest and strictest confidentiality all Client and Customer information. These covenants will survive the expiration, termination or transfer of this Agreement or any interest in it and will be perpetually binding upon Franchisee and each of its Principals.

5.2. Confidentiality and Non-Compete Agreement. Franchisee's Principals are required to execute the Confidentiality and Non-Compete Agreement, similar to the form attached as Attachment 3 to this Agreement, or as Franchisor may otherwise prescribe. The Key Manager (as defined in Section 7.7.5) and other key employees who have access to Franchisor's Confidential Information must execute a non-competition and confidentiality agreement protecting Franchisor's confidential information. Franchisee must furnish Franchisor a copy of each executed agreement.

5.3. New Concepts. If Franchisee, Franchisee's employees, or Principals develop any new concept, processes, or improvements in the operation or promotion of the BRIDGE TO BETTER LIVING Business, Franchisee will promptly notify Franchisor and provide Franchisor with all necessary related information, without compensation. Any such concept, process or improvement will become Franchisor's sole property and Franchisor will be the sole owner of all patents, patent applications, trademarks, copyrights and other intellectual property rights related thereto. Franchisee and Franchisee's Principals hereby assign to Franchisor any rights Franchisee may have or acquire therein, including the

right to modify such concept, process or improvement, and otherwise waive and/or release all rights of restraint and moral rights therein and thereto. Franchisor has the sole and exclusive right to copyright, register, or patent in Franchisor's name any such concept, process, or improvement developed by Franchisee or its Principals or employees. Franchisee and Franchisee's Principals agree to assist Franchisor in obtaining and enforcing the intellectual property rights to any such concept, process or improvement in any and all countries and further agree to execute and provide Franchisor with all necessary documentation for obtaining and enforcing such rights. Franchisee and Franchisee's Principals hereby irrevocably designate and appoint Franchisor as Franchisee's agent and attorney-in-fact to execute and file any such documentation and to do all other lawful acts to further the prosecution and issuance of patents or other intellectual property rights related to any such concept, process or improvement. In the event that the foregoing provisions of this Section 5.3 are found to be invalid or otherwise unenforceable, Franchisee and Franchisee's Principals hereby grant to Franchisor a worldwide, perpetual, non-exclusive, fully-paid license to use and sublicense the use of the concept, process or improvement to the extent such use or sublicense would, absent this Agreement, directly or indirectly infringe Franchisee's rights therein.

6. FRANCHISOR'S RIGHTS AND OBLIGATIONS

6.1. Operations Manual. Franchisor will loan to Franchisee one copy of or provide Franchisee with password protected electronic access to Franchisor's proprietary and confidential Operations Manual. The Operations Manual, with its present content and in the event of any changes to it, will remain confidential and Franchisor's exclusive property. The Operations Manual will likely be updated and modified from time to time to improve the System.

6.2. Equipment Selection. Franchisor will provide Franchisee with specifications and requirements for computer hardware, software, and other electronic equipment required to operate the Franchisee's BRIDGE TO BETTER LIVING Business.

6.3. Start-up and Ongoing Supplies. Franchisor will provide specifications for and locate sources of supply from which Franchisee may purchase inventory and other supplies necessary for the start-up and ongoing operations of Franchisee's BRIDGE TO BETTER LIVING Business, including marketing materials.

6.4. Opening Marketing. Franchisor will help Franchisee to schedule and design Franchisee's opening marketing program. Franchisor has the right, but not the obligation, to provide graphic designs, layouts and written copy for marketing aids, which Franchisee may use (Franchisee must pay production costs for items such as slicks and typesetting of specific items for Franchisee's BRIDGE TO BETTER LIVING Business address).

6.5. Ongoing Assistance. We will provide a minimum of one on-site visit at your Approved Location within 60 to 90 days after commencement of operations, such visit lasting approximately two days. Franchisor will provide to Franchisee such continuing consultation and advice as Franchisor deems necessary and appropriate regarding the management and operation of the BRIDGE TO BETTER LIVING Business. Franchisor has the right to provide such assistance by telephone, facsimile, Internet, video, audio or cloud conferencing, online meetings, group meetings or other electronic communication, and on-site visits.

6.6. Toll Free Telephone Number. Franchisor has the right, but not the obligation, to establish and maintain a toll free telephone number for the purpose of processing Client and Customer inquiries nationwide, Client and Customer service, and Client and Customer follow-up and satisfaction

surveys. If Franchisor establishes a toll free number, Franchisee must comply with Franchisor's procedures for implementing the nationwide service as Franchisor specifies in the Operations Manual or otherwise in writing. Franchisee may be charged by us for the direct and indirect costs of establishing, maintaining and manning the nationwide services.

6.7. Conferences. Franchisor has the right to hold an annual conference, regional conferences or other training sessions at locations to be selected by Franchisor. Franchisor will determine the topics and agenda for any such conference to serve the purpose among other things, of updating franchisees on new developments affecting franchisees, exchanging information between franchisees and Franchisor's personnel regarding Business operations and programs, and recognizing franchisees for their achievements. Franchisor has the right to require Franchisee to attend the annual conference, regional conferences or other training sessions and to pay Franchisor's then-current registration fee. All expenses, including Franchisee's and Franchisee's employees' transportation to and from the conference or training session, and lodging, meals, and salaries during the event, are Franchisee's sole responsibility. Franchisor has the right to use the Brand Fund for purposes related to the annual conference, including costs related to productions, programs, and materials.

6.8. Initial Training, Refresher and On-going Training. Franchisor will provide to Franchisee the Initial Training Program described in Section 8.1 of this Agreement. In addition, Franchisor has the right to hold and require Franchisee's attendance at refresher and ongoing training courses, or training courses. If Franchisor requires Franchisee and Franchisee's employees to attend such refresher and ongoing training courses, Franchisor has the right to charge its then-current fee for providing such training. All expenses, including Franchisee and Franchisee's employees' transportation, meal, and lodging expenses to attend such training will be Franchisee's sole responsibility.

6.9. Franchisee Advisory Council. Franchisor has the right to require that a franchisee advisory council be formed, changed, dissolved or merged.

7. FRANCHISEE'S OBLIGATIONS

7.1. Approved Location.

7.1.1. Except as provided in this Agreement, Franchisee must only operate the BRIDGE TO BETTER LIVING Business from a location that we approve in advance and in writing ("**Approved Location**"). Franchisee's Approved Location may solely for the first eighteen (18) months after the signing of this Agreement by Franchisor ("**Start-Up Period**") be a home office at the Operating Principal's personal residence so long as the home office complies our standards and specifications and is maintained in the condition and appearance consistent with, our standards for a home office; provided, however, Franchisor has no liability for, and does not assume any risks associated with, Franchisee's operation of the Business from a home office, including without limitation that Franchisor does not guaranty or make any representation or warranty regarding the success of a Franchised Business operating from a home office. No later than the end of the Start-Up Period, the Approved Location must be at an office location within the Territory separate from any personal residence ("**Office**"), which will exist and be used solely and exclusively for the operation of the BRIDGE TO BETTER LIVING Business under this Agreement but may be located in an executive office space. Franchisee is solely responsible for purchasing or leasing and obtaining our written approval for an Office as an Approved Location by no later than the end of the Start-Up Period. Any Office (including all signage and trade dress) must comply with Franchisor's standards and specifications and must be maintained in the condition and appearance consistent with Franchisor's standards. While Franchisor will utilize its general experience

in providing guidelines and criteria for selection of an Approved Location, nothing contained in this Agreement will be interpreted as a guarantee of success for said location. Franchisee acknowledges that Franchisor's approval of the Approved Location indicates only that Franchisor believes that the office falls within the acceptable criteria established by Franchisor as of the approval date. Upon Franchisor's written notice of acceptance to Franchisee, Franchisee may sign a lease for the Office and it will become the Approved Location of the BRIDGE TO BETTER LIVING Business. Franchisee may not thereafter relocate the BRIDGE TO BETTER LIVING Business without Franchisor's prior written consent. It is your obligation to locate a site for your Business and to provide us with all necessary information in accordance with the timing requirements established in this Agreement so that we may approve your location in time for you to Open your BRIDGE TO BETTER LIVING Business in accordance with the requirements established in this Agreement. If you fail to provide us with all such necessary information in accordance with the timing requirements established in this Agreement, your failure to do so will be a default of this Agreement and we may, in addition to all other remedies provided for under this Agreement, terminate the Franchise Agreement.

7.1.2. At such time as Franchisee is required by Section 7.1.1 to notify Franchisor of its proposed Office location, Franchisor may request a copy of the proposed lease ("**Lease**") prior to execution. Neither Franchisor's review of the Lease (if any), nor Franchisor's acceptance of the site Franchisee has selected, constitutes a representation or guarantee that Franchisee will succeed at the selected Approved Location or an expression of Franchisor's opinion regarding the terms of the Lease. Franchisor encourages Franchisee to seek independent counsel from a lawyer or business adviser to assist Franchisee in selecting a location and negotiating a lease for the Office.

7.1.3. If, for any reason, the Lease term is shorter than the term of this Agreement and the Lease cannot be renewed or extended, or Franchisee cannot continue for any other reason to occupy the Approved Location, Franchisee must relocate Franchisee's BRIDGE TO BETTER LIVING Business to a new Approved Location within Franchisee's Territory to complete the unexpired portion of the term of this Agreement. Franchisee must notify Franchisor of Franchisee's intention to relocate, procure a site acceptable to Franchisor within ninety (90) days prior to closing operations at Franchisee's current Approved Location, and Open at the new Approved Location within thirty (30) days of closing business at Franchisee's existing Approved Location.

7.2. Operating Principal. Upon the execution of this Agreement, Franchisee will designate a Principal to serve as the Operating Principal of Franchisee ("**Operating Principal**") on Attachment 1 attached to this Agreement. The Operating Principal will have the full authority to act on behalf of Franchisee in all matters related to the performance of this Agreement and the operation of the BRIDGE TO BETTER LIVING Business. Franchisor has the right to rely on any and all directions, elections, information and other communication from Operating Principal as being made on behalf of Franchisee, even if Franchisor receives information from any other Principal that may be contrary to or different from the information provided by Operating Principal. Franchisor has no duty or obligation to inquire into or resolve any conflicting information provided by Operating Principal and any other person on behalf of Franchisee. If Franchisee is an individual, Franchisee will perform all obligations of the Operating Principal. The Operating Principal will, during the entire period he or she serves as such, meet the following qualifications:

7.2.1. Unless agreed upon in writing by Franchisor, the Operating Principal must maintain a direct or indirect ownership interest in Franchisee equal to at least twenty-five percent (25%) of the ownership interests in Franchisee. Except as may otherwise be provided in this Agreement, the Operating Principal's ownership interest in Franchisee must remain free of any pledge, mortgage, hypothecation,

lien, charge, encumbrance, voting agreement, proxy, security interest or purchase right or options. The Operating Principal must execute the Confidentiality and Non-Compete Agreement, in the form attached as Attachment 3;

7.2.2. The primary business focus of the Operating Principal must be the operation of the BRIDGE TO BETTER LIVING Business and the Operating Principal must devote his or her best efforts to the supervision and conduct of the BRIDGE TO BETTER LIVING Business;

7.2.3. The Operating Principal will meet Franchisor's standards and criteria for such individual, as set forth in the Operations Manual or otherwise in writing by Franchisor, and will satisfy the training requirements set forth in Section 8; and

7.2.4. If, during the initial term of this Agreement and any renewal term, (i) the Operating Principal is not able to continue to serve in the capacity of Operating Principal; (ii) the Operating Principal no longer qualifies to act as such in accordance with this Section; or, (iii) Franchisee desires to replace the Operating Principal with another person who is qualified to act as such in accordance with this Section, Franchisee will promptly notify Franchisor and, within 30 days after the Operating Principal ceases to serve or be so qualified, provide evidence satisfactory to Franchisor that shows the Principals owning more than fifty percent (50%) of the ownership interests in Franchisee had designated a duly qualified replacement Operating Principal. Any failure to comply with the requirements of this Section will be deemed a material event of default under this Agreement.

7.3. Initial Training. Franchisee (or the Operating Principal) and Franchisee's Key Manager (if any) must attend and successfully complete Franchisor's Initial Training Program at least thirty (30) days prior to the Opening the BRIDGE TO BETTER LIVING Business, as set forth in Section 8.1.

7.4. Opening Requirements. Franchisee must Open the BRIDGE TO BETTER LIVING Business for business within four (4) months after the date the Franchisor signs this Agreement. We urge you to strive to Open your Business within two (2) months after signing this Agreement. "**Opening**" or "**Open**" as used in this Agreement means (i) Franchisee has met all of the prerequisites to open and operate the Franchised Business set forth in this Agreement, (ii) the Franchisor has confirmed to the Franchisee that Franchisee has done so, and (iii) the Franchisee is operational as it has begun to offer System Services to Clients in accordance with this Agreement.

7.5. Purchasing Requirements.

7.5.1. Franchisee acknowledges and agrees that Franchisee's obligations set forth in this Agreement and the Operations Manual are reasonable and necessary for the operation of the Business and to maintain uniformity throughout the System. Franchisee will adhere to the standards and specifications set forth in this Agreement and the Operations Manual and any revisions or amendments to it. Franchisee will use signs, furnishings, supplies, fixtures, equipment and inventory which comply with Franchisor's then-current standards and specifications (including, without limitation, standards and specifications for computer hardware and software, as well as other equipment and inventory items, furnishings, fixtures, and signage) which Franchisor establishes from time to time. Franchisor has the right to change Franchisor's standards and specifications. Franchisee acknowledges that Franchisee may incur an increased cost to comply with such changes at Franchisee's expense.

7.5.2. Recognizing that preservation of the System depends upon service and product uniformity and the maintenance of Franchisor's trade dress and standards, Franchisee agrees to purchase

products and services, including (but not limited to) certain signs, furnishings, supplies, fixtures, computer hardware and software, and services from Franchisor or from approved or designated third party suppliers as Franchisor will specify, from time to time, in the Operations Manual and otherwise in writing. Franchisee hereby acknowledges that Franchisor, Franchisor's Affiliate and/or a third party may be one of several, or the only, approved supplier of any item. Franchisor may change the number of approved suppliers at any time, including designating itself, an Affiliate, or a third party as the exclusive source for any particular item. Franchisee further acknowledges and agrees that Franchisor and/or Franchisor's Affiliates have the right to realize a profit on any items that Franchisor, Franchisor's Affiliates or Franchisor's approved suppliers supply to Franchisee. Franchisee recognizes that Franchisee's failure to pay a supplier may interfere with such suppliers' willingness to supply the System which may result in other System franchisees' inability to obtain product or ability to obtain product only on less favorable credit terms. Accordingly, Franchisee agrees to pay System suppliers as and when payments are due.

7.5.3. If Franchisee wishes to purchase any logoed items from an unapproved supplier, Franchisee must provide Franchisor the name, address and telephone number of the proposed supplier, a description of the item Franchisee wishes to purchase, and purchase price of the item, if known. At Franchisor's request, Franchisee must provide Franchisor, for testing purposes, a sample of the item Franchisee wishes to purchase. If Franchisor incurs any costs in connection with testing a particular product or evaluating an unapproved supplier at Franchisee's request, Franchisee or the supplier must reimburse Franchisor for Franchisor's reasonable testing costs, regardless of whether Franchisor subsequently approves the item or supplier. Nothing in the foregoing will be construed to require Franchisor to approve any particular supplier. Franchisor may base Franchisor's approval of any such proposed item or supplier on considerations relating not only directly to the item or supplier itself, but also indirectly to the uniformity, efficiency, and quality of operation Franchisor deems necessary or desirable in Franchisor's System as a whole. Franchisor has the right to receive payments or other material consideration from suppliers on account of their dealings, whether in the form of purchases or leases, with Franchisee and other franchisees and to use all amounts Franchisor receives without restriction (unless instructed otherwise by the supplier) for any purposes Franchisor deems appropriate. Any such revenues or consideration will be income to us to be used in our discretion as we determine. Nothing in this agreement will require Franchisor to approve an unreasonable number of suppliers for a given item, which approval might, in Franchisor's reasonable judgment, result in higher costs or prevent the effective or economical supervision of approved suppliers. Franchisor has the right to revoke Franchisor's approval of particular products or suppliers when Franchisor determines that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee must cease purchasing products from such supplier. Franchisee must use products purchased from approved suppliers solely in connection with the operation of Franchisee's Business and not for any competitive business purpose.

7.6. Authorized Products and Services. Franchisee will offer for sale all services and products which Franchisor prescribes and only those services and products which Franchisor prescribes. Franchisee may not offer any other services for sale or products for sale, rent, or lease without having received Franchisor's prior written authorization. Franchisee will acquire and then provide Client with living management, personal advocacy and advisory services strictly in accordance with Franchisor's techniques and processes for providing such services, as Franchisor may state in the Operations Manual or otherwise in writing. Such services may only be sold by Franchisee to Clients and to Customers using Franchisor's marketing plan and concept. Franchisee acknowledges that such operational procedures are integral to the System and failure to strictly adhere to such procedures will be detrimental to the System and Proprietary Marks and will constitute a default of this Agreement.

7.7. Operations.

7.7.1. Franchisee must operate Franchisee's BRIDGE TO BETTER LIVING Business for at least those months, hours and days that Franchisor specifies in the Operations Manual.

7.7.2. Franchisee will operate the BRIDGE TO BETTER LIVING Business in strict compliance with the Operations Manual, as it may be changed, modified, supplemented or enhanced by Franchisor from time to time. Franchisee will not disclose, duplicate or make any unauthorized use of any portion of the Operations Manual. The provisions of the Operations Manual constitute provisions of this Agreement as if fully set forth in it. Franchisee will ensure that Franchisee's copy of the Operations Manual is current and up to date and will not remove any physical copy of the Operations Manual from the Approved Location. If there is a dispute relating to the contents of the Operations Manual, the master copy, which Franchisor maintains at Franchisor's headquarters, will control. Franchisee must maintain the Business Approved Location in compliance with System Standards.

7.7.3. Franchisee must employ a sufficient number of qualified, competent personnel, offer prompt, courteous and efficient service to the public, and otherwise operate the Business in compliance with the System so as to preserve, maintain and enhance the reputation and goodwill of the System. All employees engaged in the operation of Franchisee's BRIDGE TO BETTER LIVING Business during working hours will dress conforming to Franchisor's standards and will present a neat and clean appearance in conformance with Franchisor's reasonable standards. Franchisee and Franchisee's employees must give prompt, courteous, competent and efficient service to Clients and Customers of the Business and otherwise operate the Business so as to preserve, maintain and enhance the reputation and goodwill of the System.

7.7.4. Upon hiring any new employee, Franchisee will immediately train and instruct Franchisee's employees in accordance with the Operations Manual, and will continue such training and instruction as long as each employee is employed. The Operations Manual will set forth the practices, procedures and methods to be utilized in Franchisee's BRIDGE TO BETTER LIVING Business, and Franchisor may require Franchisee to conform Franchisee's practices to national programs, which Franchisor has designed and promulgated as part of Franchisor's System.

7.7.5. Franchisee (or the Operating Principal, if Franchisee is an entity) must personally supervise the day-to-day operations of the Business and devote his or her personal full-time attention and best efforts to the management and operation of the BRIDGE TO BETTER LIVING Business. You may be an absentee owner of your Franchised Business if you delegate the day-to-day operation of your BRIDGE TO BETTER LIVING Business to a full-time manager ("**Key Manager**") with our consent. Franchisee's Business must, at all times, be staffed with at least one (1) person who has successfully completed Franchisor's Initial Training Program, as set forth in Section 8.1. If Franchisee operates more than one BRIDGE TO BETTER LIVING Business with separate Approved Locations, Franchisee will have a properly trained Key Manager at each Approved Location. Franchisee will keep Franchisor informed at all times of the identity of all employees acting as Key Managers, or any other employees having Customer or Client contact for a BRIDGE TO BETTER LIVING Business. In the event that a Key Manager resigns or is otherwise terminated from Franchisee's BRIDGE TO BETTER LIVING Business, Franchisee or the Operating Principal must assume the Key Manager's responsibilities or Franchisee must hire a replacement who meets Franchisor's then current standards for Key Managers within thirty (30) days after termination or resignation of the prior Key Manager. The new Key Manager must complete Initial Training to Franchisor's satisfaction within forty-five (45) days of hiring, subject

to the availability of Franchisor's personnel. Any Key Manager(s) will devote full time and best efforts to the day-to-day operation and management of the Business and will not engage in any other business activity without Franchisor's prior written consent.

7.7.6. Franchisee must at all times maintain such working capital as may be reasonably necessary to enable Franchisee to properly and fully carry out and perform all of Franchisee's duties, obligations and responsibilities under this Agreement and to operate the Business in a businesslike, proper and efficient manner.

7.7.7. All persons providing services on behalf of Customers or Clients must be employed by Franchisee and be covered under Franchisee's insurance policies and may not be classified as independent contractors.

7.7.8. In addition, Franchisee, the Operating Principal and any other Principals will undergo criminal, civil, credit and bankruptcy background checks prior to the execution of this Agreement, and those must be passed to Franchisor's satisfaction. All of Franchisee's employees must also undergo a variety of background checks, including criminal, civil, credit and bankruptcy checks which must be passed to Franchisor's satisfaction prior to their participation in the operation of the BRIDGE TO BETTER LIVING Business. Franchisee and Franchisee's employees must routinely undergo criminal background rescreening checks during the term of this Agreement as prescribed in the Operations Manual and immediately upon Franchisor's request. Franchisor must be provided with copies of all such reports on a periodic basis and immediately upon request. Any employee failing to meet Franchisor's criteria for a clean civil, criminal, or credit background check must be terminated by Franchisee immediately. Franchisor has the right to terminate this Franchise Agreement immediately in the event Franchisee, the Operating Principal or any other Principal fails a criminal background check.

7.7.9. Franchisee will not accept referral fees that would violate the Social Security Act provisions commonly known as the Anti-Kickback Act, and Franchisee will not offer or accept rebates, discounts or other benefits from any persons or entities that provide services to Clients. Certain provisions of the Anti-Kickback Act prohibit the offer, payment, solicitation or receipt of any form of remuneration either in return for the referral of patients or patient care opportunities paid in whole or in part by a federal health care program, including the VA, or in return for the recommendation, arrangement, purchase, lease or order of items or services paid in whole or in part by a federal health care program, including VA benefits. The Anti-Kickback Act is broad in scope and has been broadly interpreted by courts in many jurisdictions. The Anti-Kickback Act prohibits many business courtesies and arrangements that are common outside the health care industry. In order to comply with the Anti-Kickback Act, the Franchisee must follow the procedures set forth in the Operations Manual and explained during our Initial Training. Under our System, you may not offer or perform System Services (placement services) for Clients whose care is known by you to rely upon, in whole or in part, and will be paid for with federal health care program funds. Placement fees paid to you must take into account only the initial rent and services provided by the Customer and paid for by the Client, i.e. the Client cannot at such time be relying, in whole or in part, on state or Federal funding sources. The Customer contracts must be at a price consistent with "fair market value" and the contracts must also be "commercially reasonable". Additionally, a number of states have enacted laws which prohibit payment for referrals and other types of "kickback" arrangements. These state laws sometimes apply to all Clients regardless of their insurance coverage.

7.8. Business Evaluations. Franchisee agrees, that to maintain the high quality and uniform standards associated with the System and to protect its goodwill and reputation, Franchisee will permit Franchisor during business hours, to inspect Franchisee's BRIDGE TO BETTER LIVING Business;

confer with Franchisee, the Operating Principal and Franchisee's employees, Customers and Clients; conduct field investigations; and, perform any other inspection which Franchisor deems necessary to protect the standards of quality and uniformity of the System and Franchisee's performance under this Agreement, with or without notice to Franchisee. Franchisee is obligated to make changes to Franchisee's operations based upon any inspections by Franchisor.

7.9. Computer Software and Hardware. To establish uniform standards for maintaining Client information, Customer information, records, scheduling, accounting, administrative functions and activities to operate the BRIDGE TO BETTER LIVING Business, Franchisee will purchase and use any and all computer software programs which Franchisor has developed or may develop and/or designate for use for the System (the "**Software**" or "**Designated Software**"), and will purchase or lease such computer hardware, and contract with provider(s) as may be necessary for the efficient operation of the Software and access to the Software and service. The initial Designated Software, provider contract(s), and hardware required to operate the System is set forth in the Operations Manual. Franchisor has the right to require Franchisee to update or upgrade computer hardware components and/or Software as Franchisor deems necessary from time to time. In addition, Franchisor has the right to require Franchisee to enter into a separate maintenance agreement for such computer hardware and/or Software. Franchisor reserves the right to require Franchisee to install a "systems backup solution" which backs up critical data in Franchisee's computer system using an off-premises storage scheme. Notwithstanding the fact that Franchisee must buy, use and maintain the computer hardware and Software under Franchisor's standards and specifications, Franchisee will have the sole and complete responsibility for: 1) the acquisition and operation of the computer hardware and Software and for maintaining and upgrading the computer hardware and Software as required; and 2) any and all consequences that may arise if the computer hardware and Software is not properly operated, maintained and upgraded. Franchisee is prohibited from using the Software for any purpose other than the BRIDGE TO BETTER LIVING Business.

7.9.1. Franchisor has custom-designed a software management system for the management of BRIDGE TO BETTER LIVING Businesses called BridgIT. Franchisee, at Franchisee's own expense, agrees to obtain the computer hardware required to implement the designated software management system into Franchisee's Business, and to comply with all specifications and standards prescribed by Franchisor regarding the designated software as provided from time to time in the Operations Manual.

7.9.2. If and at such time as Franchisor develops and custom designs software programs or designates different software programs for conducting accounting, Customer or Client management of data functions and other related activities, Franchisee, at Franchisee's own expense, agrees to obtain the computer hardware and software required to implement any such software program into Franchisee's Business, and to comply with all specifications and standards prescribed by Franchisor as provided from time to time in the Operations Manual. Franchisor's custom-designed BridgIT software service together with any other software programs developed by or for Franchisor (collectively the "**Proprietary Software**") are and will be proprietary to Franchisor and will constitute part of the Confidential Information. Franchisor will designate when Franchisee will use the Proprietary Software. Franchisee may not make any disclosure, duplication, or other unauthorized use of, or attempt to reverse engineer or obtain the source code of, any portion of the Proprietary Software. Franchisee will comply with all specifications and standards prescribed by Franchisor for computer hardware and software, as provided from time to time in the Operations Manual. Franchisor reserves the right to charge Franchisee a fee for use of any software developed by Franchisor.

7.10. Computer Network, Intranet or Extranet Participation. Franchisee is required to participate in any System-wide computer network, intranet system or extranet system that Franchisor implements and may be required by Franchisor to use such area computer network, intranet system or extranet system to, among other things: (i) submit Franchisee's reports due under this Agreement to Franchisor on-line; (ii) view and print portions of the Operations Manual; (iii) download approved local marketing materials; (iv) communicate with Franchisor and other System franchisees; and (v) complete any initial and ongoing training. Franchisee agrees to use the facilities of any such area computer network, intranet system or extranet system in strict compliance with the standards, protocols, and restrictions that Franchisor includes in the Operations Manual, including those related to the encryption of confidential information and prohibitions against the transmission of libelous, derogatory or defamatory statements.

7.11. Personal Conduct. Franchisee agrees to refrain from committing any act or pursuing any course of conduct (including using social technology, social media and social networking platforms) that tends to bring Franchisor's Proprietary Marks into disrepute.

7.12. Best Efforts. Franchisee must use best efforts to promote and increase the demand for the goods and services of the Business. All of Franchisee's marketing and promotion will be completely factual and will conform to the highest standards of ethical marketing. Franchisee agrees to refrain from any business or marketing practice that may be injurious to the BRIDGE TO BETTER LIVING Business or the goodwill associated with the Proprietary Marks and System.

7.13. Telephone. Franchisee must obtain a new telephone number and telephone listing at Franchisee's expense, to be listed under the "BRIDGE TO BETTER LIVING®" assumed name and not under Franchisee's corporate, partnership, or individual name, to be used exclusively in connection with Franchisee's operation of the Business. Upon the expiration, transfer or termination of this Agreement for any reason, Franchisee will terminate Franchisee's use of such telephone number and listing and, if Franchisor so requests, assign it to Franchisor or Franchisor's designee. Franchisee must answer the telephone in the manner Franchisor specifies in the Operations Manual.

7.14. Payment of Debts and Taxes. Franchisee is solely responsible for selecting, retaining and paying Franchisee's employees; the payment of all invoices for the purchase of goods and services used in connection with operating the BRIDGE TO BETTER LIVING Business; and determining whether, and on what terms, to obtain any financing or credit which Franchisee deems advisable or necessary for the conduct of the BRIDGE TO BETTER LIVING Business. Franchisee agrees to pay all current obligations and liabilities to suppliers, lessors and creditors on a timely basis. Franchisee agrees to make prompt payment of all federal, state and local taxes, including individual and corporate taxes, sales and use taxes, franchise taxes, gross Revenues taxes, employee withholding taxes, FICA taxes, personal property and real estate taxes arising from Franchisee's operation of the BRIDGE TO BETTER LIVING Business. Franchisee agrees to indemnify Franchisor in accordance with Section 13.2 in the event that Franchisor is held responsible for any taxes owed by Franchisee and in the event that Franchisor is held responsible for debts owed by Franchisee (whether or not Franchisor elects to pay any of Franchisee's obligations in order to preserve a supplier relationship).

7.15. Compliance with Applicable Laws. Franchisee must comply with all applicable Federal, State and local laws, ordinances and regulations regarding the operation of the Business (including, without limitation, all governmental regulations relating to providing personal Client placement/living services, senior care, consumer protection, trade regulation, worker's compensation, unemployment insurance, withholding and payment of Federal and State income taxes and social security taxes and sales,

use and property taxes, and the applicable provisions of the Americans with Disabilities Act (“ADA”), and the Anti-Kickback Act. Franchisee acknowledges that Franchisee has conducted a thorough independent investigation into all such laws and regulations with the advice of an attorney or other qualified advisor. Franchisee must obtain Franchisor’s written consent prior to deviating from any of Franchisor’s standards and specifications to comply with any law or regulation, which approval will not be unreasonably withheld.

7.16. Client Confidentiality. Franchisee, together with its Principals and employees, must maintain the confidentiality of all Confidential Information, as set forth in Section 5 of this Agreement; and Franchisee, the Operating Principal, other principals, and Franchisee’s employees must keep information regarding Clients’ health and financial position confidential at all times during and after the term of this Agreement.

7.17. Image. Franchisee acknowledges that Franchisor has developed the System to offer and sell services and products which will distinguish the Business from other businesses and chains and franchises which offer similar services valued at different prices and with less attention paid to service excellence. Franchisee agrees to offer services and products and to conduct the Business in such a manner that will serve to emulate and enhance the image Franchisor intended for the System. Franchisee further acknowledges and agrees that each aspect of the System is important not only to Franchisee but also to Franchisor and to other System franchisees in order to maintain the highest operating standards, achieve system-wide uniformity and increase the demand for the customized personal care services rendered by System franchisees. Franchisee agrees to comply with the standards, specifications and requirements Franchisor sets forth in order to convey the distinctive image of a BRIDGE TO BETTER LIVING Business. Franchisee will, in the operation of the Business, use only such displays, labels, forms, and stationery imprinted with the Proprietary Marks and colors as prescribed from time to time by Franchisor.

7.18. Pending Actions. Franchisee will notify Franchisor, in writing, within five (5) days of the commencement of any action, suit or proceeding and the issuance of any order, suit or proceeding of any court, agency or other government instrumentality, including the receipt of any notice or citation, which may adversely affect the operation or financial condition of Franchisee or the BRIDGE TO BETTER LIVING Business.

7.19. Standard Maintenance. Franchisee agrees to repair, refinish, repaint, replace, and/or otherwise redo the signs, the furnishings, fixtures, decor, and any other tangible part or property of the Business at Franchisee’s sole expense at such times as Franchisor may reasonably direct. Franchisee agrees that Franchisor has the right to direct Franchisee to remodel, re-equip, and otherwise refurbish the Approved Location in the manner necessary to bring it into conformance with other franchises of the type Franchisor and Franchisor’s franchisees are Opening at the time of such direction.

7.20. Powers of Attorney. Upon the execution of this Agreement or at any time thereafter, Franchisee will, at the option of Franchisor, execute a power of attorney in the form of Attachment 7 to this Agreement and such other forms and documents as Franchisor deems necessary to appoint Franchisor its true and lawful attorney-in-fact with full power and authority for the purpose of assigning to Franchisor all rights to the telephone numbers of the BRIDGE TO BETTER LIVING Business and any related trademark listings or other business listings, such as directories or websites, related to the BRIDGE TO BETTER LIVING Business upon the termination or expiration of this Agreement. In addition, Franchisee hereby irrevocably appoints Franchisor as Franchisee’s attorney-in-fact to execute in Franchisee’s name and on Franchisee’s behalf all documents necessary to discontinue Franchisee’s

use of the Proprietary Marks and the Confidential Information upon the expiration, termination or transfer of this Agreement.

8. TRAINING

8.1. Initial Training Program. The Operating Principal must attend and complete, to Franchisor's satisfaction, Franchisor's tuition-free initial training program ("**Initial Training Program**"). If Franchisee has a Key Manager, as described in Section 7.7.5, then he or she will also be required to attend training. The required training is approximately five (5) business days for the Franchisee, the Operating Principal and the Key Manager. Training will consist of classroom and practical experience, including training: in evaluating Client healthcare, living, and financial needs, Client assets, investigating and identifying Senior Living Retirement Communities and their amenities and pricing, bookkeeping procedures, operational techniques and using designated software, marketing techniques, pre-opening procedures, staffing issues, Client and Customer service, ethics, and maintenance of quality standards. Franchisor may modify the content of its training. Training will be held at Franchisor's headquarters in Lincoln, Nebraska, a site designated by Franchisor, Franchisee's Approved Location, or through online training, teleconferences, and webinars, as determined by Franchisor. All training related expenses, including Franchisee and Franchisee's employees' transportation to and from the training site, lodging, meals, and salaries during training, are Franchisee's sole responsibility. The Operating Principal and Franchisee's Key Manager will attend and complete Franchisor's initial training class to Franchisor's satisfaction at least thirty (30) days prior to the Opening of Franchisee's BRIDGE TO BETTER LIVING Business. Franchisee is expected to start training within four (4) and six (6) weeks after signing this Franchise Agreement by Franchisor. Should the Operating Principal or Franchisee's Key Manager fail to complete the Initial Training Program to Franchisor's satisfaction, the respective person may repeat the course, or in the case of a Key Manager, Franchisee may send a new or replacement Key Manager (the "**Replacement Personnel**") to the next available Initial Training Program for no additional fee other than training related expenses. Failure by Franchisee, the Operating Principal, Key Manager or any Replacement Personnel to complete the Initial Training Program to Franchisor's satisfaction within the time period prescribed in this Agreement will constitute default of this Agreement and Franchisor may terminate the Agreement.

8.2. Training of Franchisee's Employees. Franchisor will make available to Franchisee templates and forms that Franchisee may use to train its personnel. Franchisee will have the exclusive right to determine if it will use these templates and forms for training materials for its personnel. Franchisee is responsible for adapting and modifying the training materials it elects to use to comply with all applicable laws, rules and regulations in Franchisee's Territory. Updated training materials may be provided to Franchisee by Franchisor as they become available. All training materials provided to Franchisee, by Franchisor, will at all times remain Franchisor's property, and Franchisee agrees not to challenge Franchisor's or Franchisor's Affiliates' title or rights in or to the training materials. Franchisee may not make any disclosure, duplication or other unauthorized use of any portion of the training materials provided by Franchisor. Other than Franchisee's Principals and Key Manager, Franchisee is solely responsible for training its employees.

8.3. Additional/Refresher Training. To assist Franchisee in the operation of Franchisee's Business, Franchisor may offer additional training programs and/or refresher courses to Franchisee. Franchisor may require Franchisee's attendance at these programs and/or courses. Franchisee is responsible for the expenses, including transportation to and from the training site and lodging, meals, and salaries during such training. The additional training programs and refresher courses will be at

Franchisor's then-current location and tuition rate for such training. Also see Section 6.7 of this Agreement.

8.4. Policies. Franchisee acknowledges that Franchisor may from time-to-time, make certain recommendations as to employment policies and procedures. Franchisee will have the exclusive right to determine if it will adopt such policies and procedures and the specific terms of such policies and procedures. Franchisee is solely responsible for hiring and training its employees on all such policies and procedures.

9. INSURANCE

Franchisee agrees, at its expense, to purchase/procure and maintain in full force and effect during the term of this Agreement, but not later than the earlier of the date Franchisee Opens its Business, or Franchisee commences any construction for leasehold improvements, or Franchisee hires its first employee, such insurance policy or policies covering the operation and location of the BRIDGE TO BETTER LIVING Business as Franchisor may designate from time to time. Such insurance policies must protect the Franchisee and the Franchisor, together with their respective officers, directors, and employees, against any loss, liability, personal injury, death, property damage or expense whatsoever arising or occurring upon or in connection with the Franchised Business, as Franchisor may reasonably require, for its own and Franchisee's protection. Franchisee must name Franchisor as "Additional Insured" on a primary and non-contributory basis on your insurance policies for Commercial General Liability and Auto Liability, and provide us with an ACORD Form Certificate of Insurance for each policy prior to the earlier of the date Franchisee Opens its Business, or Franchisee commences any construction for leasehold improvements, or Franchisee hires its first employee. Franchisor presently requires System franchisees to maintain the following types of insurance, in the amounts specified in the Operations Manual:

- Professional liability insurance.
- Commercial General Liability insurance, written on an ISO CG 001 policy form or equivalent, insuring Franchisor on a primary and noncontributory basis and Franchisee against all claims, suits, obligations, liabilities and damages, including attorney fees, based upon or arising out of actual or alleged bodily injury, personal injury or property damage resulting from, or occurring in the course of, or on or about or otherwise relating to the Franchised Business.
- Commercial Automobile liability insurance, including all owned, non-owned and hired vehicle coverage.
- Workers' Compensation, Employer's Liability insurance, and, in some jurisdictions, stop gap liability (also known as employers contingent liability), as well as such other insurance as may be required by statute or rule of the state and county in which the Franchised Business is located and operated.
- Such additional insurance and types of coverage as may be required by the terms of any lease for the Franchised Business or as may be required from time to time by Franchisor.
- Network Security/Data Breach (Cyber Liability) coverage.
- Umbrella coverage over Commercial General Liability, Commercial Automobile Liability, and Employer's Liability coverages.
- Commercial Property insurance, written on a "Special" form Cause of Loss, on all real and personal property used in the operation of the Franchised Business for full repair and replacement value of the property, except that an appropriate deductible clause will be permitted not to exceed TWO THOUSAND FIVE HUNDRED DOLLARS (\$2,500).

The insurance afforded by the policy or policies respecting Professional Liability and Commercial General Liability will not be limited in any way by reason of any insurance which may be maintained by Franchisor.

Should any liability policy(ies) be written on a “claims-made” basis for trigger of cover, the policy(ies) “Retroactive Date” will at all times be the original inception date of the first claims-made liability policy acquired for insuring Franchisee. Should the claims made liability policy(ies) be replaced, full prior acts coverage is required. Should any policy(ies) be terminated or cancelled for any reason, or a “claims made” policy(ies) be rewritten to an “occurrence form” of coverage, Franchisee will maintain at a minimum and secure two (2) additional years of “Extended Reporting Period” for claims that may not be discovered until after policy termination.

Recommended Coverages:

- Crime-Fidelity Employee Dishonesty coverage with Third Party Crime endorsement added.
- Employment Practices Liability coverage.
- Sexual Abuse and Molestation Coverages.
- Business interruption extra expense insurance for actual losses sustained, for a period of indemnity not less than a six (6) month period.

All insurance policies will be issued by insurance companies licensed to do business in the state in which Franchisee operates its Business with a financial strength rating of at least “A-(VII)” status or better as indicated/rated in the most recent edition of A.M. Best’s Key Rating Guide/Insurance Reports, all in accordance with standards, limits and specifications set forth in the Operations Manual or otherwise in writing. Franchisee further agrees to purchase hired and non-hired auto insurance to cover all vehicles used in connection with operating the BRIDGE TO BETTER LIVING Business. Franchisor’s acceptance of an insurance carrier does not constitute Franchisor’s representation or guarantee that the insurance carrier will be capable of meeting claims during the term of the insurance policy. Franchisee agrees to carry such insurance as may be required by the lease of the Approved Location or by any of Franchisee’s lenders or equipment lessors and such workers compensation insurance as may be required by applicable law and the Operations Manual. In order to protect the System and Franchisor’s Proprietary Marks, all insurance policies required by this Agreement (except for workers compensation) will name Franchisor, its Affiliates, and the officers, directors, owners and agents of each of them as additional insureds, using a form acceptable to Franchisor, and will expressly provide that the interest of the additional insureds will not be affected by Franchisee’s breach of any policy provisions. Coverage will be provided on a primary and non-contributory basis and a waiver of subrogation will apply. All associated costs will be paid by Franchisee. No insurance policy will be subject to cancellation, termination, non-renewal or material modification, except upon at least thirty (30) calendar days’ prior written notice from the insurance carrier to Franchisor. Upon the execution of this Agreement and thirty (30) days before the expiration of any policy required under this Agreement, Franchisee must submit a certification of insurance that demonstrates compliance with this Section. In addition, if Franchisor requests, Franchisee will deliver to Franchisor a copy of the insurance policy or policies required. If Franchisee fails to comply with the minimum insurance requirements set forth in this Agreement or the Operations Manual, Franchisor has the right to obtain such insurance and keep same in force and effect and Franchisee will pay Franchisor, on demand, the premium cost thereof and administrative costs of up to eighteen percent (18%) in connection with Franchisor’s obtaining the insurance. Franchisor has the right to increase or otherwise modify the minimum insurance requirements upon thirty (30) days prior written notice to Franchisee, and Franchisee will comply with any such modification within the time specified in said notice.

10. FINANCIAL RECORDS AND REPORTS

10.1. Required Financial Reports. Within fifteen (15) days after the end of each calendar month and within ninety (90) days after the end of each calendar year, Franchisee must provide Franchisor with a copy of Franchisee's unaudited financial statements for the calendar year to date, prepared in accordance with generally accepted accounting principles, including a Profit & Loss Statement and Balance Sheet, which Franchisor may, in its discretion, require to be prepared by a certified public accountant or state licensed public accountant. Franchisee's fiscal year must be on a calendar year basis. Any reports requested by Franchisor will be in a format specified by Franchisor. Franchisee must maintain complete financial records for the Business for at least seven (7) fiscal years from their date of preparation.

10.2. Additional Financial Reports. Additionally, Franchisor may request, and Franchisee will deliver, copies of any other financial and tax reports, including but not limited to: (i) a monthly or quarterly income statement and profit and loss statement; and (ii) state and local sales tax returns or reports and Federal, State and local income tax returns for each year in which Franchisee's Business is operated, within thirty (30) days after their timely completion or the date of such request.

10.3. Chart of Accounts. Franchisor will provide Franchisee with a chart of accounts that Franchisee must follow in preparation of its financial statements. To assist Franchisee in recording and keeping accurate and detailed financial records for reports and tax returns, Franchisor has the right to specify the form in which the business records are to be maintained, and provide a uniform set of business records for Franchisee to use.

10.4. Access to Records. Franchisor will have full access to all of Franchisee's data, in any form or medium, systems, and related information that is collected, downloaded or otherwise received, by means of direct access, whether in person, or by electronic data communication installed and maintained at Franchisee's sole expense. Franchisee acknowledges that access to such data, systems, and related information described in this Section 10 allows Franchisor to consult with Franchisee more effectively on Franchisee's operation of the BRIDGE TO BETTER LIVING Business, allows Franchisor to verify Franchisee's compliance with this Agreement and the Operations Manual, and assists Franchisor in making uniform decisions for the benefit of the System. Franchisee hereby authorizes any Software service provider to allow Franchisor access to Franchisee's data and to disclose and turn such data over to Franchisor upon Franchisor's request.

11. INSPECTIONS/AUDITS

Franchisee must maintain accurate business records, reports, accounts, books and data relating to the operation of Franchisee's Business. To be able to verify Franchisee's compliance with this Agreement and the Operations Manual, Franchisor and Franchisor's designees have the right to inspect and/or audit Franchisee's business records at any time during normal business hours, to determine whether Franchisee is current with suppliers and is otherwise operating in compliance with the terms of this Agreement and the Operations Manual. If any audit reveals that Franchisee has understated Franchisee's Royalty Fee or Brand Fund contributions/payments, or Franchisee's local marketing expenditures, by more than two percent (2%), or if Franchisee has failed to submit timely reports and/or remittances for any two (2) reporting periods within any twelve (12)-month period, Franchisee must pay the reasonable cost of such audit and/or inspection, including the cost of outside auditors and attorneys (to the extent Franchisor incurs such costs), together with amounts due for Royalty Fees and other fees as a result of such underreporting and/or failure to submit reports, along with all late fees and interest which may otherwise be due under this Agreement.

12. MARKETING

Recognizing the value of marketing and promotion, and the importance of the standardization of marketing and promotional programs to the furtherance of the goodwill and public image of the System, the parties agree as follows:

12.1. Generally. With regard to marketing generally for the BRIDGE TO BETTER LIVING Business, Franchisee will place or display at the Approved Location (interior and exterior) only such signs, emblems, lettering, logos, trade dress, and displays and marketing materials as Franchisor approves in writing, in advance, from time to time. Franchisee acknowledges that Franchisor's right to approve such marketing is to protect the System, brand and Proprietary Marks. Franchisee will submit to Franchisor, at least ten (10) days prior to publication or use, samples of all sales, promotional, and marketing materials Franchisee desires to use, including, but not limited to, print, radio and television marketing, signage, and packaging which Franchisor has not previously approved. Such submission will not affect Franchisee's right to determine the prices at which Franchisee sells Franchisee's System Services and products. Within ten (10) days of Franchisor's receipt of any sample sales promotional material or marketing materials from Franchisee, Franchisor will notify Franchisee in writing of Franchisor's approval or disapproval of the materials. In the event Franchisor does not respond within the ten (10) days, the material will be deemed not approved. Franchisee will not use any marketing or promotional materials for which Franchisor has not given Franchisor's prior written approval. All marketing will prominently display the Proprietary Marks, use Franchisee's corporate or limited liability company name followed by the phrase "an independently owned and operated BRIDGE TO BETTER LIVING Business", and will comply with any standards for use of the Proprietary Marks Franchisor establishes as set forth in the Operations Manual or otherwise in writing. Franchisor may require Franchisee to discontinue the use of any marketing material within time frames prescribed by Franchisor, at Franchisee's sole cost and expense.

12.2. Advertising, Promotion, Solicitation and Services by Franchisee. Franchisee is permitted to solicit Clients and Customers and market outside of Franchisee's Territory. Notwithstanding the foregoing, Franchisee may not accept Clients outside of Franchisee's Territory without Franchisor's prior written consent, which Franchisor is under no obligation to grant. In the event Franchisee obtains a Client in its Territory, Franchisee may place that Client with a Customer outside of its Territory.

Notwithstanding the foregoing, if Franchisor has granted Franchisee approval to provide System Services outside of Franchisee's Territory, Franchisor may withdraw its approval at any time and for any reason without any further obligation to Franchisee. If, before this Agreement is signed by you and Franchisor, another BRIDGE TO BETTER LIVING franchisee has been serving Clients in an area/Territory previously unassigned to any franchisee that is now in Franchisee's Territory, Franchisor will, in the best interests of continuity of Client care, permit that franchisee to continue to serve the particular Client in Franchisee's Territory. Despite any other provision in this Agreement to the contrary, authority for the disposition and resolution of any request by Franchisee or disagreement that may arise between Franchisor and Franchisee about Zip Codes, Territory make-up, franchisee sales, marketing, promotions, advertising, soliciting, working or rendering services or products, materials or equipment outside of a franchisee's Territory will rest with the Franchisor and Franchisor's decision will be final and conclusive.

12.3. Internet Website.

12.3.1. In order to maintain the uniformity of the brand, Franchisee will not establish a website that provides information about the System, System Services, and products offered by BRIDGE TO BETTER LIVING Businesses or any other Web presence on the Internet using any domain name until Franchisee obtains Franchisor's prior written approval. Franchisor may use part of the monies from the Brand Fund to pay or reimburse the costs associated with the development, maintenance and update of such web site. Franchisor will be the web master, directly or through a third party, and have sole control over such website and the content. Franchisee will not advertise on the Internet or via social media marketing app providers without our prior written approval in accordance with the marketing requirements of this Agreement.

12.3.2. Franchisor may design and provide to Franchisee a web page for the promotion of Franchisee's Business on Franchisor's website. In such case, Franchisor will be the web master, either directly or through a third party, and will have sole control over such web page. Franchisor will review and execute, subject to Franchisor's approval, requested changes to Franchisee's web page. Franchisee is not permitted to maintain an individual website related to the Business, or to establish a URL incorporating any variation of the "BRIDGE TO BETTER LIVING®" or "BRIDGE TO BETTER LIVING" name or the Proprietary Marks, without Franchisor's prior written approval. Franchisee will not violate Franchisor's privacy policies as posted on the website. Franchisor may use part of the monies from the Brand Fund to pay or reimburse the costs associated with the development, maintenance and update of the website. Franchisee must also participate in any System-wide area computer network, intranet system, or extranet implemented by Franchisor as described in Section 7.10 above.

12.3.3. Franchisee acknowledges that Franchisor is the lawful, rightful and sole owner of the Internet domain name www.BRIDGETOBETTERLIVING.com, and any other Internet domain names registered by Franchisor, and unconditionally disclaims any ownership interest in those or any arguably similar Internet domain names. Franchisee agrees not to register any Internet domain name in any class or category that contains words used in or similar to any Proprietary Marks, brand name owned by Franchisor or Franchisor's Affiliates or any abbreviation, acronym, phonetic variation or visual variation of those words.

12.4. Opening Marketing & Promotion; Brand Fund.

12.4.1. **Opening Marketing Requirement.** For a time period of 60 days before you Open your Business through 90 days after Opening, you must work with Franchisor and prepare for, advertise

for, and hold a grand opening event or chamber of commerce or similar local agency event, to include other advertising, spending at least \$3,000 spreading the word about your new Business in accordance with a marketing plan proposed by Franchisee and approved by Franchisor. This \$3,000 will be for initial opening or grand opening advertising (“**Opening Marketing Requirement**”). All marketing materials must be approved by Franchisor in writing prior to use.

12.4.2. **Brand Fund.** Franchisor has the right to establish the Brand Fund to promote the System. Franchisor has the right to use Brand Fund contributions to develop, produce and distribute national, regional and/or local marketing and to create marketing materials and public relations programs that promote the services offered by System franchisees. Within the limits set in this Section 12.5, Franchisor has the sole right to determine the amount of contributions to and expenditures from the Brand Fund, or any other marketing program, and the sole right to determine, without limitation, the selection of the marketing materials and programs. Franchisor may use the Brand Fund to satisfy any and all costs of maintaining, administering, directing, preparing, and producing marketing materials, including the cost of preparing and producing television, radio, magazine and newspaper advertising campaigns, the cost of marketing materials; the cost of public relations activities and marketing agencies; the cost of developing and maintaining one or more Internet websites; and personnel and other departmental costs for advertising or marketing that Franchisor internally administers or prepares. Franchisee acknowledges that not all System Franchisees will benefit directly or on a pro rata basis from such expenditures. While Franchisor does not anticipate that any part of the Brand Fund contributions will be used for advertising which is principally a solicitation for franchisees, Franchisor reserves the right to use the Brand Fund for public relations or recognition of the BRIDGE TO BETTER LIVING® brand, for the creation and maintenance of a website, a portion of which can be used to explain the franchise offering and solicit potential franchisees, and to include a notation in any marketing materials indicating “Franchises Available”.

12.4.3. Franchisor may periodically conduct Client and Customer surveys, interviews, and other similar initiatives (“**Surveys**”). The cost of such programs will be borne by the Brand Fund or by Franchisor.

12.4.4. Franchisor has the right to reimburse itself from the Brand Fund contributions for such reasonable costs and overhead, if any, as Franchisor may incur in activities reasonably related to the direction and implementation of the Brand Fund.

12.4.5. BRIDGE TO BETTER LIVING Businesses operated by Franchisor and its Affiliates may contribute to the Brand Fund, but not necessarily on the same basis as franchisees. Should the marketing contribution for the System decrease at any time, Franchisor has the right to reduce the contribution from Franchisor and Affiliate-owned BRIDGE TO BETTER LIVING Businesses to the Brand Fund.

12.4.6. Upon Franchisee’s request, Franchisor will make available for Franchisee within sixty (60) days of the end of the fiscal year, a statement of contributions to and expenditures from the Brand Fund. The Brand Fund is not required to be independently audited.

12.4.7. Franchisor has the right to require that a marketing cooperative and/or franchisee advisory council be formed, changed, dissolved or merged.

12.5. Regional Marketing and Promotional Cooperative. Franchisor will have the right to designate geographical areas for purposes of establishing regional marketing and promotional

cooperatives (“**Cooperative**”). If the BRIDGE TO BETTER LIVING Business is in a geographic area in which a Cooperative has been established as of the Opening date of the Business, Franchisee must immediately become a member of such Cooperative. If a Cooperative is established at any later time during the term of this Agreement, Franchisor has the right to require that Franchisee become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative begins operation. If the Territory of the BRIDGE TO BETTER LIVING Business is within the geographic area of more than one Cooperative, Franchisee is required to be a member of only one such Cooperative. The following provisions will apply to each Cooperative:

12.5.1. Each Cooperative will be organized and governed in a form and manner, and will commence operation on a date, approved in advance by Franchisor;

12.5.2. Each Cooperative will be organized for the exclusive purpose of administering regional marketing programs and developing, subject to Franchisor’s approval, standardized marketing materials for use by the members in local marketing;

12.5.3. No promotional or marketing plans or materials may be used by a Cooperative or furnished to its members without Franchisor’s prior approval. All such plans and materials will be submitted to Franchisor in accordance with the procedure set forth in Section 12.1 of this Agreement;

12.5.4. All activities and contributions to the Cooperative will be determined by a majority or supermajority vote of the member franchisees in the Cooperative; provided, that Franchisor will have the right to approve any contribution which may exceed the Local Marketing Requirement;

12.5.5. Each member franchisee must pay its contribution to the Cooperative at such time as set forth in and together with such other statements or reports as may be required by the Cooperative’s governing documents; and

12.5.6. Franchisor may grant an exemption from the requirement of membership in a Cooperative to any franchisee, for any length of time, upon written request of such franchisee stating reasons supporting such request for an exemption. Franchisor’s decision concerning such request for exemption will be final.

12.6. Local Marketing. Franchisee must spend the Local Marketing Requirement (defined below) as Franchisor prescribes in the Operations Manual or otherwise in writing, which may include, without limitation, requirements for marketing events held for Clients and Customers or media placements. In addition to the Brand Fund Contribution described above, we impose (i) the initial marketing set-up fee of \$2,500 due directly to our marketing vendor as described in Section 3.2, plus we require you to spend (ii) at least 10% of Gross Revenues (measured annually) or \$1,500 monthly minimum, whichever is greater, on local marketing and promotion in accordance with our standards and specifications and an annual marketing plan approved by us (collectively, the “**Local Marketing Requirement**”). The minimum monthly payment currently includes a monthly charge of \$595 for a marketing plan with our marketing and advertising agency. We set a maximum required Local Marketing Requirement of \$45,000 each year. Local Marketing Requirements are advertising, marketing and promotional expenditures that are paid to third parties - measured annually for determination of minimum spending requirement. You must send us proof of these expenditures as directed in the Operations Manual. Currently, receipts for such expenditures are due within 90 days of the end of each year. Franchisee acknowledges and agrees that Franchisee’s Local Marketing Requirement must be expended regardless of the amount(s) spent by other System franchisees on local marketing. Franchisee may spend

any additional sums Franchisee wishes on Local Marketing. Franchisee must use only such marketing and promotional materials as have been previously approved by Franchisor. Franchisee will submit to Franchisor on or before December 1st of each year an annual plan for Franchisee's expenditure of Franchisee's Local Marketing Requirement.

13. INDEPENDENT CONTRACTOR; INDEMNIFICATION

13.1. Independent Contractor Status. Franchisee agrees that the relationship created by this Agreement is not a fiduciary, special, or any other similar relationship, but rather is an arm's-length business relationship, and Franchisor owes Franchisee no duties except as expressly provided in this Agreement. Franchisee is an independent contractor responsible for full control over the internal management and daily operation of Franchisee's Business, and neither party to this Agreement is the agent, principal, partner, employee, joint employer, employer or joint venture partner of the other party, Franchisee's owners or Principals. Franchisee may not act or represent itself, directly or by implication, as Franchisor's agent, partner, employee, joint employer or joint venture partner, and Franchisee may not incur any obligation on Franchisor's behalf or in Franchisor's name. All business cards used and contractual agreements entered into by Franchisee will contain Franchisee's legal name and a conspicuously displayed notice, in the place Franchisor designates, that Franchisee operates Franchisee's Business as an independently owned and operated BRIDGE TO BETTER LIVING Franchise and that Franchisee independently owns and operates the Business as a System franchisee. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty, or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor will in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action; nor will Franchisor be liable by reason of any of Franchisee's acts or omissions in the operation of the BRIDGE TO BETTER LIVING Business or for any claim or judgment arising therefrom against Franchisee or Franchisor. The occasional or sporadic act of control by Franchisor directing the detail of any work is not sufficient to destroy the agreement forming the basis of the parties' independent contractor relationship. Franchisee acknowledges that it is the sole and independent owner of the BRIDGE TO BETTER LIVING business and Franchisee is in full control thereof. Franchisee will conduct the BRIDGE TO BETTER LIVING Business in accordance with its own judgment, subject only to the provisions of this Agreement. The relationship between Franchisor and the Franchisee does not create any fiduciary relationship between Franchisor, the Franchisee and Franchisee's owner(s), nor does it constitute the Franchisee, or the Franchisee's Principal(s), as an agent, legal representative, joint venture partner, joint employer, partner or servant of Franchisor for any purpose whatsoever.

13.2. Indemnification. Franchisee and Franchisee's Principals agree to indemnify, defend and hold harmless Franchisor, Franchisor's Affiliates, together with their respective members, shareholders, directors, officers, employees, agents, successors and assigns (collectively "**Indemnitees**") against and to reimburse them for all claims, obligations, liabilities and damages ("**Claims**"), including without limitation reasonable accountant, attorney, and expert witness fees and costs, directly or indirectly arising out of the operation of the BRIDGE TO BETTER LIVING Business or the breach of this Agreement, without regard to the cause or causes thereof, or the negligence (whether such negligence be sole, joint or concurrent, or active or passive) or strict liability of Franchisor or any other party or parties in connection therewith, including, without limitation: (a) any and all taxes owed in respect of the BRIDGE TO BETTER LIVING Business, the use of or lease for the Approved Location, the sale or provision of any System Services, other products or services, and Franchisee's advertising or marketing of the BRIDGE TO BETTER LIVING Business, System Services, and other products and services; (b) the use of the Proprietary Marks and Franchisor's BridgIT software program and other Proprietary Software, if any; (c) the infringement, alleged infringement, or any other violation or alleged violation by Franchisee

or any of Franchisee's owners, officers, directors or employees of any patent, mark or copyright or other proprietary right owned or controlled by third parties; or (d) libel, slander or any other form of defamation by Franchisee or by any of Franchisee's Principals. For purposes of this indemnification, "**Claims**" will mean and include all obligations, actual, consequential, punitive and other damages, and costs reasonably incurred in the defense of any action, including attorneys', attorney assistants' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses, and travel and living expenses, whether or not such claims exceed the amount of insurance coverage available through Franchisee to Franchisor. Franchisor will have the right to defend any such claim against it in such manner as Franchisor deems appropriate or desirable. Such an undertaking by Franchisor will, in no manner or form, diminish the obligation of Franchisee's and each of Franchisee's Principals to indemnify the Indemnities and to hold them harmless. This indemnity will continue in full force and effect subsequent to and notwithstanding the expiration, termination or transfer of this Agreement or any interest in it.

14. SALE OR TRANSFER

14.1. Transfer by Franchisee or its Principals. Franchisee's rights under this Agreement are personal, and neither Franchisee nor any of its Principals, nor any of their respective permitted successors or assigns, will sell, assign, transfer, convey, give away, pledge, mortgage or otherwise dispose of or encumber any direct or indirect interest in this Agreement, in the BRIDGE TO BETTER LIVING Business, or in Franchisee, without Franchisor's prior written consent. Any purported assignment or transfer, by operation of law or otherwise, made in violation of this Agreement will be null and void and will constitute a material breach of this Agreement. If Franchisee wishes to transfer all or part of its interest in the BRIDGE TO BETTER LIVING Business or this Agreement, or if Franchisee or any Principal wishes to transfer any ownership interest in Franchisee, the transferor will apply to Franchisor for its consent. Franchisor will not unreasonably withhold consent but may require any or all of the following as conditions of its consent:

14.1.1. All of Franchisee's accrued monetary obligations to Franchisor, Franchisor's Affiliates, and Franchisor's designated/approved suppliers and vendors, will have been satisfied;

14.1.2. Franchisee must have cured all existing defaults under this Agreement, or any other agreement between Franchisee and Franchisor, Franchisor's Affiliates and Franchisor's designated/approved suppliers and vendors, within the period permitted for cure and have substantially complied with such agreements during their respective terms;

14.1.3. Franchisee and Franchisee's Principals, and the transferee must execute a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and Franchisor's Affiliates and their respective officers, directors, shareholders and employees, in their corporate and individual capacities; provided, however, the release will not be inconsistent with any applicable federal or state statute regulating franchising;

14.1.4. Franchisee will provide to Franchisor a copy of the executed purchase agreement relating to the proposed transfer with all supporting documents and schedules, including transferee's assumption of an agreement to perform all of Franchisee's obligations under this Agreement and the new franchise agreement to be signed by the transferee;

14.1.5. The transferee (or its Principals) will demonstrate to Franchisor's satisfaction that he, she or it meets Franchisor's educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to conduct the business to be

transferred; and has adequate financial resources and capital to meet the performance obligations under this Agreement and the transferee's new franchise agreement; however, transferee will not be in the same business as Franchisor either as licensor, franchisor, independent operator, licensee or franchisee of any other business or chain which is similar in nature to the BRIDGE TO BETTER LIVING® System or in competition with the Franchisor or the BRIDGE TO BETTER LIVING® System, except that the transferee may be an existing BRIDGE TO BETTER LIVING® franchisee in good standing;

14.1.6. The transferee will execute Franchisor's then-current form of franchise agreement and related documents; or

14.1.7. Franchisee or transferee will have fully paid, and satisfied all of Franchisee's obligations to Franchisor, at or before the closing of the transfer, a transfer fee for the training, supervision, administrative costs, overhead, counsel fees, accounting and other related Franchisor incurred expenses in connection with the transfer in the amount determined as follows: fifty percent (50%) of the Franchise Fee, but in no event less than \$24,000, then being charged by Franchisor for a new franchise.

This transfer fee will not apply to an assignment of interest to a corporation or limited liability company under Section 14.3 of this Agreement or a transfer to a Permitted Transferee under Section 14.5 of this Agreement;

14.1.8. The transferee will satisfactorily complete Franchisor's training program at the transferee's expense within the time frame Franchisor requires prior to the transfer;

14.1.9. Franchisee (and all of Franchisee's Principals), and the members of their respective families must comply with their post-term obligations under this Agreement;

14.1.10. The transferee must obtain, within the time limits set by Franchisor, and maintain thereafter, all permits and licenses required for the operation of the Business;

14.1.11. To the extent required by the terms of any leases or other agreements, the lessors or other parties must have consented to the proposed transfer;

14.1.12. The transfer must be made in compliance with any laws that apply to the transfer;

14.1.13. The purchase price and terms of the proposed transfer are not so burdensome to the prospective transferee as to impair or materially threaten its future operation of the Business and performance under its franchise agreement;

14.1.14. Franchisee must request that Franchisor provide the prospective transferee with Franchisor's current form of Franchise Disclosure Document and Franchisor will not be liable for any representations not included in the Franchise Disclosure Document;

14.1.15. Franchisor's approval of the transfer will not constitute a waiver of any claims Franchisor may have against the transferring party, its Principals, or guarantors;

14.1.16. Franchisor will have the right to disclose to any prospective transferee such revenue reports and other financial information concerning Franchisee and Franchisee's Business that

Franchisee has supplied to Franchisor or that Franchisor has a right to receive from other sources under this Agreement;

14.1.17. Any new partner, shareholder, or member owning a ten percent (10%) or more of the outstanding ownership interests in Franchisee will be required to personally guarantee Franchisee's obligations under this Agreement;

14.1.18. Franchisor's consent to a transfer must be in writing and it will not, unless stated in writing, grant the transferee a release by Franchisor of Franchisee's obligations pursuant to this Agreement; and

14.1.19. In any event, Franchisor may withhold or condition Franchisor's consent to any transfer, as Franchisor deems appropriate. More than likely, shortly after receipt of the signed purchase agreement, Franchisor will require the Franchisee, transferee and Franchisor to enter into a three-party agreement, among the seller, buyer and Franchisor, setting forth the conditions to Franchisor's consent.

14.2. Right of First Refusal. Except for: (i) transfers pursuant to Section 14.3, (ii) any transfer to an existing shareholder, partner or member of Franchisee to which Franchisor has given prior written consent and (iii) transfers as a result of the death, disability or incapacitation of Franchisee or any Principal, if Franchisee or any Principal proposes to transfer this Agreement or all, or substantially all, of the assets used in connection with the BRIDGE TO BETTER LIVING Business or all or substantially all of the ownership interests in Franchisee to any third party, Franchisee will first offer to sell such interest to Franchisor on the same terms and conditions as offered by such third party. Franchisee will obtain from the third party and provide Franchisor a statement in writing, signed by the third party and Franchisee, of the terms of the offer ("**Letter of Intent**") and any other documentation related to the proposed sale (collectively, the "**Transfer Documents**"). If Franchisor elects not to accept the offer within thirty (30) days following its receipt of the Transfer Documents, Franchisee (or its Principal(s)) will have a period not to exceed sixty (60) days to complete the transfer described in the Transfer Documents subject to the conditions for approval set forth in Section 14.1 of this Agreement. Franchisee will effect no sale or transfer subject to this Section 14.2 without first complying with the terms of this Agreement. Any material change in the terms of the offer to purchase will be deemed a new proposal subject to Franchisor's right of first refusal.

14.3. Transfer for Convenience to a Corporation, Limited Liability Company or Other Entity. Franchisor will not unreasonably withhold its consent to any transfer referenced in Section 14.1 of this Agreement when requested; provided, however, that the following conditions and requirements will first be met to the full satisfaction of Franchisor:

14.3.1. If Franchisee is an individual or general partnership and desires to assign and transfer its rights to a corporation, limited liability company or other entity (hereinafter the "**Business Transferee Entity**"):

14.3.1.1. The Business Transferee Entity will be newly and duly organized by the Franchisee, in good standing in its state of origin, and validly existing solely for the exclusive purpose of owning and operating a BRIDGE TO BETTER LIVING Business as licensed under this Agreement and will state that in its organizational documents;

14.3.1.2. Franchisee will be and will remain the owner of the voting stock, membership interest or other interest of the Business Transferee Entity, provided Franchisor may, in its sole discretion, allow additional members, partners, or shareholders of the transferee entity;

14.3.1.3. The individual Franchisee (or, if Franchisee is a partnership, one of the partners) will be the Operating Principal of the Business Transferee Entity or appoint an Operating Principal approved by Franchisor;

14.3.1.4. The Business Transferee Entity will enter into a written assignment or agreement and conditional consent to transfer (in a form satisfactory to Franchisor) in which the Business Transferee Entity assumes all of Franchisee's obligations in this Agreement;

14.3.1.5. All shareholders or members of the Business Transferee Entity will enter into a written non-compete agreement, together with a guaranty and assumption of obligations agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the Business Transferee Entity's obligations to Franchisor under this Agreement;

14.3.1.6. Each stock certificate or membership certificate of the Business Transferee Entity will have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

14.3.1.7. The shareholders agreement or members agreement and operating agreement of the Business Transferee Entity will be in writing and will conspicuously state that all interests are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

14.3.1.8. No shares of common or preferred stock or membership interests or partnership interest (of whatever nature) in the Business Transferee Entity will be issued or transferred, directly or indirectly, to any person, partnership, trust, foundation, limited liability company, corporation or other entity without obtaining Franchisor's prior written consent and then, only upon disclosure of the terms and conditions contained in this Agreement being made to the prospective new holders of the stock or membership interests;

14.3.1.9. All accrued money obligations of Franchisee to Franchisee's suppliers, Franchisor, its subsidiaries or assignees, will be satisfied prior to assignment or transfer;

14.3.1.10. Franchisor has the right to require that the Business Transferee Entity execute this Agreement or a new Franchise Agreement, together with a Confidentiality and Non-Compete Agreement, (and its Principals may also be so required), for the term established in the form of the standard form franchise agreement then being offered to new System franchisees and other standard ancillary agreements with Franchisor on the current standard forms being used by Franchisor;

14.3.1.11. The Business Transferee Entity will deliver copies of the Business Transferee Entity's organizational documents, stamped as filed with the appropriate governmental authority, to Franchisor prior to the assignment of this Agreement and from time to time upon Franchisor's request;

14.3.1.12. The Business Transferee Entity will not use any Proprietary Marks or portion of any Proprietary Mark as part of any corporate or other entity name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified or other confusingly similar form; and

14.3.1.13. The Franchisee Principal(s)/owner(s) prior to the transfer will execute a general release, in a form prescribed by Franchisor, of any and all existing claims against Franchisor and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law.

14.3.2. If Franchisee is an individual or general partnership and desires to assign and transfer its rights to a trust or other similar entity (hereinafter the “**Trust Transferee Entity**”):

14.3.2.1. The Trust Transferee Entity will be in good standing in its state of origin, and validly existing with the power and purpose of owning and operating a BRIDGE TO BETTER LIVING Business as licensed under this Agreement and will state that in its organizational documents;

14.3.2.2. Franchisee will be and will remain the grantor and beneficial owner of the majority of the interest of the Trust Transferee Entity;

14.3.2.3. The individual Franchisee (or, if Franchisee is a partnership, one of the partners) will be the Operating Principal of the Trust Transferee Entity or appoint an Operating Principal approved by Franchisor;

14.3.2.4. The Trust Transferee Entity will enter into a written assignment or agreement and conditional consent to transfer (in a form satisfactory to Franchisor) in which the Trust Transferee Entity assumes all of Franchisee’s obligations in this Agreement;

14.3.2.5. All grantors and trustees of the Trust Transferee Entity will enter into a written non-compete agreement, together with a guaranty and assumption of obligations agreement, in a form satisfactory to Franchisor, jointly and severally guaranteeing the full payment and performance of the Trust Transferee Entity’s obligations to Franchisor under this Agreement;

14.3.2.6. Any certificate or other evidence of beneficial interest in the Trust Transferee Entity will have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement and a copy of same will be delivered to Franchisor;

14.3.2.7. The trust agreement of the Trust Transferee Entity will be in writing and will conspicuously state that all legal and beneficial interests are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement and a copy thereof will be delivered to Franchisor;

14.3.2.8. No legal or beneficial interests (of whatever nature) in the Trust Transferee Entity will be issued or transferred, directly or indirectly, to any person, partnership, trust, foundation, limited liability company, corporation or other entity without obtaining Franchisor’s prior written consent and then, only upon disclosure of the terms and conditions contained in this Agreement being made to the prospective new holders of the legal or beneficial interests;

14.3.2.9. All accrued money obligations of Franchisee to Franchisee's suppliers, Franchisor, its subsidiaries or assignees, will be satisfied prior to assignment or transfer;

14.3.2.10. Franchisor has the right to require that the Trust Transferee Entity execute this Agreement or a new Franchise Agreement, together with a Confidentiality and Non-Compete Agreement, (all beneficiaries of the trust will also sign a guaranty and a Confidentiality and Non-Compete Agreement) for the term established in the form of the standard form franchise agreement then being offered to new System franchisees and other standard ancillary agreements with Franchisor on the current standard forms being used by Franchisor;

14.3.2.11. The Trust Transferee Entity will deliver copies of the Business Transferee Entity's organizational documents to Franchisor prior to the assignment of this Agreement and from time to time upon Franchisor's request;

14.3.2.12. The Trust Transferee Entity will not use any Proprietary Marks or portion of any Proprietary Mark as part of any corporate or other entity name, with any prefix, suffix or other modifying words, terms, designs or symbols or in any modified or other confusingly similar form; and

14.3.2.13. The Franchisee Principal(s)/owner(s) prior to the transfer will execute a general release, in a form prescribed by Franchisor, of any and all existing claims against Franchisor and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law.

14.3.3. If the transfer, other than such transfer as is authorized under Section 14.3.1 of this Agreement, if consummated alone or together with other related previous, simultaneous or proposed transfers, would have the effect of transferring control of the franchise granted by this Agreement to someone other than an original signatory of this Agreement:

14.3.3.1. The transferee(s) will be of good moral character with collected skill, aptitude, business ability, and reputation, together with a good credit rating, financial capacity, and competent business qualifications reasonably acceptable to Franchisor. Franchisee will provide Franchisor with a final purchase agreement duly executed by Franchisor and transferee, together with such information as Franchisor may require to make such determination concerning each such proposed transferee;

14.3.3.2. The transferee(s) or such other individual(s) as will be the Operating Principal will have successfully completed and passed the training course then in effect for franchisees or will have otherwise demonstrated to Franchisor's satisfaction, sufficient ability to operate the BRIDGE TO BETTER LIVING Business being transferred;

14.3.3.3. Franchisor has the right to require that the transferee(s), including all shareholders, officers, directors, members, beneficiaries, trustee, managers, governors and partners of the transferee(s), jointly and severally execute any or all of the following:

(a) This Agreement or a new franchise agreement for the term established in the form of the standard form Franchise Agreement then being offered to new System franchisees and other standard ancillary agreements with Franchisor on the current standard forms being

used by Franchisor, such as a non-compete agreement and a guaranty and assumption of obligations, except that an additional Franchise Fee will not be charged; and/or

(b) A written agreement and conditional consent to transfer agreement or assignment from Franchisee in a form satisfactory to Franchisor, wherein transferee will assume all of Franchisee's obligations under this Agreement;

14.3.3.4. Approval by Franchisor of any transfer by Franchisee of the BRIDGE TO BETTER LIVING Business or any of Franchisee's rights under this Agreement will in no way be deemed a release by Franchisor of Franchisee's obligations pursuant to this Agreement. Consent by Franchisor to a transfer of the BRIDGE TO BETTER LIVING Business will not constitute or be interpreted as consent for any future transfer of the franchise;

14.3.3.5. The term of said agreements required pursuant to Section 14.3.3.3 will be for the unexpired term of this Agreement and for any extensions or renewals as provided in this Agreement;

14.3.3.6. If transferee is a corporation or a limited liability company:

(a) The Transferee Entity will be newly and duly organized, in good standing in its state of origin, and validly existing solely for the exclusive purpose of owning and operating a BRIDGE TO BETTER LIVING Business as licensed under this Agreement and will state that in its organizational documents; and each stock certificate or membership certificate of the Transferee Entity will have conspicuously endorsed upon it a statement that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

(b) The shareholders agreement or members agreement and operating agreement of the Transferee Entity will be in writing and will conspicuously state that all interests are held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon assignments by this Agreement;

(c) No shares of common or preferred stock or membership interests in the Transferee Entity will be issued or transferred, directly or indirectly, to any person, partnership, trust, foundation, limited liability company, corporation or other entity without obtaining Franchisor's prior written consent and then, only upon disclosure of the terms and conditions contained in this Agreement being made to the prospective new holders of the stock or membership interests; and

(d) All shareholders or members of the Transferee Entity will enter into a written non-compete agreement, together with a written agreement, in a form satisfactory to Franchisor, guaranteeing the full payment and performance by the transferee of all obligations to Franchisor under this Agreement; and

(e) The Transferee Entity will designate an Operating Principal in accordance with Section 7.2.

14.3.3.7. All accrued money obligations of Franchisee to Franchisee's suppliers, to Franchisor, or assignee(s) of Franchisor, will be satisfied prior to assignment or transfer, and Franchisee will not be in default under the terms of this Agreement;

14.3.3.8. Franchisee, Operating Principal and each of its shareholders or members, prior to the transfer, will execute a general release, in a form prescribed by Franchisor, of any and all existing claims against Franchisor and its respective officers, directors, agents and employees, except such claims as are not permitted to be waived under applicable law; and

14.3.3.9. Franchisee, transferee and Franchisor will enter into an agreement and conditional consent to transfer, which agreement will set forth all of the conditions precedent to the transfer and it will be provided by Franchisor;

14.3.4. All Principals of the corporate or limited liability company must execute a Guaranty in the form set forth as Attachment 2 to this Agreement and a Confidentiality and Non-Compete Agreement in the form set forth as Attachment 3 to this Agreement.

14.4. Death or Disability.

14.4.1. Right to Continue as Franchisee. In the event of Franchisee's death, disability or incapacitation (or the death, disability or incapacitation of any of Franchisee's Principals), the executor, administrator or other personal representative of such person will, within forty-five (45) days from the date of death, disability or incapacity (the "**45 day period**"), transfer such person's interest in the franchise which is the subject of this Agreement or in Franchisee to such person's heirs or distributees; provided, that they (i) have been approved in writing by Franchisor as qualified to operate the franchise (based on Franchisor's then-current qualification requirements), (ii) have executed Franchisor's then-current franchise agreement for the unexpired term of the franchise and any related documents (including the Guaranty), and (iii) have successfully completed Franchisor's Initial Training Program (which Franchisor will provide at Franchisor's then-current tuition rate). Franchisor has the right to determine if the heirs or distributees of the deceased, disabled or incapacitated Franchisee or Principal are qualified to operate the franchise. If Franchisor determines that they are unqualified, then, the executor, administrator or personal representative of such person will have an additional period of ninety (90) days (the "**90 day period**") in which to transfer the interest of Franchisee or its Principal to a third party who satisfies the requirements in subsections (i) through (iii) above.

14.4.2. Business Operation Prior to Transfer. Franchisor is under no obligation to operate the Business, or incur any obligation, during or after the 45 day period or the 90 day period referenced in Section 14.4.1. If necessary, Franchisee (or Franchisee's legal representative, as applicable) will appoint a previously approved employee to act as interim manager to operate the Business during the 45 day period and/or the 90 day period. Franchisor has the right but not the obligation to operate the BRIDGE TO BETTER LIVING Business on Franchisee's behalf and at Franchisee's expense for such period of time (and under such terms and conditions) as Franchisor determines, including paying out the assets and/or revenues of the Business to cover any or all past, current and/or future obligations of the Business (including any amounts owed to Franchisor and/or any Affiliate) in such priorities as Franchisor determines from time-to-time. Franchisor may pay itself a reasonable amount to reimburse Franchisor for Franchisor's management services and other costs. Franchisor may obtain approval of a court or arbitrator for any such arrangements, the attorney's fees and other costs incurred in connection with obtaining such approval to be charged against the assets and/or revenues of Franchisee's Business. Franchisee (and/or Franchisee's estate) will indemnify Franchisor against any costs and/or liabilities incurred by it in connection with, or related in any way to, the operation (or otherwise) of Franchisee's Business.

14.5. Permitted Transferees. Despite anything to the contrary contained in this Agreement, Franchisor will consent to any transfer referenced in Section 14.1 of this Agreement when requested when such proposed transferee is (i) a spouse or child of a Franchisee who is an individual (a “**Permitted Transferee**”); provided, however, that the conditions and requirements contained in Section 14.1 of this Agreement (other than the transfer fee in Section 14.1.7) will first be met with regard to the Permitted Transferee to the full satisfaction of Franchisor.

14.6. Securities Offerings. Interests in Franchisee will not be offered to the public by private or public offering without Franchisor’s prior written consent, which Franchisor will not unreasonably withhold. As a condition of its consent, Franchisor has the right to require that immediately after such offering Franchisee’s Principals retain a controlling interest (as that term is commonly known in dealing with securities) in Franchisee. Franchisee agrees to give Franchisor written notice at least thirty (30) days before the commencement of any offering covered by this Section 14.6 and to submit all offering materials to Franchisor for review before they are filed with any governmental agency or distributed for use. Franchisor’s review of the offering materials will be limited solely to the subject of the relationship between Franchisee and Franchisor. No offering will imply that Franchisor is participating in an underwriting, issuance or offering of securities. Franchisor may require the offering materials to contain a written statement prescribed by Franchisor concerning the relationship between Franchisor and Franchisee. Franchisee, its Principals and the other participants in the offering must fully indemnify Franchisor, its Affiliates, and their respective officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants and employees, past and present, in connection with the offering, and Franchisee must reimburse Franchisor for its reasonable costs and expenses (including, without limitation, legal and accounting fees and costs) associated with reviewing the offering materials.

14.7. Franchisor’s Right to Transfer. This Agreement and any rights under this Agreement can be assigned and transferred by Franchisor and, if so, will be binding upon and inure to the benefit of Franchisor’s successors and assigns; provided, however, that with respect to any assignment or transfer resulting in the subsequent performance by the assignee or transferee of the functions of Franchisor, the assignee or transferee will: (i) at the time of such assignment, be financially responsible and economically capable of performing the obligations of Franchisor under this Agreement; and (ii) expressly assume and agree to perform such obligations.

14.7.1. Franchisee’s Consent. Specifically, and without limitation to the foregoing, Franchisee expressly agrees and acknowledges by signing below that Franchisor may: sell all or substantially all of its assets, Propriety Marks and/or System, outright to a third party; make a public offering of Franchisor as securities; engage in a private placement of some or all of its securities; merge, acquire other corporations or entities, or be acquired by another corporation or other entity; undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; go out of business or abandon the business; and, with regard to any or all of the above sales, assignments, options, and dispositions, Franchisee expressly and specifically waives any claims, demands or damages arising from or related to the loss of any Proprietary Marks (or any variation thereof) and/or the loss of association with or identification of Bridge To Better Living Franchising, LLC as Franchisor.

Nothing contained in this Agreement will require Bridge To Better Living Franchising, LLC to continue to offer franchises in the event that Franchisor exercises its rights to assign or otherwise transfer its rights in this Agreement or do any of the things set forth above.

15. BREACH AND TERMINATION

15.1. Termination with Notice and Without Opportunity to Cure. Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon notice to Franchisee, upon the occurrence of any of the following events:

15.1.1. Voluntary Bankruptcy. If Franchisee makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy, is adjudicated bankrupt or insolvent, files or acquiesces in the filing of a petition seeking reorganization or arrangement under any federal or state bankruptcy or insolvency law, or consents to or acquiesces in the appointment of a trustee or receiver for Franchisee or the BRIDGE TO BETTER LIVING Business.

15.1.2. Involuntary Bankruptcy. If proceedings are commenced to have Franchisee adjudicated bankrupt or to seek Franchisee's reorganization under any state or federal bankruptcy or insolvency law, and such proceedings are not dismissed within sixty (60) days, or a trustee or receiver is appointed for Franchisee or the BRIDGE TO BETTER LIVING Business without Franchisee's consent, and the appointment is not vacated within sixty (60) days.

15.1.3. Franchisee's Criminal Acts. If Franchisee or any of Franchisee's Principals, officers or directors are convicted of or plead guilty or no contest to a felony; take part in any criminal misconduct relevant to the operation of Franchisee's BRIDGE TO BETTER LIVING Business; or, refuse to undergo or fail to pass a criminal background check to Franchisor's satisfaction.

15.1.4. Fraud. If Franchisee or any of Franchisee's Principals commit any fraud or misrepresentation in the operation of Franchisee's Business.

15.1.5. Misrepresentation. If Franchisee or Franchisee's Principals make any misrepresentation or omission in connection with Franchisee's franchise application, including but not limited to any financial misrepresentation.

15.1.6. Failure to Complete Training. If Franchisee or its Operating Principal or Key Manager fails to complete the Initial Training Program as provided in Section 8.1.

15.1.7. Repeated Breaches. If Franchisor sends Franchisee two (2) or more written notices to cure a default pursuant to Sections 15.2 or 15.3 in any twelve (12)-month period, whether or not such defaults are of the same or different nature and whether or not such defaults have been cured by Franchisee after notice by Franchisor.

15.1.8. Breach of Other Agreements. If Franchisee or any of Franchisee's Principals materially breach any other agreement with Franchisor or any of Franchisor's Affiliates, or threaten any material breach of any such agreement and fails to cure such breach within any permitted period for cure.

15.1.9. Misuse of the Proprietary Marks or Confidential Information. If Franchisee or any of Franchisee's Principals materially violate any provision of this Agreement pertaining to Proprietary Marks or Confidential Information or misuse the Proprietary Marks or Confidential Information, or misuse or disseminate Client or Customer information.

15.1.10. Franchisee's Violence, Abuse or Neglect. If Franchisee or any of Franchisee's Principals, officers or directors is found guilty of committing any act of violence or abuse or financial exploitation against any Client or Customer, or otherwise operates the Business in a manner that presents a health or safety hazard to any Client or Customer or the general public.

15.1.11. Violation of In-term Restrictive Covenant. If Franchisee violates the in-term restrictive covenant contained in Section 17.1.

15.1.12. Liens. If a levy or writ of attachment or execution or any other lien is placed against Franchisee or any of Franchisee's Principals or any of their assets which is not released or bonded against within thirty (30) days.

15.1.13. Insolvency. If Franchisee or any of Franchisee's Principals become insolvent.

15.1.14. Abandonment. If Franchisee voluntarily or otherwise abandons the BRIDGE TO BETTER LIVING Business. The term "abandon" includes any conduct that indicates a desire or intent to discontinue the BRIDGE TO BETTER LIVING Business in accordance with the terms of this Agreement and will apply in any event if Franchisee fails to operate the Business as a BRIDGE TO BETTER LIVING Business for a period of three (3) or more consecutive days without Franchisor's prior written approval.

15.1.15. Unauthorized Products or Services. If Franchisee offers any unauthorized and unapproved products or services at or from the Business.

15.1.16. Proprietary Software. If Franchisee misuses or makes unauthorized use of Franchisor's BridgIT software program or other Proprietary Software, if any.

15.1.17. Government Actions. Any government action is taken against Franchisee that results in any obligation upon Franchisor that in Franchisor's sole judgment is uneconomical, not in the best interests of Franchisor, or would result in Franchisor having an unintended relationship or obligation.

15.1.18. Anti-Terrorist Activities. Franchisee fails to comply with the provisions of Section 22.7.

15.1.19. Insufficient Funds. If there are insufficient funds in Franchisee's bank account to cover a check or EFT payment to Franchisor three (3) or more times within any twelve (12) month period.

15.1.20. Misuse of Property. If Franchisee uses assets of a Client or Customer for personal use.

15.1.21. Unauthorized Transfer. Franchisee purports to sell, transfer or otherwise dispose of the franchise or any interest in the Franchised Business in violation of Section 14 of this Agreement.

15.1.22. Failure to Comply with System Standards. Franchisee fails to satisfy the mandatory System Standards set forth in the Operations Manual and fails to cure such breach (if permitted) within the time frame and in the manner set forth in the Operations Manual.

15.1.23. Failure to Comply with Performance Standards. Franchisee fails to satisfy the Performance Standards set forth in Section 1.5, and fails to cure such breach (if permitted) within the time frame and in the manner set forth in Section 1.5.

15.2. Upon 15 Days' Notice to Cure. Franchisee will be deemed to be in material default and Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, by giving Franchisee written notice stating the nature of the default and giving Franchisee fifteen (15) days within which to cure the default. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within such fifteen (15) day period or any longer period that applicable law may require ("**cure period**"). If the default is not cured within the cure period, this Agreement will terminate without further notice to Franchisee effective immediately upon the expiration of the cure period:

15.2.1. Nonpayment. If Franchisee fails to pay as and when due any sums owed to Franchisor, any of Franchisor's Affiliates, or any of Franchisor's major suppliers or vendors.

15.2.2. Under-reporting of Gross Revenues. If any audit reveals that Franchisee has understated Franchisee's Royalty Fees or Brand Fund Contribution, or Franchisee's Local Marketing Requirement expenditures, by more than two percent (2%), or if Franchisee has failed to submit timely reports and/or remittances for any two (2) reporting periods within any twelve (12) month period, as described in Section 11.

15.2.3. Endorsement of Checks. If Franchisee fails to immediately endorse and deliver to Franchisor any payments due to Franchisor from any third party that is erroneously made to Franchisee.

15.2.4. Failure to Open. If Franchisee fails to Open Franchisee's Business within the time prescribed in Section 7.4 of this Agreement.

15.2.5. Interruption of Service. If Franchisee fails to maintain the prescribed months, days or hours of operation at the Business as described in the Operations Manual.

15.2.6. Failure to Personally Supervise Business Operations or Employ Adequate Personnel. If Franchisor determines that Franchisee, the Operating Principal or any Key Manager has failed to personally supervise day-to-day operation of the BRIDGE TO BETTER LIVING Business or Franchisee fails to employ a sufficient number of qualified, competent personnel to operate the BRIDGE TO BETTER LIVING Business.

15.2.7. Quality Control. If Franchisee fails to maintain the strict quality controls reasonably required by this Agreement and/or the Operations Manual.

15.2.8. Employee's Criminal Acts. If Franchisee fails to terminate an employee who is convicted of or pleads guilty or no contest to a felony; takes part in any criminal misconduct relevant to the operation of the BRIDGE TO BETTER LIVING Business; or, refuses to undergo or fails to pass a criminal background check.

15.2.9. Other Conduct Reflecting Adversely on System. If Franchisee, the Operating Principal or a Key Manager conducts itself, himself or herself in a manner that, although not criminal, reflects adversely on the System or the Proprietary Marks.

15.2.10. Employee's Violence, Abuse or Neglect. If Franchisee fails to terminate an employee who is found guilty of committing any act of violence or abuse or financial exploitation against any Client or Customer.

15.2.11. Licenses and Permits. If Franchisee fails to procure or maintain any licenses, certifications, or permits necessary for the operation of the BRIDGE TO BETTER LIVING Business.

15.2.12. Unapproved Purchases. If Franchisee orders or purchases logoed supplies, signs, furnishings, fixtures, or equipment from a supplier which Franchisor has not approved.

15.2.13. Insurance. If Franchisee fails to maintain the insurance required by Section 9 of this Agreement or otherwise fails to adhere to the requirements of Section 9.

15.2.14. Government Regulations. If Franchisee fails to comply with any law or regulation applicable to the Business.

15.3. Upon 30 Days' Notice to Cure. Except as provided in Sections 15.1 and 15.2 of this Agreement, upon any default which is reasonably capable of being cured, Franchisor may terminate this Agreement by giving Franchisee written notice stating the nature of the default and giving Franchisee thirty (30) days within which to cure the default. Franchisee may avoid termination by immediately initiating a remedy to cure such default and curing it to Franchisor's satisfaction within the thirty (30) day period or any longer period that applicable law may require ("**15.3 cure period**"). If the default is not cured within the 15.3 cure period, this Agreement will terminate without further notice to Franchisee effective immediately upon the expiration of the cure period. Defaults that are susceptible of cure under this Agreement include Franchisee's failure to comply with any other requirement imposed by this Agreement, or to carry out the terms of this Agreement in good faith.

15.4. Step In Rights. In addition to Franchisor's right to terminate this Agreement, and not in lieu of such right, or any other rights, Franchisor may have against Franchisee, upon a failure to cure any default within the applicable time period (if any), Franchisor has the right, but not the obligation, to enter upon the BRIDGE TO BETTER LIVING Business premises and exercise complete authority with respect to the operation of the Business until such time as Franchisor determines that the default has been cured, and Franchisee is otherwise in compliance with this Agreement. In the event Franchisor exercises the rights described in this Section, Franchisee must reimburse Franchisor for all reasonable costs and overhead, if any, incurred in connection with its operation of Franchisee's Business, including, without limitation, costs of personnel for supervising and staffing the BRIDGE TO BETTER LIVING Business and their travel and lodging accommodations. If Franchisor undertakes to operate the Business pursuant to this Section, Franchisee agrees to indemnify and hold Franchisor (and Franchisor's representative(s) and employees) harmless from and against any fines, claims, suits or proceedings that may arise out of Franchisor's operation of the Business.

15.5. No Waiver. Franchisor's delay in exercising or failing to exercise any right or remedy under this Agreement or Franchisor's acceptance of any late or partial payment due under this Agreement will not constitute a waiver of any of Franchisor's rights or remedies against Franchisee.

16. RIGHTS AND DUTIES UPON TERMINATION OR EXPIRATION

16.1. Franchisee's Obligations. Upon termination of this Agreement, regardless of the cause, and upon expiration and non-renewal or immediately upon transfer of this Agreement, Franchisee must, at Franchisee's cost and expense:

16.1.1. Cease immediately all operations under this Agreement;

16.1.2. Pay Franchisor immediately all unpaid fees and pay Franchisor, Franchisor's Affiliates, Franchisor's suppliers and vendors, all other monies owed;

16.1.3. Discontinue immediately the use of the Proprietary Marks;

16.1.4. Immediately turn over to Franchisor: the Operations Manual; Franchisor's proprietary software system, if any, and third party materials; Customer and Client Lists and any other information Franchisee may have about former, existing, or potential Customers or Clients, including health related information and financial information; and all other Confidential Information and immediately and permanently cease use of such information and materials;

16.1.5. Immediately cease using all e-mail addresses, telephone numbers and listings it had used in connection with the operation of the BRIDGE TO BETTER LIVING Business and direct the telephone company to transfer all such numbers and listings to Franchisor or Franchisor's designee or, if Franchisor directs, to disconnect the telephone numbers;

16.1.6. Promptly surrender all business cards, printed matter, signs, marketing materials and other items containing the Proprietary Marks as Franchisor directs and all items which are a part of the trade dress of the System;

16.1.7. Cease to hold itself out as a BRIDGE TO BETTER LIVING Business and franchisee;

16.1.8. Take such action as will be necessary to amend or cancel any assumed name, business name or equivalent registration which contains any trade name or other Proprietary Mark and furnish Franchisor evidence satisfactory to Franchisor of compliance with this obligation within thirty (30) calendar days after the termination, expiration or transfer of this Agreement;

16.1.9. Permit Franchisor to make final inspection of Franchisee's financial records, books, and other accounting records within six (6) months of the effective date of termination, expiration, or transfer;

16.1.10. Comply with the post-termination covenants set forth in Section 17.2 of this Agreement, all of which will survive the transfer, termination or expiration of this Agreement;

16.1.11. Cease to use in marketing or in any other manner, any methods, procedures, systems or techniques associated with Franchisor or the System;

16.1.12. Terminate, or allow Franchisor to terminate, all agreements with approved/designated suppliers;

16.1.13. Cooperate with Franchisor to transfer all Clients to Franchisor or its Affiliate, another franchisee, or an approved substitute provider; and

16.1.14. Execute from time to time any necessary papers, documents, and assurances to effectuate the intent of this Section 16.

16.2. Option to Purchase Personal Property.

16.2.1. Upon the termination or expiration of this Agreement, Franchisor, or Franchisor's designee, will have the right and option, but not the obligation, to purchase any personal property used in connection with operation of Franchisee's Business by providing Franchisee written notice of Franchisor's election within sixty (60) calendar days after such termination or expiration and paying Franchisee the book value for such personal property within sixty (60) calendar days of such notice. For purposes of this paragraph, "**book value**" means the amount Franchisee actually paid for the personal property less depreciation (calculated by using the straight-line depreciation method on a ten (10) year depreciation schedule irrespective of the depreciation method or schedule Franchisee uses for accounting purposes). Notwithstanding the foregoing, to the extent that Franchisor exercises Franchisor's right to purchase any personal property that is subject to a lease or finance agreement, the purchase price of such personal property will equal the amount of Franchisee's remaining obligations under the lease or finance agreement, as applicable. Further, the parties agree that the Client and Customer Lists constitute a part of Franchisor's Confidential Information and upon expiration or termination of this Agreement, Franchisor will be entitled to such Customer and Client Lists (and all related documents and information) without payment of any consideration therefor. Franchisor will be entitled to offset the purchase price by the amount of money owed by Franchisee to Franchisor for any payments necessary to acquire clear title to property or for any other debt. If Franchisor exercises Franchisor's option to purchase, pending the closing of such purchase, Franchisor has the right to appoint a manager to maintain operation of the Business, or Franchisor may require that Franchisee close the BRIDGE TO BETTER LIVING Business during such period without removing any assets. Franchisee is required to maintain in force all insurance policies required under this Agreement until the date of such closing. Franchisor has the unrestricted right to assign this option to purchase the Business. Franchisor will be entitled to all customary warranties and representations in connection with Franchisor's purchase of Franchisee's property, including, without limitation, representations and warranties as to ownership and condition of and title to the property; liens and encumbrances on the property; validity of contracts and agreements; and liabilities affecting the property, contingent or otherwise.

16.2.2. Exclusions. Franchisor may exclude from the personal property purchased cash or its equivalent and any equipment, signs, inventory, materials and supplies that are not reasonably necessary (in function or quality) to the Business's operation or that Franchisor has not approved as meeting standards for the Business.

16.3. Damages, Costs, and Expenses. In the event of termination for any default by Franchisee, Franchisee will promptly pay to Franchisor all damages, costs and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation will give rise to and remain, until paid in full, a lien in favor of Franchisor against any and all of Franchisee's personal property, furnishings, equipment, signs, fixtures and inventory related to the operation of the Business.

17. COVENANTS

Franchisee acknowledges that as a participant in Franchisor's System, Franchisee will receive access to Franchisor's specialized training and proprietary and Confidential Information. Franchisee further acknowledges that such specialized training and Confidential Information provide a competitive advantage, and that gaining access to them is a primary reason for entering into this Agreement. Therefore, to protect Franchisor and the System, Franchisee agrees as follows:

17.1. During the Term of This Agreement. During the term of this Agreement, Franchisee, Franchisee's Principals, and any person who has access to Confidential Information will not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company or other entity:

17.1.1. Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an independent consultant, officer, director, executive, or principal of any other business offering System Services or similar services and products offered or authorized for sale by BRIDGE TO BETTER LIVING franchisees (except any other Business under a valid Franchise Agreement with Franchisor) which business is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of, or registered the Marks or the same or similar marks, or operates or licenses others to operate a business under the Marks or the same or similar marks;

17.1.2. Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's Affiliates or any other System franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment thereat; or

17.1.3. Divert or attempt to divert any business or Customer or Client of the Business or System to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System.

17.2. After the Term of This Agreement. For a period of two (2) years after the expiration and non-renewal, transfer or termination of this Agreement, regardless of the cause, Franchisee, Franchisee's Principals, Key Managers, and any person who has access to Confidential Information will not, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership, corporation, limited liability company or other entity:

17.2.1. Enter into any business offering franchises or licenses for businesses offering System Services or similar services and products, or other products or services offered or authorized for sale by System franchisees at the time this Agreement is terminated or otherwise expires; or

17.2.2. Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of, or have an interest in, any other business offering System Services or any other products or services similar thereto offered or authorized by us for sale by System Franchisees at the time this Agreement is terminated or otherwise expires, (i) at the BRIDGE TO BETTER LIVING Business premises; (ii) within the Territory granted; or (iii) within a radius of thirty (30) miles of the perimeter of the Territory granted; or

17.2.3. Solicit business from a Corporate Account or Customer(s) or Clients of Franchisee's former Franchised Business or contact any of Franchisor's suppliers or vendors for any competitive business purpose nor solicit any of Franchisor's employees, or the employees of Franchisor's Affiliates or any other System franchisee, to discontinue their employment.

17.3. Intent and Enforcement. It is the parties' intent that the provisions of this Section 17 be judicially enforced to the fullest extent permissible under applicable law. Accordingly, the parties agree that any reduction in scope or modification of any part of the noncompetition provisions contained in this Agreement will not render any other part unenforceable. In the event of the actual or threatened breach of this Section 17 by Franchisee, any of Franchisee's Principals, or any person who has access to Confidential Information, Franchisor will be entitled to an injunction restraining such person from any such actual or threatened breach. Franchisee agrees that in the event of the actual or threatened breach of this Section 17, Franchisor's harm will be irreparable and that Franchisor has no adequate remedy at law to prevent such harm. Franchisee acknowledges and agrees on Franchisee's own behalf and on behalf of the persons who are liable under this Section 17 that each has previously worked or been gainfully employed in other careers and that the provisions of this Section 17 in no way prevent any such person from earning a living. Franchisee further acknowledges and agrees that the time limitation of this Section 17 will be tolled during the period of any default.

17.4. Employees. All Key Managers and other key employees who have access to Franchisor's Confidential Information must execute the non-competition and confidentiality agreements in a form that incorporates Franchisee's obligations under this Agreement. Franchisee must furnish Franchisor a copy of each executed agreement, keeping Franchisor up to date as employees change.

17.5. No Defense. Franchisee hereby agrees that the existence of any claim Franchisee may have against Franchisor, whether or not arising from this Agreement, will not constitute a defense to Franchisor's enforcement of the covenants contained in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) which Franchisor incurs in connection with the enforcement of this Section 17.

18. DISPUTE RESOLUTION

18.1. NON-EXCLUSIVE REMEDIES. NO RIGHT OR REMEDY CONFERRED UPON OR RESERVED TO FRANCHISOR OR FRANCHISEE BY THIS AGREEMENT IS INTENDED TO BE, NOR WILL IT BE SO DEEMED, EXCLUSIVE OF ANY OTHER RIGHT OR REMEDY IN THIS AGREEMENT OR BY LAW OR EQUITY PROVIDED OR PERMITTED, BUT EACH WILL BE CUMULATIVE OF EVERY OTHER RIGHT OR REMEDY.

18.2. INJUNCTIVE RELIEF. NOTHING IN THIS AGREEMENT WILL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT UNDER GENERAL PRINCIPLES OF EQUITY, INCLUDING THE APPLICABLE PRINCIPLES FOR OBTAINING RESTRAINING ORDERS, PERMANENT AND PRELIMINARY INJUNCTIONS. In any action by Franchisor for injunctive relief, Franchisor will not be required to post a bond. If injunctive relief is granted, Franchisee's only remedy will be the court's dissolution of the injunctive relief. If the injunctive relief was wrongfully issued or dissolved in a subsequent proceeding, Franchisee expressly waives all claims for damages Franchisee incurred as a result of the wrongful issuance or dissolution.

18.3. Negotiation of Disputes. Except as provided in Section 18.5, if any dispute, controversy or claim between Franchisor, Franchisee and any of Franchisee's Principals, and any of Franchisor's or Franchisee's Affiliates, officers, directors, shareholders, members, guarantors, employees or owners, arising under, out of, in connection with or in relation to this Agreement, the parties' relationship(s), the BRIDGE TO BETTER LIVING Business, or any System standard, or the scope of validity of the arbitration obligation under this Section (any one or more collectively a "**Dispute**"), the Dispute will be resolved as follows:

18.3.1. The parties will first attempt to resolve the Dispute through good faith negotiation in accordance with Sections 18.3.2 and 18.3.3 below. Failure of a party to adhere to Sections 18.3.2 and 18.3.3 will constitute a waiver by such party of any right, remedy or relief claimed by the other party or provided by this Agreement or by law to otherwise accrues as a result of such Dispute.

18.3.2. If a party claims that a Dispute exists, such party will notify the other party in writing that a Dispute exists, specifying the nature and extent of the Dispute (the "**Dispute Notice**"). The parties will meet within thirty (30) days after the date of delivery of such Dispute Notice at Franchisor's then current headquarters, or at such other location as directed by Franchisor for such attempted resolution (the "**Dispute Meeting**").

18.3.3. The meeting required by Section 18.3.2 must be attended by persons representing Franchisor and Franchisee who are authorized to settle the Dispute. The parties may be represented by counsel at such meeting. The parties will then make a good faith attempt to resolve the Dispute. If the Dispute is not resolved at such meeting or a party fails to appear at a scheduled meeting, the parties have the right to pursue arbitration, as set forth in Section 18.4. Notwithstanding any other provision of this Agreement to the contrary, express or implied, each party will bear its own costs in connection with such Dispute Meeting, e.g., travel, lodging, meals, attorneys, etc. The meeting and any negotiations and results thereof will be treated as a compromise settlement negotiation and the entire process is confidential.

18.4. Arbitration. Except as provided in Sections 18.2 and 18.5, Franchisor and Franchisee agree that any Dispute not resolved pursuant to Section 18.3 must be submitted to binding arbitration in accordance with the Federal Arbitration Act in accordance with the following procedures:

18.4.1. The arbitration will be administered by the American Arbitration Association ("**AAA**") pursuant to its then-current Commercial Arbitration Rules by one arbitrator.

18.4.2. Franchisor and Franchisee will submit or file any claim that would constitute a compulsory counterclaim (as defined by the then-current Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding as the claim to which it relates. Any such claim that is not submitted or filed in such proceeding will be barred.

18.4.3. Any arbitration must be on an individual basis and the parties and the arbitrator will have no authority or power to proceed with any claim as a class action or otherwise to join or consolidate any claim with any claim or any other proceeding involving third parties. If a court or arbitrator determines that this limitation on joinder of or class action certification of claims is unenforceable, then the agreement to arbitrate the Dispute will be null and void and the parties must submit all claims to the jurisdiction of the courts, in accordance with Section 18.9.

18.4.4. The arbitration must take place in Lincoln, Nebraska or such other city where Franchisor's parent company headquarters is located at the time of the Dispute.

18.4.5. The arbitrator must follow the law and not disregard the terms of this Agreement. The arbitrator must have at least 5 years of significant experience in franchise law. The arbitrator may not consider any settlement discussions or offers that might have been made by either Franchisor or Franchisee. The arbitrator will also have the right to make a determination as to any procedural matters as would a court of competent jurisdiction be permitted to make in the state in which the main office of Franchisor is located. The arbitrator will also decide any factual, procedural, or legal questions relating in any way to the Dispute between the parties, including, but not limited to: any decision as to whether forum and venues provision is applicable and enforceable as against the parties, subject matter, timeliness, scope, remedies, unconscionability, and any alleged fraud in the inducement. The arbitrator may issue summary orders disposing of all or part of a claim and provide for temporary restraining orders, preliminary injunctions, injunctions, attachments, claim and delivery proceedings, temporary protective orders, receiverships, and other equitable and/or interim/final relief. Each party consents to the enforcement of such orders, injunctions, etc., by any court having jurisdiction. The arbitrator will have subpoena powers limited only by the laws of the state in which the main office of Franchisor is located.

18.4.6. The parties to the Dispute will have the same discovery rights as are available in civil actions under the laws of the state in which the main office of Franchisor is then located. All other procedural matters will be determined by applying the statutory, common laws, and rules of procedure that control a court of competent jurisdiction in which the main office of Franchisor is then located.

18.4.7. Other than as may be required by law, the entire arbitration proceedings (including, but not limited to, any rulings, decisions or orders of the arbitrator), will remain confidential and will not be disclosed to anyone other than the parties to this Agreement.

18.4.8. The judgment of the arbitrator on any preliminary or final arbitration award will be final and binding and may be entered in any court having jurisdiction.

18.4.9. Franchisor reserves the right, but has no obligation, to advance Franchisee's share of the costs of any arbitration proceeding in order for such arbitration proceeding to take place and by doing so will not be deemed to have waived or relinquished our right to seek recovery of those costs in accordance with Section 18.6.

18.5. Exclusions from Negotiation and Arbitration. Notwithstanding Sections 18.3 and 18.4, the parties agree that the following claims will not be subject to arbitration or negotiation:

18.5.1. any action for equitable relief, including, without limitation, seeking preliminary or permanent injunctive relief, specific performance, other relief in the nature of equity to enjoin any harm or threat of harm to such party's tangible or intangible property, brought at any time, including without limitation, prior to or during the pendency of any arbitration proceedings initiated under this Agreement; and

18.5.2. any action in ejectment or for possession of any interest in real or personal property.

18.6. Fees and Costs. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrators' fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the

claims on which it prevailed. For the purposes of this Agreement in general and this Section specifically, the “Prevailing Party” will be deemed to be that party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, then the Prevailing Party will be that party which has prevailed on a majority of the material issues decided. The “net judgment” is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and arbitrator’s judgment.

18.7. Binding on Third Parties and Survival. The provisions of this Section are intended to benefit and bind certain third party non-signatories and will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. All applicable statutes of limitation and defenses based on the passage of time are tolled while the Dispute resolution procedures in this Section are pending. The parties will take such action, if any, required to effectuate such tolling. Each party must continue to perform its obligations under this Agreement pending final resolution of any Dispute pursuant to this Section, unless to do so would be impossible or impracticable under the circumstances.

18.8. Franchisee Quarrel. If the Franchisee is owned by either (i) an entity owned by more than one person, or (ii) more than one person ((i) and (ii), an “Owner” or “Owners”), then Franchisor has the right to determine that any disagreement (“**Franchisee Quarrel**”) between or among any Owners (“**Quarreling Owners**”) in respect to the BRIDGE TO BETTER LIVING Business has resulted in, or may result in, a negative and adverse effect upon Franchisor or its System, Franchisor may, by notice in writing, order Franchisee and its Owners to promptly initiate/submit to (as the case may be) a binding arbitration proceeding with the Quarreling Owners (the “**Notice to Arbitrate**”). The arbitration proceeding will be conducted pursuant to and in accordance with the then-current Commercial Arbitration Rules of the AAA by one arbitrator selected by mutual agreement of the Quarreling Owners within 15 days after the Notice to Arbitrate is given, or, if the single arbitrator is not so mutually agreed upon, then, within 15 days after such failure to agree, in accordance with the rules of the AAA. Each Owner hereby agrees that the determination of the arbitrator as to the Franchisee Quarrel and the allocation of the costs of the proceeding will be final and binding upon such Owners, who will comply in all material respects with such determination. Each Owner further agrees that the prevailing Owner will have the right to bring an action in any court of competent jurisdiction within the State wherein the Franchisee is authorized to do business to enforce the arbitrator’s award, and for that purpose each Owner hereby accepts generally and unconditionally the non-exclusive jurisdiction and venue of such courts and waives any defense related thereto including any defense of an inconvenient forum.

18.9. Governing Law, Forum and Venue.

18.9.1. Notwithstanding any choice of law provision of this Agreement, all issues relating to arbitration or the enforcement of the agreement to arbitrate contained in this Agreement are governed by the U.S. Federal Arbitration Act (9 U.S.C. § 1 et seq.) and the U.S. federal common law of arbitration. This federal act preempts any state rules on arbitration, including those relating to the site of arbitration. Judgment on an arbitration award, or on any award for interim relief, may be entered in any court having jurisdiction, and will be binding.

18.9.2. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.) or other federal law, this Agreement will be interpreted under the laws of the State of Nebraska and any Dispute between the

parties will be governed by and determined in accordance with the substantive laws of the State of Nebraska, which laws will prevail in the event of any conflict of law. Franchisee and Franchisor have negotiated regarding a forum in which to resolve any Disputes that may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving Franchisee, its officers, directors, managers, partners or guarantors (collectively, “**Franchisee Affiliates**”), and Franchisor, its parent, subsidiaries or Affiliates and their respective officers, directors and sales employees (collectively, “**Franchisor Affiliates**”), the parties irrevocably agree that the exclusive venue for Disputes between them will be in the state and federal courts where Franchisor’s headquarters is located at the time of the Dispute, or the office of the AAA located in the city where Franchisor’s headquarters is located at the time of the Dispute, and each party waives any objection it may have to the personal jurisdiction of or venue in such state and federal courts, or such office of the AAA. The parties agree not to claim that such forum is not a convenient or appropriate forum. Each of Franchisor, Franchisor Affiliates, Franchisee, Franchisee Principals, and Franchisee Affiliates waives their right to a trial by jury.

18.10. Limitations Period. Except for payments owed by one party to the other, and unless prohibited by applicable law, any legal action or arbitration proceeding brought or instituted with respect to any Dispute arising from or related to this Agreement or with respect to any breach of the terms of this Agreement must be brought or instituted within a period of two (2) years from the date of discovery of the conduct or event that forms the basis of the legal action or proceeding.

18.11. No Bar to Termination. The provisions of this Section 18 will not bar, override, delay or in any way restrict the right of Franchisor to terminate this Agreement pursuant to Sections 15.1, 15.2 or 15.3, or to obtain any legal relief for a breach of this Agreement by Franchisee including by way of temporary or permanent injunction.

18.12. Third Party Beneficiaries. Franchisor’s officers, directors, shareholders, agents and/or employees are express third party beneficiaries of the provisions of this Agreement.

18.13. No Right to Withhold Payments. Franchisee will not withhold all or any part of any payment to Franchisor or any of its Affiliates on the grounds of Franchisor’s alleged poor performance or nonperformance or as an offset against any amount Franchisor or any of Franchisor’s Affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

18.14. Waiver of Certain Damages. Except with respect to Franchisee’s indemnification obligation pursuant to Section 13.2 and claims Franchisor brings against Franchisee for unauthorized use of the Proprietary Marks or unauthorized use or disclosure of any Confidential Information, Franchisor and Franchisee and Franchisee’s Principals waive to the fullest extent permitted by law any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against the other and their respective Affiliates and agree that, in the event of a dispute, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions will continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages.

18.15. Waiver of Jury Trial. FRANCHISOR AND FRANCHISEE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, RELATED AGREEMENTS OR ATTACHMENTS TO THIS AGREEMENT OR, THE RELATIONSHIP

CREATED BY THIS AGREEMENT, OR ANY OTHER AGREEMENTS BETWEEN FRANCHISOR AND FRANCHISEE OR THEIR RESPECTIVE AFFILIATES. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS WRITTEN CONSENT TO A TRIAL BY THE COURT.

19. REPRESENTATIONS

19.1. No Authority. NO SALESPERSON, REPRESENTATIVE OR OTHER PERSON HAS THE AUTHORITY TO BIND OR OBLIGATE FRANCHISOR EXCEPT FRANCHISOR'S AUTHORIZED OFFICER BY A WRITTEN DOCUMENT. FRANCHISEE ACKNOWLEDGES THAT NO REPRESENTATIONS, PROMISES, INDUCEMENTS, GUARANTEES OR WARRANTIES OF ANY KIND WERE MADE BY FRANCHISOR OR ON FRANCHISOR'S BEHALF WHICH HAVE LED FRANCHISEE TO ENTER INTO THIS AGREEMENT EXCEPT THOSE SET FORTH IN THIS AGREEMENT AND THE FRANCHISE DISCLOSURE DOCUMENT PROVIDED TO FRANCHISEE. FRANCHISEE UNDERSTANDS THAT WHETHER FRANCHISEE SUCCEEDS AS A FRANCHISEE IS DEPENDENT UPON FRANCHISEE'S EFFORTS, BUSINESS JUDGMENTS, THE PERFORMANCE OF FRANCHISEE'S EMPLOYEES, MARKET CONDITIONS AND VARIABLE FACTORS BEYOND FRANCHISOR'S CONTROL OR INFLUENCE. FRANCHISEE FURTHER UNDERSTANDS THAT SOME FRANCHISEES ARE MORE OR LESS SUCCESSFUL THAN OTHER FRANCHISEES AND THAT FRANCHISOR HAS MADE NO REPRESENTATION THAT FRANCHISEE WILL DO AS WELL AS ANY OTHER FRANCHISEE.

19.2. Receipt. FRANCHISEE ACKNOWLEDGES RECEIPT OF THIS AGREEMENT, WITH ALL BLANKS FILLED AND WITH ANY AMENDMENTS AND ATTACHMENTS, AT LEAST SEVEN (7) DAYS PRIOR TO EXECUTION OF THIS AGREEMENT. IN ADDITION, THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT AT LEAST FOURTEEN (14) DAYS PRIOR TO THE EXECUTION OF THIS AGREEMENT OR FRANCHISEE'S PAYMENT OF ANY MONIES TO FRANCHISOR, REFUNDABLE OR OTHERWISE.

19.3. Opportunity for Review by Franchisee's Advisors. FRANCHISEE ACKNOWLEDGES THAT FRANCHISOR HAS RECOMMENDED, AND THAT FRANCHISEE HAS HAD THE OPPORTUNITY TO OBTAIN, REVIEW OF THIS AGREEMENT AND FRANCHISOR'S FRANCHISE DISCLOSURE DOCUMENT BY FRANCHISEE'S LAWYER, ACCOUNTANT OR OTHER BUSINESS ADVISOR PRIOR TO FRANCHISEE'S EXECUTION OF THIS AGREEMENT.

19.4. Execution of Agreement. EACH OF FRANCHISOR AND FRANCHISEE WARRANTS THAT IT HAS THE FULL AUTHORITY TO SIGN AND EXECUTE THIS AGREEMENT. IF FRANCHISEE IS A PARTNERSHIP, CORPORATION OR LIMITED LIABILITY COMPANY, THE PERSON EXECUTING THIS AGREEMENT ON BEHALF OF FRANCHISEE WARRANTS TO FRANCHISOR, BOTH INDIVIDUALLY AND IN HIS REPRESENTATIVE CAPACITY, THAT ALL OF THE PARTNERS, SHAREHOLDERS OR MEMBERS OF FRANCHISEE ENTITY, AS APPLICABLE, HAVE READ AND APPROVED THIS AGREEMENT, INCLUDING ANY RESTRICTIONS WHICH THIS AGREEMENT PLACES UPON RIGHTS TO TRANSFER THEIR INTEREST IN FRANCHISEE.

19.5. Place of Execution. FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT IS ENTERED INTO IN LANCASTER COUNTY, NEBRASKA.

20. GUARANTY OF PRINCIPALS

If Franchisee is a corporation, limited liability company or partnership, or if subsequent to the execution of this Agreement, Franchisee assigns this Agreement to a corporation, limited liability company or partnership, all Principals owning a ten percent (10%) or more interest in Franchisee and their spouses will execute the Guaranty and Assumption Agreement attached to this Agreement as Attachment 2 (“**Guaranty**”). Pursuant to Attachment 2, they will personally and unconditionally guaranty payment of Franchisee’s monetary obligations and performance of Franchisee’s non-monetary obligations under this Agreement and any other agreement between Franchisee and Franchisor and/or Franchisor’s Affiliates and agree to be bound by the restrictions on transfer, competition and the disclosure of Confidential Information set forth in this Agreement, as well as Franchisee’s representations and acknowledgments, post-term obligations, and the dispute resolution provisions of this Agreement. All Principals and their spouses will sign the Confidentiality and Non-Compete Agreement attached to this Agreement as Attachment 3.

21. NOTICES

All notices and requests to be given under this Agreement are to be in writing, and delivered by either hand delivery or overnight mail by a recognized carrier offering a delivery receipt, or certified or registered mail, return receipt requested, first-class postage prepaid to the following addresses (which may be changed by written notice):

Franchisee’s Address: See Attachment 1

Franchisor’s Address: BRIDGE TO BETTER LIVING FRANCHISING, LLC
4230 Pioneer Woods Drive, Suite B
Lincoln, Nebraska 68506
Attention: Mary Ann Stallings, President and CEO

Any notice will be deemed to have been given at the time of personal delivery or, in the case of overnight mail, by a recognized carrier offering a delivery receipt, on the next business day, or, in the case of or registered or certified mail, three (3) business days after the date and time of mailing.

22. MISCELLANEOUS

22.1. Entire Agreement. The preambles, attachments and exhibits to this Agreement and Franchisee’s application for the franchise granted pursuant to this Agreement are a part of this Agreement which, together with the Operations Manual, constitute the parties’ entire agreement, and there are no other oral or written understandings or agreements between Franchisor and Franchisee relating to the subject matter of this Agreement; provided, however, that nothing in this or any related agreement will disclaim or require Franchisee to waive reliance on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative, subject to any agreed-upon changes to the contract terms and conditions described in that Franchise Disclosure Document and reflected in this Agreement (including any riders or addenda signed at the same time as this Agreement).

22.2. Construction of Language. The language of this Agreement will be construed according to its fair meaning, and not strictly for or against either party. All words in this Agreement refer to whatever number or gender the context requires. Headings are for reference purposes and do not control interpretation.

22.3. Severability. Except as expressly provided to the contrary in this Agreement, each portion, section, part, term and provision of this Agreement will be considered severable; and if, for any reason, any portion, section, part, term or provision is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, this will not impair the operation of, or have any other effect upon, the other portions, sections, parts, terms or provisions of this Agreement that may remain otherwise intelligible, and the latter will continue to be given full force and effect and bind the parties; the invalid portions, sections, parts, terms or provisions will be deemed not to be part of this Agreement; and there will be automatically added such portion, section, part, term or provision as similar as possible to that which was severed which will be valid and not contrary to or in conflict with any law or regulation. Notwithstanding the foregoing, however, if any part of this Agreement relating to payments to Franchisor or any of its Affiliates or protection of the Proprietary Marks or Franchisor's trade secrets and Confidential Information, including the Operations Manual, is declared invalid or unenforceable, then Franchisor at Franchisor's option may terminate this Agreement immediately upon written notice to Franchisee.

22.4. State Law Applies. If any provision of this Agreement, including but not limited to its provisions for transfer, renewal, termination, notice of termination, or cure rights, is inconsistent with any valid law or regulation of the state in which the Business is located, then the valid law or regulation of that state applicable to the franchise will supersede any provision of this Agreement that is less favorable to Franchisee. Nothing in this Section 22.4 will prevent Franchisor from challenging any such law or regulation.

22.5. Further Assurances. Franchisee will from time to time, subsequent to the Effective Date of this Agreement, at Franchisor's request and without further consideration, execute and deliver such other documentation or agreement and take such other action as Franchisor reasonably may require to effectuate the transactions contemplated in this Agreement. In the event that in Franchisor's determination, Franchisee fails to comply with the provisions of this Section, Franchisee hereby appoints Franchisor as Franchisee's attorney-in-fact to execute any and all documents on Franchisee's behalf, reasonably necessary to effectuate the transactions contemplated in this Agreement.

22.6. Force Majeure. Neither Franchisee, Franchisor, or Franchisor's Affiliates will be liable for loss or damage or deemed to be in breach of this Agreement or any related agreement if its failure to perform its obligations is not the fault nor within the reasonable control of the person due to perform but results from, without limitation, fire, flood, natural disasters, acts of God, governmental acts or orders, terrorist activities or civil disorders. Any delay resulting from any such cause will extend the time of performance for the period of such delay or for such other reasonable period of time as Franchisor will determine or will excuse performance, in whole or in part, as Franchisor deems reasonable.

22.7. Anti-Terrorist Activities. Franchisee certifies that neither Franchisee, nor Franchisee's Principals, employees or anyone associated with Franchisee is listed in the Annex to Executive Order 13224. The Annex is available at <http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html>.) Franchisee agrees not to hire or have any dealings with a person listed in the Annex. Franchisee certifies that Franchisee has no knowledge or information that, if generally known, would result in Franchisee, Franchisee's Principals, employees, or anyone associated with Franchisee being

listed in the Annex to Executive Order 13224. Franchisee agrees to comply with and/or assist Franchisor to the fullest extent possible in Franchisor's efforts to comply with the Anti-Terrorism Laws (as defined below). In connection with such compliance, Franchisee certifies, represents, and warrants that none of Franchisee's property or interests are subject to being "blocked" under any of the Anti-Terrorism Laws and that Franchisee and Franchisee's owners or Principals are not otherwise in violation of any of the Anti-Terrorism Laws. Franchisee is solely responsible for ascertaining what actions must be taken by Franchisee to comply with all such Anti-Terrorism Laws, and Franchisee specifically acknowledges and agrees that Franchisee's indemnification responsibilities as provided in Section 13.2 of this Agreement pertain to Franchisee's obligations under this Section 22.7. Any misrepresentation by Franchisee under this Section or any violation of the Anti-Terrorism Laws by Franchisee, Franchisee's Principals, guarantors, or employees will constitute grounds for immediate termination of this Agreement and any other agreement Franchisee has entered into with Franchisor or one of Franchisor's Affiliates in accordance with the terms of Section 15.1.3 of this Agreement. As used in this Agreement, "Anti-Terrorism Laws" means Executive Order 13224 issued by the President of the United States, the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies lists and any other requirements of any Governmental Authority (including without limitation, the United States Department of Treasury Office of Foreign Assets Control) addressing or in any way relating to terrorist acts and acts of war.

22.8. Attorneys' Fees. If Franchisee is in breach or default of any monetary or material non-monetary obligation under this Agreement or any related agreement between Franchisee and Franchisor or its Affiliates and Franchisor engages an attorney to enforce Franchisor's rights (whether or not formal judicial proceedings are initiated), Franchisee must pay all reasonable attorneys' fees, court costs and litigation expenses Franchisor incurs. If Franchisee institutes any legal action to interpret or enforce the terms of this Agreement, and Franchisee's claim in such action is denied or the action is dismissed, Franchisor is entitled to recover Franchisor's reasonable attorneys' fees, and all other reasonable costs and expenses incurred in defending against same, and to have such an amount awarded as part of the judgment in the proceeding.

22.9. No Waiver. No delay, waiver, omission or forbearance by Franchisor to exercise any right, option, duty or power arising out of any breach or default by Franchisee or its Principals under this Agreement will constitute a waiver by Franchisor to enforce any such right, option, duty or power against Franchisee or its Principals, or as to a subsequent breach or default by Franchisee or its Principals.

22.10. Approval or Consent. Whenever this Agreement requires Franchisor's prior approval or consent, Franchisee must make a timely written request to Franchisor, and such approval or consent will be obtained in writing. No waiver, approval, consent, advice or suggestion given to Franchisee, and no neglect, delay or denial of any request therefor, will constitute a warranty or guaranty by Franchisor, nor does Franchisor assume any liability or obligation to Franchisee or any third party as a result thereof. Except where this Agreement expressly obligates Franchisor reasonably to approve or not unreasonably to withhold its approval of any of Franchisee's actions or requests, Franchisor has the absolute right to refuse any request Franchisee makes or to withhold approval of any of Franchisee's proposed or effected actions that require approval.

22.11. Binding Effect. This Agreement is binding upon Franchisor and Franchisee and their respective executors, administrators, heirs, beneficiaries, assigns and successors in interest.

22.12. Modification of Agreement. Except for those changes permitted to be made unilaterally by Franchisor under this Agreement, no amendment, change or variance from this Agreement will be binding on either Franchisor or Franchisee unless mutually agreed to and executed by their respective authorized officers or agents in writing.

22.13. Counterpart Execution. This Agreement may be executed in multiple counterparts, each of which when so executed will be an original, and all of which will constitute one and the same instrument.

22.14. Headings. The captions used in connection with the articles, sections and subsections of this Agreement are inserted only for purpose of reference. Such captions will not be deemed to govern, limit, modify or in any other manner affect the scope, meaning or intent of the provisions of this Agreement or any part thereof nor will such captions otherwise be given any legal effect.

22.15. Survival. Any obligation of Franchisee or its Principals that contemplates performance of such obligation after termination or expiration of this Agreement or the transfer of any interest in Franchisee will be deemed to survive such termination, expiration or transfer.

22.16. Remedies Cumulative. All rights and remedies of the parties to this Agreement will be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies which are provided for in this Agreement or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between Franchisee or any of its Affiliates, and Franchisor or any of its Affiliates. The rights and remedies of the parties to this Agreement will be continuing and will not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration or earlier termination of this Agreement will not discharge or release Franchisee or any of its Principals from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration or earlier termination of this Agreement.

22.17. No Third Party Beneficiary. Except as expressly provided to the contrary in this Agreement, nothing in this Agreement is intended, nor will be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's owners, officers, directors and personnel and such of Franchisee's and Franchisor's respective successors and assigns as may be contemplated (and, as to Franchisee, authorized by Section 14), any rights or remedies under or as a result of this Agreement.

23. ACKNOWLEDGMENTS

23.1. Independent Investigation. Franchisee acknowledges that Franchisee has conducted an independent investigation of the BRIDGE TO BETTER LIVING Business contemplated by this Agreement and recognizes that it involves business risks that make the success of the venture largely dependent upon Franchisee's business abilities and efforts. Franchisee acknowledges that Franchisee has been given the opportunity to clarify any provision of this Agreement that Franchisee may not have initially understood and that Franchisor has advised Franchisee to have this Agreement reviewed by an attorney.

23.2. No Guarantee of Earnings. Franchisee understands that Franchisor and any of Franchisor's representatives and/or agents with whom Franchisee has met have not made and are not making any guarantees as to the extent of Franchisee's success in Franchisee's BRIDGE TO BETTER

LIVING Business, and have not and are not in any way representing or promising any specific amounts of earnings or profits in association with Franchisee's BRIDGE TO BETTER LIVING Business.

23.3. No Personal Liability. Franchisee agrees that fulfillment of any and all of Franchisor's obligations will be Franchisor's sole responsibility and none of Franchisor's agents, representatives, nor any individuals associated with Franchisor will be personally liable to Franchisee for any reason. This is an important part of this Agreement. Franchisee agrees that nothing that Franchisee believes Franchisee has been told by Franchisor or Franchisor's representatives will be binding unless it is written in this Agreement. This is an important part of this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

23.4. Financial Statements. Franchisee understands that the audited financial statements ("**Financial Statements**") of Franchisor attached to the Franchise Disclosure Document as **Exhibit D** have been prepared by a licensed certified public accountant in accordance with Generally Accepted Accounting Principles ("**GAAP**") in the United States governing the preparation of Financial Statements as of the effective date of the Franchise Disclosure Document. Franchisee further acknowledges that GAAP accounting rules and standards may change over time, and that Financial Statements prepared under different new GAAP accounting rules or standards could result in Financial Statements that report results that appear different in the future or change the Financial Statements previously used in a Franchise Disclosure Document. Franchisee represents and warrants to Franchisor that Franchisee reviewed the Financial Statements of Franchisor attached the Franchise Disclosure Document and that to the extent that Franchisee is relying on the Financial Statements as they are currently prepared as the basis for making Franchisee's decision to purchase the Franchised Business, future changes in those Financial Statements due to changes in GAAP will not affect the Franchisee's decision.

(signatures on following page)

IN WITNESS WHEREOF, AND INTENDING TO BE LEGALLY BOUND HEREBY, THE PARTIES HAVE CAUSED THIS AGREEMENT TO BE EXECUTED TO BE EFFECTIVE AS OF THE DATE FRANCHISOR EXECUTES THIS AGREEMENT.

FRANCHISOR:

BRIDGE TO BETTER LIVING
FRANCHISING, LLC

By:_____

Printed Name:_____

Title:_____

Effective/Made Date:_____

FRANCHISEE:

By:_____*

Printed Name:_____

Title if an entity:_____

Date Signed:_____

* The Operating Principal

ATTACHMENT 1
to
BRIDGE TO BETTER LIVING
FRANCHISING, LLC
FRANCHISE AGREEMENT

FRANCHISE FEE, TERRITORY, OWNERS AND GUARANTORS

1. The number of people in the Territory as of the Effective Date pursuant to Section 1.2.1 is at least 300,000 persons.

2. The Franchise Fee, Additional Territory Franchise Fee pursuant to Section 3.1 is (check one):

☐ Franchise Fee: \$48,000.

☐ Additional Territory Franchise Fee: \$36,000.

☐ Renewal Fee: \$_____.

3. The Territory pursuant to Section 1.2 includes the following Zip Codes as of the date set forth below Franchisor's signature:

[INSERT LIST OF ZIP CODES OR OTHER INDICATORS]

4. If Franchisee is an entity, list the full name and mailing address of each person or other entity that is an owner of Franchisee, and describe the nature of the interests owned.

[OWNER'S NAME/ADDRESS]

Nature of Ownership Interest:

Number of Shares or Ownership Units Owned: _____

% of Total Shares or Ownership Units Owned: _____%

[OWNER'S NAME/ADDRESS]

Nature of Ownership Interest:

Number of Shares or Ownership Units Owned: _____

% of Total Shares or Ownership Units Owned: _____%

5. The Operating Principal is: _____

6. Franchisee's Address for Notice:

Attention: _____

[SIGNATURE PAGE FOLLOWS THIS PAGE]

FRANCHISOR:

BRIDGE TO BETTER LIVING
FRANCHISING, LLC

By:_____

Printed Name:_____

Title:_____

Effective Date:_____

FRANCHISEE:

By:_____*

Printed Name:_____

Title if an entity:_____

Date Signed:_____

* The Operating Principal

ATTACHMENT 2
to
BRIDGE TO BETTER LIVING
FRANCHISING, LLC
FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS GUARANTY AND ASSUMPTION OF OBLIGATIONS (“Guaranty”) is given on the date last below written next to the signature(s) of the undersigned.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement made _____ (the “Agreement”) by BRIDGE TO BETTER LIVING FRANCHISING, LLC (“Franchisor”), each of the undersigned hereby irrevocably personally and unconditionally guarantees to Franchisor, and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement and until such time as all indebtedness and performances created in connection with the Agreement are paid and fulfilled, that _____ (“Franchisee”) and each of the undersigned: (1) will punctually pay, perform and abide by each and every monetary and other obligation, undertaking, agreement and covenant set forth in the Agreement and any other agreement between Franchisee, Franchisor and/or Franchisor’s affiliates, including but not limited to Sections 5.1, 5.3, 13.2, 14.1 – 14.6, 16.1 – 16.3 and 22 ; (2) will take or refrain from taking the specific actions described and referenced in Sections 17.1, 17.2, 17.3 and 17.5 of the Agreement; and (3) will comply with each provision of the Agreement and be bound thereby in the same manner as the Franchisee is so bound. Each of the undersigned has fully read the Agreement, knows the contents of it, and understands its meaning.

Each of the undersigned waives: any and all defenses of Franchisee, including waiver and release; acceptance and notice of acceptance by Franchisor of the foregoing undertakings; notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; protest and notice of default with respect to the indebtedness or non-performance of any obligations hereby guaranteed; any right the undersigned may have to require that an action be brought against Franchisee or any other person as a condition of liability; any and all other notices and legal or equitable defenses to which the undersigned may be entitled; and all rights to payments and claims for reimbursement or subrogation which he or she may have against Franchisee arising as a result of his or her execution of and performance under this Guaranty (including by way of counterparts). This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

This Guaranty is continuing, absolute, unconditional, and irrevocable.

Each of the undersigned also consents and agrees that: (1) their direct and immediate liability under this Guaranty will be joint and several not only with Franchisee, but also among the Guarantors; (2) they will render any payment or performance required under the Agreement upon demand if Franchisee fails or refuses punctually to do so; (3) their liability will not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person; (4) their liability will not be diminished, relieved or otherwise affected by any rider or amendment to the Franchise Agreement or 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 will in any way modify or amend this Guaranty; (5) this Guaranty will continue unchanged by the occurrence of any bankruptcy with respect to Franchisee or any assignee, transferee, or successor franchisee and by any abandonment of the Franchise Agreement by a Trustee of Franchisee; (6) Franchisor may amend, extend or terminate the Agreement or release Franchisee or any other person from its obligations under the Agreement, without notice to the undersigned, and such act or actions will not affect the liability of the undersigned; and (7) the percentage of ownership interest in the Franchisee indicated under their respective signature is for informational purposes only and does not in any way limit the obligations of the undersigned.

If Franchisor presently holds one or more guaranties from any one or more of the undersigned as a guarantor, or hereafter receives one or more additional guaranties from any one or more of the undersigned as a guarantor, Franchisor's rights under all such guaranties will be cumulative and in the aggregate under the terms of this Guaranty and any such other guaranties. This Guaranty will not (unless specifically provided below to the contrary) affect, lessen the obligation in, narrow the scope of or invalidate any such other guaranties. To the extent of any conflict between this Guaranty and any prior guaranties concerning the subject matter of this Guaranty, the terms of this Guaranty will prevail.

Each of the undersigned irrevocably waives trial by jury in any action, proceeding or counterclaim, whether at law or in equity, brought by either the Franchisor or any one or more of the undersigned.

This Guaranty will be governed by and construed according to the laws of the State of Nebraska, excluding any conflict of laws provisions that would result in the application of the laws of another jurisdiction, except to the extent governed by federal law. Each of the undersigned irrevocably agrees that the United States District Court of the District of Nebraska and the Courts of Nebraska sitting in Lancaster County, Nebraska, will have exclusive jurisdiction to hear and determine any action on a controversy on or under this Guaranty, including any action for injunctive relief and for specific performance and other equitable relief, irrevocably submits to the jurisdiction of such Courts and irrevocably waives any objection which any of them might have to such Courts being nominated as the forum to hear and determine any such action on a controversy relating to this Guaranty and agree not to claim that any such Court is not a convenient or appropriate forum. Not only must any such action be brought in such Courts but any such action must also be continually maintained in such Courts. Each of the undersigned agrees that such Courts have power under the law of Nebraska to entertain any such action, that Nebraska is a reasonably convenient place for the trial of any such action, and that this choice of forum agreement was not obtained by misrepresentation, duress, the abuse of economic power, or other unconscionable means.

Except as provided in Sections 18.2 and 18.5 of the Franchise Agreement, any Dispute (as defined in the Franchise Agreement) not resolved pursuant to Sections 18.3 of the Franchise Agreement must be submitted to binding arbitration in accordance with Section 18.4 of the Franchise Agreement.

If Franchisor is required to enforce this Guaranty and it is the prevailing party in such action or proceeding in an administrative, judicial or arbitration proceeding, Franchisor will be entitled to recover its reasonable costs and expenses (including attorneys' fees, arbitrators' fees and expert witness fees, costs of investigation and proof of facts, court costs, and other arbitration or litigation expenses) incurred in connection with the claims on which it prevailed. For the purposes of this Guaranty in general and this Section specifically, the "prevailing party" will be deemed to be that party which has obtained the greatest net judgment in terms of money or money equivalent. If money or money equivalent has not been awarded, then the prevailing party will be that party which has prevailed on a majority of the material issues decided. The "net judgment" is determined by subtracting the smallest award of money or money equivalent from the largest award. If there is a mixed decision involving an award of money or money equivalent and equitable relief, the arbitrator will award the above fees to the party that it deems has prevailed over the other party using reasonable business and arbitrator's judgment.

[SIGNATURE PAGE FOLLOWS THIS PAGE]

IN WITNESS WHEREOF, each of the undersigned has hereunto affixed his/her signature on _____,
20____.

GUARANTOR(S):

Signature:_____

Printed Name:_____

Signature:_____

Printed Name:_____

Signature:_____

Printed Name:_____

Signature:_____

Printed Name:_____

ATTACHMENT 3
to
BRIDGE TO BETTER LIVING
FRANCHISING, LLC
FRANCHISE AGREEMENT

CONFIDENTIALITY AND NON-COMPETE AGREEMENT

THIS AGREEMENT (“Agreement”), made and entered into as of _____, 20____, by and between BRIDGE TO BETTER LIVING FRANCHISING, LLC, a Nebraska limited liability company (“Franchisor”), and [Insert Name of Franchisee and Owner(s) and Operating Principal and Key Manager(s) as applicable] (collectively the “Restricted Party”). Except as specifically defined in this Agreement all words beginning with a capital letter will have the meaning ascribed to them in the Franchise Agreement.

WITNESSETH:

WHEREAS, Franchisor and _____, a _____ (“Franchisee”), entered into a Franchise Agreement (made/effective date: _____) (the “Franchise Agreement”) for Franchisee to conduct a BRIDGE TO BETTER LIVING Business in accordance with Franchisor’s System (the “Franchised Business”); and

WHEREAS, throughout the term of the Franchise Agreement Restricted Party (comprised of the Franchisee, its owner(s), and the spouse of each owner) will be exposed to valuable knowledge and information at the highest level regarding the Franchised Business, the System, and Confidential Information of Franchisor; and

WHEREAS, Restricted Party, as Franchisee, an owner of Franchisee and/or spouse, partner or adult family member of an owner of Franchisee, will benefit from the operation of the Franchised Business; and

WHEREAS, Franchisor would not enter into the Franchise Agreement with Franchisee unless Franchisor’s goodwill and Confidential Information were protected against unfair competition.

NOW THEREFORE, in consideration of the recitals, and of the mutual covenants hereafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, it is agreed between Franchisor and Restricted Party, as follows:

1. Confidentiality.

(a) Franchisor owns and possesses (and may continue to develop and acquire) certain Confidential Information consisting of information which Franchisor considers a trade secret and confidential information and includes, without limitation, Franchisor’s proprietary software, if any, Confidential Operations Manual, methods and techniques for evaluating Client needs, Client wherewithal, methods for providing System Services, copyrighted materials, methods and other techniques and know-how concerning the of operation of the BRIDGE TO BETTER LIVING Business, names and other information relating to suppliers and Customers, as well as information regarding Clients and Customers, including (i) current and prospective Client names and addresses, (ii) current and prospective Customer names and addresses, (iii) information about credit extensions to Clients, (iv) Customer living, environment and availability histories, and (v) rates charged (subsections (i)-(v) collectively “Customer Lists”). The term “Confidential Information” also includes all written or electronic information, computer files, documents, records and data that the Franchisor or any of its representatives furnishes or otherwise discloses to Franchisee or any of its representatives, together with all analyses, compilations, studies, memoranda, translations, notes or other documents, records or data (in whatever form maintained, whether documentary, computer or other electronic storage or otherwise) prepared by Franchisee, Restricted Party or any of Franchisee’s representatives which

contain or otherwise reflect or are generated from such information and documents. Franchisor will retain all ownership of, property in, and title to its Confidential Information; and Franchisee and Restricted Party will have no claim to it or right in it except as expressly authorized under the provisions of the Franchise Agreement. Franchisor will disclose certain Confidential Information to Franchisee and Restricted Party in the Training Program, the Operations Manual, and in guidance furnished to Franchisee and Restricted Party during the term of the Franchise Agreement.

(b) Restricted Party acknowledges that the Confidential Information is proprietary and also involves trade secrets of Franchisor, and that Restricted Party will not acquire any interest in the Confidential Information, other than Franchisee's right to utilize the Confidential Information in the operation of the Franchised Business in compliance with the Franchise Agreement during the term of the Franchise Agreement. Restricted Party further acknowledges and agrees that the Confidential Information is disclosed to Franchisee and Restricted Party only on the condition precedent that Franchisee and Restricted Party agree and Restricted Party hereby does agree to: (1) use the Confidential Information only in operating the Franchised Business and not in any other business or capacity; (2) keep all Confidential Information absolutely confidential during and after the term of this Agreement; (3) make no unauthorized copies of any Confidential Information disclosed via electronic medium, in writing or other tangible form; and (4) adopt and implement all reasonable procedures periodically prescribed by Franchisor to prevent unauthorized use or disclosure of Confidential Information including restrictions on disclosures to Franchisee's Principals and employees. Restricted Party will divulge Confidential Information only to Franchisee's employees who must have access to it in order to operate the Franchised Business. Restricted Party does, by entering into this Agreement, acknowledge that all Confidential Information is owned by Franchisor alone and during the term of this Agreement and at the end of the Franchise Agreement all Confidential Information will be returned to Franchisor.

(c) Restricted Party acknowledges and agrees that the identity of Clients and Customers of the Franchised Business, Client and Customer Lists, details of service, and contracts are also trade secrets and are derived and result from the operation of the Franchised Business in accordance with the Franchise Agreement and Franchisor's System Standards and operating procedures. Restricted Party acknowledges and agrees that such Clients, Customers, details of service to Clients and Customers, and contracts are deemed Confidential Information (as defined above) owned by Franchisor and are subject to the restrictions set forth above, including, without limitation, restrictions on the use, sale or transfer of such information and lists and contracts to a third party.

(d) All ideas, concepts, techniques or other materials relating to the Franchised Business, whether or not protectable intellectual property and whether created by or for Franchisee or its employees, must be promptly disclosed to Franchisor and will be deemed to be Franchisor's sole and exclusive property, part of its franchise System and works made-for-hire. To the extent that any item does not qualify as a work made-for-hire, Restricted Party hereby assigns ownership of that item, and all related rights to that item, to Franchisor and agrees to sign any assignments or other documents as Franchisor reasonably requests to evidence its ownership of or to otherwise assist Franchisor in obtaining intellectual property rights in the item.

(e) Confidential Information does not include any information, knowledge or know-how which Franchisee or Restricted Party obtained prior to its being provided to Franchisee or Restricted Party directly or indirectly by Franchisor or any of its current, former or future affiliates (including, without limitation, pursuant to any license agreement or similar agreement between Franchisee and any such party). Franchisee and Restricted Party have the burden of proving that the elements of this Section apply to any information, knowledge or know-how.

2. Non-Competition.

Restricted Party, including successors and assigns of Franchisee, will not during the term of the Franchise Agreement:

(a) Own, maintain, engage in, lend money to, extend credit to, be employed by, as a consultant, officer, director, executive or principal, or have any interest in any other business which operates or grants franchises or licenses for any other business which offers System Services or services and products similar thereto or other products or services offered or authorized for sale by BRIDGE TO BETTER LIVING® franchisees (except a BRIDGE TO BETTER LIVING Business operating under a valid Franchise Agreement with the Franchisor) which business is located within the United States, its territories or commonwealths, or any other country, province, state or geographic area in which Franchisor has used, sought registration of or registered the Proprietary Marks or the same or similar marks or operates or licenses others to operate a business under the Proprietary Marks or the same or similar marks;

(b) Employ or seek to employ any person who is at that time employed by Franchisor, Franchisor's affiliates or any other BRIDGE TO BETTER LIVING® franchisee, or otherwise directly or indirectly induce or seek to induce such person to leave his or her employment;

(c) Divert or attempt to divert any business or Customer or Client of Franchisee or of any other franchised or company-owned BRIDGE TO BETTER LIVING Business to any competitor, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Proprietary Marks or the System; or

(d) And for a period of two (2) years following the expiration and non-renewal, transfer or termination of the Franchise Agreement, regardless of the cause:

(i) Enter into any business offering franchises or licenses for businesses offering System Services, or similar services or products, or other products or services offered or authorized for sale by BRIDGE TO BETTER LIVING® franchisees at the time; or

(ii) Own, maintain, engage in, lend money to, extend credit to, have any interest in, or be employed as an officer, director, executive, or principal of, or have an interest in, any other business offering System Services, or services similar thereto, or other products or services offered or authorized for sale by BRIDGE TO BETTER LIVING® franchisees at the time (i) at the BRIDGE TO BETTER LIVING Business premises; (ii) within the Territory granted; or (iii) within a radius of thirty (30) miles of the perimeter of the Territory granted; or

(iii) Solicit business from a Corporate Account, Customers or Clients of Franchisee's Business (or former Business) or contact any of Franchisor's suppliers or vendors for any competitive business purpose nor solicit any of Franchisor's employees, or the employees of Franchisor's affiliates or any other BRIDGE TO BETTER LIVING® franchisee to discontinue their employment.

3. Enforcement of Franchisee and Restrictions.

(a) Restricted Party has, with the assistance of legal counsel, carefully read and considered the provisions of this Agreement and, having done so, agrees that the applicable restrictions set forth in this Agreement in Section 2 (including, but not limited to, the period of restriction and the geographic area of the restriction set forth) are fair and reasonable and are necessarily required for the protection of the interests of Franchisor. Restricted Party further acknowledges that due to the nature of the business, a more limited geographical restriction would not be reasonable or appropriate. Restricted Party covenants and agrees with the Franchisor that if Restricted Party will violate any of the covenants or agreements contained in this Agreement, then Franchisor will be entitled to injunctive relief; such remedy to be in addition to and not in limitation of any other rights or remedies to which Franchisor is or may be entitled to at law or in equity. In the event that despite the foregoing, any part of the covenants set forth in this Agreement will be held to be invalid or unenforceable, the remaining parts thereof will nevertheless continue to be valid and enforceable as though the invalid and unenforceable part had not been included in this Agreement. In the event that any provisions of this Agreement relating to the time period and/or area of restriction will be declared by a court of competent jurisdiction to exceed the maximum time periods or areas which such court deems reasonable

and enforceable, such time period and/or area of restriction will be deemed to become and thereafter be the maximum time period and/or area which such court deems reasonable and enforceable.

(b) Restricted Party agrees that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement. Restricted Party further understands and acknowledges that Franchisor will have the right to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without the Restricted Party's consent, effective immediately upon receipt by Restricted Party of written notice thereof; and Restricted Party agrees to comply forthwith with any covenant as so modified.

4. Notices.

All notices required or permitted under this Agreement will be in writing and will be delivered personally or sent by United States registered or certified mail postage prepaid or sent by priority overnight mail, addressed to Restricted Party at:

Attention: _____

or addressed to Franchisor at:

BRIDGE TO BETTER LIVING FRANCHISING, LLC
4230 Pioneer Woods Drive, Suite B
Lincoln, Nebraska 68506
Attention: Mary Ann Stallings, President and CEO

or at such changed addresses as the parties may designate in writing. Franchisee must notify Franchisor of address change. Any such notice will be deemed given and effective when mailed.

5. Miscellaneous.

(a) Headings. Headings, titles and captions contained in this Agreement are inserted only as a matter of convenience and reference and in no way define, limit, extend, or describe the scope of this Agreement or the intent of any provision of this Agreement.

(b) Entire Agreement. This writing, together with the Franchise Agreement, constitutes the entire agreement between the parties and supersedes any prior understanding or agreements among them respecting the subject matter. There are no extraneous representations, arrangements, understandings, or agreements, oral or written, among the parties to this Agreement, except those fully expressed in this Agreement.

(c) Amendments. No amendments, changes, alterations, modifications, additions or qualifications to the terms of this Agreement will be made or binding unless made in writing and signed by all the parties to this Agreement.

(d) Waiver. The failure of either party to enforce at any time any of the provisions of this Agreement will not be construed as a waiver of such provisions or of the right of such party thereafter to enforce any such provisions.

(e) Invalidity. The invalidity or unenforceability of any particular provision of this Agreement will not affect the other provisions contained in it, and this Agreement will be construed in all respects as if such invalid or unenforceable provisions were omitted.

(f) Governing Law. This Agreement will be construed and governed in accordance with the laws of the State of [Insert State of Franchise].

(g) EXCEPT TO THE EXTENT GOVERNED BY FEDERAL LAW INCLUDING, WITHOUT LIMITATION, THE UNITED STATES TRADEMARK ACT OF 1946, AS AMENDED (LANHAM ACT, 15 U.S.C. SECTIONS 1051 ET SEQ.). Franchisor and Restricted Party irrevocably agree that the United States District Court of the District of Nebraska and the Courts of Nebraska sitting in Lancaster County, Nebraska will have exclusive jurisdiction to hear and determine any action on a controversy on or under this Agreement, including any action for injunctive relief and for specific performance and other equitable relief, irrevocably submit to the jurisdiction of such Courts and irrevocably waive any objection which either of them might have to such Courts being nominated as the forum to hear and determine any such action on a controversy relating to this Agreement and agree not to claim that any such Court is not a convenient or appropriate forum. Not only must any such action be brought in such Courts but any such action must also be continually maintained in such Courts. The parties agree that such Courts have power under the law of Nebraska to entertain any such action, that Nebraska is a reasonably convenient place for the trial of any such action, and that this choice of forum agreement was not obtained by misrepresentation, duress, the abuse of economic power or other unconscionable means.

(h) RESTRICTED PARTY ACKNOWLEDGES THAT THIS AGREEMENT IS ENTERED INTO IN LANCASTER COUNTY, NEBRASKA.

(i) NO RIGHT OR REMEDY CONFERRED UPON OR RESERVED TO FRANCHISOR OR RESTRICTED PARTY BY THIS AGREEMENT IS INTENDED TO BE, NOR WILL BE DEEMED, EXCLUSIVE OF ANY OTHER RIGHT OR REMEDY IN THIS AGREEMENT OR BY LAW OR EQUITY PROVIDED OR PERMITTED, BUT EACH WILL BE CUMULATIVE OF EVERY OTHER RIGHT OR REMEDY.

(j) NOTHING CONTAINED IN THIS AGREEMENT WILL BAR FRANCHISOR'S RIGHT TO OBTAIN INJUNCTIVE RELIEF AGAINST THREATENED CONDUCT UNDER GENERAL PRINCIPLES OF EQUITY, INCLUDING THE APPLICABLE PRINCIPLES FOR OBTAINING RESTRAINING ORDERS, PERMANENT AND PRELIMINARY INJUNCTIONS.

(k) Binding Agreement. This Agreement will be binding upon and inure to the benefit of the parties, their heirs, successors and assigns.

(l) Counterparts. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original but all of which together will constitute one and the same instrument.

(m) Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing, and is signed by Franchisee and by an executive officer of the Franchisor. No agreements or representations, oral or otherwise, express or implied, with respect to the subject matter of this Agreement have been made by any party that is not set forth expressly in this Agreement.

(signatures on following page)

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

FRANCHISOR:

BRIDGE TO BETTER LIVING
FRANCHISING, LLC

Mary Ann Stallings President,
Manager and CEO
Effective Date: _____

RESTRICTED PARTY:

By: _____ *

Printed Name: _____

Title if an entity: _____

Date Signed: _____

* The Operating Principal

_____, Individually

_____, Individually

_____, Individually

_____, Individually

ATTACHMENT 4
to
BRIDGE TO BETTER LIVING
FRANCHISING, LLC
FRANCHISE AGREEMENT

ADDITIONAL TERRITORY ADDENDUM

THIS ADDENDUM to the Franchise Agreement (“**Agreement**”) between **BRIDGE TO BETTER LIVING FRANCHISING, LLC** (“**Franchisor**”) and _____ (“**Franchisee**”) is executed on the same date as the Agreement and is effective as of the Effective Date of the Agreement. Franchisor and Franchisee may sometimes be referred to in the singular as a “Party” or jointly as the “Parties.”

BACKGROUND

- A. Franchisor and Franchisee entered into the Agreement contemporaneously with the execution of this Addendum on _____, 20__, pursuant to which Franchisee acquired the exclusive right to open and operate a BRIDGE TO BETTER LIVING Business within the Territory defined in the Agreement.
- B. Simultaneously with the execution of this Agreement, Franchisee also entered into another Franchise Agreement, pursuant to which Franchisee acquired the exclusive right to open and operate a BRIDGE TO BETTER LIVING Business within the Territory defined in the other Franchise Agreement, which Territory is contiguous to the Territory in this Agreement.
- C. Franchisee desires to operate the BRIDGE TO BETTER LIVING Business pursuant to this Agreement and the other Franchise Agreement from the same Approved Location; and, therefore, Franchisee desires to be relieved of the obligation to open an additional Approved Location for the operation of the BRIDGE TO BETTER LIVING Business represented by this Agreement and the other Franchise Agreement.
- D. Franchisor is willing to grant such right, subject to the terms of this Addendum.

AGREEMENT

So long as Franchisee otherwise satisfies all of its obligations in this Agreement and any other Franchise Agreement or other agreement entered into with Franchisor, including specifically the annual Gross Revenues requirements set forth in Section 1.5 of any other Franchise Agreement; then, the Agreement is amended as follows:

1. **Approved Location.** The first sentence of Section 7.1 is deleted and replaced with the following:

Except as provided in this Agreement, Franchisee must operate the BRIDGE TO BETTER LIVING Business only from an Approved Location within the Territory or the Additional Territory.

2. **Computer Software and Hardware.** Section 7.9 is deleted and replaced with the following:

7.9 **Computer Software and Hardware.** To establish uniform standards for maintaining Client information, Customer information, records, scheduling, accounting, administrative functions and activities to operate the BRIDGE TO BETTER LIVING Business, Franchisee will use any and all computer software programs which Franchisor has developed or may develop and/or designate for use for the System (“**Software**” or “**Designated Software**”), and will purchase or lease such computer

hardware as may be necessary for the efficient operation of the Software and access to the computer and Software services; however, provided Franchisee continually meets the performance standards and specifications pertaining to and required by the System, Franchisee is not required to purchase such additional Software and computer hardware that is necessary for the efficient operation of the Software at a separate Approved Location, and may use the same Designated Software and Hardware that is installed for the Approved Location at the other contiguous Franchised Business. Franchisor has the right to require Franchisee to update or upgrade computer hardware components and/or Software, as Franchisor deems necessary from time to time. Notwithstanding the fact that Franchisee must use the computer hardware and Software under Franchisor's standards and specifications, Franchisee will have the sole and complete responsibility for: 1) the acquisition and operation of the computer hardware and Software and for maintaining and upgrading the computer hardware and Software as required; and 2) any and all consequences that may arise if the computer hardware and Software is not properly operated, maintained and upgraded.

7.9.1 Franchisor has designated a software management system for the management of BRIDGE TO BETTER LIVING Businesses. Franchisee, at Franchisee's own expense, agrees to obtain the computer hardware required to implement the designated software management system into Franchisee's Business, and to comply with all specifications and standards prescribed by Franchisor regarding the designated software as provided from time to time in the Operations Manual.

7.9.2 If and at such time as Franchisor develops and custom designs additional or substitute software programs for conducting accounting, Customer or Client management functions and other related activities, Franchisee, at Franchisee's own expense, agrees to obtain the computer hardware and Software required to implement any such software program into Franchisee's Business, and to comply with all specifications and standards prescribed by Franchisor as provided from time to time in the Operations Manual. If Franchisor develops software programs, such programs will be proprietary to Franchisor and will constitute part of the Confidential Information. If developed, Franchisor will designate when Franchisee will use the software. Franchisee will comply with all specifications and standards prescribed by Franchisor for computer hardware and software, as provided from time to time in the Operations Manual. Franchisor reserves the right to charge Franchisee a fee for use of any software developed by Franchisor.

3. Initial Training Program. Section 8.1 is amended to add the following to the end of said Section: "Notwithstanding the foregoing, Franchisee, the Operating Principal and any Key Managers who have successfully completed the Initial Training Program are not required to attend additional training for the Additional Territory."

4. Transfer by Franchisee or its Principals. Section 14.1 is amended to add the following new Section:

14.1.20 If this Agreement is for an Additional Territory, then this Agreement must be transferred along with the Franchise Agreement for the Approved Location unless the transferee agrees to comply with the requirements for an Approved Location.

5. Capitalized Terms. All capitalized terms not defined in this Amendment will have the same meaning as in the Agreement.

6. **Amendment Binding.** This Amendment will be binding upon and inure to the benefit of each party and to each party's respective successors and assigns.

7. **No Further Changes.** Except as specifically provided in this Amendment, all of the terms, conditions and provisions of the Agreement will remain in full force and effect as originally written and signed.

8. **Other Matters Significant to the Parties.** _____

IN WITNESS WHEREOF, the parties have executed, sealed and delivered this Amendment in 2 or more counterparts as of the Effective Date.

FRANCHISOR:

FRANCHISEE:

BRIDGE TO BETTER LIVING
FRANCHISING, LLC

By: _____

By: _____ *

Printed Name: _____

Printed Name: _____

Title: _____

Title if an entity: _____

Effective Date: _____

Date Signed: _____

* The Operating Principal

ATTACHMENT 5
to
BRIDGE TO BETTER
LIVING FRANCHISING, LLC
FRANCHISE AGREEMENT

ELECTRONIC FUNDS TRANSFER AUTHORIZATION
TO HONOR CHARGES DRAWN BY AND PAYABLE TO:

[FRANCHISOR]/PAYEE

BANK NAME	ACCOUNT #	ABA#	FEIN
_____	_____	_____	_____

The undersigned Depositor hereby authorizes and requests the Depository designated below to honor and to charge to the following designated account, checks, and electronic debits (collectively, “**debits**”) drawn on such account which are payable to the above-named Payee. It is agreed that Depository’s rights with respect to each such debit will be the same as if it were a check drawn and signed by the Depositor. It is further agreed that if any such debit is not honored, whether with or without cause and whether intentionally or inadvertently, Depository will be under no liability whatsoever. This authorization will continue in force until Depository and Payee have received at least thirty (30) days written notification from Depositor of its termination.

The Depositor agrees with respect to any action taken pursuant to the above authorization:

(1) To indemnify the Depository and hold it harmless from any loss it may suffer resulting from or in connection with any debit, including, without limitation, execution and issuance of any check, draft or order, whether or not genuine, purporting to be authorized or executed by the Payee and received by the Depository in the regular course of business for the purpose of payment, including any costs or expenses reasonably incurred in connection therewith.

(2) To indemnify Payee and the Depository for any loss arising in the event that any such debit will be dishonored, whether with or without cause and whether intentionally or inadvertently.

(3) To defend at Depositor’s own cost and expense any action which might be brought by a depositor or any other persons because of any actions taken by the Depository or Payee pursuant to the foregoing request and authorization, or in any manner arising by reason of the Depository’s or Payee’s participation therein.

Name of Depository:

Name of Depositor:

Designated Bank Acct.:

(Please attach one voided check for the above account.)

For information call:

Address: BRIDGE TO BETTER LIVING FRANCHISING, LLC
4230 Pioneer Woods Drive, Suite B
Lincoln, Nebraska 68506
Phone #: _____
Fax #: _____

Name of Depositor (please print)

By: _____
Signature and Title of Authorized Representative

Date: _____

ATTACHMENT 6
to
BRIDGE TO BETTER LIVING
FRANCHISING, LLC
FRANCHISE AGREEMENT

DEFINITIONS

The following terms will have the meanings given to them below. Other capitalized terms are defined throughout the Franchise Agreement.

Affiliate of a named person means any person or entity that is controlled by, controlling or under common control with the named person.

Operations Manual means the document or documents in printed, electronic or other form, as supplemented or revised by Franchisor from time to time, which prescribe various instructions, directives, requirements and standards of the BRIDGE TO BETTER LIVING® System. Any update, letter, bulletin or other item in writing delivered by Franchisor to Franchisee containing instructions, directives, requirements or standards pertaining to the BRIDGE TO BETTER LIVING® System will be deemed part of the Operations Manual, regardless of whether consistent with the format of the Operations Manual or expressly designated for inclusion in the Operations Manual.

Franchisee means the person(s) or entities identified as “Franchisee” in the preamble to the Franchise Agreement. If more than one party or person is referred to as Franchisee, their obligations and liabilities will be joint and several.

Key Manager means an Operating Principal or another person who is hired by Franchisee to devote his or her personal full-time attention and best efforts to the management and operation of the BRIDGE TO BETTER LIVING Business.

Principal(s) means Franchisee’s shareholders, partners, members, officers, directors, and managers, as applicable.

System Standards means the standards, requirements, specifications, policies and procedures of the BRIDGE TO BETTER LIVING® System as specified from time to time by Franchisor in the Operations Manual, or otherwise in writing.

ATTACHMENT 7
to
BRIDGE TO BETTER LIVING
FRANCHISING, LLC
FRANCHISE AGREEMENT

IRREVOCABLE POWER OF ATTORNEY

STATE OF NEBRASKA	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF DOUGLAS	§	

That _____, a _____ (“**Franchisee**”), does hereby irrevocably constitute and appoint BRIDGE TO BETTER LIVING FRANCHISING, LLC, a Nebraska limited liability company (“**Franchisor**”), true and lawful attorney-in-fact and agent for Franchisee and in Franchisee’s name, place and stead, to do or cause to be done all things and to sign, execute, acknowledge, certify, deliver, accept, record and file all such agreements, certificates, instruments and documents as Franchisor has the right to determine will be necessary or advisable for the sole purpose of assigning to Franchisor all of Franchisee’s right, title and interest in and to any and all telephone numbers of Franchisee’s franchise and all related Yellow Pages, White Pages and other business listings, including but not limited to, the execution and delivery of any Transfer of Service Agreement and any other transfer documentation required by the applicable telephone service company providing telephone services to Franchisee, hereby granting unto Franchisor the full power, right and authority to do and perform any and all acts and things which Franchisor determines are necessary or advisable to be done as fully to all intents and purposes as Franchisee might or could itself do, hereby ratifying and confirming all that Franchisor may lawfully do or cause to be done by virtue of this Power of Attorney and the powers herein granted.

During the term of this Power of Attorney and regardless of whether Franchisee has designated any other person to act as its attorney-in-fact and agent, no person, firm or corporation dealing with Franchisor will be required to ascertain the authority of Franchisor, nor to see to the performance of the agency, nor be responsible in any way for the proper application of funds or property paid or delivered to Franchisor. Any person, firm or corporation dealing with Franchisor will be fully protected in acting and relying upon a certificate of Franchisor that this Power of Attorney on the date of such certificate has not been revoked and is in full force and effect, and Franchisee will not take any action against any person, firm or corporation acting in reliance on such a certificate or a copy of this Power of Attorney. Any instrument or document executed on behalf of Franchisee by Franchisor will be deemed to include such a certificate on the part of Franchisor, whether or not expressed. This paragraph will survive any termination of this Power of Attorney.

This Power of Attorney will terminate two (2) years following the expiration or termination of that certain Franchise Agreement dated of even date herewith by and between Franchisor and Franchisee. Such termination, however, will not affect the validity of any act or deed that Franchisor may have effected prior to such date pursuant to the powers herein granted.

This instrument is to be construed and interpreted as an irrevocable power of attorney coupled with an interest and such power of attorney will not be affected by the subsequent disability or incapacity of the principal. It is delivered in the Commonwealth of Pennsylvania and the laws of the Commonwealth of Pennsylvania will govern all questions as to the validity of this Power of Attorney and the construction of its provisions.

IN WITNESS WHEREOF, the undersigned has executed this Power of Attorney to be effective as
of _____, 20__.

FRANCHISEE:

_____,
a _____

By: _____

Name: _____

Title: _____

STATE OF NEBRASKA)
) ss.
COUNTY OF LANCASTER)

The foregoing instrument was acknowledged before me on _____, 20__, by the
Principal, _____.

Notary Public

My commission expires:

ATTACHMENT 8
to
BRIDGE TO BETTER LIVING
FRANCHISING, LLC
FRANCHISE AGREEMENT

FRANCHISEE ACKNOWLEDGMENT STATEMENT

You hereby acknowledge the following:

1. You have conducted an independent investigation of all aspects relating to the financial, operational, and other aspects of the business of operating the Franchised Business. You further acknowledge that, except as may be set forth in Franchisor's Franchise Disclosure Document, no representations of performance (financial or otherwise) for the Franchised Business provided for in this Agreement has been made to you by us and you and any and all principals hereby waive any claim against us for any business failure you may experience as a Franchisee under this Agreement.

Initial

2. You have conducted an independent investigation of the business contemplated by this Agreement and understand and acknowledge that the business contemplated by this Agreement involves business risks making the success of the venture largely dependent upon the business abilities and participation of you and your efforts as an independent business operation.

Initial

3. You agree that no claims of success or failure have been made to you prior to signing the Franchise Agreement and that you understand all the terms and conditions of the Franchise Agreement. You further acknowledge that the Franchise Agreement contains all oral and written agreements, representations and arrangements between the parties hereto, and any rights which the respective parties hereto may have had under any other previous contracts are hereby cancelled and terminated, and that this Agreement cannot be changed or terminated orally.

Initial

4. You have no knowledge of any representations by us or our officers, directors, shareholders, employees, sales representatives, agents, or servants, about the business contemplated by the Franchise Agreement that are contrary to the terms of the Franchise Agreement or the documents incorporated herein. You acknowledge that no representations or warranties are made or implied, except as specifically set forth in the Franchise Agreement. You represent, as an inducement to our entry into this Agreement, that you have made no misrepresentations in obtaining the Franchise Agreement.

Initial

5. We expressly disclaim the making of, and you acknowledge that you have not received or relied upon, any warranty or guarantee, express or implied, as to the potential volume, profits or success of the business venture contemplated by the Franchise Agreement.

Initial

6. You acknowledge that our approval or acceptance of your Office's location does not constitute a warranty, recommendation, or endorsement of the location for the Office, nor any assurance by us that the operation of the Office at the premises will be successful or profitable.

Initial

7. You acknowledge that you have received the Bridge to Better Living Franchising, LLC Franchise Disclosure Document with a complete copy of the Franchise Agreement and all related Attachments and agreements at least fourteen (14) calendar days prior to the date on which the Franchise Agreement was executed. You further acknowledge that you have read such Franchise Disclosure Document and understand its contents.

Initial

8. You acknowledge that you have had ample opportunity to consult with your own attorneys, accountants, and other advisors and that the attorneys for us have not advised or represented you with respect to the Franchise Agreement or the relationship thereby created.

Initial

9. You, together with your advisers, have sufficient knowledge and experience in financial and business matters to make an informed investment decision with respect to the franchise granted by the Franchise Agreement.

Initial

10. You are aware of the fact that other present or future franchisees of ours may operate under different forms of agreement(s), and consequently that our obligations and rights with respect to our various franchisees may differ materially in certain circumstances.

Initial

11. It is recognized by the parties that we are also (or may become) a manufacturer or distributor of certain products under the Marks licensed herein; and it is understood that we do not warrant that such products will not be sold within your Territory by others who may have purchased such

products from us.

Initial

12. BY EXECUTING THE FRANCHISE AGREEMENT, FRANCHISEE AND ANY PRINCIPAL, INDIVIDUALLY AND ON BEHALF OF FRANCHISEE'S AND SUCH PRINCIPAL'S HEIRS, LEGAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, HEREBY FOREVER RELEASE AND DISCHARGE BRIDGE TO BETTER LIVING FRANCHISING, LLC AND ANY OF THE ABOVE'S PARENT COMPANY, SUBSIDIARIES, DIVISIONS, AFFILIATES, SUCCESSORS, ASSIGNS AND DESIGNEES, AND THE FOREGOING ENTITIES' DIRECTORS, OFFICERS, EMPLOYEES, AGENTS, SHAREHOLDERS, SUCCESSORS, DESIGNEES AND REPRESENTATIVES FROM ANY AND ALL CLAIMS, DEMANDS AND JUDGMENTS RELATING TO OR ARISING UNDER THE STATEMENTS, CONDUCT, CLAIMS OR ANY OTHER AGREEMENT BETWEEN THE PARTIES EXECUTED PRIOR TO THE DATE OF THE FRANCHISE AGREEMENT, INCLUDING, BUT NOT LIMITED TO, ANY AND ALL CLAIMS, WHETHER PRESENTLY KNOWN OR UNKNOWN, SUSPECTED OR UNSUSPECTED, ARISING UNDER THE FRANCHISE, SECURITIES, TAX OR ANTITRUST LAWS OF THE UNITED STATES OR OF ANY STATE OR TERRITORY THEREOF.

Initial

Acknowledged this day of _____.

INDIVIDUAL FRANCHISEE:

FRANCHISEE ENTITY:

Signature

Name: _____

By: _____

Name: _____

Title: _____

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

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FINANCIAL STATEMENTS

Bridge to Better Living Franchising, LLC

Financial Statements and
Independent Auditors' and Accountants' Report

December 31, 2020 and 2019



Bridge to Better Living Franchising, LLC

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INDEPENDENT AUDITORS' AND ACCOUNTANTS' REPORT

Member
Bridge to Better Living Franchising, LLC
Lincoln, Nebraska

Report on the 2020 Financial Statements and 2019 Balance Sheet

We have audited the accompanying balance sheets of Bridge to Better Living Franchising, LLC as of December 31, 2020 and 2019, and the related statements of operations, member's deficit, and cash flows for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the 2020 financial statements and the 2019 balance sheet based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 2020 financial statements and 2019 balance sheet are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 2020 financial statements and 2019 balance sheet. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 2020 financial statements and 2019 balance sheet.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bridge to Better Living Franchising, LLC as of December 31, 2020 and 2019 and the results of its operations and its cash flows for the year ended December 31, 2020 in accordance with accounting principles generally accepted in the United States of America.

LUTZ & COMPANY, PC

13616 CALIFORNIA STREET, SUITE 300, OMAHA, NE 68154-5336 | 402.496.8800 | INFO@LUTZ.US | WWW.LUTZ.US

2019 Statements of Operations, Member's Deficit, and Cash Flows

Management is responsible for the accompanying statements of operations, member's deficit, and cash flows for the year ended December 31, 2019 in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the 2019 statements of operations, member's deficit, and cash flows nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on the 2019 statements of operations, member's deficit, and cash flows.

Emphasis of Matter – New Accounting Pronouncement

As discussed in Note 1 to the financial statements, the Company has adopted new accounting guidance as provided for in Accounting Standards Update (ASU) 2011-02, *Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*, issued by the Financial Accounting Standards Board (FASB). Our opinion is not modified with respect to this matter.

Lutz & Company, P.C.

April 7, 2021

Bridge to Better Living Franchising, LLC

Balance Sheets

December 31, 2020 and 2019

ASSETS		2020	2019
CURRENT ASSETS			
Cash	\$	6,876	\$ 2,634
Prepaid Insurance		1,696	1,622
Total Current Assets		8,572	4,256
PROPERTY AND EQUIPMENT			
Vehicle		27,500	-
Less Accumulated Depreciation		1,964	-
Net Book Value		25,536	-
TOTAL ASSETS	\$	34,108	\$ 4,256
LIABILITIES			
CURRENT LIABILITIES			
Current Portion of Long-Term Debt, Related Party	\$	28,281	\$ 13,975
Accounts Payable		1,507	1,771
Related Party Payable		45,420	38,816
Other Current Liabilities		5,187	8,147
Current Portion of Deferred Revenue		1,878	-
Total Current Liabilities		82,273	62,709
LONG-TERM LIABILITIES			
Long-Term Debt, Related Party, Less Current Portion		182,686	167,931
Deferred Revenue, Less Current Portion		22,122	-
Total Long-Term Liabilities		204,808	167,931
Total Liabilities		287,081	230,640
MEMBER'S DEFICIT			
MEMBER'S DEFICIT		(252,973)	(226,384)
TOTAL LIABILITIES AND MEMBER'S DEFICIT	\$	34,108	\$ 4,256

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

Bridge to Better Living Franchising, LLC

Statements of Operations

Years Ended December 31, 2020 (Audited) and 2019 (Compiled)

	<u>2020</u>	<u>2019</u>
REVENUES	\$ 12,000	\$ -
OPERATING EXPENSES	273,581	231,647
Loss from Operations	(261,581)	(231,647)
OTHER INCOME AND EXPENSE		
Grant Income	12,000	-
Debt Relief Income	7,850	-
Forgiveness of Paycheck Protection Program Loan	22,300	-
Interest Expense	(11,158)	(6,342)
Total Other Income and Expense	30,992	(6,342)
NET LOSS	\$ (230,589)	\$ (237,989)

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

Bridge to Better Living Franchising, LLC

Statements of Member's Deficit

Years Ended December 31, 2020 (Audited) and 2019 (Compiled)

	Member's Deficit
BALANCE, January 1, 2019	\$ (38,895)
Net Loss	(237,989)
Contributions from Member	50,500
BALANCE, December 31, 2019	(226,384)
Net Loss	(230,589)
Contributions from Member	204,000
BALANCE, December 31, 2020	\$ (252,973)

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

Bridge to Better Living Franchising, LLC

Statements of Cash Flows

Years Ended December 31, 2020 (Audited) and 2019 (Compiled)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Loss	\$ (230,589)	\$ (237,989)
Adjustments to Reconcile Net Loss to		
Net Cash Used in Operating Activities		
Depreciation	1,964	-
Forgiveness of Paycheck Protection Program Loan	(22,300)	-
Debt Relief Income	(4,398)	-
Increase in Operating Assets:		
Prepaid Insurance	(74)	(1,622)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(264)	1,771
Related Party Payable	6,604	38,755
Other Current Liabilities	(2,960)	3,310
Deferred Revenue	24,000	-
Net Cash Used in Operating Activities	(228,017)	(195,775)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issuance of Paycheck Protection Program Loan	22,300	-
Proceeds from Issuance of Long-Term Debt, Related Party	17,500	156,500
Repayments of Long-Term Debt, Related Party	(11,541)	(11,594)
Contributions from Member	204,000	50,500
Net Cash Provided by Financing Activities	232,259	195,406
Net Increase (Decrease) in Cash	4,242	(369)
Cash, Beginning of Year	2,634	3,003
Cash, End of Year	\$ 6,876	\$ 2,634
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 7,706	\$ 6,342
NONCASH INVESTING AND FINANCING ACTIVITIES		
Long-Term Debt, Related Party Incurred to Purchase		
Property and Equipment	\$ 27,500	\$ -

See Independent Auditors' and Accountants' Report and Notes to Financial Statements.

Bridge to Better Living Franchising, LLC

Notes to Financial Statements

December 31, 2020 and 2019

1. Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements is set forth below.

Organization and Nature of Business

Bridge to Better Living Franchising, LLC (the Company) was formed in August 2018 to grant franchises for the establishment, development and operation of a business serving as consultants for senior placement services.

During 2020, the Company executed its first franchise agreement.

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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risk

The Company maintains bank accounts in which the balances sometimes exceed the Federal Deposit Insurance Corporation (FDIC) limit of \$250,000. At December 31, 2020 and 2019, there were no cash balances in excess of FDIC limits at the bank.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for additions and betterments are capitalized; expenditures for maintenance and repairs are charged to expense as incurred. The costs of assets disposed and the related accumulated depreciation are eliminated from the accounts in the year of disposal. Gains or losses from property disposals are recognized in the year of disposal.

Depreciation is computed using the straight-line method over the estimated useful life of seven years.

Bridge to Better Living Franchising, LLC

Notes to Financial Statements

December 31, 2020 and 2019

Franchise Operations and Revenue Recognition

Effective January 1, 2020, the Company adopted Accounting Standards Update (ASU) 2021-02, *Franchisors – Revenue from Contracts with Customers (Subtopic 952-606): Practical Expedient*, using the full retrospective transition method to all periods presented.

ASU 2021-02 simplifies the application of guidance about identifying performance obligations by permitting privately held franchisors to account for preopening services as distinct from the franchise license. Under ASU 2021-02, the Company has elected to account for preopening services as a single performance obligation.

The Company follows the provisions of ASU 2014-09, *Revenue from Contracts with Customers*. Revenue is recognized for the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

The Company's accounting policy for revenue recognition is detailed below.

Royalty Fees

Royalty fees are determined as a percentage of franchisee revenues, typically 8%, subject to a minimum of \$1,200 after the first 24 months of operations. These fees are recognized as revenue in the period revenues are earned by the franchisee. Amounts are charged on a monthly basis, with payment generally due within a week of billing. During 2020, the Company did not earn any royalty fees.

Initial Franchise Fee

The Company grants individual franchises and territory agreements for a franchise to operate in an assigned geographic area. Upon the signing of an agreement, the franchisee is required to pay an initial nonrefundable franchise fee. The initial term of the franchise agreement is 10 years. A franchisee may elect to renew the term of a franchise agreement and will pay a renewal fee upon execution of the new agreement.

The Company has determined that a portion of the initial franchise fee is a payment for preopening services including marketing, researching, awarding and training franchisees. As such, that portion of the franchise fee is initially recorded as deferred revenue and is recognized as revenue upon the completion of substantially all the preopening services. The remainder of the initial franchise fee is allocated to the franchise license. The portion allocated to the franchise license is initially recorded as deferred revenue and is recognized as revenue over the term of the franchise agreement.

During 2020, the Company recognized \$12,000 of revenues from preopening services provided to its franchisee. The Company did not recognize revenues from the franchise license as the franchisee had not opened its franchise office as of December 31, 2020.

Bridge to Better Living Franchising, LLC

Notes to Financial Statements

December 31, 2020 and 2019

Contract Liabilities

Contract liabilities are included in the balance sheets as deferred revenue. Deferred revenue consists of initial franchise fees received at the signing of a franchise agreement. These fees are recognized to revenue over the life of the respective franchise agreement. At December 31, 2020, there was \$24,000 in deferred revenue from initial franchise fees, of which \$1,200 is expected to be recognized to revenue in 2021. Revenue is expected to be \$2,400 annually for the remaining term of the corresponding franchise agreement.

Paycheck Protection Program Loan

In April 2020, the Company was granted a loan from the bank in the aggregate amount of \$22,300, pursuant to the Paycheck Protection Program ("PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020 ("PPP Loan"). Under the terms of the PPP Loan, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.

There is not guidance in accounting principles generally accepted in the United States of America that specifically addresses accounting for obtaining a forgivable loan from a government entity; however, when the Company receives government assistance that is not considered revenue or a loan, the Company analogizes to other guidance. The Company elected to account for the PPP Loan as a financial liability under long-term debt in accordance with FASB ASC 470, *Debt*. During 2020, the Company was released as the primary obligor under the loan by the Small Business Administration, which is included in other income in the statements of operations in accordance with FASB ASC 405-20-40-1, *Extinguishment of Liabilities*.

Income Taxes

The Company is a single-member limited liability company and is treated as a disregarded entity under the Internal Revenue Code. Accordingly, the Company's activity is included on the income tax return of its member. Therefore, no provision or liability for income taxes has been included on the financial statements of the Company.

The Company follows the provisions of FASB Codification Topic 740-10 related to uncertain income tax positions. Management believes there are no uncertain income tax positions taken which would require the Company to reflect a liability for unrecognized tax benefits on the accompanying balance sheets.

The Company may make tax related distributions to its member in amounts sufficient to cover any income taxes the member is required to pay on the Company's taxable income.

Advertising and Promotion Costs

The costs of advertising and promotion are expensed as incurred. Advertising and promotion costs were approximately \$29,000 and \$15,000 for the years ended December 31, 2020 and 2019, respectively.

Bridge to Better Living Franchising, LLC

Notes to Financial Statements

December 31, 2020 and 2019

Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date, but before the financial statements are available to be issued and may require potential recognition or disclosure in the financial statements. Management has considered such events or transactions through April 7, 2021. See Note 4 for a description of a subsequent event.

2. Related Party Transactions

The Company engages in various transactions with Bridge to Better Living, LLC (BBL), a company affiliated by common ownership. BBL provides senior placement services in the Omaha and Lincoln areas.

The Company reimburses BBL for shared office space, utilities, and other administrative expenses. The Company expects to pay office rent of \$1,642 monthly to BBL through September 2024 for its share of BBL's operating lease. Rent expense was approximately \$13,300 and \$0 in 2020 and 2019, respectively. There was \$45,420 and \$38,816 due to BBL at December 31, 2020 and 2019, respectively.

BBL is the primary obligor on various long-term debt agreements with a bank which have been loaned to the Company. The payment terms to BBL mirror those of the agreements between BBL and the bank. As such, these notes are collateralized by substantially all assets of the Company and the personal guarantee of its member. See Notes 3 and 4.

3. Financing Arrangement

During 2019, the Company's financing arrangement consisted of a \$100,000 fixed bank line of credit via BBL, through February 2020, with interest payable monthly at 5.00% (see Note 2). In February 2020, the outstanding principal on this line of credit converted to long-term debt. As permitted by FASB Codification Topic 470-10-45 related to intent and ability to refinance short-term obligations to long-term, this financing arrangement, with a balance of \$99,406, was included in long-term debt at December 31, 2019 (see Note 4). No financing arrangements were in place after conversion of the fixed line of credit to long-term debt.

4. Long-Term Debt

The Company's long-term debt, related party consists of the following at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Installment note payable to BBL (see Note 2) with an available amount of \$100,000, due in monthly installments of \$1,686, including interest at 6.50%, through May 2026. See refinancing intent description below.	\$ 91,940	\$ 82,500

Bridge to Better Living Franchising, LLC

Notes to Financial Statements

December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Fixed line of credit with BBL (see Note 2) with an available amount of \$100,000, which converted to long-term debt in February 2020, due in monthly installments of \$1,093, including interest at 5.50%, with the remaining unpaid principal and interest due in a balloon payment in February 2025. See refinancing intent description below.	\$ 93,491	\$ 99,406
Non-interest bearing installment note payable with BBL (see Note 2) for a vehicle, due in monthly installments of \$327, through June 2027, collateralized by the financed vehicle.	<u>25,536</u>	<u>-</u>
Total Long-Term Debt, Related Party	210,967	181,906
Less Current Portion	<u>28,281</u>	<u>13,975</u>
Long-Term Debt, Related Party, Less Current Portion	<u>\$ 182,686</u>	<u>\$ 167,931</u>

Subsequent to year-end, BBL requested and received confirmation of intent from the bank to refinance certain notes above at an adjusted interest rate of 4.83%. As permitted by FASB Codification Topic 470-10-45 related to intent and ability to refinance short-term obligations to long-term, the Company has recorded its current portion of long-term debt, related party in accordance with the updated terms of these notes.

The aggregate maturities of long-term debt, related party for the years ending after December 31, 2020 are as follows:

<u>Year Ending December 31,</u>	
2021	\$ 28,281
2022	30,061
2023	31,352
2024	32,706
2025	79,359
Thereafter	<u>9,208</u>
	<u>\$ 210,967</u>

5. COVID-19

Economic uncertainties have arisen as a result of the spread of COVID-19. To help mitigate the impact of COVID-19, the Company applied for and obtained a PPP Loan (see the "Paycheck and Protection Program Loan" section of Note 1) and received a \$12,000 Nebraska Stabilization Grant, which are included in other income and expense in the accompanying statements of operations. Additionally, as part of the CARES Act, the Small Business Administration paid certain debt payments on behalf of the Company totaling \$7,850, which includes \$4,398 of principal and \$3,452 of interest, and is included in debt relief income in the accompanying statements of operations.



EXHIBIT E TO THE FRANCHISE DISCLOSURE

LIST OF FRANCHISEES

As of December 31, 2020

NONE

Franchise Agreements signed before December 31, 2020, but units not yet open:

COLORADO	
Liza K. Olson 730 Colorado Boulevard, Suite 200 Denver, Colorado 80206 lolson@bridgetobetterliving.com	

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

FRANCHISEES WHO HAVE LEFT THE SYSTEM

As of December 31, 2020

NONE

EXHIBIT F TO THE FRANCHISE DISCLOSURE DOCUMENT

FORM OF GENERAL RELEASE *(Current Form for Transfers and Renewals)*

1. **Release of Claims.** Franchisee and its principals and their respective assigns, heirs, representatives, agents, family members, and all other persons acting on their behalf or claiming under them (collectively referred to as the “**Franchisee Related Parties**”) irrevocably and unconditionally release and forever discharge Franchisor, its predecessors, subsidiaries, affiliates and their respective owners, officers, directors, agents, independent contractors, servants, employees, representatives, attorneys, successors and assigns and all persons acting by, through, under or in concert with any of them (each a “**Releasee**” and collectively “**Releasees**”), from all actions, causes of action, suits, debts, liens, contracts, agreements, obligations, promises, liabilities, claims, rights, demands, damages, controversies, losses, costs, and expenses (including attorneys’ fees and costs actually incurred) of any nature whatsoever, known or unknown, suspected or unsuspected, fixed or contingent, except for claims under the [INSERT STATE FRANCHISE LAW] (“**Claim**” or “**Claims**”), which they now have or claim to have or at any time heretofore have had or claimed to have against each or any of the Releasees, including, without limitation, any and all such Claims arising from, based upon or related to the Franchise Agreement, but excluding claims based on any representation that Franchisor made in the most recent Franchise Disclosure Document (including its exhibits and amendments) that Franchisor delivered to Franchisee or its representative in connection with the offer of the Franchise Agreement, subject to agreed-upon changes to the contract terms described in that Franchise Disclosure Document and reflected in the Franchise Agreement (including any riders or addenda signed at the same time as the Franchise Agreement).

[For California franchisees, add: Each of the Franchisee Related Parties expressly waives and relinquishes all rights and benefits which either may now have or in the future have under and by virtue of California Civil Code Section 1542. The parties do so understanding the significance and consequence of such specific waiver. Section 1542 provides that “[a] general release does not extend to claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor”. For the purpose of implementing a general release and discharge as described in Section 1 above, the parties expressly acknowledge that this Agreement is intended to include in its effect, without limitation, all claims described in Section 1 above which the parties do not know or suspect to exist in their favor at the time of execution hereof, and that this Agreement contemplates the extinguishment of any such claims.]

2. **Unknown Claims.**
 - (a) Franchisee acknowledges for itself and the Franchisee Related Parties that there is a risk that subsequent to the execution of this Agreement, it will discover, incur or suffer Claims which are unknown or unanticipated at the time this Agreement is executed, including, without limitation, unknown or unanticipated Claims which arose from, are based upon or are related to the Franchise Agreement or some part or aspect thereof, which if known by Franchisee on the date this Agreement is being executed may have materially affected its decision to execute this Agreement.
 - (b) Franchisee acknowledges and agrees for itself and the Franchisee Related Parties that by reason of the release contained in Section 1 above, it is assuming the risk of such unknown and unanticipated Claims and agrees that its release of the Releasees contained in this Agreement applies thereto.

3. **Covenant Not to Sue.** Franchisee covenants and agrees for itself and for the Franchisee Related Parties not to bring or allow to be brought on behalf of itself or any Franchisee Related Party, any action, cause of action, suit or other proceeding of any kind, which has accrued or which may ever accrue, whether based in the Constitution, common law or statute, contract, tort, or in equity, for actual or punitive damages or other relief, against Franchisor or any other Releasee arising out of, resulting from, or in any manner related to the matters referenced in Section 1.
4. **No Assignment of Claims.** Franchisee represents and warrants for itself and the Franchisee Related Parties that it has not assigned or transferred, or purported to assign or transfer, to any person or entity, any Claims released under Section 1 of this Agreement and agrees to indemnify, defend and hold the Releasees harmless from and against any and all Claims, based on or arising out of any such assignment or transfer, or purported assignment or transfer, of any Claims, or any portion thereof or interest therein. Franchisee represents and warrants that since the date of the Franchise Agreement, there has been no assignment or transfer, and no purported assignment or transfer, to any person or entity of the Franchise, the Franchise Agreement, or any rights or interests therein or in the Franchisee.
5. **Full and Independent Knowledge.** Franchisee represents that it has been represented by an attorney in connection with the preparation and review of this Agreement, that it has specifically discussed with its attorney the meaning and effect of this Agreement and that it has carefully read and understands the scope and effect of each provision contained herein. Franchisee further represents that it does not rely and has not relied upon any representation or statement made by the Franchisor or any other Releasee or any of its or their representatives with regard to the subject matter, basis or effect of this Agreement.
6. **Compromise.** Franchisee agrees for itself and the Franchisee Related Parties that the releases contained herein are the result of a compromise and will never at any time for any purpose be considered as an admission of liability or responsibility on the part of Franchisor or any other Releasee regarding any matter.
7. **General Provisions.**
 - (a) **Entire Agreement.** This Agreement, when fully executed, supersedes all previous negotiations, representations, and discussions by the parties hereto concerning the subject matter hereof and integrates the whole of all of their agreements and understandings concerning the subject matter hereof. No oral representations or undertakings concerning the subject matter hereof operate to amend, supersede, or replace any of the terms or conditions set forth herein.
 - (b) **Authority.** By their signatures below, the parties hereto represent and warrant to each other that they have all necessary authority to enter into this Agreement. Each party hereto represents and warrants that the party is entering into this Agreement solely for the purposes and consideration set forth herein.
 - (c) **Counterpart Execution.** This Agreement may be executed in multiple counterparts, each of which will be fully effective as an original.
 - (d) **Survival.** All covenants, representations, warranties, and agreements of the parties will survive execution and delivery of this Agreement and will continue until such time as all the obligations of the parties hereto have lapsed in accordance with their respective terms or have been discharged in full.
 - (e) **Further Assurance.** The parties hereto covenant and agree that they will execute such

other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.

(f) Complete Defense. Franchisee acknowledges that this Agreement is a complete defense to any claim released under the terms of Section 1 of this Agreement and hereby consents to the entry of a temporary or permanent injunction to end the assertion of any such claim.

(g) Attorneys' Fees. In the event that Franchisor institutes legal proceedings of any kind to enforce this Agreement, Franchisee agrees to pay all costs and expenses associated therewith, including, but not limited to, all attorneys' fees.

Each of the parties hereto has caused this Agreement to be executed by its duly authorized representative as of the date indicated below.

FRANCHISEE:

FRANCHISOR:

BRIDGE TO BETTER LIVING FRANCHISING, LLC

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

EXHIBIT G TO THE FRANCHISE DISCLOSURE DOCUMENT

STATE SPECIFIC ADDENDA

**ADDENDUM TO THE DISCLOSURE DOCUMENT AND FRANCHISE AGREEMENT
REQUIRED BY THE STATE OF SOUTH DAKOTA**

In the State of South Dakota, we will defer the payment of the initial franchise fee and any other initial payment until all of our material pre-opening obligations have been satisfied and until you open your business and it is operating. However, you must execute the Franchise Agreement prior to looking for a site or beginning training.

The parties hereto have duly executed, sealed and delivered this Addendum dated _____
_____.

FRANCHISEE:

By: _____

Name: _____

Title: _____

FRANCHISOR:

By: _____

Name: _____

Title: _____

State 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:

State	Effective Date
Michigan	January 5, 2022
South Dakota	December 7, 2021

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT H TO THE FRANCHISE DISCLOSURE DOCUMENT

RECEIPT

This Franchise Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Franchise Disclosure Document and all exhibits carefully.

If Bridge to Better Living Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale. New York requires you to receive this Franchise Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires you to receive this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Bridge to Better Living Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC, 20580, and to your state authority listed on Exhibit A.

The name and principal business address and telephone number of each franchise seller offering the franchise is:

Mary Ann Stallings 4230 Pioneer Woods Drive, Suite B Lincoln, Nebraska 68506 (402)440-0133

Issuance Date: April 30, 2021

I received a Disclosure Document dated April 30, 2021, that included the following Exhibits:

- EXHIBIT A: List of State Administrators/Agents for Service of Process
- EXHIBIT B: Franchise Agreement with Attachments
- EXHIBIT C: Table of Contents of the Operations Manual
- EXHIBIT D: Financial Statements
- EXHIBIT E: List of Franchisees and Franchisees Who Have Left the System
- EXHIBIT F: Form of General Release
- EXHIBIT G: State Specific Addenda
- EXHIBIT H: Receipts

Date Received: _____
(If other than date signed)

Date: _____

(Signature of recipient)

Print Name: _____

Print Address: _____

KEEP FOR YOUR RECORDS

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Please return signed Receipt to: Bridge to Better Living Franchising, LLC
4230 Pioneer Woods Drive, Suite B
Lincoln, Nebraska 68506