LICE CLINICS OF AMERICA® FRANCHISE

DISCLOSURE DOCUMENT

FRANCHISE DISCLOSURE DOCUMENT

Larada Sciences, Inc.
A Delaware corporation
4873 South State Street
Murray, Utah 84107
(801) 533-5423
www.liceclinicsofamerica.com
www.airalle.com

We ("Larada Sciences" "Lice Clinics of America" or "LCA") offer individual franchises for the operation of Lice Clinics of America® businesses, which include a main "Clinic" and offer lice screening and diagnosis, lice-treatment services using the patented AirAllé® heated-air device, and other lice-treatment services and related products.

The total investment necessary to begin operation of a single Clinic is from $74,370 to $122,720. This includes $37,620 to $41,270 that must be paid to us or our affiliates.

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

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Adam Ward at 4873 South State Street, Murray, UT 84017, telephone (801) 533-5423.

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

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

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

Issuance Date: April 17, 2026

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

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 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 D.

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

Special Risks to Consider About *This* Franchise

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

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

2. **<u>Mandatory Minimum Payments</u>.** You must make minimum royalty and advertising payments, regardless of your sales levels. Your inability to make the payments may result in the termination of your franchise and loss of your investment.

3. **<u>Sales Performance Required</u>.** You must maintain minimum performance levels. Your inability to maintain these levels may result in minimum use payments and/or minimum product payments, or loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.

4. **<u>Turnover Rate</u>.** During the last three years, a large number of franchised outlets (9 in 2025, 18 in 2024 and 18 in 2023) were terminated, not renewed, reacquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

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A. NOTICE REQUIRED BY 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.

1. Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

(a) A prohibition on the right of a franchisee to join an association of franchisees.

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protections provided in this Act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling 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 cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 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 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

THIS MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

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

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

The fact that there is a notice of this offering on file with the attorney general does not constitute approval, recommendation, or endorsement by the attorney general.

Any questions regarding this notice should be directed to the Michigan Department of Attorney General, Corporate Oversight Division – Franchise Section, 525 W. Ottawa Street P.O. Box 30736, Lansing, Michigan 48909, telephone (517) 373-7117.

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TABLE OF CONTENTS

ITEM 1

THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

For purposes of and to simplify the language in this disclosure document, "we" and "LCA" mean Larada Sciences, Inc., the franchisor, and "you" means the person who buys a Business (as defined below), the franchisee. If a corporation, partnership, limited liability company or partnership, or other legal entity buys a Business, "you" also may mean your owners.

The Franchisor

We registered as a Delaware corporation on December 20, 2013, having previously incorporated in the State of Utah. Our principal place of business is at 4873 South State Street, Murray, Utah 84107, and our telephone number is (801) 533-5423. We conduct business under our own name and the name "Lice Clinics of America®," and do not conduct business under any other name. Our agents for service of process are disclosed in Exhibit D. We have no parents, predecessors or affiliates that are required to be disclosed in this Item.

Our Business Experience

Our company was formed in 2006 to commercialize a new medical device (a heated-air "Device" now known as AirAllé that is used in lice-removal clinics) that was invented by researchers at the University of Utah.

In 2010 we began manufacturing and marketing the Device after successfully completing a clinical trial, being issued a patent (as further described in Item 14) and getting U.S. Food and Drug Administration ("FDA") clearance. From 2010 to 2013, we rented devices to business owners who operated lice-treatment businesses under their own brands. We began franchising lice-treatment businesses on December 31, 2013, when we changed from a rental model to a licensing model, where we licensed our intellectual property, including the devices, to independent business owners within an exclusive geographic territory for a fee. We created the Lice Clinics of America® brand in 2014.

During the period when we operated a licensing model, we had clinic owners sign an old-form franchise agreement that was titled a "License Agreement." Some of the early License Agreements allowed owners to operate clinics under a different name than Lice Clinics of America. For the purposes of this disclosure document, we will refer to all who signed our old-form franchise agreement as franchisees.

At the end of 2025, we had 91 operating outlets in the U.S. We consider an outlet to be any franchised territory that has at least one treatment location in operation in the territory. Some of the territories had multiple locations (i.e. a Clinic plus one or more Satellites) open. The total number of Clinics and Satellites open as of December 31, 2025 was 103. All but two outlets operate under the Lice Clinics of America name. LCA has owned and operated one Lice Clinics of America® clinic in the Salt Lake City area since August 2016.

In 2017, we changed from a licensing model to a franchise model to provide greater marketing support and more consistency in the Lice Clinics of America® brand.

Other than offering franchises for lice-treatment businesses, LCA has never offered franchises for any other type of business.

Franchise Offered

We offer to qualified applicants the right to operate a Lice Clinics of America® business ("Business") using the "Marks" (as defined in Item 13), including the Mark "Lice Clinics of America," and using the Device, within a specific geographic area ("Territory") under the terms of our "Franchise Agreement" (a copy of which is attached as Exhibit B).

Lice Clinics of America® Businesses offer lice screening and diagnosis, lice-treatment services using our Device, and other lice-treatment services and related products. A Business must include a physical clinic location and storefront ("Clinic") within the Territory that is marketed as a Lice Clinics of America® clinic where Device treatments are provided. You may also open and operate secondary places of business within that Territory ("Satellites"). You will not need to sign an addendum or separate form of agreement to establish any Satellites in your Territory.

Even though the Device you will use to provide lice treatment services to your customers is considered a medical device by the FDA, your Clinic and any Satellites you operate will not be medical clinics. Neither your Clinic or Satellites, nor your use of the Device, need to be overseen by any type of medical professional. Rather, the FDA just requires that the Device only be used by certified operators. As further described in Item 11, we will provide Device training and certification to you and your owners and employees.

Market and Competition

The market for treating head lice falls into three categories: professional services, over-the-counter (OTC) and prescription. While OTC and prescription goods are well-developed categories in this market, professional services—which is the category for your Business—is still an emerging category.

You will offer from your Business lice screening, diagnosis, and lice-treatment services; and lice-treatment products and related products. Typical customers include individuals seeking lice screening and diagnosis, and lice-treatment services and products for themselves and their family members. Although there is no natural seasonality for lice infestations, there is seasonality for the number of lice treatments because of increased awareness during some parts of the year. The fall months of every year experience the most treatments performed and products sold because there are more media reports on lice, and parents and schools are more vigilant about checking heads when school gets back in session. The lowest month for treatments is usually February. Your competition will include other lice-screening, diagnosis and treatment businesses that may be part of national or regional chains or networks. Consumers can also purchase prescription drugs and OTC products (including products branded as Lice Clinics of America®) from pharmacies, retail stores and online for treating head lice at home.

Laws and Regulations

In addition to laws and regulations that apply to businesses generally, federal, state and local jurisdictions have enacted laws, rules, regulations and ordinances which may apply to the operation of your Business, including those which: (a) regulate matters affecting the safety and welfare of your customers; (b) regulate employee practices and safety; (c) establish standards and requirements for fire safety and general emergency preparedness; and (d) regulate privacy and data protection.

As of the issuance date of this disclosure document, lice clinics are not regulated by federal or state health-department agencies. As such, you will not need to procure any state or federal licenses to run your Clinic or any Satellites. The topical products you will use for treatments in your clinic may or may not be regulated by the FDA, state or local agencies. However, the use of the Device is regulated by the FDA.

There may be times when you request certain administrative support services from us, such as our medical director writing letters of medical necessity for individuals you treat. For us to furnish such services and for you to be able to disclose certain protected health information, you will need to sign a Business Associate Agreement (attached as Exhibit G) with us so that we comply with federal laws regarding the use and disclosure of individually identifiable health information. If you sign a Business Associate Agreement with us your Clinic and any Satellite would need to follow HIPAA guidelines as though it were a "covered entity."

Franchise Sales and Brokers

We do not currently use third-party franchise brokers. Should such use occur in the future, we shall comply with applicable broker registration and disclosure laws, including those in California.

ITEM 2
BUSINESS EXPERIENCE

Chief Executive Officer and Director: Claire Roberts

Ms. Roberts has been Chief Executive Officer of LCA since June 2013.

Chairman: Yuri Pikover

Mr. Pikover has been on our Board of Directors since August 2011. He has been the Chairman of the Board since January 2015. For the past 23 years he has been the Managing Director of 37 Ventures LLC, located in Thousand Oaks, California.

Director: Brent Sloan

Mr. Sloan has been on our Board of Directors since May 2012. For the past 33 years he has been the founder of Kid to Kid Franchise System, Inc., located in North Salt Lake City, Utah.

President: Scott Wilson

Mr. Wilson has been our President since January 2016.

Vice President of Legal and Compliance: Adam Ward

Mr. Ward has been our Vice President of Legal and Compliance since April 2018. From August 2013 to March 2018, he was our Chief Operating Officer.

ITEM 3
LITIGATION

Governmental Actions

We entered into a "Consent Order" with the California Commissioner of Financial Protection and Innovation effective August 3, 2017. The Consent Order resolved the investigation by the Department of Financial Protection and Innovation ("DFPI") of our alleged violations of the California Franchise Investment Law. Under the Consent Order, we agreed to pay the DFPI an administrative penalty of $50,000, stop sales activity in California until our franchise has been registered with the DFPI, provide an approved Notice of Violation and offer of rescission to all existing franchisees who signed our old-form franchise agreement for a location in California or who signed our old-form franchise agreement for a location outside of California but who are a California resident (collectively, the "California Franchisees"), pay restitution to any California Franchisee that accepts our offer of rescission (consisting of the return of the initial franchise payment and Device deposits paid by the California Franchisee, and the repurchase of any LCA-branded products), and require certain employees to attend franchise law training. Since signing the Consent Order, we have paid the administrative penalty, initially registered our franchise offering with the DFPI, registered our Notice of Violation with the DFPI for the California Franchisees located in California, sent the approved Notice of Violation and offered rescission to all existing California Franchisees who signed our old-form franchise agreement for locations in California, as well as to one Franchisee who is a California resident but who signed three old-form franchise agreements with us for locations outside of California. We sent out 37 Notices of Violation to these 20 California Franchisees. Two of those California Franchisees elected rescission during the applicable rescission period, and three other California Franchisees sold their territories (two of which had clinics that they closed) back to us after the rescission period ended.

Prior to submitting an initial franchise application for our franchise offering in the State of Virginia, we initiated discussions with the Virginia Division of Securities and Retail Franchising ("Virginia Division") as to whether the "License Agreements" we entered into with licensees for locations within the state constituted franchises under the Virginia Retail Franchising Act. Following an investigation by the Virginia Division, the Virginia Division alleged that we entered franchise agreements with 8 Virginia franchisees for operation in Virginia without being registered and failed to provide these Virginia franchisees with an FDD cleared for use by the Virginia Division. Without admitting or denying the allegations, we entered into a Settlement Order with the Virginia Division dated June 20, 2018 (Commonwealth of Virginia, ex rel., State Corporations Commission v. Larada Sciences, Inc. and Claire Roberts, Case No. Sec-2017-00047). Under the Settlement Order, we agreed to register our franchise offering with the state, pay to the state a $13,000 penalty and $2,500 in investigatory costs, offer to each Virginia licensee/franchisee rescission and a refund of their initial fees, and agreed to be permanently enjoined from any future violations of the Virginia Retail Franchising Act. We subsequently paid to the Virginia Division the penalty and investigatory costs, registered our franchise offering with the state and made rescission and refund offers to each Virginia licensee/franchisee. None of those Virginia licensees/franchisees accepted our rescission and refund offers.

Prior to submitting an initial franchise application for our franchise offering in the State of Washington, we initiated discussions with the State of Washington Department of Financial Institutions - Securities Division ("Washington Division") as to whether the "License Agreements" we entered into with licensees for Lice Clinics of America ("LCA") businesses within the state constituted franchises under the Washington Franchise Investment Protection Act ("Washington Act"). Following an investigation by the Washington Division, the Washington Division alleged that our offer and sale of at least 8 LCA businesses to Washington licensees constituted the offer and sale of franchises under the Washington Act and, as a result, we failed to register with the Washington Division before offering and selling these franchises and failed to provide the purchasers of these franchises with all of the basis and assumptions underlying financial projections made and either represented or omitted to disclose material facts, all in violation of the Washington Act. Without admitting or denying the allegations, we entered into a "Consent Order" with the Washington Division dated May 23, 2018 (Order No. S-17-2283-18-CO01), which resolved the investigation by the Washington Division of our alleged violations of the Washington Act. Under the Consent Order, we agreed to cease and desist from violating the Washington Act and pay the Washington Division $9,725 in investigative costs. We paid the investigative costs to the Washington Division and subsequently received a franchise registration permit from the Washington Division, effective March 13, 2020. We did not offer rescission to the Washington licensees because it was not required by the Consent Order.

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

ITEM 4 BANKRUPTCY

On March 19, 2021, we, along with 37 Ventures, LLC, the guarantor to our senior secured debt, filed a joint petition to reorganize under Chapter 11 of the U.S. Bankruptcy Code in the Central District of California, Case 9:21-bk-10269-DS. On September 8, 2022, the bankruptcy court confirmed our plan of reorganization, which restructured the rights of creditors by providing certain payments and discharged their claims.

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

ITEM 5 INITIAL FEES

Franchise Fee

If you sign a Franchise Agreement with us, you must pay us a one-time "Franchise Fee" of $30,000. The Franchise Fee is due to us when you sign the Franchise Agreement and is not refundable.

In fiscal year 2025, the Franchise Fees we charged ranged from $10,000 to $30,000 for a single territory. The lowest territory sale was to an existing franchisee who is a multi-unit owner and was eligible for additional discounted pricing.

Financing Your Franchise Fee

We may, at our sole and absolute discretion, provide installment payment plans to qualified franchisees for the Franchise Fee. The terms of the installment payment plan will depend on the number of territories purchased, the timeframe to open the clinics of the designated territories purchased, and the creditworthiness of the franchisee. All Franchise Fees made under an installment plan are non-refundable.

Device Deposits

You also must pay us a refundable deposit for each Device we license you to use under the Franchise Agreement. The refundable deposit for the current Device (the "1.0 Model") is $1,500. We estimate that the total amount of deposits you will pay us before you open your Clinic will range from $3,000 (two 1.0 Model Devices) to $6,000 (four 1.0 Model Devices). All deposits paid to us will be refunded to you upon your return of the Devices to us, less the cost of any prepaid shipping labels we generate for the return and any outstanding amounts owed by you to us and/or repairs (including service and parts) required on the Devices. However, if any Device is lost or stolen, we will keep the deposit paid for that Device, as well as charge you a penalty of $3,000 for each lost or stolen Device, and you will have to pay us a new deposit for any additional Device we provide to you.

Costs Relating to Devices and Certain Products

You must pay for shipping and handling costs for all Devices, Professional Services Products, and Clinic Retail Products (as defined in Section 1 of your Franchise Agreement) shipped to you by us or our Approved Suppliers. In addition to paying for shipping and handling, you must also pay our Approved Suppliers for the actual products themselves. We estimate that the total amount of shipping and handling costs and product costs you will pay to us or our Approved Suppliers before you open your Clinic will range from $250 to $650, depending on how many Devices we license to you, where the Clinic is located and how many Clinic Retail Products and Professional Services Products you purchase from our Approved Suppliers. Shipping and handling fees are not refundable.

Initial Training and Device Certification

You must pay us $4,000 for four days of initial owner training. The training fee will pay for initial training for up to four people, so long as they are all trained at the same time. Two of those days will be at a clinic of our choosing, and the other two will be at your Clinic once you open. You must pay all travel expenses for you, any of your staff getting trained, and our trainers. You must also pay us $120 per training session to get trained and certified on using of the Device before you open your Clinic. Up to four people can be certified on the Device if they are all trained at the same time. If you would like to be certified as a trainer so that you can train your own technicians to use the Device, you can choose to take our trainer certification class. Trainer certification costs $200 per person and must be done no earlier than six (6) months after your initial owner training.

Background Checks

You must pay us $250 for each person who we run a background check on. Since all owners will need to have a background check. You should anticipate spending between $250-$500 for those prior to signing your Franchise Agreement.

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ITEM 6
OTHER FEES

Type of Fee	Amount (See Note 1)	Due Date	Remarks
Royalty Fee	8% of Gross Sales	Within the first 5 business days of the month for the prior month's Gross Sales	See Note 2
Brand Fee	4% of Gross Sales	Within the first 5 business days of the month for the prior month's Gross Sales	See Note 3
Technology Fee	$420 for each Clinic and each Satellite	Within the first 5 business days of the month	See Note 4
Late Fee	Accrued interest of 1.5% per month	As incurred	See Note 5
Minimum Royalties	$9,000 a year for the Territory, starting the first 12 months after your Clinic is opened	As incurred	See Note 6
Device Replacement	$1,500 for a new deposit on the Device, plus shipping and handling	As incurred	See Note 7
Indemnification	Will vary under the circumstances	As incurred	See Note 8
Costs and Attorneys' Fees	Will vary under the circumstances	As incurred	See Note 9
Transfer Fee	$10,000	Before completion of transfer	See Note 10
Renewal Fee	$5,000	Prior to the expiration of the Franchise Agreement	See Note 11
Additional Training	$2,000 per additional training session	As incurred	See Note 12
Certification Fee	$120 per training session to get certified on the use of the Devices (up to four people can get trained and certified per session)	As incurred	See Note 13
Trainer Certification Fee	$200 per person that we train to be a trainer on the Devices, if requested	As incurred	See Note 14
Audit Expenses	Will vary under the circumstances	As incurred	See Note 15

Type of Fee	Amount	Due Date	Remarks
Modernization and/or replacement	Will vary under the circumstances, but not to exceed $15,000	Prior to renewing the Franchise Agreement	See Note 16
Minimum Advertising	$1,000 per month	As incurred	See Note 17
Franchise Convention	$1,000-$2,000 a year	As incurred	See Note 18
Digital Marketing Management Fee	$250-$750 per month	As incurred	See Note 19
Accounting Services Fee	$550-$650 per month	As incurred	See Note 20
Credit Card Processing Fee	3%	As incurred	See Note 21
Failed Draft Fee	$50 plus any applicable bank fees	As incurred	See Note 22

Notes:

(1) Except where otherwise noted, all fees are payable to us and are non-refundable and uniformly imposed and collected for new franchisees, although some existing franchisees with older agreements may pay lower fees. We maintain an internal policy for allocating expenses — including salaries and overhead — across the Royalty Fee, Technology Fee, and Brand Fund Fee, based on the principal benefit each cost provides. A summary of this Expense Allocation Policy is included in our Operations Manual.

(2) We will access your point-of-sale (POS) System at the beginning of each month to generate a Gross Sales report on which to calculate your Royalty Fee. The Royalty Fee is determined by multiplying your Gross Sales by .08. Gross Sales is defined as the total revenues and receipts from all Treatments performed and products, services, plans and merchandise sold in or from your Clinic, including any mobile operations or sales, cover charges or fees, as well as all license and use fees; however, Gross Sales excludes sales taxes and tips paid to technicians by customers. These Royalty Fees are different from the Minimum Royalties (as defined in Section 1(a) of Schedule D of the Franchise Agreement) that relate to annual royalty minimums you must pay us. We will not increase the Royalty Fee during the term of the Franchise Agreement.

(3) We will calculate your Brand Fee from the Gross Sales report we receive from your POS System each month. The Brand Fee is determined by multiplying your Gross Sales by .04. We will put the amount we charge you for the Brand Fee into our Brand Fund, which will be used for marketing initiatives. We will not increase the Brand Fee during the term of the Franchise Agreement.

(4) You must pay us a monthly Technology Fee of $420 per Clinic and per Satellite. The Technology Fee is due and payable monthly and may be modified upon thirty days' written notice to you. The Technology Fee covers access to and use of system-approved technology platforms and services that support the operation of your Clinic and the franchise system, which may include POS systems, customer relationship management (CRM) systems, online booking tools, reporting systems, website and e-commerce functionality, and other technology solutions that we designate from time

to time. We may modify, update, replace, or discontinue any of the technology platforms or services included in the Technology Fee, and may require you to use new or different systems, in our discretion, to support the operation and development of the franchise system. We will limit price changes to no more than a 25% increase per year.

(5) We may charge you a late fee on any amounts you owe us that are thirty days or more past due. It is calculated by multiplying the total outstanding balance that month by .015. We will not increase the late fee during the term of the Franchise Agreement.

(6) If the amount of Royalty Fees paid is less than the Minimum Royalties, you can cure that default by paying the difference between the Minimum Royalties and the actual Royalty Fees paid in that year. We will not increase the Minimum Royalties during the term of the Franchise Agreement.

(7) Should any Device we license to you be lost or stolen, you must notify us within 7 days of such event. You will lose the security deposit you had paid for that Device. You will then be required to pay a new security deposit for any replacement Device. We reserve the right to enact reasonable and competitive price increases to the Device Deposit with thirty days' prior written notice. We will limit such price changes to no more than a 25% increase per notice.

(8) Except for claims arising solely because of the design or manufacturing of our Devices, you must indemnify us, and our owners, officers, directors, insurers, successors and affiliates for any claims or liabilities in connection with the operation of your Clinic, including failure to comply with the terms of the Franchise Agreement.

(9) We may recover costs and attorneys' fees if you lose in a dispute with us or if we incur in collecting any amounts owed to us.

(10) We will not increase your transfer fee during the term of your Franchise Agreement.

(11) We will not increase your renewal fee during the term of your Franchise Agreement.

(12) We will charge you a $4,000 tuition fee for you and up to three others to attend our initial training program, which is required prior to you opening your Clinic. If you or your employees need additional training, we will charge you $2,000 for each training session. See Items 7 and 11 for more information on training. We reserve the right to enact reasonable and competitive price increases to the Initial Training Fee with 30 days' prior written notice. We will limit such price changes to no more than a 25% increase per notice.

(13) Before you or any of your employees use a Device, you will need to be trained and certified in the use of the Device. The $120 certification fee is the amount you will pay us for each training session. Up to four people can get certified per training session. We reserve the right to enact reasonable and competitive price increases to the Certification Fee with 30 days' prior written notice. We will limit such price changes to no more than a 25% increase per notice.

(14) Starting six months after receiving your initial owner training, you may train and certify your own technicians using the Device, provided you first become certified as a trainer by us. The cost for trainer certification and any recertification is $200 per person. If you become a trainer, you must be recertified by us once every two years. We reserve the right to enact reasonable and competitive price increases to the Trainer Certification Fee with 30 days' prior written notice. We will limit such price changes to no more than a 25% increase per notice.

(15) We have the right to audit your books and records relative to your Clinic and any Satellites. If the audit discloses an understatement of your Gross Sales of 3% or more, we have the right to be reimbursed for the costs of the audit. (See Franchise Agreement, Section 11(Q).)

(16) One of the conditions to you renewing your Franchise Agreement is that you modernize and/or install replacements in your Clinic to comply with our uniformity requirements. Any such modernization/replacement costs will not exceed $15,000. We will not increase your modernization/replacement costs during the term of your Franchise Agreement.

(17) Upon opening your Clinic, you will be required to spend a minimum of $1,000 each month on advertising in your Territory. We will not increase your minimum advertising requirement during the term of your Franchise Agreement.

(18) We periodically host conventions for our franchisees to attend (which may be held as frequently as once a year). It is expected that you will spend $1,000-2,000 each year on travel, meals and other costs associated with attending those conventions.

(19) You are required to use an Approved Supplier to manage your digital marketing campaigns. It is expected that you will pay a monthly fee of between $250-$750 to do that. The fee range depends on how many, and what types of campaigns (e.g. Facebook, PPC, SEO, Yelp) get managed for you.

(20) For the first 12 months that your Clinic is open, you are required to use an Approved Supplier for outsourced accounting services. The estimated cost for that is $550-$650 a month, depending on how much volume you do in your business.

(21) If you elect to pay any amounts due under this Agreement by credit card, we will charge you a processing fee of 3% of the total amount charged.

(22) If we are unable to successfully process a payment through an authorized ACH draft or credit card charge for any reason not attributable to us, including but not limited to insufficient funds, closed accounts, revoked authorization, or declined transactions, we may charge you a) a $50 administrative fee per failed transaction and b) any bank fees, processing fees or other charges incurred by us as a result of the failed payment.

ITEM 7
ESTIMATED INITIAL INVESTMENT
YOUR ESTIMATED INITIAL INVESTMENT—SINGLE CLINIC

Type of Expenditure (See Note 1)	**Amount** (See Note 2)	**Method of Payment**	**When Due**	**To Whom Payment is to be Made**
Franchise Fee See Note 3	$30,000	Lump Sum	When you sign the Franchise Agreement	Us

Clinic Lease – Security Deposit and 3 Months' Rent See Note 4	$4,800 to $10,000	As Agreed Upon	As Incurred	Third Party
Equipment and Furniture See Note 5	$8,000 to $14,000	As Agreed Upon	As Incurred	Third Party
Leasehold Improvements See Note 6	$0 to $16,000	As Agreed Upon	As Incurred	Third Party
Signs and Promotional Displays See Note 7	$500 to $7,000	As Agreed Upon	Before Opening	Various Third Parties
Device Deposits (Refundable) See Note 8	$3,000 to $6,000	Lump Sum	When you sign the Franchise Agreement	Us
Advertising and Promotion See Note 9	$5,400 to $6,600	As Agreed Upon	Before and after Opening	Various Third Parties
Initial Training See Note 10	$4,000	Lump Sum	Before Opening	Us and Outside Suppliers
Device Certification See Note 11	$120 to $120	Lump Sum	Before Opening	Us
Travel Expenses for Training See Note 12	$3,500 to $6,500	As Agreed Upon	As Incurred	Various Third Parties
Other Prepaid Expenses and Deposits See Note 13	$1,400 to $1,700	As Agreed Upon	Before Opening	Various Third Parties
Miscellaneous Pre-Opening Expenses See Note 14	$1,000 to $1,200	As Agreed Upon	Before Opening	Various Third Parties
Additional Funds – 3 Months See Note 15	$6,000 to $8,000	As Agreed Upon	As Incurred	Outside Suppliers
Supplies, Initial Inventory and Retail Products See Note 16	$4,500 to $8,500	As Agreed Upon	Before Opening	Outside Suppliers
Background Check See Note 17	$250 to $500	Lump Sum	Before Signing the Franchise Agreement	Us
Accounting Services (3 months) See Note 18	$1,650 to $1,950	As Agreed Upon	As Incurred	Various Third Parties
Shipping See Note 19	$250 to $650	Lump Sum	Before Opening	Us
TOTAL	$74,370 to $122,720			

Notes:

(1) This Table reflects your estimated initial investment for your first Clinic to be opened and operated within your Territory under the Franchise Agreement and does not include any costs associated with the development of any Satellites within the Territory.

(2) Except where otherwise noted, all fees that you pay to us are non-refundable. Third-party lessors, contractors and suppliers will decide if payments to them are refundable. Except for the Franchise Fee that we in our sole discretion may finance as more fully described in Item 5, we do not finance any of these expenditures. See Item 10 for additional details about financing.

(3) The $30,00 Franchise Fee is for a single Territory. The Franchise Fee paid to us is more fully described in Item 5.

(4) Clinics will generally be located in medical buildings, medical parks, strip malls, or free-standing locations. Rent will vary widely from location to location depending on many factors, including local market conditions, but we estimate it will range from $1,200 to $2,500 per month.

(5) Your costs for equipment will vary depending upon the size and design of your Clinic. Equipment items include the following: phone (at least one mobile), front desk, 2-4 salon chairs, computer/printer/software, 1-2 iPads, display shelves, art, furniture, TV (optional), washer and dryer (optional).

(6) Your costs for leasehold improvements will vary depending upon the size and design of your Clinic, its geographic location, costs assumed by your landlord, and other economic factors. A key factor is any electrical upgrades required for the power usage of the Devices. Leasehold improvements in this item include painting, flooring, lighting, electricity and any construction. It is possible that you may not have any leasehold improvements if you move into a ready-as-is location.

(7) Depending on the building and landlord, you may have a large display sign on the exterior of your clinic/building. Some landlords will not allow you to use the Lice Clinics of America® name on the exterior.

(8) The Device Deposit paid to us is more fully described in Item 5. The low end of the range assumes two 1.0 Model Devices. The high end of the range assumes four 1.0 Model Devices.

(9) Advertising and promotion could include such items as flyers/brochures, Facebook ads, Google AdWords, Yelp, and the management fee you will pay a digital marketing agency to manage any of those campaigns.

(10) As a Clinic owner, you (and whoever is managing your Clinic, if different than you) must complete Device certification and complete owner training prior to opening your Clinic. The tuition for that owner training (which covers up to four people) is $4,000.

(11) Up to four individuals can be certified in a single certification session. You should expect that you and 1-3 of your employees will need to be certified before you open your Clinic.

(12) You must pay all costs associated with attending owner training, including airfare, hotel, meals, and wages and compensation for any individual attending training. Training is two full days for you

and your manager or employees at a training clinic that we decide in our sole discretion; as well as two full days of training in your own Clinic once it is open, for which you will pay the travel costs of our trainer(s) who will be in your Clinic for those two days.

(13) Prepaid insurance and utility deposits may vary, depending on the size and location of your Clinic. Your insurance company may require you to pay a full year of premiums in advance. Your gas and electric companies may require you to prepay for the first month's utilities.

(14) Miscellaneous expenses include local permit and license fees, legal and accounting fees.

(15) This amount estimates the expenses you will incur during the first three months of Clinic operations, including initial wages, occupancy costs and utilities, Clinic Retail Products, and shipping and handling for Clinic Retail Products and Devices. This estimate does not include your compensation during this three-month period. The estimated range considers the size of the Clinic, whether you will work in the Clinic or hire staff, and how many initial Clinic Retail Products you choose to stock and assumes that there is no external financing. These amounts are based on information gathered from our franchisees that have collectively opened hundreds of clinics and satellites throughout the United States, as well as our experience opening our own corporate clinic and our more than 17 years of experience in the lice-treatment industry.

(16) You will also need to purchase supplies such as combs, towels, capes, cleaning supplies, etc. as well as retail products to sell. You should anticipate paying between $1,800 and $3,200 for supplies and between $2,700 and $5,300 for retail inventory.

(17) We will conduct a background check on you prior to selling you the Territory. We will charge you $250 per person that we screen. This estimate assumes we will conduct a check on you and, if applicable, your business partner.

(18) For the first 12 months that your Clinic is open you will need to pay for accounting services from an Approved Supplier. We anticipate that you will need to pay $550-$650 per month for those services.

(19) You will need to pay us or our Approved Suppliers to ship Devices and Clinic Retail Products to you. Depending on where your Clinic is located, those shipping costs range from between $250 and $650.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

To ensure a uniform quality of lice treatments across LCA's franchised Clinics, you must offer lice treatments using the Device from your Business and must maintain and comply with our quality standards relating to the use and maintenance of all Devices. You also must offer for sale certain lice-treatment products from your Clinic and Business. Products, services, inventory, equipment, fixture, furnishings, signs, advertising materials, trademarked items and novelties, and other items or services to be used in the operation of your Clinic (the "Approved Supplies") must be purchased from manufacturers, distributors and/or suppliers (the "Approved Suppliers") that we have approved prior.

We will provide you with, from time to time, lists of Approved Supplies or Approved Suppliers, as we may amend from time to time. You may request that we add supplies or suppliers to our approved lists. We have the right, but are under no obligation, to approve those supplies or suppliers, as well as to approve an alternative supplier for the items described in this Item 8. The process for evaluating alternative suppliers consists of our management team a) determining a business need for having an alternative supplier, b) identifying potential suppliers that have the production capacity to supply our network's needs as well as the proper regulatory credentials (if appropriate), c) sending the supplier a request for proposal, d) evaluating their proposal, and e) visiting their manufacturing facility (if appropriate). You or other franchisees may propose we evaluate alternative suppliers. As of the issuance date of this disclosure document, we do not charge a fee to evaluate alternative suppliers, but we reserve the right to do so in the future. Our criteria for approving suppliers will be made available to you upon written request. We do not issue specifications and standards to you and other franchisees for the items described in this paragraph but may periodically issue such specifications and standards to any potential or actual alternative suppliers for these items. We will notify you within 30 days if we approve or revoke approval of an alternative supplier for any of the items described in this Item 8.

Designated Products and Services

You are required to offer the full-service "Signature AirAllé Treatment," a three-step procedure that includes heat treatment with the Device, combing and the application of a topical product. You may offer a heated-air treatment without combing (called the "Express AirAllé Treatment"). You are required to perform treatments using our current protocols, as stated in our Operations Manual and which we may update from time to time. You agree to offer comb-out services for contraindicated clients who are prohibited from receiving a Device treatment.

We are currently the sole source of Devices and Device Accessories you are required to use in your Clinic. You are not required to purchase any Device Accessories before you open your Clinic. You are not required to purchase a minimum number of Device Accessories, but you are required to purchase enough Device Accessories to repair or maintain the Devices being used in your Business. Our Approved Suppliers are the sole source of the Professional Services Products you are required to use in your Clinic, the Clinic Retail Products you are required to sell in your Clinic, the Consumer Devices and the Consumer Tips. We will license to you up to four Devices per Clinic for the Device Deposits described in Item 5. However, we retain the sole ownership of all Devices licensed to you.

Location of your Clinic; Real Estate Lease

You are not required to purchase, lease or sublease the Clinic premises or the premises of any Satellite from us or our affiliate. You are, however, required to use an approved broker if we have one in your area; obtain our approval on any Clinic location prior to signing the lease and provide us with a copy of your lease. You are also required to send us an executed copy of the lease within five days of its execution.

Fixtures, Equipment, Furniture and Signs

You must purchase fixtures, equipment, furniture and signs from our list of Approved Supplies or Approved Suppliers.

Computer Hardware and Software

There are no restrictions on the sources from which you will purchase a computer system, hardware, or software. However, you are required to use the Meevo point-of-sale system (the "POS System") and complying with those terms in the subscription agreement in Exhibit I. You are also required to use QuickBooks Online for your accounting software. As further described in Item 11, you must purchase, maintain, repair and update computer hardware and software for your Clinic and Business that allows you to access the Internet to order products, log in to our franchisee portal, advertise online and monitor, update your website and Facebook page, etc.

Insurance

You must purchase and maintain, at your sole cost and from a responsible carrier with an AM Best rating of A+ or greater, insurance that insures you, us, and our affiliates. All required insurance policies shall name Larada Sciences, Inc. and any person or entity with an insurable interest that we designate as an additional named insured and include a waiver of subrogation in favor of Larada Sciences, Inc. and any additional named insureds. The insurance policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, must include the following: (i) primary and non-contributing comprehensive general liability insurance covering your Business and the use of each Device on an occurrence basis with a nationally recognized insurance company with the following minimum limits of liability: $1,000,000 for each occurrence, and $2,000,000 in the aggregate (including products/completed operations, personal injury, and advertising injury) that includes $100,000 tenant fire legal liability, $5,000 medical payments liability, and $1,000,000 hired and non-owned auto liability; (ii) workers' compensation insurance with coverage of $1,000,000; (iii) employer practices liability insurance with coverage of $1,000,000; and (iv) professional liability insurance with the following minimum limits of liability: $500,000 per claim and $1,000,000 annual aggregate. You shall also provide us with certificates of insurance annually and will provide us with at least 30 days' prior written notice in the event of cancellation or material reduction in coverage. Each insurer shall agree, by endorsement or by independent instrument furnished to us, that it will give us 30 days' prior written notice of the effective date of any alteration or cancellation of such policy.

Advertising and Promotional Approval

You are required to spend at least $1,000 per month to actively promote your Clinic, including engaging in digital marketing such as SEO, pay-per-click and Facebook advertising. You are also required to have an Approved Supplier manage your digital marketing. The $1,000 may include the costs of the digital campaigns but would not include management fees you will pay an Approved Supplier to manage your digital campaigns. Those management fees would range from $250 to $750, depending on the services you need. We do not require you to use all of our advertising materials; however, we will make available to you the ability to order Lice Clinics of America® marketing collateral. This is the only currently approved/pre-approved marketing material for the Lice Clinics of America® brand. We will also provide a landing page on our website that is localized for your Territory, an email address, and a template-based Facebook page. As a Lice Clinics of America® branded clinic, you are required to use those as the only email address, website, and Facebook page for your lice-treatment business.

Any promotional products or marketing collateral (printed or digital) using our marks that are not pre-approved must be approved by us prior to use.

Revenue From Franchisee Purchases

We will derive revenue because of your purchases of the products and services described in Item 8.

During our last fiscal year ending December 31, 2025, we received revenue in the amount of $506,312.88 from our franchisees for purchases of Device Accessories, Technology Fees and digital marketing services, which represented 7.5% of our total revenue of $6,790,089 in 2025. Not all of the $506,312.88 was contractually required of our franchisees (because our requirements for purchases have changed over the years), but many still chose to purchase those items from us even if they were not required to. This amount does not include the Device deposits we collect on the Devices we provide to franchisees because since we do not sell the devices these deposits are not considered revenue under generally accepted accounting principles in the United States. In our last fiscal year ending December 31, 2025, we shipped out more Devices than were returned to us, so the net number of deposits we posted on our books was $25,000. During this same period, no affiliate of ours received any revenue from required purchases and leases of products and services from franchisees.

We do provide material benefits to you based on your purchase of products or services, or your use of our designated or approved suppliers. CosmoProf, an Approved Supplier, offers an additional 20% off wholesale pricing for supplies when purchased through the dedicated landing page linked to our online resource portal. There are no purchasing or distribution cooperatives currently. We may periodically negotiate purchase arrangements with suppliers, including price terms, for the benefit of franchisees, but not on behalf of individual franchisees.

We and our affiliates have the right to receive fees, payments, rebates, commissions, or other consideration from third-party suppliers which may or may not be related to services we or our affiliates provide to these third parties. We and our affiliates have the right to receive from third-party suppliers a certain percentage of sales of products, services, equipment, goods and supplies to our franchisees. We and our affiliates have the right to increase or decrease this percentage in the future. We and our affiliates will retain and use any fees, payments, rebates, commissions or other considerations as we deem appropriate or as required by a particular supplier.

We estimate that the purchase of retail products, supplies or equipment which meet our specifications and standards will represent 21% to 24% of the cost to establish your Clinic. We estimate that more than 90% of your total purchases to operate your Clinic after opening will be purchased from Approved Suppliers or consist of items that must meet our specifications.

None of our officers has an interest in any of our required suppliers.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Obligation	Section(s) in Agreements	Disclosure Document Item
a. Site selection and acquisition/lease	Section(s) 1(M), and 6 of Franchise Agreement	Item 11
b. Pre-opening purchases/leases	Section(s) 11(A-F) of Franchise Agreement	Items 7, 8 and 11
c. Site development and other pre-opening requirements	Section(s) 2(A-B), and 6 of Franchise Agreement	Items 5, 7, and 11
d. Initial and ongoing training	Section(s) 7(AB), 9(B), 9(D), and 9(F) of Franchise Agreement	Items 7 and 11
e. Opening	Section(s) 2(B) of Franchise Agreement	Items 5 and 11

f. Fees	Section(s) 11(A-F) and 11(K-M) of Franchise Agreement	Items 5, 6 and 7
g. Compliance with standards, policies and user/operations manuals	Section(s) 5, 7(I), and 8(D) of Franchise Agreement; Exhibit H of this disclosure document	Items 11 and 16
h. Trademarks and proprietary information	Section(s) 3, 7(J-U) and Schedule B of Franchise Agreement	Items 13 and 14
i. Restriction on products/services offered	Section(s) 1(Z), 2(C), 2(F), 7(C), 8(A-B) and 12(E) of Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Section(s) 7(H) and 8(H) of Franchise Agreement	Item 11
k. Territorial development and treatments quotas	Schedule D of Franchise Agreement	Item 12
l. Ongoing product/service purchases	Section(s) 5(B), 7(D), 7(BB), 11(B), 11(E-F)	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Section(s) 4(B) and 6(E) of Franchise Agreement	Item 11
n. Insurance	Section(s) 12(C-D) of Franchise Agreement	Items 6, 7 and 8
o. Advertising	Section(s) 10, 11(E) of Franchise Agreement	Items 6, 7 and 11
p. Indemnification	Section(s) 12(B) of Franchise Agreement	Item 17
q. Owner's participation/management / staffing/training	Section(s) 9 of Franchise Agreement	Items 11 and 15
r. Records and reports	Section(s) 5(E), 8(D), 11(M-N), and 11(P) of Franchise Agreement	Item 11
s. Inspections and audits	Section(s) 11(Q) of Franchise Agreement	Item 6
t. Transfer	Section(s) 13 of Franchise Agreement	Items 6 and 17
u. Renewal	Section(s) 4(B) of Franchise Agreement	Items 6 and 17
v. Post-termination obligations	Section(s) 16 of Franchise Agreement; Section(s) 1-6 of the Termination and General Release Agreement	Item 17
w. Non-competition covenants	Section(s) 12(E) of Franchise Agreement	Item 17
x. Dispute resolution	Section(s) 14 of Franchise Agreement	Item 17
y. Treatment guarantees	Section(s) 8(H) of Franchise Agreement	Item 11
z. Personal guarantee	Schedule G of the Franchise Agreement	Item 15

ITEM 10
FINANCING

We may, at our sole and absolute discretion, provide installment payment plans to qualified franchisees for the Franchise Fee. The terms of the installment payment plan will depend on the number of territories purchased, the timeframe to open the clinics of the designated territories purchased, and the creditworthiness of the franchisee. Any installment plan requires a minimum of a 5% down payment, a minimum 10% finance charge, and a term not to exceed 48 months. We do not charge interest for financing. We apply an 18% late fee to any amounts not paid on time. All Franchise Fees made under an installment plan are non-refundable.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

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

Pre-Opening Assistance. Before you open your Clinic, we will:

(1) Grant you the right to use the Marks, own and operate a Business, including a Clinic, and provide you with up to four Devices (Franchise Agreement – Section 2).

(2) Provide you with Device training and certification (Franchise Agreement – Section 9(B)).

(3) Provide you with initial owner training (as described below) for up to four people. (Franchise Agreement – Section 9(B)).

(4) Provide you with electronic access to our Operations Manual which contains specifications, standards, policies, procedures, restrictions and recommendations for your Clinic (Franchise Agreement – Section 7(B).

(5) Provide you with access to the online resource portal where training, support, and marketing materials are located (Franchise Agreement – Section 9(D)).

(6) Provide you with an email address, a template-based Facebook page; and the ability to order Lice Clinics of America® marketing collateral. (Franchise Agreement – Section 7(Y)).

(7) Provide you with a landing page for your Clinic on our website, including listing the Clinic on the "clinic locator" (Franchise Agreement – Section 7(Y)).

(8) Provide you with a Business Associate Agreement, which is attached as Exhibit G, that you can sign if you desire to disclose to us certain protected health information of your clients in exchange for certain administrative support services.

(9) Provide you access to the Meevo POS System, the subscription agreement for which is attached as Exhibit I.

Ongoing Assistance. During the operation of your Clinic, we will:

(1) Provide you with support from our clinic support team to guide your operations (Franchise Agreement – Section 9(D)).

(2) Provide you with 90 days of guidance on using best practices once your Clinic opens (Franchise Agreement – Section 7(AB)).

(3) Provide you with repair and replacement of Devices as necessary so that you will have up to four Devices to use (Franchise Agreement – Section 5(D)).

(4) Make available for you to purchase Device Accessories from us or our Approved Suppliers (Franchise Agreement – Section 5(B)).

(5) Make available for you to purchase Clinic Retail Products and Professional Services Products (Franchise Agreement – 11(H)).

(6) Provide you with additional owner training (which you would pay for), if requested by you or deemed necessary by us (Franchise Agreement – Section 9(B)).

(7) Provide you with continuing access to the Meevo POS System (Franchise Agreement – Section 7(D)).

Clinic Opening

It typically takes 2-3 months to open your Clinic after signing the Franchise Agreement and the lease agreement. Factors that may affect that timing include finding an acceptable location, negotiations with landlords, hiring a manager and/or staff, construction and/or improvements to the Clinic location, availability of contractors, permits from city regulators, training, marketing preparations, and procurement of furniture and supplies.

Site Approval

You must obtain our approval for your Clinic site prior to signing the lease for a location. You will be responsible for finding your own location and negotiating your lease. You will be required to use an approved broker if we have one in your territory. We will not lease any property to you. You must submit to us pictures of the interior and exterior of the location, pictures of the street outside the location, a floor plan, a draft of the lease agreement, and any other requirements as listed in the Operations Manual. We will consider such things as demographic and psychographic characteristics of the proposed site, traffic patterns, parking, the predominant character of the neighborhood, competition from other businesses providing similar services within the area, the proximity to other businesses (including other Lice Clinics of America® locations), the nature of the businesses in proximity to the site, and other commercial characteristics, such as the size, appearance, and other physical characteristics of the premises, plus the purchase price or rental obligations and other lease terms.

We will have 5 business days after receipt of the requisite materials to approve or disapprove a proposed site, which we will do by written notice to you. If we disapprove of the site, you will need to find another site and submit it for our review. If you and LCA are unable to agree on a Clinic site such that you fail to commence operations of a Clinic within the time set forth in your Franchise Agreement (typically 6 months), this will be deemed to be an incurable default for which LCA may terminate your Franchise

Agreement.

We do not provide assistance with conforming the premises of your Clinic or Satellite to local ordinances and building codes, obtaining any required permits, or constructing, remodeling or decorating the premises, and/or hiring and training employees.

Outfitting Your Clinic

On our franchisee portal we provide you with a list of equipment, signs, fixtures, opening inventory, and supplies that you may choose (but are not required) to purchase. However, any of those items you choose to purchase must come from our Approved Suppliers. We have included with each item on the list the names of many of those suppliers, along with written descriptions and specifications of those items, where applicable. We do not deliver or install any items for your Clinic.

Advertising Programs

We engage in national, regional, and local advertising, public relations, digital marketing, and other brand development initiatives that may or may not directly impact your Clinic or any Satellites. These activities are funded through a system-wide fund (the "Brand Fund") designated for marketing and related initiatives intended to benefit the franchise system as a whole. You are required to pay a Brand Fund Fee equal to 4% of your Gross Sales each month into the Brand Fund. "Gross Sales" means the total revenues and receipts from all Treatments performed and all products, services, plans, and merchandise sold in or from your Clinic, whether under any of the Trademarks or otherwise, including any mobile operations or sales, cover charges or fees, as well as all license and use fees. Gross Sales exclude sales taxes and tips paid to technicians by customers.

Clinics owned by us or our affiliates are required to pay the same 4% Brand Fund Fee. Because the Brand Fund was established in 2021 and some franchise agreements pre-date its implementation, not all franchisees are currently contractually required to contribute. As of the date of this Disclosure Document, approximately 90% of our clinics contribute to the Brand Fund. All contributing clinics pay the same 4% Brand Fund Fee. The Brand Fund is not audited by an independent auditing firm; however, we will provide you, upon written request, an annual unaudited statement of Brand Fund Fee collections and expenditures.

We administer the Brand Fund and have sole discretion over its use, allocation, and management. We may use Brand Fund monies for system-wide marketing, advertising, and brand development initiatives, including but not limited to national, regional, and local advertising; digital marketing; search engine optimization; public relations; website development and maintenance; creative development; technology integrations that support marketing initiatives; meetings, training, and conferences; and the salaries, benefits, and overhead of personnel who support or manage such initiatives. We are not required to spend any amount of Brand Fund monies in your Territory or in proportion to your contribution. Expenditures may vary by market, geography, or other strategic considerations. We anticipate, but do not guarantee, that we will spend all Brand Fund contributions collected in a given year. In fiscal year 2025, approximately 86% of the Brand Fund Fees collected were spent. The purposes for which they were used, as well as the percentage breakdowns spent in fiscal year 2025 were as follows: conferences and meetings (16%), media (31%), SEO/AIO/digital presence (50%) and administrative expenses (3%).

We administer the Brand Fund. We may, but are not obligated to, establish a Franchise Advisory Council ("FAC") composed of franchisees. The FAC may provide input on system-related initiatives, including marketing, operations, and technology, but does not have final authority to direct or control Brand Fund expenditures or other decisions.

We did not use any of the Brand Fund to solicit new franchise sales in fiscal year 2025.

In addition to the Brand Fund Fee, you pay us, you are required to spend an additional $1,000 each month on marketing, advertising or production in your Territory or in the area in which your Clinic and any Satellites are located. You are not required to participate in any local or regional advertising cooperatives.

We provide a wide range of marketing collateral that you can customize and print. However, you are not required to use any of the collateral we provide to you. We allow you to create and use your own advertising material whenever you want, although you must follow our advertising, brand and Trademark requirements and guidelines when doing so. If you follow our brand guidelines, you do not need to obtain our approval of your own advertising material prior to use. We have the right to periodically revise our brand guidelines, and you must comply with the revised brand guidelines within 30 days' notice to you.

We allow you to advertise on the Internet, through such platforms as search engines and social media. When advertising on the Internet you must follow our advertising requirements, including using only marketing materials we furnish you or approve prior to you running them. You cannot advertise outside of your Territory, and you cannot use our Trademarks on the Internet without our prior written consent.

Computer System

We do not require you to use any computer system, hardware, or software system (other than the POS System and QuickBooks Online) in the operation of your Clinic or Business. However, because you will need to access the Internet to order products, report treatment numbers, log in to our franchisee portal, advertise online and monitor or update your website and Facebook page, you will need to have a computer. The computer should, at a minimum, contain software that allows you to view spreadsheets, Word documents, PDFs, emails, and website pages.

You should be able to purchase sufficient computer hardware and software for your Clinic for $1,000 or less. This is part of the estimated equipment and furniture expenses in Item 7 (see note 5). You are required to maintain, repair and update your computer hardware and software for your Clinic, so that it continues to serve the functions described in the paragraph above. We estimate that this will cost between $100-$200 a year, although it could depend more on the type of computer hardware and software you choose. Except as described in this paragraph, we do not have the right, under the Franchise Agreement, to require you to maintain, repair and update your computer hardware and software.

You are required to use Meevo as your POS system and may not use any other POS system without our prior written consent. Meevo is a product of Millennium Systems International and has been customized for use in our franchise system. You must enter into our then-current subscription agreement (attached as Exhibit I), as may be updated from time to time. As provided in the subscription agreement, we will have access to the data in your Meevo system, including the right to use such data for our internal business purposes, including generating Gross Sales reports. The fee for use of the POS system is included in the Technology Fee you are required to pay us each month.

You are required to use QuickBooks Online for your accounting system and to use a specific chart of accounts we will give you. You are required to give us access to your QuickBooks Online. You are also required to provide us with monthly, quarterly, and/or annual P&L reports at our request.

Other than your POS system, QuickBooks Online, and CRM, we will not have independent access to any information and data on your computer unless you specifically choose to share it with us. However, we will gather from your Clinic and any Satellites, marketing-related information such as visits to your website, results from Internet advertising campaigns and phone calls to your Clinic and any Satellites. We will not have access to any protected health care information of your clients without you signing a Business Associate Agreement (a copy of which is in Exhibit G), which you shall provide to us directly.

Websites, Domains, Phone Numbers and Social Media

We will provide you with a landing page on our website, an email address, a template-based Facebook page, and call-tracking phone numbers as part of the Technology Fee you pay us. You will agree to participate, at your expense, in our Lice Clinics of America website and any other online communications that we may require. You must use the landing page on our website as the only website for your lice-treatment business. You must also use the template-based Facebook page as the only Facebook page for your lice-treatment business. You must not use our Trademarks in any other online platforms or communications without our prior written consent. Your domain, website, Facebook page and other online pages will belong to us and must be surrendered to us when your Franchise Agreement expires or terminates. You will also be required to transfer the telephone number of your Clinics to us when your Franchise Agreement expires or terminates.

Franchise Convention

We periodically hold a franchise convention, which typically takes place in a different city and state each time, although it may be held remotely. These conventions may be held as often as once a year, and will provide you with important updates, marketing support, and provide you with the opportunity to meet our employees and other franchisees. We anticipate that the cost for you to attend the conventions will range from between $1,000-$2,000, as stated in Item 6 (Note 12). We may charge you a fee to attend the convention in person. We will charge you $400 if you fail to attend a convention. We also may require you to attend additional training sessions if you fail to attend three or more franchise conventions during the term of the Franchise Agreement.

Franchise Advisory Council

We may convene a Franchise Advisory Council (FAC) composed of franchisees from different territories. The FAC provides input to us on system-related initiatives, including marketing, operations, and technology, but does not exercise control over our decisions. Participation in the FAC is voluntary and governed by bylaws developed by us.

Training

Initial Training comprises two training courses, each with separate requirements for owners and specific members of your Clinic team. The first training will certify you on using the Device ("Device Training"). The second training will teach you how to run and market your Clinic ("Owner Training"). At least one owner and the person managing your Clinic (the "Business Manager", if different than you) must complete both of those training sessions to our satisfaction prior to you opening your Clinic. If you operate more than one Clinic or Satellite, then you must have one full-time Business Manager devoting his or her full-time and best efforts to the supervision of the Clinic or Satellite. Any Business Manager must satisfy our educational and business experience criteria and is required to complete Owner Training.

The cost for Device Training, whether it takes place before or after opening your Clinic, is $120 per training session. Up to four individuals can be trained in a single session. All Device Training may be Internet-based and will include all instructional presentations, videos, tests, manuals, and printed materials necessary for Device Certification. For those attending Owner Training, Device Training must be completed prior to attending Owner Training. Our instructor who conducts Device Training has worked for us for more than five years, training specifically on our Device.

Owner Training will last four full days. Tuition for initial Owner Training, which includes training for up to four people, is $4,000. You will also be responsible for travel expenses related to Owner Training (See Item 7 for additional information on costs associated with Owner Training) for both you and any of your employees, as well as the travel expenses of our Trainer. Owner Training will include classes and on-the-job training and includes instruction relating to Clinic operations, business management, customer service, marketing tools, methods, and systems. We plan to offer Owner Training often enough to meet the needs of new and existing franchisees. Two days of Owner Training will take place at one of our operating clinics; and two days of Owner Training will take place at your Clinic once you open. We have the right, however, to determine when and where the Owner Training takes place. Owner Training is conducted by our Trainer, who has been with our company for more than eight years.

You must attend Owner Training after signing your Franchise Agreement and prior to opening your Clinic. Although we do not have a mandatory period at which you must be trained, you should plan on attending Owner Training within 30 days of signing your Franchise Agreement.

As for the issuance date of this disclosure document, the initial training consists of the following:

TRAINING PROGRAM

Subject (1) (2)	Hours of Classroom Training	Hours of Hands-On Training	Location
COMPETITIVE PRODUCTS	.5	0	See note 3
HEAD-LICE TREATMENT MARKET IN YOUR AREA	.5	0	See note 3
ALL ABOUT LICE	1	.5	See note 3
HOW TO EVALUATE YOUR MARKET & PRICING	.5	.5	See note 3
DEVICE TRAINING AND CERTIFICATION	1	2	Via Internet
TREATMENT SERVICES AND PROTOCOL	1.5	4.5	See note 3
CLINIC RETAIL PRODUCTS	1	0	See note 3
CLINIC OPERATIONS	15	3	See note 3

BUSINESS PLANNING & MANAGEMENT	2	0	See note 3
MARKETING (DIGITAL, LOCAL, BRAND)	3.5	0	See note 3
TOOLS/SOFTWARE FOR RUNNING THE BUSINESS	1.5	0	See note 3
STAFFING	1	0	See note 3
MANAGING PHONES	3	.5	See note 3
TOTAL	32	11	See note 3

(1) The instructional materials for the Owner Training include our training manuals, handouts and visual aids, and will include lectures, classroom discussion, hands-on demonstration and/or practice training at a clinic.

(2) Our Trainer oversees all aspects of training. Any other individuals involved in the training program will have at least one year of experience in the subject that they teach.

(3) Half of owner training is provided at the location of our choosing and the other half is done at your Clinic.

As described above in this Item 11, we periodically hold a convention for our franchisees that will provide additional training and education. As of the issuance date of this disclosure document, we do not charge a fee for the convention but reserve the right to do so in the future. However, you will be responsible for all expenses related to attending the convention.

Additional training may be available and/or required from time to time. This may be available only at specific locations, although we will make efforts to provide regional and online training where applicable. As further described in Item 6, tuition for any additional training will be $2,000.

Operations Manual

During the term of the Franchise Agreement, we will allow you to electronically access our Operations Manual through the franchisee resource portal. The current table of contents of the Operations Manual is attached as Exhibit H. Currently, the Operations Manual consists of a total of 126 pages.

Treatment Guarantees

You will be required to offer your clients a 30-day guarantee on AirAllé® Treatments, as required by the Operations Manual. Each year we send a survey to our franchisees. One of the questions asks how many guaranteed retreatments they performed that year. For the past 13 years, the retreatment rate has been 1% or less of total treatments. Therefore, you should anticipate that your treatment guarantees may have a financial impact of up to 1% of your service sales each year.

Establishing Prices

We are under no obligation to assist you in establishing prices for the products and services you will sell. That said, we do list in the Operations Manual a range (low to high) of recommended prices for products and services you might sell.

Allocating Expenses

We maintain an internal policy for allocating expenses — including salaries and overhead — across the Royalty Fee, Technology Fee, and Brand Fund Fee, based on the principal benefit each cost provides. A summary of this Expense Allocation Policy is included in our Operations Manual.

ITEM 12
TERRITORY

You will operate your Clinic at an approved site located within the Territory (also called an Exclusive Territory or Designated Territory). You will receive an Exclusive Territory comprised of certain zip codes and described on the Data Sheet of Schedule A of the Franchise Agreement. A minimum population of 500,000 individuals will be living within the zip codes of your Territory. Provided you are current in all your financial and all other contractual obligations under the Franchise Agreement, you will be allowed to develop and operate a Clinic and any Satellites within the Exclusive Territory during the term of the Franchise Agreement. You will have the right to use the Device in a Clinic physically located in your Territory and we will not establish any other franchised or company-owned Clinic located inside the Territory, or modify your Territory. But we will have the right within and outside of your Territory to enter into agreements with distributors, resellers and other third parties in connection with the production, sale, distribution, and marketing of any retail products that are defined in Section 1(UU) of your Franchise Agreement.

You may also be able to perform treatments outside your Territory, provided you have our permission, it is not a territory owned by another franchisee, and you agree to transfer any business from there to a future franchisee who may buy that territory. You also may participate in our “Mini Clinic” program outside your Territory if you first sign the Mini Clinic Addendum on Schedule C.

Before we created the Lice Clinics of America brand and started licensing the rights to use the Device in specific territories, we sold a total of 135 Devices to individuals, schools, health departments, camps, and medical clinics in the United States. We consider these purchased Devices to be unlicensed. All individuals and entities that bought unlicensed Devices from us signed purchase agreements where they agreed not to operate the Device unless it was being operated by an individual operator certified by us. Typically, there was at least one certified operator for each purchased Device. They also agreed not to reuse applicator tips. We no longer sell Devices or Device applicator tips to these purchasers. In addition, we no longer certify individual operators who are operating unlicensed, purchased Devices and are outside of our franchise network. We have reacquired 35 of the 135 unlicensed, purchased Devices we sold to purchasers. Aside from these 35 Devices, we do not know how many of the remaining unlicensed, purchased Devices we sold and are still in existence, whether they are still being used for treatments, or where they may be located. As such, there may be one or more of these unlicensed, purchased Devices located in your Territory. Per Paragraph 2(C) of your Franchise Agreement, we will not establish company-owned, affiliate-owned or franchised clinics within your Territory that offer the same products and services as your Clinic.

Beginning with the opening of your Clinic, you must pay us a minimum of $9,000 in Royalty Fees each year. Failure to meet those "Minimum Royalties" constitutes a breach of the Franchise Agreement, which you can cure by paying LCA the difference between the Minimum Royalties and the actual Royalty Fees paid in that year. Minimum Royalties will be calculated at the end of each calendar year. They will be calculated pro rata for the first year that your Clinic is open.

Except for the rights we expressly license to you to use the Device in your Territory, we (for ourselves and our affiliates) specifically reserve all other rights to offer and sell any consumer or retail products anywhere and through any channel of distribution, without any compensation to you or any other franchisee and regardless of whether they compete with your Clinic or Business, including, (i) to directly operate, or to grant other persons or entities the right to operate, Clinics at locations outside your Territory using the Marks; (ii) sell, or grant other persons or entities the right to sell, any consumer and retail products, including those relating to lice treatments, within and outside your Territory and under the Marks or any other trademarks and service marks, through alternative channels of distribution, (i.e. other than the operation of service Clinics and Satellites, including by electronic means such as the internet and websites, and through retail locations, subject to the requirement described below; and (iii) advertise our products and our network of clinics on the internet and create, operate, change or discontinue the use of websites using the Marks.

We currently sell some "Retail Products," as defined in Section 1(VV), in your Territory. We sell various Retail Products, including our "Lice Remover Kit," preventive products, and our consumer-use "OneCure" that contains a heated-air device (the "Consumer Device"), and replacement tips for OneCure (the "Consumer Tips") online. We do not anticipate increasing the product lines being sold online, nor do we anticipate additional retailers selling our Retail Products in the future; however, we reserve the right to increase such product lines and retail locations. Although the Consumer Device uses heated air for treating head lice, it is a separate and distinct product from the Device. Current or future sales of these Retail Products are not a violation of the exclusivity provision in your Franchise Agreement.

We will not pay you a percentage of sales of any Retail Products we sell.

At all times, each Device we license to you must be kept at the Clinic; except that you may store or use any Device at a fixed location other than the Clinic, so long as you maintain a record of the location and will provide us with such record upon request. You may use any Device in all mobile operations (such as for camp treatments) and in all services provided at your Clinic or any Satellites in adherence to the methods, procedures and quality standards taught in the Owner Training, provided within the Device user manuals, and consistent with our standard offering of screening, diagnosis and treatment options to clients. You may also use Consumer Devices in mobile operations or Clinic Treatments, provided you purchase the Consumer Devices and Consumer Tips from us.

You may be granted additional territories by entering into a separate franchise agreement with us for each territory. Upon doing so you will be required to replace any previous (but still active) franchise agreements with the then-current form of franchise agreement so that all your franchise agreements are always in the same form of agreement, with the same terms. You will not, however, receive any extensions on the time remaining for the term of any of your previous agreements. You may establish Satellites within your Territory, provided you currently have a Clinic open within that Territory. You may relocate your Clinic to another site within your Territory, provided you submit requested information to us at least 60 days prior to closing your Clinic and obtaining our approval of that site prior to signing the lease for the location. Your new location must be open for business within 120 days of closing your prior location.

You may not sell our Retail Products outside your Clinic or Satellite, or on any online website other than any E-Commerce website we may provide for you, without our prior permission. If you choose to sell approved Retail Products on an E-Commerce website we may provide you, you agree to follow our minimum advertised Price ("MAP") provision, as stated in our franchisee resource portal.

Except as described above, we do not grant you any options, rights of first refusal or similar rights to acquire additional franchises within a particular territory. There are no restrictions on your ability to perform treatments on or sell products to clients who come into your Clinic from outside your Territory. There are also no restrictions on your ability to market your treatment services outside your Territory so long as you do not market them in a territory that has been exclusively licensed to another franchisee.

Neither we nor any affiliate operates, franchises, or have any current plans to operate or franchise any business selling the products and services authorized for sale at a clinic under any other trademark or service mark.

ITEM 13

TRADEMARKS

The Franchise Agreement licenses you the right to use the "Marks," which include the trademarks Lice Clinics of America® and AirAllé® and any other trademarks, trade names, logos, service marks or similar commercial symbols or names that we identify therein or that we otherwise authorize for use by our network clinics. You are required to operate your Clinic under the name "Lice Clinics of America." We have the right, however, to add to, change or delete, from time to time, the Marks licensed to you under the Franchise Agreement. If we exercise this right, you must make any related modifications or substitutions at your expense within 60 days of us notifying you of those changes in writing.

We own the Marks and the related trademark registrations and applications and also claim common law trademark rights in the Marks. Listed below are our principal Marks, which have all been registered on Principal or Supplemental Registers of the United States Patent and Trademark Office ("USPTO"). All required affidavits and renewals have been filed.

Principal Trademarks	U.S. Registration or Serial No.	Registration or Filing Date	Principal/Supplemental Register
LICE CLINICS OF AMERICA	4,792,221	08/11/15	Supplemental
AIRALLÉ	4,653,717	12/9/14	Principal
URGENT CARE FOR LICE REMOVAL	4,792,222	08/11/15	Supplemental
ONCE AND FOR ALL	5,242,942	07/11/17	Principal
ONECURE	5,875,207	10/01/19	Principal

Lice Clinics OF AMERICA	5,297,498	09/26/17	Principal
Lice Clinics OF AMERICA	5,287,315	09/12/17	Principal

The two Lice Clinics of America logos listed above and the AirAllé® mark have been registered on the Principal Register, and the Mark Lice Clinics of America® has been registered on the Supplemental Register.

The Supplemental Register is the secondary trademark register for the USPTO. It allows for registration of certain marks that are not eligible for registration on the Principal Register but are capable of distinguishing an applicant's goods or services. Marks registered on the Supplemental Register receive protection from conflicting marks and other protections but are excluded from receiving the advantages of certain sections of the Trademark Act of 1946. The excluded sections are listed in 15 U.S.C. §1094.

You must follow our rules when you use the Marks. You cannot use our name or Mark as part ofa corporate name or with modifying words, designs or symbols except for those which we license to you. You may not make any changes to our logos (color, layout, etc.). You may not use our registered name in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us.

We have the right at any time to modify or discontinue use of any Mark, or to require you to use one or more additional or substitute trademarks, service marks or trade names. In this event, you must, at your expense, comply with those modifications, discontinuances, or substitutions upon no less than 60 days receipt of our written notice to you. We will not reimburse you for any costs associated with modifying or substituting the use of any Mark, for any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute trademark or service mark. We will have no liability or obligation as to your modification, discontinuance, or substitution of any Mark.

As of the issuance date of this disclosure document, there are no agreements currently in effect which significantly limit our rights to use or license the use of the Marks in any manner material to the Franchise.

You must notify us immediately when you learn about an infringement of, challenge to, or unfair competition with your use of any of the Marks. We will take the action we deem appropriate, or no action, and will control all litigation. We are not required by the Franchise Agreement to defend you or prosecute any legal action on your behalf against a claim against your use of our Marks, with respect to any infringement, unfair competition or other claim in any way related to your use of our Marks.

There are no infringing uses known to us which could materially affect your use of such trademarks, service marks, trade names, logotypes or other commercial symbols in this state or any other state in which the Clinic is to be located. In addition, there are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, any pending infringement, opposition or cancellation proceeding, or any pending material federal or state court litigation regarding our use or rights in the trademarks.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

As further described in Item 1, our company was formed in 2006 to commercialize a new medical device that uses controlled, heated air delivered by a patented tip to the head for eradicating human head lice. We have a design patent on the tip, U.S. Patent No. D626287, which was issued to us on October 26, 2010 and is part of the proprietary information we grant to you as part of your franchise agreement.

We also have a method patent on the Lice Remover Kit that you will sell as a Clinic Retail Product. That patent is U.S. Patent No. 10,334,853 and was issued to us on July 2, 2019. In addition, U.S. Patent No. D817547 was issued to us on May 8, 2018. It describes the design of the combined dispenser and applicator tip used in the Lice Remover Kit.

As of the issuance date of this disclosure document, there are no copyrights, registered or pending, that are material to the franchise, although we do claim copyright ownership and protection for our Franchise Agreement, Operations Manual, training materials, website and internet-related materials, advertising, marketing and sales promotion materials, and various other materials we periodically furnish or make available to you through our website or otherwise.

We are aware of some lice-removal businesses in the United States that use cooling devices, hair dryers, pet dryers or other dryers as part of their treatment process. We are also aware of at least two companies that manufacture heated-air devices specifically for treating head lice and sell them to lice-treatment businesses. Unless those businesses use our Device's tip, we do not anticipate that they would be violating any of our patents; however, the use of such devices may materially impact you if those businesses operate within your Territory.

We own certain proprietary or confidential information relating to the operation of a lice-treatment clinic ("Proprietary Information"). You must keep the Proprietary Information confidential during and after the term of the Franchise Agreement. When your Franchise Agreement expires or terminates, you must return to us all Proprietary Information and our copyrighted materials. You must notify us immediately if you learn of unauthorized use of the Proprietary Information. We are not obligated to take any action, and we will have the sole right to decide the appropriate response to any unauthorized Proprietary Information.

You agree not to contest or act against our Marks and patents. For two years after your Franchise Agreement expires or terminates, you agree that you and any of your owners, officers, directors, members, managers, partners and immediate family members will not own, manage, operate, maintain, engage in, consult with or have any interest in a competing business a) at the premises of the former Clinic, b) within 10 miles of the outer boundary of your Designated Territory and c) within five miles of any other business using the Lice Clinics of America system.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

During the term of your Franchise Agreement, we require that either you, another owner, or your Business Manager must devote full time and best efforts to the management and operation of your Clinic.

We require that you and any other owner or Business Manager be trained in the operation of your Clinic and trained and certified in the operation of a Device. You will have a better chance of being successful in your Business when you are actively involved in the operation and marketing of your Clinic.

We require that your Clinic have an on-premises Business Manager if you or another owner are not actively managing the Clinic, or if you operate more than one Clinic. We require the manager to attend owner training. Any Business Manager you hire does not need to own any equity in you, if you are a business entity.

We require personal guarantees from all owners of the franchisee.

You are not required to obtain confidentiality agreements from your officers, directors, shareholders, employees, agents, managers and certified operators. However, you must require your employees to treat the Operations Manual as secret and confidential. Further, the spouses of the individuals described in the preceding sentence are not required to sign confidentiality agreements but may be required to sign non-competition agreements.

The Device must be operated only by a Certified Operator who operates the Device only in strict adherence to the methods, procedures and quality standards taught in the Device Training, identified in the user manuals and Operations Manual, and otherwise delivered to you by LCA from time to time. Breach of this covenant shall be material and may, at the option of LCA, be deemed to be an incurable default under your Franchise Agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your Business in strict conformity with all prescribed methods, procedures, policies, standards, and specifications of the System, as set forth in the Operations Manual and in other writings we may give you from time to time. You must use the Clinic and any Satellite only for the operation of your Lice Clinics of America Business and may not operate any other business at or from the Clinic without our express prior written consent.

You may offer and sell only those goods and services that we have approved. Unless otherwise stated in the Operations Manual or other specifications, you are not required to sell every product and service we have approved. We maintain a written list of approved goods and services in our Operations Manual and other writings, which we may change from time to time.

We reserve the right to designate additional required or optional goods and services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements. There are no express limitations on our right to designate additional or operational goods and services; however, such goods and services will be related to our franchise system or model.

There are no restrictions on the customers to whom you can sell your services or products. But there are restrictions on the customers to whom you can provide heated-air treatments. You can't use the AirAllé® Device on any clients who have the following contraindications: a) don't have lice, b) are under the age of 4, c) cannot sense temperature or pain, d) cannot communicate physical discomfort, e) have had radiation treatment of the head within the past six months, f) have open head wounds or sores at the treatment area, g) have cranial or facial implants, or h) have hair extensions that are glued in.

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 Agreement	Summary
a. Length of the franchise term	Section 4(A)	Five years.
b. Renewal or extension of the term	Section 4(B)	An additional five years.
c. Requirements for you to renew or extend	Section 4(B)	Indicate intent to renew 6-12 months prior to end of the term; sign then-current form of franchise agreement, which may contain materially different terms and conditions than your original Franchise Agreement; complied with modernization requirements; must not be in breach; renewed the lease through renewal period; comply with then-current training requirements; pay a $5,000 renewal fee; sign a general release.
d. Termination by you	Section 15(D)	If we do not cure a breach within 30 days of you giving us written notice.
e. Termination by us without cause	Not Applicable	We can terminate the Franchise Agreement only for cause.
f. Termination by us with cause	Section 15(B)	May terminate with no cure period for incurable defaults; if not remedied within its specified cure period or same breach happening three times.
g. "Cause" defined – curable defaults	Section 15(B)(i)	Breach of any term, covenant or condition of the Agreement not identified as an incurable default.

h. “Cause” defined – non-curable defaults	Section 15(B)(ii)	Material representation/omission in franchise application; voluntary abandonment of Authorized Location; loss of lease; closing of Clinic for health/public safety reasons; failure to open Clinic per development schedule; unauthorized use of proprietary information; failure to maintain insurance; insolvency; materially impairing the goodwill of the Trademarks; conviction of felony; intentionally underreporting Gross Sales; violating anti-terrorism laws; unauthorized transfer; multiple similar defaults; failure to comply with business regulations; failure to pay fees for more than 60 days; selling Professional Services Products; failure to cure breach of other agreement with us

i. Your obligations on termination/nonrenewal	Sections 16(A-C); Sections 2 and 3 of the Termination and General Release Agreement	Immediately pay amounts due; return Devices; discontinue use and display of Marks; assign your lease to us; grant us option to purchase your business.
j. Assignment of contract by us	Section 13(G)	We have the right to sell or assign your Agreement, in whole or in part, to another party.
k. “Transfer” by you-defined	Section 13(A)	Any 20% or more change in your ownership; any change in the general partner of a limited or other partnership entity; a pledge or seizure of any ownership interests that affects ownership of 20% or more; any grant of a security interest in your business unless you satisfy our requirements
l. Our approval of transfer by franchisee	Section 13(B)	“We will not unreasonably withhold our consent to transfer, provided we determine that all of the conditions described in this Section 13 have been satisfied”
m. Conditions for our approval of transfer	Section 13(D)	With payment of $10,000 transfer fee; payment of all amounts owed; approval by us; modernization completed; all reports submitted; you sign a general release; transferee completing training; and transferee meet our then-current standards and signing our then-current franchise agreement.

n. Our right of first refusal to acquire your business	Section 13(F)	We have 30 days to match the offer of a qualified buyer to acquire your business.
o. Our option to purchase your business	Section 16(C)	We have the right to purchase or designate a third party that will purchase at a fair market price all or any of your assets at a price determined by an appraiser upon the expiration or termination of your business, provided we give you notice of our intent within 30 days of expiration or termination.
p. Your death or disability	Section 13(E)	If your heir gives notice within 90 days of your death for a transfer of the agreement, meets our criteria, and satisfies the transfer conditions under Sections 13(B-D). If heir is a spouse or child, there is no transfer fee or right of first refusal.
q. Non-competition covenants during the term of the franchise	Section 12(E)(ii)	You will not own, manage, operate, maintain, engage in, consult with, or have any interest in any other lice-treatment clinic or business.
r. Non-competition covenants after the franchise is terminated or expires	Section 12(E)(iii)	You agree not to own, manage, or consult with a competing business at the premises of the former Clinic, within 10 miles of the outer boundary of the Territory, or within five miles of another Lice Clinics of America clinic for a period of 2 years after your Franchise Agreement expires or terminates.
s. Modification of the agreement	Schedule E	All modifications will be listed in Schedule E; we will both have to sign off on modifications.
t. Integration/merger clause	Section 17(B)	Only the terms of the franchise agreement and other related written agreements are binding (subject to state law). Any representations or promises outside of the Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution	Section 14(A)	You and we agree to submit any disputes to the state court located in Salt Lake County, Utah, or the federal court of the United States District Court for the Central District of Utah. This provision is subject to state law.
v. Choice of forum	Section 17(H)	Venue for any litigation is Salt Lake County, Utah (subject to state law)

w. Choice of law	Section 17(H)	The state of Utah (subject to state law)
x. Change of control in lieu of terminations	Section 16(C)	In the event of an Incurable Default we, at our option and with 30 days' notice may elect to assume day-to-day management of your Clinic until such time as you are no longer in default. If we do that, we will charge you a management fee of up to 20% of the Gross Sales of the Clinic.

ITEM 18
PUBLIC FIGURES

We do not use public figures to promote our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

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

We had 91 outlets open as of December 31, 2025. Ten of those opened after January 2025 and therefore did not operate for the entire year. The chart below shows the 2025 average gross annual sales, separated into quartiles, of the remaining 81 outlets that were operating from January 1, 2025, to December 31, 2025. The chart also shows the median, high and low average annual sales within that quartile. Gross sales are defined as the total revenues and receipts from all Treatments performed, and products, services, plans and merchandise sold in or from your Clinic or Satellite, including any mobile operations or sales, cover charges or fees, as well as all license and use fees; however, Gross Sales excludes sales taxes and tips paid to technicians by customers.

	# of units	Average Sales	Median	High	Low
1st Quartile	21	$467,378	$436,071	$742,465	$328,972
2nd Quartile	20	$283,868	$286,448	$314,214	$243,836
3rd Quartile	20	$198,394	$205,696	$242,741	$137,789
4th Quartile	20	$96,358	$104,948	$138,145	$20,419

One of the units in the 3rd Quartile was our corporate-owned unit. It had sales of $194,491 in 2025.

Written substantiation for the financial performance representation will be made available to prospective franchisees on reasonable request.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Other than as described in this Item 19, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 our management by contacting Adam Ward, Vice President of Legal and Compliance, at 4873 South State Street, Murray, Utah 84107, telephone (801) 533-5423, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Outlet Summary (1)
For Years 2023-2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	111	101	-10
	2024	101	89	-12
	2025	89	90	1
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	112	102	-10
	2024	102	90	-12
	2025	90	91	1

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TABLE NUMBER 2
Transfers of Outlets from Franchisee to New Owners (Other than the Franchisor) (1) For Years 2023-2025

State	Year	Number of Transfers
AR	2023	1
	2024	0
	2025	0
CA	2023	1
	2024	0
	2025	0
IA	2023	1
	2024	0
	2025	0
PA	2023	0
	2024	1
	2025	0
TX	2023	0
	2024	0
	2025	2
WA	2023	2
	2024	0
	2025	0
Total	2023	5
	2024	1
	2025	2

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TABLE NUMBER 3
Status of Franchised Outlets (1) For Years 2023-2025

State	Year	Outlets at the Start of the Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Alabama	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**1**	**0**	**0**	**0**	**0**	**1**
Alaska	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Arizona	2023	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**1**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Arkansas	2023	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2024	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**0**	**0**	**0**	**3**
California	2023	**12**	**3**	**0**	**2**	**0**	**1**	**12**
	2024	**12**	**1**	**1**	**0**	**0**	**1**	**11**
	2025	**11**	**3**	**0**	**0**	**0**	**1**	**13**
Colorado	2023	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**1**	**0**	**0**	**0**	**0**	**2**
Connecticut	2023	**3**	**0**	**0**	**0**	**0**	**2**	**1**
	2024	**1**	**0**	**0**	**1**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Delaware	2023	**1**	**0**	**0**	**0**	**0**	**1**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Dist. of Columbia	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Florida	2023	**7**	**0**	**0**	**0**	**0**	**0**	**7**
	2024	**7**	**0**	**0**	**0**	**0**	**1**	**6**
	2025	**6**	**0**	**1**	**3**	**0**	**0**	**2**
Georgia	2023	**4**	**1**	**0**	**0**	**0**	**0**	**5**
	2024	**5**	**0**	**1**	**1**	**0**	**1**	**2**
	2025	**2**	**0**	**0**	**0**	**0**	**1**	**1**
Hawaii	2023	**2**	**0**	**0**	**2**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Idaho	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**1**	**0**	**0**	**0**	**0**	**1**

State	Year	Outlets at the Start of the Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Illinois	2023	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2024	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**0**	**0**	**0**	**3**
Indiana	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Iowa	2023	**2**	**1**	**0**	**0**	**0**	**2**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Kansas	2023	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Kentucky	2023	**4**	**0**	**0**	**0**	**0**	**0**	**4**
	2024	**4**	**0**	**0**	**0**	**0**	**0**	**4**
	2025	**4**	**0**	**0**	**0**	**0**	**1**	**3**
Louisiana	2023	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**0**	**0**	**0**	**0**	**0**	**2**
Maine	2023	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Maryland	2023	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2024	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2025	**3**	**1**	**0**	**0**	**0**	**0**	**4**
Massachusetts	2023	**2**	**1**	**0**	**0**	**0**	**0**	**3**
	2024	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**0**	**0**	**0**	**3**
Michigan	2023	**6**	**0**	**0**	**0**	**0**	**0**	**6**
	2024	**6**	**0**	**0**	**5**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Minnesota	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Mississippi	2023	**1**	**0**	**0**	**0**	**0**	**1**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Missouri	2023	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**0**	**0**	**0**	**0**	**0**	**2**
Montana	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Nebraska	2023	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**

State	Year	Outlets at the Start of the Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Nevada	2023	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
New Hampshire	2023	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2024	**1**	**0**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
New Jersey	2023	**1**	**0**	**0**	**0**	**0**	**1**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
New Mexico	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
New York	2023	**6**	**0**	**0**	**0**	**0**	**0**	**6**
	2024	**6**	**1**	**0**	**0**	**0**	**0**	**7**
	2025	**7**	**1**	**0**	**0**	**0**	**0**	**8**
North Carolina	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
North Dakota	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Ohio	2023	**1**	**1**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**1**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Oklahoma	2023	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**0**	**0**	**0**	**0**	**0**	**2**
Oregon	2023	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2024	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**0**	**0**	**0**	**3**
Pennsylvania	2023	**3**	**0**	**0**	**0**	**0**	**1**	**2**
	2024	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2025	**2**	**0**	**0**	**0**	**0**	**0**	**2**
Rhode Island	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
South Carolina	2023	**2**	**0**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**0**	**2**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
South Dakota	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**

State	Year	Outlets at the Start of the Year	Outlets Opened	Termin-ations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Tennessee	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**1**	**0**	**0**	**0**	**0**	**1**
	2025	**1**	**0**	**0**	**0**	**0**	**0**	**1**
Texas	2023	**15**	**0**	**0**	**0**	**0**	**0**	**15**
	2024	**15**	**1**	**0**	**0**	**0**	**0**	**16**
	2025	**16**	**2**	**0**	**0**	**0**	**2**	**16**
Utah	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Vermont	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Virginia	2023	**5**	**0**	**0**	**0**	**0**	**0**	**5**
	2024	**5**	**1**	**0**	**2**	**0**	**0**	**4**
	2025	**4**	**0**	**0**	**0**	**0**	**0**	**4**
Washington	2023	**6**	**0**	**2**	**0**	**0**	**2**	**2**
	2024	**2**	**1**	**0**	**0**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**0**	**0**	**0**	**3**
West Virginia	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Wisconsin	2023	**4**	**0**	**0**	**0**	**0**	**1**	**3**
	2024	**3**	**0**	**0**	**0**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**0**	**0**	**0**	**3**
Wyoming	2023	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**0**	**0**	**0**	**0**	**0**	**0**
TOTAL	**2023**	**111**	**8**	**2**	**4**	**0**	**12**	**101**
	2024	**101**	**6**	**4**	**10**	**0**	**4**	**89**
	2025	**89**	**10**	**1**	**3**	**0**	**5**	**90**

TABLE NUMBER 4
Status of Company-Owned Outlets for Years 2023-2025

State	Year	Outlets at the Start of the Year	Outlets Opened	Outlets Reacquired From Franchisees	Outlet Closed	Outlets Sold to Franchisees	Outlets at the End of
Utah	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1
Total	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
	2025	1	0	0	0	0	1

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TABLE NUMBER 5
Projected Openings as of December 31, 2025

State	Franchise Agreements Signed but Clinic not Open	Projected New Franchised Clinics through the End of the Current Fiscal Year	Projected New Company- Owned Clinics through the End of the Current
CA	1	1	0
CO	2	1	0
MD	1	0	0
NJ	2	0	0
TX	2	1	0
VA	1	1	0
WA	1	1	0
Total	9	5	0

Footnotes to Tables Above:

(1) All the franchised outlets listed in Tables 1 through 3 above are operated under Franchise Agreements with us that require each franchise to offer from its Clinic (or Satellite) lice treatments using the Device. All the franchised outlets listed above except two operate under the Lice Clinics of America brand. The franchised outlets listed in Tables 1 through 3 reflect just one outlet per franchised territory, regardless of whether they are operating multiple treatment locations such as Clinics or Satellites within that territory.

The names, addresses and telephone numbers of all franchisees as of December 31, 2025, are listed in Exhibit C.

Also listed in Exhibit C is the name and last known city, state and business telephone number (or, if unknown, home telephone number) of every franchisee who has had an outlet or territory terminated, canceled, repurchased, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the period from January 1, 2025 to December 31, 2025, or who has not communicated with us within the ten weeks prior to the issuance date of this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

In some instances, during the last three fiscal years, current and former franchisees signed provisions restricting their ability to speak openly about their experience with our system. You may wish to speak with current and former franchisees but be aware that not all such franchisees will be able to communicate with you.

There are no trademark-specific franchisee organizations associated with the franchise system being offered in this disclosure document.

ITEM 21

FINANCIAL STATEMENTS

Attached as Exhibit A are the audited financial statements of LCA for the fiscal years ending December 31, 2025, 2024, and 2023.

ITEM 22

CONTRACTS

The Franchise Agreement (including the Data Sheet Schedule, Trademarks Schedule, Mini Clinic Addendum Schedule, Performance Milestones Schedule, Modifications to the Agreement Schedule, Telephone Number and Internet Agreement Schedule, and Personal Guarantee Schedule) is attached as Exhibit B. The state-specific addenda, if applicable, are included in Exhibit E. The Termination and General Release Agreement is attached as Exhibit F. The Business Associate Agreement is attached as Exhibit G. The Point-of-Sale Subscription Agreement is attached as Exhibit I.

ITEM 23

RECEIPTS

Two copies of an acknowledgment of your receipt of this disclosure document are included at the end of this disclosure document (Exhibit L). You should keep one copy as your file copy and return the second copy to us.

EXHIBIT A

FINANCIAL STATEMENTS

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Larada Sciences, Inc.

Financial Statements and
Independent Auditor's Report

As of December 31, 2025 and 2024
and
For the Years Ended December 31, 2025, 2024, and 2023

Prepared by Bangerter, Lund Associates
Certified Public Accountants

Larada Sciences, Inc.
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Bangerter, Lund & Associates

Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Larada Sciences, Inc.
Murray, Utah

Opinion

We have audited the accompanying financial statements of Larada Sciences, Inc. (the "Company"), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of operations, stockholders' deficit, and cash flows for the years ended December 31, 2025, 2024, and 2023, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Larada Sciences, Inc. as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years ended December 31, 2025, 2024, and 2023 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Larada Sciences, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Larada Sciences, Inc's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Larada Science Inc's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Larada Science Inc's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Bountiful, Utah
April 17, 2026

Larada Sciences, Inc.
Balance Sheet
December 31, 2025 and 2024

ASSETS

	2025	2024
Current assets:		
Cash and cash equivalents	$ 107,494	$ 90,966
Accounts receivable	509,069	547,206
Less: Allowance for credit losses	80,252	89,862
Accounts receivable, net	428,817	457,344
Inventory	174,819	163,963
Prepaid expenses and other current assets	8,196	15,968
Total current assets	719,326	728,241
Property and equipment, net	78,699	59,153
Right of use lease asset	79,588	116,886
Other assets		
Intangibles, net of accumulated amortization	100,695	142,361
Other long-term assets	2,100	2,100
Total other assets	102,795	144,461
Total assets	$ 980,408	$ 1,048,741

LIABILITIES AND STOCKHOLDERS' DEFICIT

	2025	2024
Current liabilities		
Accounts payable	$ 167,606	$ 282,052
Accrued expenses	118,439	158,029
Other current liabilities	245,270	220,270
Current portion of contract liabilities	132,130	114,130
Current portion of lease liability	43,125	40,021
Total current liabilities	706,570	814,502
Long-term liabilities		
Contract liabilities, net of current portion	275,725	185,463
Lease liability, net of current portion	46,399	89,524
Notes payable, net of current portion	7,656,157	7,656,786
Notes payable to related parties	13,403,507	13,564,242
Total long-term liabilities	21,381,788	21,496,015
Total liabilities	22,088,358	22,310,517
Stockholders' deficit		
Preferred stock, $0.001 par value: 15,000,000 shares authorized; 11,439,501 shares issued and 9,920,171 shares outstanding at December 31, 2025 and 2024	9,921	9,921
Common stock, $0.001 par value: 50,000,000 shares authorized; 4,286,688 shares issued and 3,947,080 shares outstanding at December 31, 2025 and 2024	3,947	3,947
Additional paid-in capital	15,854,181	15,854,181
Accumulated deficit	(36,975,999)	(37,129,825)
Total stockholders' deficit	(21,107,950)	(21,261,776)
Total liabilities and stockholders' deficit	$ 980,408	$ 1,048,741

See accompanying notes to financial statements

Larada Sciences, Inc.
Statements of Operations
For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Net revenue	$ 6,743,582	$ 6,522,178	$ 5,337,210
Cost of revenue	1,857,715	1,828,274	1,478,535
Gross profit	4,885,867	4,693,904	3,858,675
Operating expenses			
General and administrative	2,971,792	3,205,794	1,865,399
Sales and marketing	1,712,214	1,244,860	1,807,855
Research and development	76,193	80,815	-
Total operating expenses	4,760,199	4,531,469	3,673,254
Income from operations	125,668	162,435	185,421
Other income			
Interest income	353	1,767	582
Other income	40,000	55,500	4,807
Interest expense	(7,698)	(17,888)	-
Other expenses	(15)	(284,201)	-
Gain on extinguishment of debt	-	441,715	-
Total other income	32,640	196,893	5,389
Net income before income taxes	158,308	359,328	190,810
Income tax expense	4,482	-	-
Net income	$ 153,826	$ 359,328	$ 190,810

See accompanying notes to financial statements

Larada Sciences, Inc.
Statements of Stockholders' Deficit
For the Years Ended December 31, 2025, 2024, and 2023

	Preferred Stock			Common Stock								
	Number of Shares		Amount	Number of Shares		Amount		Additional Paid-in Capital		Accumulated deficit		Total
December 31, 2022	9,920,171	$	9,921	3,947,080	$	3,947	$	15,837,355	$	(37,526,517)	$	(21,675,294)
Stock options	-		-	-		-		15,313		-		15,313
Cumulative-effect adjustment from adoption of ASC 326	-		-	-		-		-		(41,446)		(41,446)
Restatement	-		-	-		-		-		(112,000)		(112,000)
Net income	-		-	-		-		-		190,810		190,810
December 31, 2023, as restated	9,920,171	$	9,921	3,947,080	$	3,947	$	15,852,668	$	(37,489,153)	$	(21,622,617)
Stock options	-		-	-		-		1,513		-		1,513
Net income	-		-	-		-		-		359,328		359,328
December 31, 2024	**9,920,171**	**$**	**9,921**	**3,947,080**	**$**	**3,947**	**$**	**15,854,181**	**$**	**(37,129,825)**	**$**	**(21,261,776)**
Net income	-		-	-		-		-		153,826		153,826
December 31, 2025	**9,920,171**	**$**	**9,921**	**3,947,080**	**$**	**3,947**	**$**	**15,854,181**	**$**	**(36,975,999)**	**$**	**(21,107,950)**

See accompanying notes to financial statements

Larada Sciences, Inc.
Statement of Cash Flows
For the Years Ended December 31, 2025, 2024, and 2023

	2025	2024	2023
Cash flows from operating activities:			
Net income (loss)	$ 153,826	$ 359,328	$ 190,810
Adjustment to reconcile Net income (loss) to net cash flows from operating activities:			
Depreciation and amortization	63,070	51,914	92,195
Stock-based compensation	-	1,513	15,313
Amortization of right of use lease asset	37,298	35,793	34,400
Noncash interest added to notes payable	25,577		
Gain on extinguishment of debt	-	(441,715)	-
(Increase) decrease in operating assets:			
Accounts receivable, net	28,527	(36,279)	(3,627)
Inventories	(10,856)	41,532	(15,145)
Prepaid expenses and other current assets	7,772	11,644	(15,336)
Other long-term assets	-	-	1,803
Increase (decrease) in operating liabilities:			
Accounts payable	(114,446)	100,325	(29,082)
Accrued expenses	(39,590)	59,094	(12,898)
Other current liabilities	25,000	-	(19,430)
Contingent liability	-	(55,500)	-
Lease liability	(40,021)	(37,079)	(34,289)
Contract liabilities	108,262	(11,146)	(59,027)
Net cash used in operating activities	244,419	79,424	145,687
Cash flows from investing activities:			
Purchases of property and equipment	(40,950)	(69,400)	-
Net cash used in investing activities	(40,950)	(69,400)	-
Cash flows from financing activities:			
Repayment of notes payable	(186,941)	(90,180)	(15,796)
Net cash flows provided by financing activities	(186,941)	(90,180)	(15,796)
Net change in cash and cash equivalents	16,528	(80,156)	129,891
Cash and cash equivalents, beginning of year	90,966	171,122	41,231
Cash and cash equivalents, end of year	$ 107,494	$ 90,966	$ 171,122
Supplemental disclosures of non cash financing activities:			
Interest added to notes payable	$ 25,590	$ -	$ -

See accompanying notes to financial statements

Larada Sciences, Inc.
Notes to Financial Statements

Note 1 - Organization

The Company, which is a C Corporation incorporated in the state of Delaware, was founded in 2006 to commercialize a lice treatment method that quickly kills lice via warm-air dehydration (the "Devices"). The Company allows independent franchisees to set up lice treatment clinics using Company branding worldwide (the "Franchisees"), and operates one company owned clinic. The Company also sells do-it-yourself, home-use lice treatment products in clinics, retail stores and through ecommerce sites.

Note 2 - Summary of significant accounting policies

Basis of accounting -The financial statements of the Company have been prepared on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America.

New accounting standard - In December 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The standard requires public business entities to provide enhanced disaggregation of information in their rate reconciliation and to disclose income taxes paid disaggregated by jurisdiction. The Company early adopted the provisions of ASU 2023-09 on January 1, 2025, and has elected to apply the amendments in this update retrospectively. Accordingly, the prior period rate reconciliation for the year ended December 31, 2024, has been reclassified to conform to the current year presentation. The adoption of this standard resulted in increased disclosures but did not have an impact on the Company's financial position, results of operations, or cash flows.

Use of estimates - The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents - Cash equivalents are generally comprised of certain highly liquid investments with maturities of three months or less at the date of purchase.

Trade accounts receivable and allowance for credit losses - Accounts receivable is recorded when invoices are issued and presented in the balance sheet net of the allowance for credit losses. The Company maintains an allowance for credit losses to account for potential losses inherent in its receivables portfolio. The allowance is determined through a comprehensive assessment that considers historical experience, current economic conditions, and reasonable forecasts. The assessment incorporates various factors, including payment patterns, aging of receivables, and specific risk characteristics associated with revenue types and customers. The Company utilizes a method of segmentation and allocates allowance percentages to each aging bucket accordingly. The methodology aligns with the requirements of Accounting Standards Codification (ASC) 326, Financial Instruments – Credit Losses, and ensures that the allowance accurately reflects the expected credit losses in the receivables portfolio. At December 31, 2025 and 2024, the allowance for credit losses was $80,252 and $89,862, respectively. Management reviews collections regularly. For the years ended December 31, 2025, 2024, and 2023, the Company had bad debt expense of $3,035, $0, and $61,782, respectively.

The roll forward of the allowance for credit loss was as follows:

Beginning balance, January 1, 2025	$	**89,862**
Adjustments		**(9,610)**
Ending balance, December 31, 2025	**$**	**80,252**

Note 2 - Summary of significant accounting policies (continued)

Inventories - Inventories are stated at the lower of cost or net realizable value using the first-in, first-out method and are comprised solely of finished goods. The Company periodically assesses the recoverability of its inventory and reduces the carrying value of the inventory when items are determined to be obsolete, defective or in excess of forecasted sales requirements. Inventory write-downs for excess, defective and obsolete inventory are recorded as a cost of revenue.

Property and equipment - Property and equipment are stated at cost net of accumulated depreciation. Expenditures that increase values or extend useful lives are capitalized and routine maintenance and repairs are charged to expense in the year incurred. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (5 years). Depreciation begins in the month of acquisition or when constructed or developed assets are ready for their intended use. Depreciation expense for the years ended December 31, 2025, 2024, and 2023 was $20,404, $10,247, and $50,529, respectively.

Impairment of assets - The carrying value of assets is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds the estimated discounted future cash flows expected to result from the use of the asset and its eventual disposition. The amount of the impairment loss to be recorded is calculated by the excess of the asset's carrying value over its fair value. Fair value is generally determined using a discounted cash flow analysis. No impairment losses were recognized for the years ended December 31, 2025, 2024, and 2023.

Intangible assets - Intangible assets with finite lives are amortized using the straight-line method over their estimated useful lives (11.5 years).

Revenue recognition - The Company has three basic sources of revenue. The first is a one-time fee (the "Franchise Fee"). This revenue is recognized over the life of the contract when (i) the Company receives a signed franchise agreement, (ii) the Company has provided the franchisee with all required products and services to open a clinic, and (iii) collectability is reasonably assured. The second is for (i) Franchisees' use of the devices in performing treatments in their clinics and (ii) products shipped to the clinics for resale. Revenue is recognized at the time the treatments have been performed and reported and products have been shipped. The third is for products sold (i) wholesale to third parties, and (ii) directly to consumers. Revenue is recognized at the time title is transferred.

The Company recognizes revenue, net of buybacks from Franchisees, sales returns, sales incentives, discounts, volume incentive rebates, and sales tax. The Company accounts for shipping and handling fees billed to customers as revenue. Sales taxes collected from customers are remitted to governmental authorities and are not included in revenue, and are reflected as a liability on the balance sheet.

The Company recognizes a contract receivable balance related to the sources of revenue. The beginning and ending balances of the contract receivables for the years ended December 31, 2025 were $547,206 and $509,069, respectively. The beginning and ending balances of the contract receivables for the year ended 2024 were $569,768 and $547,206, respectively.

The Company records a contract liability on the balance sheet for deferred franchise fees, which represent initial franchise fees received from franchisees before the Company has fully satisfied its performance obligations under the franchise agreement. In accordance with ASC 606, these fees are initially recorded as a contract liability and are recognized as revenue on a straight-line basis over the initial term of the franchise agreement, which is typically 5 years.

Larada Sciences, Inc.
Notes to Financial Statements

Note 2 - Summary of significant accounting policies (continued)

Revenue recognition (continued) The contract liability decreases as revenue is recognized over time in accordance with the satisfaction of performance obligations and increases when new franchise agreements are executed and initial franchise fees are received, net of any amounts recognized as revenue. The Company periodically evaluates contract liabilities to ensure proper revenue recognition and adjusts the balance as necessary. If any indicators of impairment are identified, the Company assesses recoverability and recognizes an adjustment if required.

Revenues disaggregated based on the timing of their recognition are detailed below:

	2025
Point-in-time	$ 6,602,344
Over-time	141,238
Total revenues	$ 6,743,582

The following table summarizes the activity in the Company's contract liability related to deferred franchise fees for the year ended December 31, 2025:

Contract liability rollforward (ASC 606)	
Beginning balance, January 1, 2025	$ 299,593
Franchise fees from new franchises	249,500
Franchise term revenue	(131,571)
Deferred franchise fee impairment	(9,667)
Ending balance, December 31, 2025	$ 407,855

As of December 31, 2025, the Company expects to recognize revenue from deferred franchise fees as follows:

2026	$ 132,130
2027	103,008
2028	88,533
2029	61,392
2030	22,792
Total	$ 407,855

Brand fund - The Company collects and administers a marketing and brand fund (the "Brand Fund") from franchisees, typically calculated as a percentage of franchisee sales, in accordance with its franchise agreements. Amounts collected are intended to be used for national and regional advertising, marketing, and other brand-building activities that benefit the franchise system.

The Company has evaluated these arrangements under ASC 606 and has concluded that it acts as a principal in the Brand Fund transactions. The Company controls the Brand Fund activities, has discretion in determining the nature and timing of marketing expenditures, and is primarily responsible for fulfilling the associated performance obligations. Accordingly, Brand Fund contributions are recognized as revenue on a gross basis, with related marketing expenditures recognized as incurred.

Larada Sciences, Inc.
Notes to Financial Statements

Note 2 - Summary of significant accounting policies (continued)

Brand fund (continued) - Although the Company maintains Brand Fund cash in a separate bank account and tracks related activity separately, the funds are not legally restricted and remain under the control of the Company. As such, Brand Fund amounts are included in cash and cash equivalents in the accompanying balance sheets. To the extent that amounts collected exceed marketing expenditures, the excess is recorded as a liability within accrued liabilities and carried forward for use in future Brand Fund activities. As of December 31, 2025 and 2024, unspent Brand Fund balances were $104,897 and $106,890, respectively. Additionally, as of December 31, 2025, the Company held approximately $50,000 of cash designated for Brand Fund activities.

Concentrations of credit risk - The Company's financial instruments that are exposed to concentrations of credit risk consist primarily of cash balances in banks and trade accounts receivable. The Company maintains its cash balances at a financial institution. At times cash balances may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash.

Warranties - The Company owns the devices that are used in the clinics. The Company provides a 90 day warranty on the sale of hoses, power cords, applicator bases and treatment timers against material and manufacturing defects. The Company also provides a 90 day warranty on the sale of its products sold through retail and on ecommerce. The Company records the costs of repairing, replacing or return of device accessories and products sold through retail as a period cost.

Cost of revenue - Cost of revenue includes the following: the cost of inventory sold during the period, inventory write-down costs, purchasing costs, shipping and handling expenses to customers and warehousing costs, repairs and maintenance on devices, increases in the accrual for estimated uncollectible accounts receivable, commissions on territory sales and depreciation of devices and manufacturing equipment.

Research and development - Research and development costs are expensed in the year incurred.

Advertising and promotion - All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. Advertising expense for the years ended December 31, 2025, 2024, and 2023 totaled $690,015, $677,515, and $765,204, respectively.

Income taxes - Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences in net property and equipment and bad debt reserve for financial and income tax reporting.

The Company complies with the provisions of Financial Accounting Standards Board ASC 740, Income Taxes. The Statement requires an asset and liability approach for financial accounting and reporting for income taxes, and the recognition of deferred tax assets and liabilities for the temporary differences between the financial reporting basis and tax basis of the Company's assets and liabilities at enacted tax rates expected to be in effect when such amounts are realized or settled.

Larada Sciences, Inc.
Notes to Financial Statements

Note 2 - Summary of significant accounting policies (continued)

Income taxes (continued) - The Financial Accounting Standards Board ("FASB") has issued Financial Interpretation No. 48 (FIN 48), Accounting for Uncertainty in Income Taxes - An Interpretation of FASB ASC 740. FIN 48 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with FASB ASC 740, Income Taxes. FIN 48 requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more likely than not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. As a result of the implementation of FIN 48, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by FIN 48. The Company had no unrecognized tax benefits which would materially affect the effective tax rate if recognized.

The Company will include interest and penalties arising from the underpayment of income taxes in the statements of operations in the provision for income taxes. As of December 31, 2025, the Company had no accrued interest or penalties related to uncertain tax positions. Tax years that remain subject to examination are years 2022 and forward.

Subsequent events - The Company evaluated all events or transactions that occurred after December 31, 2025 through April 17, 2026, the date the Company issued these financial statements. During that period, the Company did not have any material recognizable subsequent events.

Note 3 - Property and equipment

Property and equipment consist of the following:

December 31		2025		2024
Devices	$	401,993	$	361,043
Leasehold improvements		6,792		6,792
Furniture and fixtures		15,158		15,158
Manufacturing equip, molds, and tooling		273,230		273,230
Total property and equipment		697,173		656,223
Less accumulated depreciation		(618,474)		(597,070)
Property and equipment, net	$	78,699	$	59,153

Note 4 - Intangible assets

Intangible assets consist of the following:

December 31		2025		2024
Non-compete agreement	$	500,000	$	500,000
Less accumulated amortization		(399,305)		(357,639)
Intangibles, net of accumulated amortization	$	100,695	$	142,361

Amortization expense for the years ended December 31, 2025, 2024, and 2023 was $41,666, $41,667, and $41,666, respectively. Future amortization for each of the next 5 years is as follows:

2026	$	41,667
2027		41,667
2028		17,361
2029		-
2030		-
Thereafter		-
	$	100,695

Note 5 - Stockholders' equity

The Company has Preferred and Common Stock. The par value of each is $0.001 per share. There were 15,000,000 Preferred shares authorized, 11,439,501 issued and 9,920,171 outstanding as of December 31, 2025 and 2024. As of December 31, 2025 and 2024, there were 50,000,000 Common Stock shares authorized with 4,286,688 issued and 3,947,080 outstanding.

Note 6 - Notes payable

The Company had notes to officers, stockholders and others which originally matured in 2021. Under the bankruptcy proceedings, these debts are considered Class 7 Sub debt claims, accrue interest at the Plan rate of 0.07% per annum, and are to be repaid pro-rata with Class 6 unsecured claims from 30% of the quarterly payment to be made from cash flow from operations less necessary expenditures until the claim is paid in full with interest, but no later than September 30, 2029. The balance on these loans at December 31, 2025 and 2024 was $5,480,345 and $5,467,673, respectively. Interest accrued during the periods has been added to the principal balance in accordance with the terms of the Plan.

The Company had convertible notes in the amount of $300,000 with the North Dakota Development Fund. These notes have been in place since November 2009. The notes and conversion options matured on January 1, 2015. These notes were deferred at the discretion of the North Dakota Development Fund. Under the bankruptcy proceedings, these debts are considered a Class 6 general unsecured claim, accrue interest at the Plan rate of 0.07% per annum, and are to be repaid pro-rata with Class 7 claims from 30% of the quarterly payment to be made from cash flow from operations less necessary expenditures until the claim is paid in full with interest, but no later than September 30, 2029. The balance on these notes payable at December 31, 2025 and 2024 was $459,717 and $458,656, respectively. Interest accrued during the periods has been added to the principal balance in accordance with the terms of the Plan.

The Company has certain pre-petition claims approved through the bankruptcy court. Under the bankruptcy proceedings, these claims are considered Class 6 general unsecured claims, accrue interest at the Plan rate of 0.07% per annum, and are to be repaid pro-rata with Class 7 claims from 30% of the quarterly payment to be made from cash flow from operations less necessary expenditures until the claim is paid in full with interest, but no later than September 30, 2029. The balance on these unsecured claims at December 31, 2025 and 2024 was $1,663,982 and $1,660,182, respectively. Interest accrued during the periods has been added to the principal balance in accordance with the terms of the Plan.

Note payable to franchisee for the repurchase of certain territories in Colorado for total purchase price of $110,000. Repayment of the note will be made as a credit to the franchisee's royalties owed based on the following schedule: for the first 12 months, credit of 20% of royalties owed from non-Colorado territories will be credited against the note payable; starting in the later of month 13 or when franchisee opens a new clinic, credit of 25% of royalties owed from non-Colorado territories will be credited against the note payable; and starting in the later of month 25 or when franchisee opens second clinic, credit of 30% of royalties owed from non-Colorado territories will be credited against the note until the note is paid in full. The balance on this note at December 31, 2025 and 2024 was $52,112 and $70,275, respectively.

Larada Sciences, Inc.
Notes to Financial Statements

Note 7 - Related party notes payable

On May 23, 2018 the Company entered into a note agreement with Alignment Debt Holdings 1, LLC. This note agreement was guaranteed by 37 Ventures, LLC a Company shareholder. The initial loan amount was for $7,500,000 with an additional $2,500,000 commitment, available upon the completion of certain milestones. The interest rate on the initial loan was equal to the LIBOR rate plus 11%, paid monthly, plus 4% accrued interest compounded monthly. The unpaid principal plus accrued interest matured on May 22, 2021. As part of the Plan confirmation, this debt obligation was paid and assumed by the Company's principal equity investor, 37 Ventures, LLC, who is now the primary secured creditor. Under the Plan, this note is considered a Class 4 secured claim and is non interest bearing. This claim is to be paid with 70% of the quarterly payment made from cash flow from operations less necessary expenditures until the claim is paid in full. The balance as of December 31, 2025 and 2024 was $9,943,655 and $10,096,381, respectively.

The Company has certain notes payable to a related party which is owned and controlled by a shareholder and officer of the Company. Under the bankruptcy proceedings, this debt is considered a Class 6 general unsecured claim, accrues interest at the Plan rate of 0.07% per annum, and is to be repaid pro rata with Class 7 claims from 30% of the quarterly payment to be made from cash flow from operations less necessary expenditures until the claim is paid in full with interest, but no later than September 30, 2029. The balance on this related party note payable at December 31, 2025 and 2024 was $883,213 and $884,600, respectively. Interest accrued during the periods has been added to the principal balance in accordance with the terms of the Plan.

During 2022, the Company entered into a settlement agreement with 37 Ventures to pay them for legal expenses incurred totaling $1,699,116 as part of the joint bankruptcy proceeding for which they were involved. 37 Ventures is deemed a Class 6 general unsecured creditor with the claim accruing interest at the Plan rate of 0.07% per annum and repaid pro rata from 30% of the quarterly payment to be made from excess amounts less necessary expenditures until the claim is paid in full with interest, but no later than September 30, 2029. The balance on this related party note payable at December 31, 2025 and 2024 was $1,691,256 and $1,695,601, respectively.

The Company has a note payable to a related party which is owned and controlled by a shareholder and officer of the Company. Under the bankruptcy proceedings, this debt is considered a Class 6 general unsecured claim, accrues interest at the Plan rate of 0.07% per annum, and is to be repaid pro-rata with Class 7 claims from 30% of the quarterly payment to be made from cash flow from operations less necessary expenditures until the claim is paid in full with interest, but no later than September 30, 2029. The balance on this related party note payable at December 31, 2025 and 2024 was $885,385 and $887,660, respectively. Interest accrued during the periods has been added to the principal balance in accordance with the terms of the Plan.

Note 8 - Operating lease

The Company entered into a non-cancelable operating lease for their corporate owned clinic. The terms of the lease are for 63.5 months beginning September 2022 and expiring December 2027 with base rental payments of $3,449 beginning January 2023 and escalating 3% each year through the expiration of the lease.

The Company assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed.

Note 8 - Operating lease (continued)

As of December 31, 2025 and 2024, the ROU lease asset associated with this lease had a balance of $79,588 and $116,886, respectively. As of December 31, 2025 and 2024, the lease liability had a balance of $89,524, and $129,545. The lease asset and liability were calculated utilizing the risk-free discount rate of 3.95% according to the Company's elected policy. These rates were determined utilizing the term of the leases and the U.S. Treasury rate at commencement of the leases. Lease expense for this operating leases for the years ended December 31, 2025, 2024, and 2023 totaled $41,501, $41,501, and $41,501, respectively, and is included in General and Administrative expenses on the Statement of Operations.

The following summarizes the line items in the Balance Sheet for operating leases as of December 31:

		2025		2024
Operating right of use lease asset	$	79,588	$	116,886
Current portion of lease liability	$	43,125	$	40,021
Long-term portion of lease liability		46,399		89,524
Total operating lease liability	$	89,524	$	129,545

Future minimum lease payments under non-cancelable lease are as follows:

For the years ended December 31		
2026	$	45,706
2027		47,232
2028		-
2029		-
2030		-
Thereafter		-
Total future minimum lease payments	$	92,938
Less: amounts representing interest		(3,414)
Present value of lease liability	$	89,524
Weighted-average remaining lease term (in years)		2.00
Weighted-average discount rate		3.95%

Note 9 - Employee stock incentive options

The Company has a stock option plan that provides for the grant of incentive and nonqualified options to all employees to purchase the Company's common stock. Options are granted at a price not less than the fair market value on the grant date and generally become exercisable between one and five years after the grant date in accordance with an applicable vesting schedules. The options generally expire ten years after the grant date.

For the years ended December 31, 2025, 2024, and 2023, the Company recorded stock-based compensation expense of $0, $1,513, and $15,313, respectively, which is included in general and administrative expenses in the statement of operations. No stock options were granted during 2025, 2024, or 2023.

Larada Sciences, Inc.
Notes to Financial Statements

Note 9 - Employee stock incentive options (continued)

Stock option activity and related information are as follows:

December 31	2025	2024	2023
Outstanding at beginning of year	10,318,965	10,913,965	11,506,815
Granted	-	-	-
Exercised	-	-	-
Forfeited	(1,299,487)	(595,000)	(592,850)
Outstanding at end of year	9,019,478	10,318,965	10,913,965
Exercisable at end of year	9,019,478	10,318,965	10,882,715
Weighted average fair value of options granted during year	$ -	$ -	$ -

The weighted-average exercise price of exercisable options was $0.26 at December 31, 2025. The weighted-average of options forfeited was $0.16 during the year ended December 31, 2025. The weighted-average of nonvested options as of December 31, 2024 was $0.01. There were no options granted during the year ended December 31, 2025. The grant date fair value of options forfeited was $0.16 during the year ended December 31, 2025.

The weighted-average exercise price of exercisable options was $0.26 at December 31, 2024. The weighted-average of options forfeited was $0.16 during the year ended December 31, 2024. The weighted-average of nonvested options as of December 31, 2024 was $0.01. There were no options granted during the year ended December 31, 2024. The grant date fair value of options forfeited ranged from $0.16 to $0.50 during the year ended December 31, 2024.

The weighted-average exercise price of exercisable options was $0.26 at December 31, 2023. The weighted-average of options forfeited was $0.33 during the year ended December 31, 2023. The weighted-average of nonvested options as of December 31, 2023 was $0.01. There were no options granted during the year ended December 31, 2023. The grant date fair value of options forfeited ranged from $0.16 to $0.50 during the year ended December 31, 2023.

Note 10 - Income taxes

Deferred income taxes are recognized for the tax consequences in future years for differences between the tax bases of assets and liabilities and their financial reporting amounts at each year end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the combination of the tax payable for the year and the change during the year in deferred tax assets and liabilities.

For the years ended December 31, 2025 and 2024, the Company had net income, per the tax return, before income tax of $199,818 and $359,328 respectively.

Larada Sciences, Inc.
Notes to Financial Statements

Note 10 - Income taxes (continued)

The differences between income taxes expected at the U.S. federal statutory income tax rate of 21% and the reported income tax (benefit) expense are summarized as follows:

December 31		2025			2024	
Federal Income tax at statutory rate	$	41,962	21.00%	$	75,459	21.00%
State and local income taxes, net of federal benefit		10,733	5.37%		12,916	3.59%
Foreign tax effects		-	0.00%		-	0.00%
Effect of changes in tax laws or rates		-	0.00%		-	0.00%
Effect of cross-border tax laws		-	0.00%		-	0.00%
Tax credits		-	0.00%		-	0.00%
Changes in valuation allowance		(48,407)	(24.23%)		46,629	12.99%
Nontaxable or nondeductible items		37	0.02%		3,572	0.99%
Other reconciling items		-	0.00%		(138,606)	(38.57%)
Income tax expense	$	4,325	2.16%	$	(30)	0.00%

The state and local income tax benefit, net of federal impact, was approximately $10,733 for the year ended December 31, 2025. This benefit is primarily driven by income tax filings and the recognition of state net operating losses in Texas and California, which collectively represent the majority of the Company's state and local income tax impact. The Company's state tax rate varies based on the apportionment of income to these and other jurisdictions.

The provision expense for income taxes consists of the following:

December 31		2025		2024
Current:				
Federal	$	-	$	-
State		4,325		-
Total current	$	4,325	$	-
Deferred:				
Federal	$	-	$	-
State		-		-
Total deferred	$	-	$	-
Total	$	4,325	$	-

Larada Sciences, Inc.
Notes to Financial Statements

Note 10 - Income taxes (continued)

The tax effect of significant temporary differences that resulted in deferred tax assets are as follows:

December 31		2025		2024
Deferred tax assets:				
Net operating loss carryforwards	$	7,613,505	$	6,644,881
Reserves		19,789		28,046
Other deferred tax assets		4,583		296,636
Gross deferred tax assets		7,637,877		6,969,563
Less valuation allowance		(7,613,048)		(6,969,563)
Total deferred tax assets		24,829		-
Deferred tax liabilities:				
Other deferred tax liabilities		(24,829)		-
Total deferred tax liabilities		(24,829)		-
Net deferred taxes	$	-	$	-

On December 31, 2025 and 2024, the Company had net operating loss carryforwards of approximately $32.4 million and $32.6 million for federal purposes, and $19.4 million and $19.5 million for state purposes, respectively, which can be used to offset future taxable income. Federal loss carryforwards of approximately $1 million expires through 2037; the balance can be carried forward indefinitely. State loss carryforward expires through 2041.

Note 11 - Contingencies

In 2023, the Company recorded a contingent liability of $55,500 related to potential future payments that would become due upon the resale of certain franchise territories previously repurchased by the Company. As of June 2024, the Company had not sold those territories and determined that the conditions for the contingent liability were no longer probable. Accordingly, the liability was reversed, and income of $55,500 was recognized in 2024. This amount is included in Other Income on the Statement of Operations.

Note 12 - Legal judgement

In September 2024, the Company was awarded a judgment in its favor totaling approximately $13.6 million related to a legal dispute concerning misappropriation of trade secrets and breach of contract. The judgment includes compensatory and exemplary damages but excludes any specific award for legal fees. The Company has applied separately for reimbursement of legal fees; no amount related to this application has been recorded as a receivable as of the reporting date.

Legal expenses totaling $284,201 were incurred in connection with a litigation matter that resulted in a favorable judgment for the Company. These expenses are included in Other Expenses on the Statements of Operations for the year ended December 31, 2024, and are classified as non-operating due to their nature as one-time costs related to a legal matter outside the Company's ordinary course of business.

The Company has submitted an application to the court seeking reimbursement of legal fees pursuant to applicable law. As of the date of the financial statements, the court has not issued a ruling on the request, and no amounts have been recognized as a receivable.

Larada Sciences, Inc.
Notes to Financial Statements

Note 13 - Gain on extinguishment of debt

During the year ended December 31, 2024, the Company entered into a settlement agreement with its former legal counsel, Ballard Spahr LLP, to resolve a disputed claim for previously unpaid legal fees totaling $469,736. Under the terms of the agreement, Ballard Spahr agreed to reduce its claim to $28,022, payable only from proceeds recovered by the Company in a separate legal matter. If no such proceeds are collected, no amount will be due. As a result of this settlement, the Company recognized a Gain on Extinguishment of Debt of $441,715, which is presented as a separate line item in the accompanying Statements of Operations.

EXHIBIT B
FRANCHISE AGREEMENT

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LICE CLINICS OF AMERICA Franchise Agreement

Lice Clinics of America
4873 South State Street
Murray, UT 84107

For the ______________________Territory

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LICE CLINICS OF AMERICA FRANCHISE AGREEMENT

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SCHEDULES

F. Telephone Number and Internet Agreement
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LICE CLINICS OF AMERICA FRANCHISE AGREEMENT

This Franchise Agreement (together with all schedules and addenda, the "Agreement") is made on ________________________ between Larada Sciences, Inc., a Delaware corporation doing business as Lice Clinics of America with its principal business located at 4873 South State Street, Murray, Utah, 84107 ("LCA", "we" or "us"), and "Franchisee" or "you" as identified on the Data Sheet attached as Schedule A (the "Data Sheet"). If the Franchisee is a corporation, partnership, limited liability company or other legal entity, certain provisions to this Agreement also apply to its owners.

RECITALS

A. We have developed a unique system for clinics that offers lice screening and diagnosis, lice-treatment services and other lice-treatment services and related products;

B. Many of the lice-treatment services and products and services are provided according to specified methods and procedures;

C. We own the LICE CLINICS OF AMERICA® Trademark and other trademarks used in connection with the operation of a LICE CLINICS OF AMERICA® business;

D. We have the right to license to you the right to use and sublicense the LICE CLINICS OF AMERICA® Trademarks and business system in the United States;

E. You desire to develop and operate a LICE CLINICS OF AMERICA® business; and

F. We have agreed to grant you a franchise subject to the terms and conditions of this Agreement.

In consideration of the foregoing and the mutual covenants and consideration below, you and we agree as follows:

III. DEFINITIONS

1. For purposes of this Agreement, the terms below have the following definitions (other terms are defined throughout the Agreement):

A. "ACH" shall mean the Automated Clearing House information you will provide us with, which we may use to electronically transfer funds from your bank account to ours. You agree that we can charge at our sole discretion, your ACH and/or Credit Card for Royalty Fees, Brand Fees, Technology Fees and Device Deposits when they are due, without getting your prior approval each month.

B. "Affiliate" means any corporation, limited liability company or other entity that controls, is controlled by or is under common control with a person or entity.

C. "Applicator Tip(s)" shall mean the plastic tip that attaches to the Device during a Treatment.

D. “Approved Suppliers” shall mean manufacturers, distributors, and/or suppliers that we have approved to provide you with Approved Supplies.

E. “Approved Supplies” shall mean products, services, inventory, equipment, fixture, furnishings, signs, advertising materials, trademarked items and novelties, and other items or services that we have approved to be used in the operation of, and sold from, your Clinic.

F. “Authorized Location” is the location or locations we have approved for you to establish and operate your Clinic or Satellite.

G. “Brand Fee” is a fee based on your Gross Sales that we will put into our Brand Fund for marketing initiatives.

H. “Brand Fund” (formerly called the “National Marketing Fund”) shall mean a segregated fund maintained by us to support marketing and advertising initiatives that benefit the franchise network. We have the discretion to allocate and spend the Brand Fund consistent with the policies described in the Operations Manual.

I. “Business” shall mean the lice-removal business operated by you wherein you provide a Treatment to Clients within a Clinic or Satellite using Device(s).

J. “Certification” or “Certified” shall mean the certificate issued by us to each Certified Operator after he or she has successfully completed Device Training and is competent to use the Device.

K. “Certified Operator” shall mean that person or persons who have been Certified by us in the use of the Device and who are trained to follow the instructions for use in the User Manual.

L. “Certified Operator Agreement” is a document to be signed by each Certified Operator stating that he or she successfully completed Device Training. A copy of the Certified Operator Agreement can be found in the Operations Manual.

M. “Client” shall refer to the recipient of the Treatment serviced by Franchisee.

N. “Clinic” shall mean a place of business with a physical location and storefront that is marketed as Lice Clinics of America® where AirAllé® Treatments are provided. The Clinic must contain at least two salon-style treatment chairs and perform services on a floor plan that is no less than 400 square feet. The physical location of the Clinic must be approved by us prior to you signing the lease.

O. “Clinic Retail Products” shall mean Retail Products that you must carry and sell within your Clinic. You must purchase Retail Products from Approved Suppliers only. We have the right to add to, modify and/or eliminate any Clinic Retail Products at our sole discretion. Non-lice-related supplies and products that are not branded as Lice Clinics of America are not Clinic Retail Products, but must still be purchased from Approved Suppliers.

P. “Competing Business” shall mean any clinic or business which competes against Lice Clinics of America by providing lice-treatment services and selling related products.

Q. “Complaint” shall mean any communication from any source to LCA or to Franchisee, including Clients, that alleges deficiencies related to the identity, quality, durability, reliability, safety, effectiveness, or performance of the Treatment, Clinic Retail Products, Device or Device Accessories.

R. “Consent for Treatment Form” shall mean a standard LCA-provided template that describes the relative risks and benefits of Treatment using the Device that Clients must complete prior to getting a Treatment. The Consent for Treatment form is in the Operations Manual and may be modified by us from time to time.

S. “Consumer Device(s)” shall mean the LCA heated-air device also known as the “OneCure™ Device” currently sold in a treatment kit (the “OneCure™ Kit”) for consumers to treat head lice at home. The existence, use, or sale of Consumer Devices within the Territory shall not be deemed to be a violation of any license set forth in this Agreement or any other provision of this Agreement.

T. “Consumer Tips” shall mean the plastic tip that attaches to a Consumer Device.

U. “Covered Digital Systems” shall mean the digital platforms and technology systems used in connection with the operation, marketing, customer management, analytics, and administration of the Clinic, including but not limited to Google Ads, Google Analytics, Google Business Profile, Facebook, Instagram, Nutshell (CRM), Call Tracking Metrics (or any successor call-tracking platform designated by us), and Meevo (or any successor POS or clinic management platform designated by us), together with any successor platforms, replacement systems, or additional digital tools we designate from time to time as part of the System. Ownership, control, and permitted use of the Covered Digital Systems are governed by Section 7.H of this Agreement.

V. “Credit Card” shall mean the credit card that you have on file with us that we may use to charge you for any fees or costs due under this Agreement. You agree that we can charge at our sole discretion, your Credit Card and/or ACH for Royalty Fees, Brand Fees, Technology Fees and Device Deposits when they are due, without getting your prior approval each month.

W. “Designated Territory” shall mean the area designated by zip codes on the Data Sheet wherein you are authorized to exclusively operate the Business according to this Agreement.

X. “Devices” shall mean our heated-air device also known as the “*AirAllé*® Device” for use in lice-removal Clinics. For the avoidance of doubt, Device shall not mean any consumer-use, heated-air device, including the Consumer Device, produced, sold or marketed by us, our Affiliates or agents.

Y. “Device Accessories” shall refer to any hoses, filters, replacement parts, and any other goods or items that are specifically designed for the Device and must be replaced in order to repair or maintain the Device. Device Accessories shall not refer to Professional Services Products or Clinic Retail Products. We may add Device Accessories at our discretion.

Z. “Device Deposit” shall mean the refundable security deposit you pay us for each Device, according to the terms of your Franchise Agreement.

AA. “Device Training” shall refer to a training program that we deliver to you and any of your employees on the safe and effective use of the Device, also called the “Training Program.” We may allow you to conduct Device Training for your employees, as stated in Section 9.B.

BB. “Documents” shall refer to all physical and electronic documents we may offer to you, including but not limited to the Franchisee Resource Portal, franchise agreements, Operations Manual, User Manual, training materials, the Consent for Treatment forms, product fact sheets and any electronic media or other written materials that we may offer from time to time.

CC. “E-Commerce” shall mean an online platform on your website that we create and manage that will give you the ability to sell approved Retail Products online. All Retail Products sold from your website shall be subject to our Minimum Advertised Price (“MAP”) provision, as stated in our Franchisee Resource Portal. We will manage the E-Commerce platform as part of your Technology Fee, but you will be responsible for fulfilling E-Commerce orders placed on your website unless you arrange for drop-ship services from LCA.

DD. “Express AirAllé® Treatment” shall refer to a Treatment where a Certified Operator uses just the Device and Professional Services Products on a Client, and the Client finishes the Treatment by combing at home.

EE. “Failed Draft Fee” shall refer to a fee we may charge you if we are unable to charge your credit card or draft your bank account through ACH.

FF. “Franchise Advisory Council” or “FAC” means a council we may establish to provide input on topics related to operations, marketing, technology, and other system-wide matters. The FAC shall be comprised of selected or elected franchisees and shall operate in an advisory capacity only. The structure, eligibility, selection process, and meeting schedule of the FAC shall be determined by us and outlined in the Operations Manual.

GG. “Franchisee Resource Portal” shall refer to an online system of websites designed to provide Franchisee and other members of the network with resources for support, training, reporting, ordering products, access to the Operations Manual and User Manual, and other clinic success tools.

HH. “Gross Sales” includes the total revenues and receipts from all Treatments performed and products, services, plans, and merchandise sold in or from your Clinic, whether under any of the Trademarks or otherwise, including any mobile operations or sales, cover charges or fees, as well as all license and use fees. Gross Sales excludes sales taxes and tips paid to technicians by customers.

II. “HIPAA” shall mean the Health Insurance Portability and Accountability Act of 1996 which provides data privacy and security provisions for safeguarding medical information.

JJ. “Incurable Default” shall mean any of the incurable defaults specified in Section 15.B.ii.

KK. “Interim Period” shall mean a month-to-month period of time, granted at our discretion, between when this Agreement expires and any renewal agreement is signed by the Parties.

LL. “Late Fee” is a fee we may charge you if any amount you owe us is more than thirty (30) days past due.

MM. “Manual” or “Operations Manual” means any collection of written, video, audio and/or software media (including materials distributed electronically), regardless of title and consisting of various subparts and separate components, all of which we or our agents produce and which contain specifications, standards, policies, procedures, restrictions and recommendations for your LICE CLINICS OF AMERICA Clinic, all of which we may change from time to time. The information in the Franchisee Resource Portal comprises the Operations Manual.

NN. "Medicaid Treatment" shall mean all treatments for head lice delivered to a Client by a Certified Operator using the Device where the Client provides proof that Client is a Medicaid recipient. You may choose, but are not required, to offer Medicaid Treatments in your Clinic and any Satellites.

OO. "Minimum Royalties" shall mean a minimum amount you must pay us in Royalty Fees each year for your Designated Territory and for any Additional Territory that may be listed in this Agreement.

PP. "Nutshell" shall mean a CRM and email-marketing application we will manage and provide to you for marketing and communication purposes. It will be covered under your Technology Fee.

QQ. "Online Booking" shall mean the booking tool on your website that we manage and provide to you for Clients to book Treatments in your Clinic. It will be covered under your Technology Fee.

RR. "Owner" means any person or entity who, now or hereafter, directly or indirectly owns an interest in Franchisee when Franchisee is a corporation, limited liability company, or a similar entity other than a partnership entity. If Franchisee is a partnership entity, then each general partner is an Owner, regardless of the percentage of ownership interest. If the Franchisee is one or more individuals, each individual is an Owner of the Franchisee. Your Owner(s) is identified on the Data Sheet. Every time there is a change in the persons who are your Owners, you must, within ten (10) days from the date of each such change, update the Data Sheet. Each Owner must sign the Personal Guarantee on Schedule G. As used in this Agreement, any reference to Owner includes all Owners.

SS. "POS System" shall mean our designated point-of-sale system that you must use in the operation of your Clinic and any Satellites. Your use of our designated POS System will be paid for as part of your Technology Fee. As of the Effective Date our designated POS System is Meevo. We reserve the right, in our sole discretion, to change the designated POS System you must use.

TT. "Professional Services Products" shall refer to the Applicator Tips and the topical products used during Treatment. Professional Services Products must be purchased from Approved Suppliers only. We may modify, add, or discontinue Professional Services Products at our discretion (*See* Franchisee Resource Portal for a list of Professional Services Products and their prices).

UU. "Replacement Price" means the current price that we charge for the applicable Device Accessory, Document or other item.

VV. "Retail Products" may include, but not be limited to, combs, preventive sprays, preventive shampoos, preventive conditioners, combing solutions, gels (including the "Lice Preventer Kit" and "Lice Remover Kit" currently sold online and in retail stores), oils, rinses, Consumer Tips, Consumer Devices, other heated-air devices used by consumers, and other lice-treatment products that are branded under the Lice Clinics of America®, brand or any other brands owned by us or any of our Affiliates. The existence, use, or sale of Retail Products within the Territory shall not be deemed to be a violation of any license set forth in any provision of this Agreement. You must purchase Retail

Products from Approved Suppliers only. We may modify, add or discontinue Retail Products at our discretion.

WW. "Royalty Fee" is a fee based on your Gross Sales that we will charge you for the license we grant you under the terms of your Franchise Agreement.

XX. "Satellite" shall mean any secondary place of business (the first place being the Clinic) within the Territory that is a place of business with a physical location that is marketed using the Lice Clinics of America trademark and where AirAllé® Treatments are provided. The physical location of any Satellite must be approved by us in writing prior to you opening the Satellite. All Treatments performed at Satellites will be reported separately from Clinic Treatments. For purposes of this Agreement, any reference to, and requirements made of, a Clinic would also apply to a Satellite.

YY. "Signature AirAllé® Treatment shall mean a 3-step Treatment process where, after screening Clients and determining a lice infestation, Certified Operators use the Device, provide a thorough comb-out and apply Professional Services Products on a Client.

ZZ. "System" means the LICE CLINICS OF AMERICA System, which consists of lice screening and diagnosis, lice-treatment services, methods and procedures, equipment, equipment layouts, interior and exterior accessories, color schemes, products, services, methods of operation, marketing and advertising programs, management programs, standards, specifications and proprietary information, all of which we may change modify and change from time to time.

AAA. "Technology Fee" shall mean the monthly fee you will pay us to provide Technology Services. You must pay the full Technology Fee even if you choose not to use all of the Technology Services.

BBB. "Technology Services" shall mean the suite of technology-related services and support we provide to you as part of your Technology Fee. These currently include, but are not limited to: franchisee dashboards, customer relationship management (CRM) software, the designated point-of-sale (POS) system, medical oversight and insurance reimbursement support, administrative support and technology systems support for products and services. We may modify the scope of Technology Services, or the specific platforms used to deliver them, upon thirty (30) days' prior written notice to you.

CCC. "Trademarks" means the LICE CLINICS OF AMERICA trademark that has been registered in the United States and elsewhere and the trademarks, service marks and trade names set forth on Schedule B, as we may modify and change from time to time, and the trade dress and other commercial symbols used in the Clinic. Trade dress includes the designs, color schemes and image we authorize you to use in the operation of the Clinic from time to time.

DDD. "Treatment" shall mean any and all treatments for head lice delivered to a Client by a Certified Operator using the Device.

EEE. "User Manual" shall refer to the manual associated with the Device that prescribes how the Device is to be used.

IV. GRANT OF LICENSE

2. The following provisions control with respect to the license granted hereunder:

A. Authorized Location(s). We grant you the right and license to establish and operate a retail Clinic and any Satellites identified by the LICE CLINICS OF AMERICA Trademarks or such other marks as we may direct at the location or locations identified on the Data Sheet, (each location being an Authorized Location). When a location has been designated by you and approved by us, it will become part of Section 2.A as originally stated. If you do not have a Clinic open in an Authorized Location within the time specified in Section 2.B of this Agreement, we may grant you an extension of time to locate an Authorized Location, or, at our sole discretion, terminate this Agreement. You accept the license and undertake the obligation to operate the Clinic at the Authorized Location(s) using the Trademarks and the System in compliance with the terms and conditions of this Agreement.

B. Opening. You agree that the Clinic will be open and operating in accordance with the requirements of Section 6.A within one hundred eighty (180) days from the date of this Agreement, unless we authorize in writing an extension of time.

(i) C. Designated Territory. The license is limited to the right to exclusively develop and operate one Clinic and approved Satellites at the Authorized Location(s) within the Designated Territory as defined on the Data Sheet.

(ii) During the term of this Agreement and provided you are in compliance with the terms and conditions of this Agreement we will not, except as it relates to Alternative Methods of Distribution (as defined below):

i. modify the Designated Territory,

(iii) ii. establish a company-owned, Affiliate-owned, or franchised LICE CLINICS OF AMERICA clinic within the Designated Territory, or

(iv) iii. establish a company-owned, affiliate-owned, or franchised clinic in the Designated Territory that offers the same products and services as your LICE CLINICS OF AMERICA Clinic.

(v) The foregoing does not limit our rights to other related activities as set forth below in Section 2.F.

There is no limitation on your ability to market or do Treatments or mobile Treatments, using either the AirAllé Device or the Consumer Device, outside of your own Designated Territory so long as these activities are not conducted in another franchisee's territory. You must check with us prior to conducting any of the above activities outside of your own Designated territory. If you do Treatments or mobile Treatments outside of your Designated Territory, you must immediately transfer the customers and business from those activities to any franchisee that subsequently acquires the territory in which you are performing those activities.

D. Device Use. During the Term of this Agreement, we shall provide you with up to Four (4) Devices per Clinic. You may request additional Devices in writing, which request will not be unreasonably denied by us (see Section 11.C for deposit requirements).

E. Minimum Requirements. During the term of this Agreement, you shall be required to spend a minimum amount on marketing and pay us a minimum amount of Royalty Fees as more specifically set forth in Schedule D attached hereto.

F. No Exclusivity; Our Reservation of Rights. The license is limited to the right to exclusively develop and operate one Clinic and Satellites at the Authorized Location(s).

The license granted to you does not include:

i. any right to operate the Devices or sell services and other products identified by the Trademarks at any location outside the Designated Territory, except for authorized services as noted in section 2.C,

ii. Subject to Section 2.G of this Agreement, any right to operate the Devices or sell services and other products identified by the Trademarks through any other channels or methods of distribution, including the Internet (or any other existing or future form of electronic commerce),

iii. any right to operate the Devices or sell services and other products identified by the Trademarks to any person or entity for resale or further distribution, except as we may designate in writing, or

iv. any right to exclude, control or impose conditions on our development of future franchised, company- or affiliate-owned clinics at any time or at any location regardless of the proximity to your Designated Territory.

Although we will not establish a company-owned, affiliate-owned, or franchised LICE CLINICS OF AMERICA clinic within the Designated Territory, as stated in Section 2.C of this Agreement, you acknowledge that the consumer service area or trade area of another LICE CLINICS OF AMERICA clinic may overlap with your Designated Territory. In other words, there are no restrictions or limitations from where consumer business may be generated. You are not provided with consumer protections to the extent that consumers can visit any LICE CLINICS OF AMERICA clinic that they desire regardless of where they reside or any other factor.

Between the years 2010 and 2013, we sold one hundred thirty-five (135) Devices ("Sold Devices") to individuals, schools, health departments, camps, and medical clinics. Except for thirty-five (35) of those Sold Devices that we subsequently reacquired, we do not know the current locations of Sold Devices. Although we do not provide Applicator Tips to owners of Sold Devices, and such owners do not have the rights to use any of our Trademarks, you acknowledges and agree that we cannot guarantee that no Sold Device will exist or be used in the Territory, and such existence or use of Sold Devices in the Territory shall not be deemed to be a violation of any license set forth in this Agreement or any other provision of this Agreement.

We retain all rights that are not expressly granted to you under this Agreement. Further, we may, among other things, on any terms and conditions we deem advisable, without compensation to any franchisee, and without granting you any rights therein, establish and/or license others to establish franchised or company-owned or affiliate-owned Clinics at any location outside your Designated Territory regardless of the proximity of such clinics to your Designated Territory.

G. Sales of Retail Products. We and our Affiliates also have the right to offer, sell or distribute Retail Products and any proprietary items or other products associated with the System (now or in the future) or identified by the Trademarks, or any other trademarks, service marks or trade names through any distribution channels or methods, without compensation to any franchisee. The distribution channels or methods ("Alternative Methods of Distribution") include, without limitation, "big box" stores like Walmart, Costco, Walgreens, CVS, and others, wholesale, business or industry locations (e.g. manufacturing site, office building), military installations, military commissaries or the Internet (or any other existing or future form of electronic commerce).

Except for Retail Products sold at the time of Treatment to Clients receiving mobile Treatments, you may not sell Retail Products outside of your Clinic or Satellite, on your website, or any other online market without our prior permission.

V. TRADEMARK AND COPYRIGHT STANDARDS AND REQUIREMENTS

3. You acknowledge and agree that the Trademarks are our property and we have licensed the use of the Trademarks to you and others. You further acknowledge that your right to use the Trademarks is specifically conditioned upon the following:

A. Trademark Ownership. The Trademarks are our valuable property, and we are the owner of all right, title, and interest in and to the Trademarks and all past, present, and future goodwill of the Clinic and of the business conducted at the Authorized Location that is associated with or attributable to the Trademarks. Your use of the Trademarks will inure to our benefit. You may not, during or after the term of this Agreement, engage in any conduct directly or indirectly that would infringe upon, harm, or contest our rights in any of the Trademarks or the goodwill associated with the Trademarks, including any use of the Trademarks in a derogatory, negative, or other inappropriate manner in any media, including but not limited to print or electronic media, and further including but not limited to any challenge, whether formal or informal, to the validity, ownership, or enforceability of any of the Trademarks or our rights relating thereto.

B. Trademark Use. You may not use, or permit the use of, any trademarks, trade names, or service marks in connection with the Clinic except those set forth in Schedule B or except as we otherwise direct in writing. You may use the Trademarks only in connection with such products and services as we specify and only in the form and manner we prescribe in writing. You must comply with all trademarks, trade name, and service mark notice marking requirements. You may use the Trademarks only in association with products and services approved by us and that meet our standards or requirements with respect to quality, mode, and condition of storage, production, preparation, and sale, portion, and/or packaging. You agree to use the Trademarks only as adjectives rather than as nouns or verbs. You further agree to use the Trademarks in a manner that distinguishes them from the surrounding text, such as using ALL CAPS, distinct fonts, bold type, and the like. You agree to use the Trademarks consistently and only in the manner authorized herein without any abbreviations or other modifications. You agree to consistently use appropriate trademark designations or markings in connection with the Trademarks, including "TM" or, with respect to Trademarks that have been registered with the United States Patent and Trademark Office, the circle-R (®) symbol.

C. Clinic Identification. You must use the name LICE CLINICS OF AMERICA as the trade name of the Clinic, and you may not use any other mark or words to identify the Clinic without our prior written consent. Although you may include the word "lice" in the name of your corporation, partnership, limited liability company, or other similar entity, you may not use any of the words LICE CLINICS OF AMERICA or any of the other Trademarks or any names or words that are substantially similar as part of the name of your corporation, partnership, limited liability company or other similar entity without our prior written permission. You may use the Trademarks on various materials, such as business cards, stationery, and checks, provided you:

i. accurately depict the Trademarks on the materials as we prescribe,

ii. include a statement on the materials indicating that the business is independently owned and operated by you,

iii. do not use the Trademarks in connection with any other trademarks, trade names or service marks unless we specifically approve in writing prior to such use,

iv. make available to us, upon our request, a copy of any materials depicting the Trademarks, and

v. allow us to make any reasonable modifications to such materials in order to improve conformance with the standards and requirements set forth herein.

You must post a prominent sign in the Clinic identifying you as a LICE CLINICS OF AMERICA franchisee in a format we deem reasonably acceptable, including an acknowledgment that you independently own and operate the Clinic and that the LICE CLINICS OF AMERICA Trademark is owned by us and your use is under a license we have issued to you. All your internal and external signs must always comply with our outdoor/indoor guidelines and practices, as they are modified from time to time.

D. Litigation. In the event any person or entity improperly uses or infringes the Trademarks or patents, or challenges your use or our use or ownership of the Trademarks or patents, we will control all litigation or other legal action(s) and we have the right to determine whether suit will be instituted, prosecuted, or settled, the terms of settlement and whether any other action will be taken. You must promptly notify us of any such use or infringement of which you are aware or any challenge or claim arising out of your use of any Trademark. You must take reasonable steps, without compensation, to assist us with any action we undertake. We will be responsible for our fees and expenses with any such action, unless the challenge or claim results from your misuse of the Trademarks in violation of this Agreement, in which case you must reimburse us for our fees and expenses. Any damages or other compensation recovered in any litigation or other action referenced in this section shall be solely owed and paid to us.

E. Changes. You may not make any changes or substitutions to the Trademarks unless we direct in writing. We reserve the right to change or modify the Trademarks, including the LICE CLINICS OF AMERICA Trademark, at any time. For example, we may require you to cease all use of the LICE CLINICS OF AMERICA Trademark at any time and require you to use a different Trademark as we may designate in connection with the operation and identification of your Clinic. There are no limitations on our right to change or modify the Trademarks and we may change or modify the Trademarks for any reason including, but not limited to, any challenge to our ownership of the Trademarks, a change in market conditions, or any claimed or actual infringement of our Trademarks. We will provide you with written notice of any changes or modifications to the Trademarks. Upon receipt of our written notice, you will have a reasonable amount of time, not to exceed six (6) months, to change or modify your use of the Trademarks consistent with the terms contained in the written notice. By way of example only, if we require you to change or modify the Trademarks, you may be required to do any of the following:

i. change all signage (interior and exterior) used in connection with the operation or identification of your Clinic,

ii. cease all use of any products, serving and/or convenience items containing the Trademarks,

iii. cease all use of any advertising or marketing materials containing the former Trademarks, and

iv. change your letterhead, business cards and any other items containing the former Trademarks.

All changes or modifications to the Trademarks will be at your sole expense.

F. Creative Works. All inventions, ideas, designs, concepts, improvements, techniques, methods and/or materials concerning the Business and LICE CLINICS OF AMERICA Clinic, whether or not protectable intellectual property and whether created by or for you or one of your owners, employees, associates, and/or agents must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent any item does not qualify as a "work made-for-hire" for us, you must assign ownership of that item, and all related rights to that item, to us and must take whatever action (including signing an assignment agreement or other documents) we request to establish or evidence ownership and/or intellectual property rights in the item. You agree to, without further consideration, to sign all lawful papers, perform all other lawful acts, and provide any other assistance we may need to perfect, use, and/or enforce our rights to any such intellectual property and/or items.

VI. TERM AND RENEWAL

4. The following provisions control with respect to the term of this Agreement and any successor rights:

A. Term. The initial term of this Agreement is five (5) years, unless this Agreement is sooner terminated in accordance with Section 15. The initial term commences upon the Effective Date (as defined in Section 17.O) of this Agreement. We may extend this initial term in writing for a limited period not to exceed six (6) months to consider the term of any applicable lease for the Authorized Location.

B. Renewal. You will have the option to renew your rights under this Agreement for one (1) five (5) year renewal term if you meet the following criteria:

i. you have given us written notice of your intent to enter into a renewal agreement at least six (6) months but not more than twelve (12) months prior to the end of the expiring term;

ii. you sign our then-current form of franchise agreement (modified to reflect that the agreement relates to a renewal agreement), the terms of which may differ from this Agreement, including higher fees;

iii. you have complied with the provisions of Section 6.E regarding modernization and you perform any further items of modernization and/or replacement of the building, premises, trade dress, equipment and grounds as may be necessary for your Clinic to conform to the standards then applicable to new LICE CLINICS OF AMERICA clinics, with the cost of such modernizations and/or replacements not to exceed $15,000;

iv. you are not in default of this Agreement or any other agreement pertaining to the franchise granted; have not been in default of this Agreement on three or more occasions during the term of this Agreement, regardless of whether you have been notified of the breaches, or whether any cure has been effectuated; have satisfied all monetary and material obligations on a timely basis during the term; and are in good standing;

v. if leasing the Clinic premises, you have renewed the lease and have provided written proof of your ability to remain in possession of the premises throughout the renewal period;

vi. you comply with our then-current training requirements;

vii. you pay us a fee in the amount of $5,000; and

viii. you and your owner(s) execute a general release of claims in a form we prescribe.

C. Interim Period. If you do not exercise your option to enter into a renewal agreement prior to the expiration of this Agreement and continue to accept the benefits of this Agreement after the expiration of this Agreement, then at our option, this Agreement may be treated either as:

i. expired as of the date of expiration with you then operating a franchise without the right to do so and in violation of our rights; or

ii. continued on a month-to-month basis until one party provides the other with written notice of such party's intent to terminate the Interim Period, in which case the Interim Period will terminate thirty (30) days after receipt of the notice to terminate the Interim Period.

In the latter case, all your obligations shall remain in full force and effect during the Interim Period as if this Agreement had not expired, and all obligations and restrictions imposed on you upon expiration of this Agreement will be deemed to take effect upon termination of the Interim Period.

D. Signing Other Franchise Agreements. If after the Effective Date you enter into franchise agreements with us for any other territories, you agree to replace this Agreement and its corresponding addenda or modification agreements, as applicable, with our then-current franchise agreement such that all franchise agreements between you and us will contain the same terms. Notwithstanding the foregoing, any replacement franchise agreement will not extend the initial term or any renewal term of this Agreement. Any remaining time left on the initial term or renewal term from this Agreement shall roll forward to the new then-current franchise agreement.

VII. DEVICES, DEVICE ACCESSORIES, DOCUMENTS, MAINTENANCE, REPAIR AND OWNERSHIP

5. You acknowledge and agree that the Devices are our property and we have licensed the use of the Devices to you and to others. You further acknowledge that your right to use the Devices is specifically conditioned upon the following:

A. Device. You understand that we have represented that the Device is a "medical device" as defined by the United States Food and Drug Administration and its design and use are strictly regulated by one or more governmental entities. The Device must be operated only by a Certified Operator who operates the Device only in strict adherence to the methods, procedures, and quality standards taught in Device Training, as identified in the User Manual, and otherwise provided to you by us from time to time. You shall make no modifications of any kind to the Device. Breach of this covenant shall be material and may, at the option of us, be deemed to be an Incurable Default.

B. Device Accessories. You shall purchase all Device Accessories only from us or Approved Suppliers as applicable and determined solely by us. The prices for Device Accessories are listed in the Operations Manual. We have the right at any time, upon thirty (30) days' written notice to you, to change the prices charged for the Device Accessories; provided however, the prices charged for Device Accessories are reasonably competitive to similar products available in the industry (to the extent any similar products are available) as determined by us in our reasonable discretion.

C. Applicator Tips. The Operations Manual prescribes how Applicator Tips must be used, cleaned and disinfected. You must purchase Applicator Tips from Approved Suppliers.

D. Device Maintenance. You are solely responsible for the normal, routine maintenance and upkeep of the Device as required or recommended by us, and as so disclosed to you per our Device Training and Operations Manual, and for keeping on hand a sufficient supply of Device Accessories. You shall immediately notify us of any inoperable Device or Device Accessory, specifying in sufficient detail the nature of the problem (including photographs, if possible). Within two business days after receiving such notification, we shall instruct you to either repair the Device or Device Accessory on-site or to ship the problematic Device or Device Accessory to us or our Device supplier at your initial cost, and we shall simultaneously ship any replacement Device or Device Accessory back to you at our cost.

E. Location of Devices. At all times, each Device shall be kept at the Clinic; except that you may store or use any Device at a fixed location other than the Clinic, so long as you maintain a record of the location and shall provide us with such record upon request. You may use any Device in all mobile operations (such as for camp Treatments) and in all services provided at your Clinic(s) in adherence to the methods, procedures, and quality standards taught in our Training Program and provided within the User Manual, consistent with Lice Clinics of America's® standard offering of screening, diagnosis, and Treatment options to Clients.

F. Ownership of Devices. We solely own each Device. By signing this Agreement and using a Device, you acquire no right, title, or interest in or to the Device, except for the limited license of use expressed herein. You agree that, upon request, you will execute all reasonable agreements or notifications that serve to confirm ownership of the Device in the name of LCA.

G. Device Usage Data. Each Device may have the ability to transmit usage and other diagnostics data to us via wi-fi or cellular transmitters. We reserve the right to gather data transmitted from these Devices. You acknowledge that any such data will be owned by us and that we have the right, in our sole discretion, to analyze, aggregate and report such data to our Parties.

H. Device Upgrades. You agree to upgrade your Devices to the latest model within twelve (12) months of us notifying you in writing that we have released an upgraded model of the Device. You will be responsible for paying any difference between the deposits you paid for the older Devices and the required deposits for the upgraded Devices. You will also pay any shipping charges related to upgrading your Devices.

VIII. FACILITY STANDARDS AND MAINTENANCE

6. You acknowledge and agree that we have the right to establish, from time to time, quality standards regarding the business operations of LICE CLINICS OF AMERICA clinics to protect the distinction, goodwill, and uniformity symbolized by the Trademarks and the System. Accordingly, you agree to maintain and comply with our quality standards and agree to the following terms and conditions:

A. Clinic Facility; Site Under Control. You must obtain our approval for the site location of your Clinic prior to opening it. We must consent to the site in writing. You must use an approved broker if we have one in your area, as well as provide us with pictures, floorplans, and a draft of the lease for our approval. We may, at any time, implement or update site selection guidelines regarding sites for Clinics. If those guidelines have been implemented, you are responsible for purchasing or leasing a site that meets our site selection guidelines. You may not use the Clinic premises or Authorized Location for any purpose other than the operation of a LICE CLINICS OF AMERICA Clinic during the term of this Agreement or any Interim Period. We make no guarantees concerning the success of the Clinic located on any site to which we consent.

You may not open your Clinic for Business until we have notified you in writing that you have satisfied your pre-opening obligations as set forth in Sections 6.A and we have consented to your opening date. We are not responsible or liable for any of your pre-opening obligations, losses, or expenses you might incur for your failure to comply with these obligations or your failure to open by a particular date. We also are entitled to injunctive relief or specific performance under Section 14.B for your failure to comply with your obligations.

You must provide us with a copy of the executed lease for your Clinic or Satellite within five (5) days of its execution. We have no responsibility for the lease; it is your sole responsibility to evaluate, negotiate, and enter into the lease for the Clinic premises.

B. Construction; Future Alteration. We may at any time implement specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings, and design and layout of the Clinic building. If these have been implemented prior to your signing this Agreement, you must construct and equip the Clinic in strict accordance with our current approved specifications and standards pertaining to equipment, inventory, signage, fixtures, furnishings, and design and layout of the building. We reserve the right to condition the beginning of construction of your Clinic on our written approval of your building plans.

Any change to the building plans or any replacement, reconstruction, addition or modification in the building, interior or exterior decor or image, equipment, or signage of the Clinic to be made after opening must be done only after receiving our prior written consent.

C. Maintenance. The building, equipment, fixtures, furnishings, signage, and trade dress (including the interior and exterior appearance) employed in the operation of your Clinic must be maintained and refreshed in accordance with our requirements established periodically and any of our reasonable schedules prepared based upon periodic evaluations of the premises by our representatives. Within a period of thirty (30) to sixty (60) days (as we determine depending on the work needed) after the receipt of any particular report prepared following such an evaluation, you must effect the items of maintenance we designate, including the repair of defective items and/or the replacement of irreparable or obsolete items of equipment and interior signage. If, however, any condition presents a threat to customers or public health or safety, you must effect the items of maintenance immediately, as further described in Section 6.E.

D. Relocation. If you need to relocate because of condemnation, destruction, or expiration or cancellation of your lease for reasons other than your breach, we will grant you authority to do so at a site acceptable to us; provided that the new Clinic is located inside the Designated Territory, is under construction within ninety (90) days after you discontinue operation of the Clinic at the Authorized Location, and the new Clinic is open and operating within one hundred twenty (120) days after construction commences, all in accordance with our then-current standards. If you voluntarily decide to relocate the Clinic, your right to relocate the Clinic will be void and your interest in this Agreement will be voluntarily abandoned, unless you have given us notice of your intent to relocate not less than sixty (60) days prior to closing the Clinic, have procured a site that we accept within sixty (60) days after closing the prior Clinic, have opened the new Clinic for business within one hundred twenty (120) days of such closure and complied with any other conditions that we reasonably require.

In the event your Clinic is destroyed or damaged and you repair the Clinic at the Authorized Location (rather than relocate the Clinic), you must repair and reopen the Clinic at the Authorized Location in accordance with our then-current standards for the destroyed or damaged area within one hundred twenty (120) days of the date of occurrence of the destruction or damage.

You do not have the right to relocate in the event you lose the right to occupy the Clinic premises because of the cancellation of your lease due to your breach. The termination or cancellation of your lease due to your breach shall be grounds for immediate termination of this Agreement under Section 15.B.ii.3.

E. Modernization or Replacement. From time to time as we require, you must effect items of modernization and/or replacement of the building, premises, trade dress, equipment, and grounds as may be necessary for your Clinic to conform to the standards for similarly situated new LICE CLINICS OF AMERICA clinics. In no event will your modernization and/or replacement obligations exceed $15,000 during any five (5) year period. Furthermore, in addition to performing general continued maintenance and refreshing of the Clinic premises whenever necessary as set forth in Section 6.C, you must effect any required expenditures for equipment or leasehold improvements necessary to prepare new Devices or products.

Each transfer of any interest in this Agreement or your business governed by Section 13 or any renewal agreement covered by Section 4 is expressly conditioned upon your compliance with these modernization or replacement requirements at the time of transfer or renewal.

You acknowledge and agree that the requirements of this Section 6.E are both reasonable and necessary to ensure continued public acceptance and patronage of LICE CLINICS OF AMERICA clinics and to avoid deterioration or obsolescence in connection with the operation of the Clinic. If you fail to make any improvement as required by this section or perform the maintenance described in Section 6.C, we may, in addition to our other rights in this Agreement, effect such improvement or maintenance and you must reimburse us for the costs we incur.

F. Signage. The outdoor signage at your Clinic must comply with our then-current specifications, if any, which we may modify and change from time to time due to modifications to the System, including changes to the Trademarks. You must make such changes to the outdoor signage as we require, subject to compliance with local regulations and the consent of the landlord.

IX. PRODUCTS AND OPERATIONS STANDARDS AND REQUIREMENTS

7. You must implement and abide by our requirements and recommendations directed to enhancing substantial System uniformity and protecting the goodwill of the Trademarks. The following provisions shall control with respect to products and operations:

A. Authorized Devices and Products. Your business must be confined to the treatment of head lice and sale of lice-treatment products and lice-prevention products as we designate and approve in writing from time to time for sale by your Clinic. You must offer for sale from the Clinic all items designated by us and may offer for sale other approved lice-treatment products and lice-prevention products provided they are Approved Supplies and are purchased from Approved Suppliers. You must also exclusively use our Devices and Approved Supplies when treating head-lice infestations, unless contraindicated. We have the right to make modifications to these items from time to time, and you agree to comply with any modifications. You may not offer or sell any other product or service at the Authorized Location without our prior written consent. We reserve the right to deny you from selling any product or service that we, in our sole judgment, deem to be harmful to the Lice Clinics of America brand.

B. Authorized Usage. You must operate the Clinic and use the Devices and other lice-treatment products and services as we specify in our Operations Manual or otherwise in writing. We will supply you with a copy of the current Operations Manual prior to opening the Clinic. You acknowledge and agree that we may change these periodically and that you are obligated to conform to the requirements. All supplies and all other customer service materials of all descriptions and types must meet our standards of uniformity and quality. You acknowledge that the Clinic must always maintain an inventory of lice-treatment products and other products, materials and supplies that will permit operation of the Clinic at maximum capacity.

C. Approved Supplies and Suppliers. We will furnish you, from time to time, lists of Approved Supplies or Approved Suppliers. You must only use Approved Supplies in connection with the design, construction and operation of the Clinic as set forth in the Approved Supplies and Approved Suppliers lists, as we may amend from time to time. Although we do not do so for every item, we have the right to approve the manufacturer, distributor, and/or supplier of Approved Supplies. You acknowledge and agree that certain Approved Supplies may only be available from one Approved Supplier source, and we or our Affiliates may be from that source. You will pay the then-current price in effect for any approved products and supplies purchased from us or our Affiliates. All inventory, products, materials and other items and supplies used in the operation of the Clinic that are not included in the Approved Supplies or Approved Suppliers lists must conform to the specifications and standards we establish from time to time. ALTHOUGH APPROVED OR DESIGNATED BY US, WE AND OUR AFFILIATES MAKE NO WARRANTY AND EXPRESSLY DISCLAIM ALL WARRANTIES, INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, WITH RESPECT TO SERVICES, PRODUCTS, EQUIPMENT (INCLUDING, WITHOUT LIMITATION, ANY REQUIRED COMPUTER SYSTEMS), SUPPLIES, FIXTURES, FURNISHINGS OR OTHER APPROVED ITEMS. IN ADDITION, WE DISCLAIM ANY LIABILITY ARISING OUT OF OR IN CONNECTION WITH THE SERVICES RENDERED OR PRODUCTS FURNISHED BY ANY SUPPLIER APPROVED OR DESIGNATED BY US. OUR APPROVAL OR CONSENT TO ANY SERVICES, GOODS, SUPPLIERS, OR ANY OTHER INDIVIDUAL, ENTITY OR ANY ITEM SHALL NOT CREATE ANY LIABILITY TO US.

Except for any products, supplies or materials for which we designate a single-source Approved Supplier, if you wish to purchase products, supplies, materials or equipment from suppliers not approved by us, you must submit to us a written request to approve the proposed supplier, together with any background documents or evidence we may require. We have the right to require you to obtain permission from the supplier to allow our representatives to inspect the supplier’s facilities and that you deliver samples from the supplier for evaluation and testing to us or to an independent testing facility that we designate. We may charge you an evaluation fee to conduct our evaluation and testing. We will, within thirty (30) days after our receipt of your evaluation request, notify you in writing of our approval or disapproval of your proposed supplier. We may revoke our approval of particular products, equipment or suppliers when we determine that such products, equipment or suppliers no longer meet our standards. Upon receipt of our revocation of approval, you must cease to use or sell any disapproved products and cease to purchase from any disapproved supplier.

D. POS System. You must use as your only POS System the POS System that we designate, including all future updates, supplements, and modifications to it. The POS System is a tool for you to use in the operation of your Clinic and not as a means for us to exercise control over the day-to-day operation of your Clinic. The POS System includes all hardware and software used in the Clinic operation, including electronic point-of-sale cash registers, credit card readers, and any designated software used to record and analyze sales, customer count, customer data, labor, inventory, Device usage, and tax information. It is your responsibility to make sure that you are in compliance with all laws that are applicable to the POS System or other technology used in the operation of your Clinic, including all data protection or security laws as well as PCI compliance. The computer software package developed for use in the Clinic may include proprietary software. You may be required to license the proprietary software from us, an affiliate, or a third party and you also may be required to pay a software licensing or user fee in connection with your use of the proprietary software. You must always have at the Authorized Location Internet access with a form of high-speed connection as we require, and you must maintain an email account for the Clinic.

You always acknowledge and agree that we will be able to log into the POS System where we will have full and complete access to the information and data entered into and produced by the POS System. Our audit rights as stated in your Franchise Agreement include our right to evaluate, copy and audit all information entered in your POS System.

You must run all sales transactions through the POS System.

E. Accounting System. You must use QuickBooks Online for your accounting system. You always acknowledge and agree that we will be able to log into your QuickBooks Online to run and pull reports. You agree to provide us with any of your monthly, quarterly, and/or annual profit-and-loss statements upon request. You also agree to use a specific chart of accounts in your QuickBooks Online that we give you.

For the first twelve (12) months of the Clinic's operation you must use the accounting services provided by one of our Approved Suppliers. After that twelve (12) month period you may seek our approval to manage your accounting in-house or use other accounting services. We may, at our sole discretion, approve your request if we are satisfied that you will continue to furnish the required reports and other financial information in compliance with our minimum standards.

F. Sharing Financial Reports. You acknowledge and agree that financial and operational information from the Clinic, including but not limited to revenue, expense, profitability, margin, and other financial metrics derived from the POS System, accounting systems, or profit-and-loss statements, may be aggregated, analyzed, and reported by us as part of system benchmarking, performance dashboards, best-practices tools, and other reporting made available to franchisees within the System.

You expressly agree that we may include the financial and operational data from your Clinic in such dashboards, reports, or benchmarking tools and may identify the Clinic by its clinic name and location when presenting such information to other franchisees within the Lice Clinics of America system.

You acknowledge that the purpose of these reports is to allow franchisees to benchmark their performance, identify best practices, and improve operational performance across the System. You agree that such reporting constitutes a legitimate and reasonable component of the Lice Clinics of America System.

You waive any claim that the inclusion of the Clinic's financial or operational data, including identification of the Clinic by name, in such internal benchmarking reports constitutes a disclosure of confidential information, provided that such reports are distributed only within the Lice Clinics of America franchise system or to prospective franchisees as part of our franchise development process.

G. Best Practices. We have created several tools, including best practices, email templates and dashboards, for you to use for evaluating and promoting your business daily. For the first ninety (90) days after your Clinic opens you agree to actively use those tools under our direction and guidance. During that time, you also agree to participate in any franchisee meetings or forums we schedule for using those tools. You will be expected to continue using those tools after the initial ninety (90) days, according to the requirements of the Operations Manual.

H. Digital Platforms and Account Ownership. Franchisee acknowledges that certain digital platforms and systems used in connection with the operation, marketing, and management of the Clinic are part of the Lice Clinics of America System. Accordingly, all accounts associated with the following Covered Digital Systems shall be owned and controlled by us:

- Google Ads
- Google Analytics
- Google Business Profile
- Facebook
- Instagram
- Nutshell (or any successor CRM designated by us)
- Call Tracking Metrics (or any successor call-tracking system designated by us)
- Meevo (or any successor POS or clinic management platform designated by us)

We shall maintain the highest level of administrative ownership or "super-admin" access available for each Covered Digital System. Franchisee will be granted such user, manager, or administrative access as we determine appropriate for the operation of the Clinic.

Franchisee shall not create, register, or maintain any account relating to the Covered Digital Systems in its own name or under credentials that do not provide us with full administrative ownership and control.

If any Covered Digital System account is currently owned or controlled by Franchisee or any third party acting on Franchisee's behalf, Franchisee shall promptly transfer ownership and administrative control of such account to us upon request.

All data, analytics, advertising history, customer interactions, campaign data, and related digital assets associated with the Covered Digital Systems are part of the System and shall remain our property. Upon termination, expiration, or transfer of this Agreement, Franchisee shall have no ownership interest in any Covered Digital System account and any access granted to Franchisee may be revoked by us.

We may modify, add, or replace Covered Digital Systems from time to time as part of the evolution of the System.

I. Promotional Items. All sales promotion material, customer goodwill items and customer convenience items used in the sales promotion of Treatments and sale and distribution of products covered by this Agreement are subject to our approval and must, where practicable, contain one or more of the Trademarks. You must purchase these items from our Approved Suppliers.

J. Health and Sanitation. Your Clinic must be operated and always maintained in compliance with all applicable health and sanitary standards prescribed by governmental authority. You also must comply with any standards that we prescribe. In addition to complying with such standards, if the Clinic is subject to any sanitary or health inspection by any governmental authorities under which it may be rated in one or more than one classification, it must be maintained and operated so as to be rated in the highest available health and sanitary classification with respect to each governmental agency inspecting the same. In the event you fail to be rated in the highest classification or receive any notice that you are not in compliance with all applicable health and sanitary standards, you must immediately notify us of such failure or noncompliance.

K. Evaluations. We or our authorized representative shall have the right to enter your Clinic at all reasonable times during the business day for the purpose of making periodic evaluations and to ascertain if the provisions of this Agreement are being observed by you, to inspect and evaluate your building and equipment, and to test, sample, inspect and evaluate your Devices, supplies, ingredients and products, as well as the conditions of sanitation and cleanliness. We and our representative also have the right to interview you, your employees and subcontractors, marketing contacts and customers pertaining to matters of compliance with this Agreement and the System and to photograph, videotape or audiotape any such interviews and/or observation/inspection of the operation of the Clinic with or without your knowledge and without prior notice to you. You hereby consent to our use of any such audio or video recording for training, marketing, or any other purpose. Any evaluation or inspection we conduct is not intended to exercise control over your day-to-day operation of the Clinic or to assume any responsibility for your obligations under this Agreement.

Any failure of an inspection is a default under Section 15.A of this Agreement. Further, if we determine that any condition in the Clinic presents a threat to customers or public health or safety, we may take whatever measures we deem necessary, including requiring you to immediately close the Clinic until the situation is remedied to our satisfaction. Our inspections and evaluations may include a "mystery shopper" program from time to time throughout the term of this Agreement. If you fail an evaluation by us or by a mystery shopper or if we receive a specific customer complaint, you must pay the costs and expenses of subsequent "mystery shopper" visits.

L. Period of Operation. Although you are not required to have your Clinic open for set business hours, you are required to have the Clinic available to do Treatments each week as set forth in the Operations Manual. You acknowledge and agree that if your Clinic is unavailable to do Treatments for a period of five (5) consecutive days without our prior written consent, such closure constitutes your voluntary abandonment of the franchise and business and we shall have the right, in addition to other remedies provided for herein, to terminate this Agreement. Acts of force majeure, as defined in Section 17.L, preventing you temporarily from complying with the foregoing will suspend compliance for the duration of such interference.

M. Operating Procedures. You must adopt and use, as your continuing operational routine, the required standards, service style, procedures, techniques, and management systems described in our Manuals or other written materials relating to product preparation, storage, financial management, equipment, facility, and sanitation. We will revise the Manual and these standards, procedures, techniques and management systems periodically to meet changing conditions of retail operation in the best interest of clinics operating under the Trademarks. Any required standards exist to protect our interests in the System and the Trademarks and not for the purpose of establishing any control or duty to take control over those matters that are reserved to you. The required standards will be set forth in the Operations Manual or other written materials. The Operations Manual also will include guidelines or recommendations in addition to the required standards. In some instances, the required standards will include recommendations or guidelines to meet the required standards. You may follow the recommendations or guidelines or some other suitable alternative, provided you meet and comply with the required standards. In other instances, no suitable alternative may exist. In order to protect our interests in the System and Trademarks, we reserve the right to determine if you are meeting a required standard and whether an alternative is suitable to any recommendations or guidelines.

You acknowledge having received access to the Operations Manual via our Franchisee Resource Portal for the Term of this Agreement. The Operations Manual is always our sole property. You must at all times treat the Operations Manual, and the information it contains, as secret and confidential, and must use all reasonable efforts to maintain such information as secret and confidential, including but not limited to preserving and maintain the Operations Manual and all of its contents in strict confidence and confidentiality during and after the term of this Agreement, and requiring any and all employees with a *bona fide* need for access to the Operations Manual to do the same. The Operations Manual and its contents should not be distributed or otherwise made available to any employees or any other affiliates, associates, or agents without a *bona fide* need for such access in connection with their respective employment duties. We may, from time to time, revise the contents of the Operations Manual and you expressly agree to comply with each new or changed requirement. You must always access the Operations Manual through the Franchisee Resource Portal to make sure you are using the most current and up to date copy. In the event of any dispute as to the contents of said Operations Manual, the terms of the master copy of the Operations Manual that we maintain are controlling.

N. Proprietary Information. For purposes of this Agreement, “Proprietary Information” includes but is not limited to:

i. The Device and the construction thereof, including the design, mechanics, electronics, User Manual, Device Accessories and all other components and parts that make up the Device;

ii. All Documents that we have not intentionally made available to the public;

iii. The Operations Manual;

iv. The operating procedures and processes used to deliver the Treatment to the Client;

v. Any trade secret processes, formulae or information of a similar nature deemed to be a "trade secret" as that term is defined by the Uniform Trade Secrets Act of Utah as found at Title 13, Chapter 24 of the Utah Code;

vi. Any Clinic Retail Products and Professional Services Products, including their packaging and design, that are proprietary to us;

vii. The Consumer Device and the construction thereof, including the design, mechanics, patents, electronics, instructions for use, Consumer Tips and all other components and parts that make up the Consumer Device; and

viii. Information on Clients, customers or potential customers that get captured through any website or POS System related to the Business, including but not limited to customer names, addresses, phone numbers, email addresses, customer sales data, and related information.

O. Confidentiality. During the Term of this Agreement and following its expiration or termination for any reason, you agree that without our prior written consent, which consent may be granted or denied for any reason or for no reason, you shall not:

i. divulge, directly or indirectly, orally or in writing or electronically, to any person or entity, any component or portion of the Proprietary Information except such operating procedures and processes that are necessary to be used to deliver Treatments to the Client and only by performing such procedures and processes;

ii. disassemble, reverse engineer, or otherwise replicate, duplicate, or copy any component or portion of the Device, any Device Accessory, Consumer Device, any Retail Products, or any Professional Services Products;

iii. use, disclose, or provide any Device, Device Accessory, Consumer Device, Retail Product or Professional Services Product as a benchmark for the purpose of designing, engineering or building another Device, Device Accessory, Consumer Device, Retail Product or Professional Services Product; or

iv. otherwise take any action that may reasonably be deemed to be an infringement upon any common law or statutory trade secret or other intellectual property right in favor of us.

P. Revealing Proprietary Information. Nothing in this Agreement shall require us to reveal any Proprietary Information to you.

Q. Defending Proprietary Information. Nothing in this Agreement shall require us to defend or enforce infringements of our Proprietary Information.

R. Ownership of Proprietary Information. You agree that we own all the right, title and interest in and to each component of the Proprietary Information in whatever form or medium and have the legal right, power, and authority to license the Proprietary Information to you. Nothing in this Agreement shall be construed as granting you any right, title, or interest in or to any component of the Proprietary Information except as explicitly described herein. To the extent that this Agreement is deemed to grant you a license to operate using any component of the Proprietary Information, such license is limited, non-exclusive, and temporary, as described herein. You do not have the right to sublicense our Proprietary Information.

S. Limited Rights to Disclose. You do have the limited right to disclose Proprietary Information only to those of your Parties who must have access to it to operate the Device to perform Treatments and only in such cases to the extent necessary to perform such Treatments. In furtherance of the covenants of this Agreement, you shall obtain from each such Party a written agreement that such person shall not, during the course of his or her employment, representation, or agency with you, or at any time thereafter, use, divulge, disclose or communicate, directly or indirectly, in any form or manner, to any person or business entity any component of the Proprietary Information.

T. Notification of Infringement. You will promptly notify us, in writing, of any possible infringement of or use by others of any component of the Proprietary Information. You acknowledge that we shall have the right, in our sole discretion, to determine whether any action will be taken because of any possible infringement or illegal use. You have no right to make any demand, or to prosecute any claim against the alleged infringer. You must cooperate with us in any way necessary to protect such Proprietary Information with the understanding that we shall bear all costs and hold you harmless with respect to such third-party action.

U. Rights to Modify Proprietary Information. We in our sole discretion shall have the right to:

i. modify or discontinue use of any portion of the Proprietary Information;

ii. modify the design of, or any component of, the Device, the Device Accessories, the Consumer Device, the Documents, the Retail Products, and the Professional Services Products; and,

iii. develop additional components or substitutes for any such component of the Proprietary Information.

Upon no less than sixty (60) days' written notice from us, you shall take such reasonable action, at your sole expense, as may be necessary to comply with such modification, discontinuation, addition, or substitution.

V. Goodwill. Any and all goodwill associated with any component of the Proprietary Information (including but not limited to the Device) and/or the Trademarks, including any goodwill that might be deemed to have arisen through your activities related to the Device and excluding your activities not associated with the Device as described herein, shall inure directly and exclusively to the benefit of us and not to you.

W. Adherence by you. You further agree to:

i. Fully and strictly adhere to all reasonable security procedures prescribed by us, including those set forth in Section 7.K, for maintaining the secrecy of Proprietary Information;

ii. Refrain from using any component of the Proprietary Information in any other business or in any manner not specifically authorized or approved by us in writing; and,

iii. Exercise the highest degree of diligence and make every effort to maintain the absolute confidentiality of all such Proprietary Information during and after the Term of this Agreement.

X. Innovation. During the Term or any Renewal Term, you may create, design, or otherwise improve upon any component of the Proprietary Information and/or the Creative Works (an “Innovation”). Any Innovation will be deemed the sole and exclusive property of LCA. Upon the creation of any Innovation, you will immediately notify us in writing and in detail, the nature of the Innovation. We shall have the sole and exclusive right to approve or disapprove of any such Innovation for any reason or for no reason at all. If an Innovation is approved, LCA may permit you and any other franchisees of LCA to use the Innovation. You agree that LCA does now and will own the right, title, and interest to the Innovation. You agree to take any action necessary to ensure that LCA obtains such right, title, and interest in any such Innovation, all at LCA’s expense. To the extent necessary, any such Innovation will be deemed to be a “work made for hire” that was specifically ordered and commissioned by LCA. You acknowledge and agree such work made for hire belongs to and shall be the sole and exclusive property of LCA.

Y. Exclusions. The obligations of Section 7.O shall not apply to any information which was:

i. in the public domain at the time of our communication thereof to you;

ii. enters the public domain through no fault of you after the time of our communications thereof to you;

iii. was in your possession free of any obligation of confidence at the time of our communication thereof to you; or

iv. was received independently by you from a third party who was free to lawfully disclose such information to you.

Z. Contesting Trademarks and Patents. You agree to refrain from any actions or involvement in any actions that could in any way damage, injure, or impair the validity or enforceability of the Trademarks, patents, or any of LCA’s other intellectual property. Examples of actions prohibited under this clause include, but are not necessarily limited to, attacking, disputing, or challenging the status, validity, enforceability, or strength of any of the Trademarks or patents, or of LCA’s ownership rights in or to the Trademarks or patents, or assisting any others in doing any of the foregoing.

AA. Copyrights. With respect to any and all publicly-available information and/or materials that are subject to the possibility of any available copyright protection, whether or not registered, including but not limited to websites, webpages, and any copyrightable material contained therein, training materials, marketing materials, user manuals, and the like that are or become, due to circumstances outside of your control, available to the public (“Copyrightable Materials”), you hereby acknowledge our exclusive ownership of any and all rights to such Copyrightable Materials.

i. Derivative Works. Absent our express, written authorization, you are not authorized to create any derivative works in or from any of the Copyrightable Materials. To the extent that any such derivative works are created, you hereby acknowledge this as being an infringement of our intellectual property rights and a material breach of this agreement. To the extent we authorize the creation of any derivative works, or that they are otherwise created, you hereby acknowledge our ownership in, and to the extent necessary hereby assign, all rights to any derivative works that may be created from any of the Copyrightable Materials. At our request, you agree to cause your employees, contractors, and/or agents to execute assignments or other documents necessary to establish our ownership rights in such derivative works.

ii. Examples of Unauthorized Derivative Works. As a non-exclusive example of a derivative work that, pursuant to Section AA(i) above, requires our explicit authorization in order to create, is exclusively owned by us, and absent explicit authorization will be considered an infringement and a material breach of this agreement, unauthorized reproduction of any and all materials from our website, including photographs, images, designs, layout, slogans, graphics, non-generic text, descriptions, advertisements, and the like, will be considered an unauthorized derivative work. For the avoidance of doubt, the unauthorized use of any individual photograph, image, design, slogan, graphic, description, sentence, or other non-generic text from our website will be considered an unauthorized derivative work pursuant to this Section irrespective of whether an entire webpage has been copied.

iii. Remedies for Copyright Infringement. You agree that any breaches of this Section of the agreement, such as the creations of unauthorized derivative works, will result in and be considered infringement of our copyrights. Consequently, as remedies for such breaches, you agree to be subject to all applicable remedies available in Federal Court following a formal determination of copyright infringement without requiring such a determination to be made, including an injunction, our actual damages, your profits, and statutory damages. Thus, for example, you agree to be subject to these consequences and damages without requiring us to formally register the copyrights from which the derivative works stem or formally bring claims under the Copyright Act. Rather, you agree to be subject to these consequences and damages as a result from a judicial determination of a breach of this Section alone.

iv. Survival of Copyright Clauses. All clauses and provisions in this Section (Section 7.AA) shall survive the termination and/or expiration of this Agreement.

AB. Mobile Treatment Services. In addition to offering Treatments in your Clinic, you may also offer a mobile Treatment service to customers outside your Clinic in your Designated Territory, using either the AirAllé Device or the Consumer Device. You are not allowed to do mobile Treatments services outside your Designated Territory without our prior written permission. Any mobile Treatment services must meet our written standards. You must purchase Consumer Devices and Consumer Tips from us for any mobile Treatments performed with the Consumer Device.

AC. Compliance with Law; Licenses and Permits. You must always maintain your premises and conduct your Clinic operations in compliance with all applicable laws, regulations, codes and ordinances. You must secure and maintain in force all required licenses, permits and certificates relating to your Clinic and Business and be prepared to furnish copies upon request.

You acknowledge that you are an independent business and solely responsible for control and management of your Clinic and Business, including, but not limited to, the hiring and discharging of your employees and setting and paying wages and benefits of your employees. You acknowledge that we have no power, responsibility, or liability in respect to the hiring, discharging, setting and paying of wages or related matters.

You must immediately notify us in writing of any claim, litigation or proceeding that arises from or affects the operation or financial condition of your LICE CLINICS OF AMERICA Business or Clinic, including any notices of health code violations or other license violations.

AD. Participation in Internet Websites or Other Online Communications. We may require you, at your expense, to participate in our LICE CLINICS OF AMERICA website on the Internet, our intranet system or extranet system or other online communications as we may require. We have the right to determine the content and use of our website and intranet or extranet system and will establish the rules under which franchisees may or must participate. You may not separately register any domain name containing any of the Trademarks, participate in any website (including any social media platform) that markets goods and services like a LICE CLINICS OF AMERICA clinic, or operate a website or social media site for your Clinic that does not link to our website and/or that we do not approve. We will host and manage a landing page for your Clinic on our website as part of the Technology Services, we provide. We will also list your Clinic on our website. You agree to use the template-based Facebook page as your only Facebook page for your Clinic and agree to use the associated domain name we will provide you in all your Business-related email communications and on your printed marketing materials. You also agree to use call-tracking phone numbers we provide you that will help you track the efficacy of your marketing efforts. We retain all rights relating to our website, intranet system, and call-tracking phone numbers. All data gathered about customers or potential customers through the website, we will own intranet system and call-tracking phone numbers, but we will grant you permission to use such data in the operation of your Business subject to you complying with the terms of this Agreement. Your general conduct on our website and specifically your use of the Trademarks or any advertising is subject to the provisions of this Agreement. In particular, you shall not either directly or indirectly create, develop, maintain, and/or use your own website, blog, vlog, social network, or other on-line venue or communication on the Internet using any of the Trademarks, or otherwise use any of the Trademarks on the Internet in any other manner including for search engine advertising purposes without our prior written consent. You acknowledge that certain information related to your participation in our website or intranet system may be considered Proprietary Information, including access codes and identification codes. Your right to participate in our website and intranet or extranet system or otherwise use the Trademarks or System on the Internet or other online communications, will terminate when this Agreement expires or terminates.

AE. System Modifications. You acknowledge and agree we have the right to modify, add to or rescind any requirement, standard or specification that we prescribe under this Agreement to adapt the System to changing conditions, competitive circumstances, business strategies, business practices and technological innovations and other changes as we deem appropriate. You must comply with these modifications, additions, or rescissions at your expense, subject to any express limitations set forth in this Agreement.

AF. Suggested Pricing Policies. You have the right to establish prices for the Treatments and other products and services you sell. We may, from time to time, suggest prices for Treatments and other products and services you sell. We do, however, have the right to modify the Devices or System to give us the right to establish prices, both minimum and maximum. Any such modification will be in writing. Unless we modify the Devices or our System, any list or schedule of prices we furnish to you is a recommendation only and any decision you make to accept or reject the suggestion will not in any way affect the relationship between you and us.

X. DEVICE OPERATION STANDARDS

8. The following provisions and conditions control with respect to the operation and use of Devices:

A Compliance. You shall use the Device, Device Accessories, Clinic Retail Products, Professional Services Products and Documents in strict compliance with the terms of this Agreement.

B. Mandatory Device Use. Unless prohibited by Device's contraindications or other extenuating circumstances, or unless otherwise stated in the Operations Manual, you agree to use the Device in treating every lice infestation at your Clinic and any Satellite within the Territory and in any mobile operations.

You may alternatively use the Consumer Device in Treatments at your Clinic, at a Satellite or in any mobile Treatments so long as you purchase the Consumer Device and Consumer Tips from us.

C. Notice of Applicable Regulations. You acknowledge that we have used reasonable efforts to provide to you notice of, and you agree to comply with, all applicable laws, ordinances, and regulations, or rulings of every nature whatsoever which in any way regulate or affect the operation of your Business or the use of the Device so as to insure the continued compliance with government regulations and the continuous operation of the Business and the Device. You further understand and agree that licensing separate from Certification may be required by any government in order to operate your Business and/or the Device. You shall obtain all such licensing prior to opening the Business and shall continually update such licensing as necessary to ensure the continuous operation of the Business.

D. Consent for Treatment Form. You will have access to a copy of the Consent for Treatment Form on the Franchisee Resource Portal. You may not modify the Consent for Treatment Form without prior written approval by us. To meet government requirements, you must have each Client complete the Consent for Treatment Form and read its corresponding information form prior to receiving a Treatment.

E. Alterations. You shall not modify or remove any labels affixed to the Device, the Device Accessories, the Clinic Retail Products, the Professional Services Products or Documents and shall further refrain in any manner from altering the Device, a Device Accessory, a Professional Services Product or a Document.

F. Device Encumbrances. You shall always keep the Device, Device Accessories, Professional Services Products, Clinic Retail Products and Documents free and clear of all levies, liens, or encumbrances, it being understood that you shall in no way encumber the Device, Device Accessories, Professional Services Products, and Documents with any security agreement or financing statement except as permitted herein.

G. Markings. The Devices, as well as all promotional, packaging, and advertising material used in connection with the Devices and/or the offering and/or performance of any services under any of the Trademarks, shall include appropriate trademark designations or markings of "TM" or, with respect to Trademarks that have been registered with the United States Patent and Trademark Office, the circle-R (®) symbol.

H. Treatment Guarantees. You are required to offer your Clients a thirty (30) day guarantee on AirAllé® Treatments, as required by the Operations Manual.

I. Treatment Protocols. You agree to perform Treatments using our then-current Treatment protocols, which we may modify at our sole discretion from time to time.

J. Warranties. During the Term or any Renewal Term, we will repair or replace at our sole option, free of charge, any defective Device returned with prior authorization. Hoses, power cords, applicator bases, and treatment timers are warranted against material and manufacturing defects for ninety (90) days from the date of delivery to you and shall be replaced or repaired by us, at our sole cost so long as reported within those ninety (90) days. All other Device Accessories, Applicator Tips, the Documents, and any other goods or services identified in this Agreement are not warranted. This warranty does not cover loss or damage resulting from abuse, misuse, improper storage, negligence, or alteration of the Device, any Professional Services Product or Device Accessory or any other warranted good.

K. Evaluation. To obtain repairs or replacement under this warranty, contact us by filling out forms acceptable to us. You shall be responsible for all costs associated with shipping the Device to us; except that we will reimburse you for such costs if the repair or replacement is covered by the above warranty. If we determine that repair or replacement is necessitated by reason of an alteration or the misuse, abuse, negligence, improper storage, or other cause at the hands of the you or your Operators, you shall pay the costs of repair or replacement and return shipping. So long as the determination of causation shall be made in good faith, such determination by us shall be final. If the warranty claim is proper, we shall replace or repair the defective good and will return the same to you all at our cost.

L. DISCLAIMER. THE FOREGOING (SECTIONS 8.J. and 8.K.) IS THE SOLE WARRANTY PROVIDED BY US IN CONNECTION WITH THE DEVICE, THE DEVICE ACCESSORIES, THE DOCUMENTS, PROFESSIONAL SERVICES PRODUCTS AND OUR RETAIL PRODUCTS. WE HEREBY DISCLAIM AND YOU UNDERSTAND AND WAIVE ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, ORAL, OR WRITTEN, INCLUDING ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. ANY IMPLIED WARRANTIES AND OTHER TERMS THAT MAY BE IMPOSED BY LAW WILL BE LIMITED IN DURATION TO THE PERIOD OF THE ABOVE EXPRESS WARRANTY.

WE SHALL NOT BE LIABLE FOR LOSS OF USE, LOST PROFITS, OR ANY OTHER SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT COSTS, EXPENSES OR DAMAGES.

EXCEPT AS OTHERWISE PROVIDED HEREIN, PRODUCTS ARE PROVIDED HEREUNDER “AS IS” AND “WHERE IS.”

XI. PERSONNEL AND SUPERVISION STANDARDS

9. The following provisions and conditions control with respect to personnel, training and supervision:

A. Supervision. During the term of this Agreement, you (if Franchisee is an individual), one of your Owners (if Franchisee is any other legal entity), or your Clinic manager (“Business Manager”) must devote full time and best efforts to the management and operation of your Clinic and provide direct, on-site supervision of the Clinic. Any manager or replacement manager(s) you hire must complete our training as described in Section 9.B – 9.D. Any Business Manager or replacement Business Manager you hire must meet the applicable training requirements. The use of a Business

Manager in no way relieves you of your obligations to comply with this Agreement and to ensure that the Clinic is properly operated. If you operate more than one (1) Clinic or Satellite then you must have at least one (1) full-time Business Manager, even if you devote your full time and best efforts to overseeing the Clinic(s) and Satellite(s). The Business Manager shall, during the entire period he or she serves as Business Manager, meet the following qualifications:

i. The Business Manager shall satisfy our educational and business experience criteria as set forth in the Manual as defined herein or otherwise in writing by us;

ii. The Business Manager shall devote full time and best efforts to the supervision and management of the Clinic;

iii. The Business Manager shall be an individual acceptable to us; and

iv. The Business Manager shall satisfy the training requirements set forth in Section 9.A. If, during the term of this Agreement, the Business Manager is not able to continue to serve in such capacity or no longer qualifies to act as such in accordance with this Section, you shall promptly (not later than seven (7) days after the event) notify us and designate a replacement within thirty (30) days after the Business Manager ceases to serve. The replacement shall be subject to the same qualifications listed above (including completing all training and obtaining all certifications required by us). You shall provide for interim management of the Clinic until the replacement is so designated, the interim management of the Clinic shallbe conducted in accordance with the terms of this Agreement. Any failure to materially comply with the requirements of this Section 9.A.iv shall be deemed an event of default under Section 15.B hereof.

B. Training. You must comply with all the training requirements we prescribe for the Clinic to be developed under this Agreement. You (or if Franchisee is a legal entity, one of your Owners) must complete our initial training program to our satisfaction at least seven (7) days prior to opening your Clinic. It is then solely your responsibility to ensure that your employees are properly trained.

We will provide four days of initial owner training ("Owner Training") up to a maximum of four (4) people for $4,000 (the "Initial Training Fee"). Two of those days will be at a clinic of our choosing, and the other two will be at your Clinic once you open. You must pay all travel expenses for you, any of your staff getting trained, and our trainers. We will also provide Device Training and Certification for $120 per session (the "Certification Fee"). Up to four people can be certified on the Device if they are all trained at the same time. Starting six (6) months after receiving your Owner Training, you may train and certify your own technicians on how to use the Device, so long as you first become certified as a trainer by us. The cost for trainer certification and any recertification is $200 per person (the "Trainer Certification Fee"). If you become a trainer, you must be recertified by us once every two years. You are responsible for paying all costs and expenses, including salaries, hotel, and transportation costs, for all persons to attend our training programs. Initial training may be conducted at our training facility, in some other location we designate, or remotely, via technology, which we will decide in our sole discretion. You may send more than the allotted number of people to our initial training programs, but we reserve the right to charge you our then-current additional training fee for each additional person who attends our initial training programs. You will be responsible for paying all costs and other daily expenses for any additional person who attends our initial training program.

In the event you are given notice of default as set forth in Sections 15.A and 15.B, and the default relates, in whole or in part, to your failure to meet any operational standards, we have the right to require, as a condition of curing the default, that you and your manager, at your expense, comply with the additional training requirements we prescribe. Any new Business Manager you hire must comply with our training requirements within a reasonable time as we specify. Under no circumstances may you permit the management of the Clinic's operation on a regular basis by a person who has not successfully completed to our reasonable satisfaction all the applicable training we require.

If we determine during our initial training program or within fifteen (15) days after completion of our initial training program that you have failed to demonstrate the aptitude, abilities, or personal characteristics necessary to operate a LICE CLINICS OF AMERICA Clinic, we will have the right to terminate this Agreement and, if this is your first LICE CLINICS OF AMERICA Clinic, refund the full amount of the Initial Franchise Fee to you.

Prior to offering the first Treatment, each Certified Operator must sign and return to us the Certified Operator Agreement found in the Operations Manual.

C. Operating Device Without Certification. The use of the Device by any person other than a Certified Operator shall be deemed to be a default and may result in the termination of this Agreement.

D. Ongoing Training. We may require you, your Business Manager, and other key employees of the Clinic to attend, at your expense, ongoing training at our training facility, the Authorized Location, another location we designate, or remotely via technology, which we will decide in our sole discretion. We will decide whether the training will be done by us or one of our Approved Suppliers. If you request training in addition to the initial training program identified above, you must pay to us our then-current daily training fee plus expenses.

We will provide you with technical assistance and support through the telephone and email and provide ongoing communication and support and updates to the Operations Manual and the confidential and proprietary Franchisee Resource Portal where training, support, and marketing materials for you are located.

E. Staffing. You will employ enough competent and trained employees to ensure efficient service for your customers. No employee of yours will be deemed to be an employee of ours for any purpose whatsoever, and nothing in any aspect of the System or the Trademark in any way shifts any employee or employment related responsibility from you to us.

We have no control over your labor relations, including employee selection, training, promotion, termination, discipline, hours worked, rates of pay, benefits, working conditions, work assigned etc. Your employees are under your control at your Business, and we are not their employer. Under no circumstances shall we be deemed a joint employer.

F. Independent Contractor and No Joint Employer Status. You are an independent business and are not an agent, employee, joint employer, or legal representative of ours. Nothing in this Agreement shall be construed to create a partnership, joint venture, agency, fiduciary relationship, or employment relationship between us and you or any of your employees.

You are solely responsible for recruiting, hiring, training, supervising, disciplining, and terminating its employees. You shall not represent otherwise to any third party. None of your employees shall have any claim against us for wages, benefits, or other employment-related rights.

You shall not employ any person who is or was employed by us within the last six (6) months without our prior written consent.

G. Attendance at Meetings. You must attend, at your expense, all periodic franchise conventions we may hold or sponsor (which may be held as frequently as once a year) and all meetings relating to new products or product preparation procedures, new operational procedures or programs, training, clinic management, sales or sales promotion, or similar topics. We may charge you a fee in connection with your attendance at any convention or meetings we hold or sponsor. If you are not able to attend a meeting or convention, you must notify us prior to the meeting and must have a substitute person acceptable to us, attend the meeting. Any fee we may charge shall be payable by you whether you or a substitute person attends the conference or meeting. If you fail to attend the periodic convention, you must pay a fee of $400. If you fail to attend three (3) or more periodic conventions during the term of this Agreement, we have the right to require you to attend additional training, in addition to any other rights and remedies available to us for your breach of this provision.

H. Background Checks. You agree to have us conduct a background check on you (or if Franchisee is a legal entity, all Owners), at your expense, as a condition of signing this Agreement. The cost of the background check is $250 per person screened. Within ninety (90) days from the Effective Date, we reserve the right to rescind this Agreement if, in our sole discretion, we determine you did not pass the background check.

XII. ADVERTISING

10. You agree to actively promote your Clinic, to abide by all our advertising requirements and to comply with the following provisions:

A. Digital Marketing. You agree to engage each month in digital marketing, including search engine optimization ("SEO") of your website, pay-per-click ("PPC") advertising, and Facebook advertising. You must use LCA or an Approved Supplier to manage your digital marketing.

B. Required Local Expenditures. You must use your commercially best efforts to promote and advertise the Clinic and participate in any local marketing and promotional programs we establish from time to time. You are required to spend a minimum amount on approved local marketing and promotion in your own market each month, as stated on Schedule D.

Upon our request, you must provide us with itemization and proof of marketing and an accounting of the money that you have spent for approved local marketing. If you fail to make the required expenditure listed on Schedule D, we have the right to collect and contribute the deficiency to our national marketing initiatives.

C. Approved Materials. You must use only such marketing materials (including any print, radio, television, electronic, or other media forms that may become available in the future) as we furnish, approve or make available, and the materials must be used only in a manner that we prescribe. Furthermore, any promotional activities you conduct in the Clinic or on its premises are subject to our approval. You must submit all advertising and promotional materials to us prior to your use. If we do not respond within fourteen (14) days after you submit the proposed advertising materials to us, the advertising materials will be deemed approved. We will not unreasonably withhold approval of any sales promotion materials or media and activities; if they are current, in good condition, in good taste and accurately depict the Trademarks.

D. Promotions. You must participate in all promotions of products and services as provided with thirty (30) days' written notice by us.

F. Brand Fund. We have established a Brand Fund to pay for advertising, marketing, marketing materials, public relations, research and development and such other programs and activities that we deem appropriate from time to time to promote the Lice Clinics of America brand. The Brand Fund is managed and controlled in accordance with its Bylaws. The Brand Fund is funded by the Brand Fee we will collect from you and other franchisees each month. We account for the Brand Fund separately from our other funds and do not use money from the Brand Fund for any of our general operating expenses. The Brand Fund may spend in any fiscal year more or less than the total Brand Fees collected in that year. The Brand Fund will provide you, upon request, with an annual, unaudited statement of Brand Fee collections and Brand Fund monies spent during the year.

XIII. FEES, ORDERS, REPORTING AND AUDIT RIGHTS

11. You must pay the fees described below and comply with the following provisions:

A. Initial Franchise Fee. You must pay us an Initial Franchise Fee in the amount set forth on the Data Sheet. The Initial Franchise Fee is a lump sum payment and is due when you sign this Agreement. Unless otherwise regulated by the state in which you live or have your Designated Territory, the Initial Franchise Fee is earned upon receipt and, except as noted below, is nonrefundable.

B. Royalty Fee. Eight percent (8%) of your monthly Gross Sales.

C. Deposit. $1,500 refundable Device Deposit for each Device if the Device is a 1.0 model (i.e. similar in design to Devices manufactured in 2010). We reserve the right to change the amount we charge for a Device Deposit at any time.

D. Shipping and Handling. Shipping and handling costs per Device, Clinic Retail Products, Professional Services Products and Device Accessories, which shall be due at the time of shipment by us.

E. Brand Fee. Four percent (4%) of your monthly Gross Sales.

F. Technology Fee. $420 per month for each Clinic and for each Satellite. We reserve the right to enact reasonable and competitive price increases to the Technology Fee with thirty (30) days' prior written notice. We will limit such price changes to no more than a twenty-five (25) percent increase per year.

G. Computations and Remittances. All amounts due and owing to us must be paid immediately. Within the first five business days of each month, we will access your POS System to view your Gross Sales for the prior month and then charge either your Credit Card or ACH, at our sole discretion, for all Royalty Fees, Brand Fees, and Technology Fees. We reserve the right to change the due date for any or all amounts. You must certify the computation of the amounts in the manner and form we specify, and you must supply us with any supporting or supplementary materials as we reasonably require to verify the accuracy of remittances. You waive any and all existing and future claims and offsets against any amounts due under this Agreement, which amounts you must pay when due. We have the right to apply or cause to be applied against amounts due to us or any of our affiliates any amounts that we or our affiliates may hold from time to time on your behalf or that we or our affiliates owe to you.

H. Orders. Orders for Devices, Device Accessories, Documents, Professional Services Products and Clinic Retail Products shall be made in writing using methods acceptable to us. Orders will be fulfilled by us or our Approved Suppliers in a commercially reasonable manner.

I. Rejecting Orders. You shall inspect the Device and each order of Clinic Retail Products, Professional Services Products, Device Accessories and Documents promptly upon receipt thereof. You may reject any Device, Professional Services Product, Device Accessory or Document purchased or acquired from us that commercially reasonably fails in any material way to meet the specifications set forth for such good. Any products you purchase from Approved Suppliers would be subject to those suppliers' return policies. To reject a Device or any Professional Services Product, Device Accessory or Document purchased or acquired from us, you shall notify us in writing or by email, within ten (10) days of receipt, specifying in sufficient detail (including photographs, if possible) the nature of the problem with respect to such good and the reason for its rejection. Within two (2) business days of receiving such notification, we shall instruct you to either:

i. repair or replace the Device or Professional Services Product or Device Accessory or Document at our expense on-site; or

ii. destroy at our expense, the problematic Device, Professional Services Product, Device Accessory or Document, upon which, simultaneously, we shall ship any replacement Device, Professional Services Product, Device Accessory or Document to you at our cost; or

iii. ship the problematic Device or Professional Services Product or Device Accessory or Document to us at your initial cost, and we shall simultaneously ship any replacement Device or Professional Services Product or Device Accessory or Document back to you at our cost.

J. Credit Card and ACH Authorization. You must provide us with your Credit Card information and/or ACH information, at our sole discretion, for us to keep on file. By signing this Agreement, you authorize us to charge that Credit Card and/or ACH all amounts due to us or our affiliates. You must maintain a sufficient credit limit on your Credit Card and/or a sufficient balance in your bank account to allow us and our affiliates to collect the amounts owed when due. You are responsible for any penalties, fines or other similar expenses associated with the transfer of funds described in this Section 11.J.

K. Credit Card Processing Fee. If you elect to pay any amounts due under this Agreement by credit card instead of ACH, we will charge you a processing fee of 3% of the total amount charged.

L. Late Fees. All amounts owed to us are due on the date specified in this Agreement or any related agreement. Any amount not paid within thirty (30) days after its due date will be considered late. We may charge you a late fee equal to the lesser of a) one and one-half percent (1.5%) per month or b) the maximum rate permitted by applicable law, calculated from the original due date until paid in full.

M. Failed Draft Fees. If we are unable to successfully process a payment through an authorized ACH draft or credit card charge for any reason not attributable to us, including but not limited to insufficient funds, closed accounts, revoked authorization, or declined transactions, we may charge you a) a $50 administrative fee per failed transaction and b) any bank fees, processing fees or other charges incurred by us as a result of the failed payment.

N. Financial Planning and Management. You must keep books and records and submit reports as we periodically require, which may include but would not be limited to a monthly profit plan, monthly balance sheet and monthly statement of profit and loss, records of prices and special sales, check registers, purchase records, invoices, sales summaries and inventories, sales tax records and returns, payroll records, cash disbursement journals and general ledgers, all of which accurately reflect the operations and condition of your Clinic operations. You must compile, keep and submit to us the books, records and reports on the forms and use the methods of bookkeeping and accounting as we periodically may prescribe. The records that you are required to keep for your Clinic must include detailed daily sales, cost of sales, and other relevant records or information maintained in an electronic media format and methodology we approve. You must provide this information to us according to reporting formats, methodologies and time schedules that we establish from time to time. You also must preserve and retain the books, records, and reports for not less than thirty-six (36) months. You must allow us electronic and manual access to all records relating to your Clinic. The provisions of this paragraph shall not apply if you use Quickbooks Online and the POS System authorized by us, and you authorize us to access the data maintained by those systems.

O. Treatment Reporting. In addition to pulling Gross Sales reports, we will access your POS System each month to pull reports that show how many Treatments you did in that month.

P. Collection Rights. The right of us to collect the Royalty Fee, Technology Fee, Brand Fee and all other amounts and fees due hereunder is independent of any other covenant found herein. You shall not be permitted to offset any claim you may have against us against any amounts due hereunder.

Q. Record Retention. You agree to retain all Consent for Treatment records, sales slips, orders, sales tax reports, and any other business records and related background material related to the use of the Device at the Business, for a period of two (2) years following the end of the year in which the items were generated. You agree to store and handle all Client-related records in accordance with HIPAA and all applicable laws.

R. Audit Rights. In addition to having access to your POS system, we or our authorized representative always have the right during the business day to enter the premises where your books and records relative to the Business, Clinic and any Satellite are kept and to evaluate, copy and audit such books and records. We have the right to audit your use of the Devices to make sure you are performing Treatments according to the User Manual and Operations Manual. We also have the right to request information from your suppliers and vendors. In the event that any such evaluation or audit reveals any understatement of 3% or more of your Gross Sales, you must pay for the audit, and in addition to any other rights we may have, we have the right to conduct further periodic audits and evaluations of your books and records as we reasonably deem necessary for up to 3 years thereafter and any further audits and evaluations will be at your sole expense, including, without limitation, professional fees, travel, and room and board expenses directly related thereto. Furthermore, if you intentionally understate or underreport Gross Sales at any time, or if a subsequent audit or evaluation conducted within the three (3) year period reveals any understatement of your Gross Sales of 3% or more, in addition to any other remedies provided for in this Agreement, at law or in equity, we have the right to terminate this Agreement immediately. You must fully cooperate with us or our representative in performing these activities and any expenses incurred by us from your lack of cooperation shall be reimbursed by you.

We will keep your financial books, records, and reports confidential, unless the information is requested by tax authorities or used as part of a legal proceeding or in a manner as set forth in Section 13.D.viii or where your information is grouped with similar information from other clinics to produce shared results like high-low ranges or average gross sales or expenses on a system-wide or regional basis.

XIV. YOUR OTHER OBLIGATIONS; NONCOMPETE COVENANTS

12. You agree to comply with the following terms and conditions:

A. Payment of Debts. You agree to pay promptly when due:

i. all payments, obligations, assessments, and taxes due and payable to us and our affiliates, vendors, suppliers, lessors, federal, state, or local governments, or creditors in connection with your business;

ii. all liens and encumbrances of every kind and character created or placed upon or against any of the property used in connection with the Clinic or Business; and

iii. all accounts and other indebtedness of every kind incurred by you in operating the Clinic or Business. In the event you default in making any such payment, we are authorized, but not required, to pay the same on your behalf and you agree promptly to reimburse us on demand for any such payment.

Each Owner must sign the Personal Guarantee on Schedule G, which obligates the Owner to pay us if you fail, or refuse, to pay us punctually.

You also will pay all state and local taxes, including, without limitation, taxes denominated as income or franchise taxes, that may be imposed on you.

B. Indemnification. You waive all claims against us for damage to property or injuries to people arising out of the operation of your Clinic. You must fully protect, indemnify and hold us and our owners, directors, officers, insurers, successors and assigns and our affiliates harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of your Clinic (regardless of cause or any concurrent or contributing fault or negligence of us or our affiliates) or any breach by you or your failure to comply with the terms and conditions of this Agreement. We also reserve the right to select our own legal counsel to represent our interests, and you must reimburse us for all our costs and all attorneys' fees immediately upon our request as they are incurred.

Notwithstanding the foregoing, you will not be liable for any Claim that arises solely because of a design or manufacturing defect in the Device (which defect has not arisen because of the your misuse of the Device or use of the Device for any purpose not authorized herein) or that arises from our provision of Technology Services for you; and in such an event, we will bear the costs and losses associated with defending such claim and indemnify, defend, and hold you harmless from any losses arising from a design or manufacture defect claim or from a claim arising out of our conduct in providing Technology Services for you. We and you will have the right to use counsel of their own choosing.

We waive all claims against you for damage to property or injuries to persons arising out of the operation of our company- or affiliate-owned clinics. We must fully protect, indemnify and defend you and your affiliates and hold you and them harmless from and against any and all claims, demands, damages and liabilities of any nature whatsoever arising in any manner, directly or indirectly, out of or in connection with or incidental to the operation of our company- or affiliate-owned clinics (regardless of cause or any concurrent or contributing fault or negligence of you) or any breach by us or our failure to comply with the terms and conditions of this Agreement.

It is the intention of the parties to this Agreement that we should not be deemed a joint employer with you for any reason; however, if we incur any cost, loss or damage as a result of any actions or omissions of you or your employees, including any that relate to any party making a finding of any joint employer status, you will fully indemnify us for any such loss.

C. Insurance. Before you begin operating your Business you must purchase and maintain in full force and effect during the term of this Agreement, at your sole cost and from a responsible carrier with an AM Best rating of A+ or greater, insurance that insures you, us, and our affiliates. All required insurance policies shall name Larada Sciences, Inc. and any person or entity with an insurable interest that we designate (each an "Additional Named Insured") as an additional named insured and include a waiver of subrogation in favor of Larada Sciences, Inc. and any Additional Named Insureds. The insurance policies must be written in accordance with the standards and specifications (including minimum coverage amounts) set forth in writing by us from time to time, and, at a minimum, must include the following: (i) primary and noncontributing comprehensive general liability insurance covering your Business and the use of each Device on an occurrence basis with a nationally recognized insurance company with the following minimum limits of liability: $1,000,000 for each occurrence, and $2,000,000 in the aggregate (including products/completed operations, personal injury, and advertising injury) that includes $100,000 tenant fire legal liability, $5,000 medical payments liability, and $1,000,000 hired and non-owned auto liability; (ii) workers' compensation insurance with coverage of $1,000,000; (iii) employer practices liability insurance with coverage of $1,000,000; and (iv) professional liability insurance with the following minimum limits of liability: $500,000 per claim and $1,000,000 annual aggregate.

You must deliver to us at commencement and annually or at our request a proper certificate evidencing the existence of such insurance coverage and your compliance with the provisions of this subparagraph. The insurance certificate must show our status as an additional insured and provide that we will be given thirty (30) days' prior written notice of a material change in or termination or cancellation of the policy. We also may request copies of all policies. We may from time to time modify the required minimum limits and require additional insurance coverages, by providing written notice to you, as conditions require, to reflect changes in relevant circumstances, industry standards, experiences in the LICE CLINICS OF AMERICA system, standards of liability and higher damage awards. If you do not procure and maintain the required insurance coverage required by this Agreement, we have the right, but not the obligation, to procure insurance coverage and to charge the costs to you, together with a reasonable fee for the expenses we incur in doing so. You must pay these amounts to us immediately upon written notice.

D. Insurance Certificates. You agree to provide us with certificates of insurance annually and will provide us with at least thirty (30) days' prior written notice in the event of cancellation or material reduction in coverage. Each insurer shall agree, by endorsement or by independent instrument furnished to us, that it will give us thirty (30) days' prior written notice of the effective date of any alteration or cancellation of such policy.

E. Non-compete Covenants. You agree that you will receive valuable training, Proprietary Information and goodwill that you otherwise would not receive or have access to but for the rights licensed to you under this Agreement. You therefore agree to the following noncompetition covenants:

i. Unless otherwise specified, the term "you" as used in this Section 12.E includes, collectively and individually, all Owners, officers, directors, members, managers, partners and holders of any ownership interest in you and any immediate family members of same including spouses and children. We may require you to obtain from your manager and other individuals identified in the preceding sentence a signed non-compete agreement in a form satisfactory to us that contains the non-compete provisions of Section 12.E.

ii. You covenant that during the term of this Agreement or during any Interim Period you will not, except as we otherwise consent to in writing, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in any other lice-treatment clinic or business that provides lice-treatment services other than the one authorized by this Agreement or any other agreement between us and you.

iii. To the extent permitted by applicable law, you covenant that you will not, for a period of two (2) years after the expiration or termination of this Agreement, or after the expiration of any Interim Period, regardless of the cause of termination, or within two (2) years of the sale of the Business or Clinic or any interest in you, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any person or entity, own, manage, operate, maintain, engage in, consult with or have any interest in a Competing Business:

1. At the premises of the former Clinic;

2. Within ten (10) miles of the outer boundary of the Designated Territory as calculated by Google Maps; or

3. Within 5 miles of any other business or clinic using the LICE CLINICS OF AMERICA System, whether franchised or owned by us or our affiliates, as calculated by Google Maps.

For the purposes of Section 12.E.iii, a Competing Business includes any clinic or business which includes the sale of lice-treatment services and related products.

iv. You agree that the length of time in Section 12.E.iii will be tolled for any period during which you are in breach of the covenants or any other period during which we seek to enforce this Agreement. The parties agree that each of the foregoing covenants will be construed as independent of any other covenant or provision of this Agreement.

v. The non-compete covenants in this Agreement shall be null and void if LCA is forced into Chapter 7 bankruptcy whereby its business is brought to an end and its assets are distributed to claimants ("Liquidation").

F. Lost or Stolen Devices. Should any Device be lost or stolen, you must notify us within seven (7) days of such event ("Loss Notification"). If you have paid a Device Deposit on the lost or stolen Device, we will keep the Device Deposit. You will then be required to pay a new

Device Deposit on any replacement Device. You will also be required to pay us a penalty of $3,000 for each Device that has been lost or stolen. You are solely responsible for filing a police report or insurance claim, as applicable, for any stolen or lost Device. A copy of the police report or insurance claim shall be delivered to us within five (5) days of the date made.

XV. TRANSFER OF FRANCHISE

13. You agree that the following provisions govern any transfer or proposed transfer:

A. Transfers. We have entered into this Agreement with specific reliance upon your financial qualifications, experience, skills, and managerial qualifications as being essential to the satisfactory operation of the Clinic. Consequently, neither your interest in this Agreement nor in the Clinic may be transferred or assigned to or assumed by any other person or entity (the "Assignee"), in whole or in part, unless you have first tendered to us the right of first refusal to acquire this Agreement in accordance with Section 13.F, and, if we do not exercise such right, unless our prior written consent is obtained, the transfer fee provided for in Section 13.C is paid, and the transfer conditions described in Section 13.D are satisfied, provided, however, that any transfer or assignment to the spouse or to one or more lineal descendants (or to a trust for the benefit of any or all of the foregoing) or to an affiliate of any Owner shall not constitute a "transfer" for purposes of this agreement. Any sale (including installment sale), lease, pledge, management agreement, contract for deed, option agreement, assignment, bequest, gift or otherwise, or any arrangement pursuant to which you turn over all or part of the daily operation of the business to a person or entity who shares in the losses or profits of the business in a manner other than as an employee will be considered a transfer for purposes of this Agreement. Specifically, but without limiting the generality of the foregoing, the following events constitute a transfer, and you must comply with the right of first refusal, consent, transfer fee, and other transfer conditions in Section 13:

i. Any change in the percentage of the franchisee entity owned, directly or indirectly, by any Owner (including any addition or deletion of any person or entity who qualifies as an Owner) that results in a 20% or more change of ownership interest;

ii. Any change in the general partner of a franchisee that is a general, limited or other partnership entity;

iii. Bringing on a new Clinic manager who is also a part Owner of the franchisee entity;

iv. For purposes of this Section 13.A, a pledge or seizure of any ownership interests in you or in any Owner that affects the ownership of 20% or more of you or any Owner, which we have not approved in advance in writing; or

v. Any grant of a security interest in, or otherwise encumbrance of, any of the assets or securities of you, including the Clinic unless you satisfy our requirements. Such requirements may include execution of an agreement by the secured party in which it acknowledges the creditor's obligations, and agrees that in the event of any default by you under any documents related to the security interest, we shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure your default; and, in the event we exercise such option, any acceleration of indebtedness due to your default shall be void.

In the event of your insolvency or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, if your legal representative, successor, receiver or trustee desires to succeed to your interest in this Agreement or the business conducted hereunder, such person first must notify us, tender the right of first refusal provided for in Section 13.F, and if we do not exercise such right, must apply for and obtain our consent to the transfer, pay the transfer fee provided for in Section 13.C, and satisfy the transfer conditions described in Section 13.D. In addition, you or the Assignee must pay the attorneys' fees and costs that we incur in any bankruptcy or insolvency proceeding pertaining to you.

You may not place in, on, or upon the location of the Clinic, or in any communication media or any form of advertising, any information relating to the sale of the Clinic or the rights under this Agreement, without our prior written consent.

B. Consent to Transfer. We will not unreasonably withhold our consent to transfer, provided we determine that all the conditions described in this Section 13 have been satisfied. Application for our consent to a transfer and tender of the right of first refusal provided for in Section 13.F must be made by submission of our form of application for consent to transfer, which must be accompanied by a purchase agreement between you and the transferee, as well as any other documents we request and other required information. The application must indicate whether you or an Owner proposes to retain a security interest in the property to be transferred. No security interest may be retained or created, however, without our prior written consent and except upon conditions acceptable to us. Any agreement used in connection with a transfer will be subject to our prior written approval, which approval will not be withheld unreasonably. You must immediately notify us of any proposed transfer and must submit promptly to us the application for consent to transfer and any other required documents. d information. Any attempted transfer by you without our prior written consent or otherwise not in compliance with the terms of this Agreement will be void, your interest in. This Agreement will be voluntarily abandoned, and it will provide us with the right to elect either to deem you in default and terminate this Agreement or to collect from you a transfer fee equal to two times the transfer fee provided for in Section 13.C.

C. Transfer Fee. You must pay us a transfer fee in the amount of $10,000. The transfer fee is nonrefundable even if, for any reason, the proposed transfer does not occur.

D. Conditions of Transfer. We condition our consent to any proposed transfer, whether to an individual, a corporation, a partnership, or any other entity upon the following:

i. Assignee Requirements. The Assignee must meet all our then-current requirements for our LICE CLINICS OF AMERICA franchise program we are offering at the time of the proposed transfer and sign our then-current form of franchise agreement modified to reflect the term remaining under this Agreement.

ii. Payment of Amounts Owed. All amounts owed by you to us, or any of our affiliates, your suppliers or any landlord for any Clinic or Satellite premises and Authorized Location, or upon which we or any of our affiliates have any contingent liability must be paid in full.

iii. Reports. You must have provided all required reports to us in accordance with Sections 11.N and 11.O.

iv. Modernization. You must have complied with the provisions of Section 6.E.

v. Guarantee. In the case of an installment sale for which we have consented to you or any Owner retaining a security interest or other financial interest in this Agreement or the business operated thereunder, you or such Owner are obligated to guarantee the performance under this Agreement until the final close of the installment sale or the termination of such interest, as the case may be.

vi. General Release. You and each Owner must sign a general release of all claims arising out of or relating to this Agreement, your Clinic and Business, or the parties' business relationship, in the form we designate, releasing us and our affiliates.

vii. Training. The Assignee must, at your or your Assignee's expense, comply with the training requirements of Section 9.B.

viii. Financial Reports and Data. We have the right to require you to prepare and furnish to Assignee and/or us such financial reports and other data relating to the Clinic and its operations necessary or appropriate for Assignee and/or us to evaluate the Clinic and the proposed transfer. You agree that we have the right to confer with proposed Assignees and furnish them with information concerning the Clinic and proposed transfer without being held liable to you, except for intentional misstatements made to an Assignee. Any information furnished by us to proposed Assignees is for the sole purpose of permitting the Assignees to evaluate the Clinic and proposed transfer and must not be construed in any manner or form whatsoever as a financial performance representation or claims of success or failure.

ix. Other Conditions. You must have complied with any other conditions that we reasonably require from time to time as part of our transfer policies.

E. Death, Disability or Incapacity. If any individual who is an Owner dies or becomes disabled or incapacitated and the decedent's or disabled or incapacitated person's heir or successor-in-interest wishes to continue as an Owner, such person or entity must apply for our consent under Section 13.B, pay the applicable transfer fee under Section 13.C, and satisfy the transfer conditions under Section 13.D, as in any other case of a proposed transfer, all within ninety (90) days of the death or event of disability or incapacity. During any transition period to an heir or successor-in-interest, the Clinic still must be operated in accordance with the terms and conditions of this Agreement. If the Assignee of the decedent or disabled or incapacitated person is the spouse or child of such person, no transfer fee will be payable to us, and we will not have a right of first refusal as set forth in Section 13.F.

F. Right of First Refusal. If you propose to transfer or assign this Agreement or your interest herein or in you or the Business, in whole or in part, to any third party, including, without limitation, any transfer contemplated by Section 13.E or any transfer described in Section 13.A, you first must offer to sell to us your interest under the same general terms. In the event of a bona fide offer from a third party, you must obtain from the third-party offeror and deliver to us a statement in writing in a form that is acceptable to us, signed by the offeror and by you, of the terms of the offer. In the event the proposed transfer results from a transfer under Section 13.A.iv, or the filing of any petition by or against you under any provisions of any bankruptcy or insolvency law, you first must offer to sell to us your interest in this Agreement and the land, building, equipment, furniture and fixtures, and any leasehold interest used in the operation of your Clinic. Unless otherwise agreed to in writing by us and you, the purchase price for our purchase of assets in the event of a transfer that occurs by a transfer under Section 13.A.iv or bankruptcy filing will be established by a qualified appraiser selected by the parties. In addition, unless otherwise agreed to in writing by us and you, the transaction documents, which we will prepare, will be that customary for this type of transaction and will include representations and warranties then customary for this type of transaction. If the parties cannot agree upon the selection of such an appraiser, a Judge of the United States District Court for the District in which the Authorized Location is located will appoint one upon petition of either party.

You or your legal representative must deliver to us a statement, in writing, incorporating the appraiser's report and all the other information we have requested. We then have thirty (30) days from our receipt of the statement setting forth the third-party offer or the appraiser's report and other requested information to accept the offer by delivering written notice of acceptance to you. Our acceptance of any right of first refusal will be at the same price and terms set forth in the statement delivered to us; provided, however, we have the right to substitute equivalent cash for any non-cash consideration included in the offer. If we fail to accept the offer within the thirty (30) day period, you will be free, for sixty (60) days after such period, to make the disposition described in the statement delivered to us provided such transfer is in accordance with Section 13. You may affect no other sale or assignment of you, this Agreement or the business without first offering the same to us in accordance with Section 13.F.

G. Transfer by Us. We have the right to sell or assign, in whole or in part, our interest in this Agreement without limitation.

XVI. DISPUTE RESOLUTION

(a) 14. The following provisions apply with respect to dispute resolution:

A. Dispute Resolution. Any dispute between you and us or any of our or your affiliates arising under, out of, in connection with or in relation to this Agreement, the parties' relationship, or your Clinic or Authorized Location that cannot be resolved to the mutual satisfaction of the parties must be submitted to the state court located in Salt Lake County, Utah or the federal court of the United States District Court for the Central District of Utah, in conformance with the provisions of Section 17.H.

(i) B. Costs of Enforcement, Defense and Attorneys' Fees. The prevailing party in any action or proceeding arising under, out of, in connection with, or in relation to this Agreement, any lease or sublease for the Clinic or Authorized Location, or the business will be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accounting and attorneys' fees (whether such fees be incurred by outside counsel or a staff attorney), expert witness fees, and any other costs and expenses, whether incurred prior to, in preparation for or in contemplation of the filing of any written demand, claim, action, hearing or proceeding to enforce the obligations of this Agreement. Further, if we incur expenses in connection with your failure to pay amounts owed to us when they are due; to submit when due any reports, information or supporting records; failure to comply with Post-Term Obligations under Section 16, including the covenant not to compete; or any other failure to comply with this Agreement, you shall reimburse us for any such costs and expenses which we incur including but not limited to attorneys' and accounting fees and collection agency fees.

XVII. DEFAULT AND TERMINATION

15. The following provisions shall apply with respect to default and termination:

A. Defaults. You are in default if you or any Owner has breached any of the terms of this Agreement or any other agreement between you and us or our affiliates, which without limiting the generality of the foregoing includes making any false report to us, intentionally understating or underreporting or failure to pay when due any amounts required to be paid to us or any of our affiliates, conviction of you, or an Owner of (or pleading no contest to) any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of any of the Trademarks or the Clinic, any felony, filing of tax or other liens that may affect this Agreement, voluntary or involuntary bankruptcy by or against you or any Owner, insolvency, making an assignment for the benefit of creditors or any similar voluntary or involuntary arrangement for the disposition of assets for the benefit of creditors.

B. Termination by Us. We have the right to terminate this Agreement in accordance with the following provisions:

i. Termination After Opportunity to Cure. Except as otherwise provided in this Section 15.B or elsewhere in the Agreement:

1. you will have thirty (30) days from the date of our issuance of a written notice of default to cure any default under this Agreement, other than a failure to pay amounts due or submit required reports, in which case you will have ten (10) days to cure those defaults;

2. your failure to cure a default within the thirty (30)-day or ten (10)-day period will provide us with good cause to terminate this Agreement;

3. the termination will be accomplished by mailing or delivering to you written notice of termination that will identify the grounds for the termination; and

4. the termination will be effective immediately upon our issuance of the written notice of termination.

ii. Immediate Termination with No Opportunity to Cure. In the event any of the following Incurable Defaults or any other default defined in this Agreement as an Incurable Default occurs, you will have no right or opportunity to cure the default, and this Agreement will terminate effective immediately on our issuance of written notice of termination:

1. any material misrepresentation or omission in the franchise application process;

2. your voluntary abandonment of this Agreement or the Authorized Location which shall include, but not be limited to, your Clinic being closed for a period of five consecutive days without our prior written consent;

3. the loss of your lease, the failure to timely cure a default under the lease, the loss of your right of possession or failure to reopen or relocate under Section 6.D;

4. the closing of any Clinic or Satellite by any state or local authorities for health or public safety reasons;

5. failure to commence operations of your Clinic within the time set forth in Section 2.B;

6. any unauthorized use of the Proprietary Information;

7. failure to maintain required insurance as required in Section 12.C;

8. You or an Owner making an assignment or entering into any similar arrangement for the benefit of creditors;

9. any default under this Agreement that materially impairs the goodwill associated with any of the Trademarks;

10. conviction of you or any Owners of (or pleading no contest to) any felony regardless of the nature of the charges, or any misdemeanor that brings or tends to bring any of the Trademarks into disrepute or impairs or tends to impair your reputation or the goodwill of the Trademarks or the Clinic;

11. Understating or underreporting Gross Sales or any understatement or 3% variance on a subsequent audit within a three (3)-year period;

12. violation by you of the provisions of Section 17.P;

13. any unauthorized transfer or assignment in violation of Section 13;

14. any default by you that is the second same or similar default within any twelve (12)-month consecutive period or the fourth default of any type within any twenty four (24)-month consecutive period;

15. You fail, for a period of fifteen (15) calendar days after notification of non-compliance by the appropriate governmental authority, to comply with any law or regulation applicable to the operation of the Business or the Device;

16. You violate any term, covenant or condition of this Agreement that: (i) contains its own right to cure, and you fail to cure such violation within such specified cure period; (ii) is a curable default that occurs a third time after having been cured twice before for the same breach, or (iii) is otherwise identified as an Incurable Default;

17. You fail to pay the Royalty Fee, Brand Fee, Technology Fee or any other amount you owe us for more than sixty (60) days after it is due; or

18. You or an affiliate is in default of any other franchise, license or other type of agreement with us, and fail to cure such default within the applicable cure period, if any.

iii. Immediate Termination After No More than 24 Hours to Cure. In the event that a default under this Agreement occurs that violates any health safety or sanitation law or regulation, violates any system standard as to cleanliness, health and sanitation, or if the operation of any Clinic or Satellite presents a health or safety hazard to your customers or to the public:

1. you will have no more than twenty-four (24) hours after we provide written notice of the default to cure the default; and

2. if you fail to cure the default within the twenty-four (24) hour period, this Agreement will terminate effective immediately on our issuance of written notice of termination.

iv. Effect of Other Laws. The provisions of any valid, applicable law or regulation prescribing permissible grounds, cure rights or minimum periods of notice for termination of this franchise supersede any provision of this Agreement that is less favorable to you.

C. Change of Control In Lieu of Termination. In the event of an Incurable Default we, at our option and upon thirty (30) days' written notice, may elect to assume day-to-day management of your Clinic until such time as you are no longer in default. In this event, you will be charged a reasonable management fee of up to 20% of the Gross Sales of the Clinic and/or Satellite of which we have assumed management.

D. Termination by You. You may terminate this Agreement as a result of a breach by us of a material provision of this Agreement provided that:

i. you provide us with written notice of the breach that identifies the grounds for the breach; and

ii. we fail to cure the breach within thirty (30) days after our receipt of the written notice.

If we fail to cure the breach, the termination will be effective sixty (60) days after our receipt of your written notice of breach. Your termination of this Agreement under this Section will not release or modify your Post-Term Obligations under Section 16 of this Agreement.

XVIII. POST-TERM OBLIGATIONS

16. Upon the expiration or termination of this Agreement, or the expiration of any Interim Period:

A. Reversion of Rights; Discontinuation of Trademark Use. All your rights to the use of the Trademarks and all other rights and licenses granted herein and the right and license to conduct business under the Trademarks at the Authorized Location and within the Designated Territory will revert to us without further act or deed of any party. All your right, title and interest in, to and under this Agreement will become our property. Upon our demand, you must assign to us or our assignee your remaining interest in any lease then in effect for the Clinic (although we will not assume any past due obligations). You must immediately comply with the post-term noncompete obligations under Section 12.E, cease all use and display of the Trademarks and of any proprietary material (including the Operations Manual and the product preparation materials) and of all or any portion of point-of-sale materials furnished or approved by us and cancel or assign, at our option, any assumed name rights or equivalent registrations filed with authorities. You must pay all sums due to us, our affiliates or designees and all the sums you owe to third parties that have been guaranteed by us or any of our affiliates. You must immediately return to us, at your expense, all copies of the Operations Manual, Proprietary Information, and product preparation materials then in your possession or control or previously disseminated to your employees and continue to comply with the confidentiality provisions of Section 7.O. You must promptly at your expense remove or obliterate all Clinic signage, displays or other materials (electronic or tangible) in your possession at the Authorized Location or elsewhere, including on your website, Facebook page, Yelp listing, Google Business listing and any other social media platform, that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and so alter the appearance of the Clinic as to differentiate the Clinic unmistakably from duly licensed clinics identified by the Trademarks. If, however, you refuse to comply with the provisions of the preceding sentence within thirty (30) days, we have the right to enter the Authorized Location and remove all Clinic signage, displays or other materials in your possession anywhere that bear any of the Trademarks or names or material confusingly similar to the Trademarks, and you must reimburse us for our costs incurred. Notwithstanding the foregoing, in the event of expiration or termination of this Agreement (or the expiration of any Interim Period), you will remain liable for your obligations pursuant to this Agreement or any other agreement between you and us or our affiliates that expressly or by their nature survive the expiration or termination of this Agreement. In addition, we shall have such additional rights as may be necessary or useful, including the right to obtain injunctive relief to insure that you cease to deliver Treatments using the Device or any heated-air device in violation of this Agreement and cease to use any component of the Proprietary Information.

B. Return of Devices and Accessories. Within five (5) business days after such termination or expiration, surrender and return to us at your cost all Devices, Device Accessories and Professional Services Products (including Applicator Tips).

C. Purchase Option. We have the right to purchase or designate a third party that will purchase all or any portion of the assets of your Clinic that are owned by you or any of your affiliates including, without limitation, the land, building, equipment, fixtures, signage, furnishings, supplies, leasehold improvements, and inventory of the Clinic at a price determined by a qualified appraiser (or qualified appraisers if one party believes it is better to have a real estate appraiser appraise the value of the land and building and a business appraiser appraise the Clinic's other assets) selected with the consent of both parties, provided we give you written notice of our preliminary intent to exercise our purchase rights under this Paragraph within thirty (30) days after the date of the expiration or termination of this Agreement, or the expiration of any Interim Period. If the parties cannot agree upon the selection of an appraiser(s), one or both will be appointed by a Judge of the United States District Court for the District in which the Authorized Location is located upon petition of either party.

The price determined by the appraiser(s) will be the reasonable fair market value of the assets based on their continuing use in, as, and for the operation of a LICE CLINICS OF AMERICA Clinic and the appraiser will designate a price for each category of asset (e.g., land, building, equipment, fixtures, etc.), but shall not include the value of any goodwill of the business, as the goodwill of the business is attributable to the Trademarks and the System.

Within thirty (30) days after our receipt of the appraisal report, we or our designated purchaser will identify the assets, if any, that we intend to purchase at the price designated for those assets in the appraisal report. We or our designated purchaser and you will then proceed to complete and close the purchase of the identified assets, and to prepare and execute purchase and sale documents customary for the assets being purchased, in a commercially reasonable time and manner. We and you will each pay one-half of the appraiser's fees and expenses. Our interest in the assets of the Clinic that are owned by you or your affiliates will constitute a lien thereon and may not be impaired or terminated by the sale or other transfer of any of those assets to a third party. Upon our or our designated purchaser's exercise of the purchase option and tender of payment, you agree to sell and deliver, and cause your affiliates to sell and deliver, the purchased assets to us or our designated purchaser, free and clear of all encumbrances, and to execute and deliver, and cause your affiliates to execute and deliver, to us or our designated purchaser a bill of sale therefor and such other documents as may be commercially reasonable and customary to effectuate the sale and transfer of the assets being purchased.

If we do not exercise our option to purchase under this subparagraph, you may sell or lease the Clinic premises to a third party purchaser, provided that your agreement with the purchaser includes a covenant by the purchaser, which is expressly enforceable by us as a third party beneficiary, pursuant to which the purchaser agrees, for a period of two (2) years after the expiration or termination of this Agreement, or the expiration of any Interim Period, not to use the premises for the operation of a business that has a method of operation similar to that employed by our company-owned or franchised businesses.

D. Claims. You and your Owners may not assert any claim or cause of action against us or our affiliates relating to this Agreement or the LICE CLINICS OF AMERICA business after the shorter period of the applicable statute of limitations or one year following the date upon which a party discovered or should have discovered the facts giving rise to the claim,; provided that where the one-year limitation of time is prohibited or invalid by or under any applicable law, then and in that event no suit or action may be commenced or maintained unless commenced within the applicable statute of limitations.

E. Transfer Customer Information. Within five (5) business days after such termination or expiration, transfer to us all customer agreements, accounts and related information on Clients and customers including their names, addresses, email addresses, phone numbers, and customer sales data to us or the person we specify.

F. Liquidated Damages. If you fail to discontinue using the Trademarks as required per Section 16.A, fail to return the Devices, Accessories and Professional Services Products as required per Section 16.B, you will pay us liquidated damages (the "Liquidated Damages") for each thirty (30) day period you continue to use the Trademarks or keep the Devices, Accessories and Professional Services Products following the expiration or termination of this Agreement (each being a "Post-use Period"). The amount of Liquidated Damages for each Post-use Period will be an amount equal to the Royalty Fees from the three full months prior to expiration or termination of the Agreement. We have the right to charge your Credit Card and/or ACH for Liquidated Damages for each Post-use Period for so long as you continue to use the Trademarks or keep the Devices, Accessories and Professional Services Products. You also agree to pay us Liquidated Damages equal to the replacement price of a Device if you return to us a damaged Device following the expiration or termination of this Agreement.

XIX. GENERAL PROVISIONS

17. The parties agree to the following provisions:

A. Severability. Should one or more clauses of this Agreement be held void or unenforceable for any reason by any court of competent jurisdiction, such clause or clauses will be deemed to be separable in such jurisdiction and the remainder of this Agreement is valid and in full force and effect and the terms of this Agreement must be equitably adjusted so as to compensate the appropriate party for any consideration lost because of the elimination of such clause or clauses. It is the intent and expectation of each of the parties that each provision of this Agreement will be honored, carried out and enforced as written. Consequently, each of the parties agrees that any provision of this Agreement sought to be enforced in any proceeding must, at the election of the party seeking enforcement and notwithstanding the availability of an adequate remedy at law, be enforced by specific performance or any other equitable remedy.

B. Waiver/Integration. No waiver by us of any breach by you, nor any delay or failure by us to enforce any provision of this Agreement, may be deemed to be a waiver of any other or subsequent breach or be deemed an estoppel to enforce our rights with respect to that or any other or subsequent breach. Subject to our rights to modify the Schedules and/or standards and as otherwise provided herein, this Agreement may not be waived, altered, or rescinded, in whole or in part, except by a writing signed by you and us.

This Agreement together with all schedules, addenda and appendices to this Agreement constitute the entire agreement between the parties and supersede all prior negotiations, understandings, representations and agreements. Nothing in this or in any related agreement, however, is intended to disclaim the representations we made in the Franchise Disclosure Document we furnished to you.

C. Notices. Except as otherwise provided in this Agreement, any notice, demand or communication provided for herein shall be in writing and shall be deemed to have been given and received

i. upon hand delivery,

ii. three (3) days after being sent by certified or registered mail, return receipt requested or

iii. one (1) day after being sent by email or fax or by letter deposited with a recognized overnight courier with confirmation of next day delivery.

If sent by mail the notice shall be addressed as follows:

iv. If intended for us, addressed to:

Lice Clinics of America
4873 South State Street
Murray, Utah 84107

v. If intended for you, addressed to you at the address set forth on the Data Sheet or at the Authorized Location; or, in either case, to such other address as may have been designated by written notice to the other party. Notices for purposes of this Agreement will be deemed to have been received if mailed or delivered as provided in this subparagraph.

D. Authority. Any modification, consent, approval, authorization or waiver granted hereunder required to be effective by signature will be valid only if in writing executed by you or, if on behalf of us, in writing executed by our CEO, Chairman, President or one of our authorized Vice Presidents. Notwithstanding the foregoing, we may modify the Device, the Retail Products, the Professional Services Products, the Device Accessories, the Operations Manual, the User Manual and the Documents at any time and you shall be responsible to use the Device, Clinic Retail Products, Professional Services Products, Device Accessories and Documents as so modified after first receiving reasonable instructions on use and assuming such Device modification does not otherwise adversely affect your business operations as to the use and benefits of the Device(s) as described herein.

E. References. If the Franchisee consists of two (2) or more individuals, the individuals are jointly and severally liable, and references to you in this Agreement includes all the individuals. Headings and captions contained herein are for convenience of reference and may not be considered in construing or interpreting this Agreement.

F. Successors/Assigns. Subject to the terms of Section 13 hereof, this Agreement is binding upon and inures to the benefit of the administrators, executors, heirs, successors and assigns of the parties.

G. Interpretation of Rights and Obligations. The following provisions apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement, and the relationship between the parties:

i. Applicable Law and Waiver. Subject to our rights under federal trademark laws, including the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et. seq.) or other federal, the parties' rights under this Agreement, and the relationship between the parties is governed by, and will be interpreted in accordance with, the laws (statutory and otherwise) of the state of Utah.

ii. Our Rights. Whenever this Agreement provides that we have a certain right, that right is absolute, and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop, and change the System in any manner that is not specifically precluded by the provisions of this Agreement, although this right does not modify certain express limitations set forth in this Agreement.

iii. Our Reasonable Business Judgment. Whenever we reserve discretion in a particular area or where we agree to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise reasonable business judgment in making our decision or exercising our rights. Our decisions or actions will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended, in a whole or significant part, to promote or benefit the System generally even if the decision or action also promotes our financial or other individual interest. Examples of items that will promote or benefit the System include, without limitation, enhancing the value of the Trademarks, improving customer service and satisfaction, improving product quality, improving uniformity, enhancing, or encouraging modernization and improving the competitive position of the System.

H. Exclusive Jurisdiction and Venue; Service. The parties (a) hereby irrevocably and unconditionally submit exclusively to the jurisdiction and venue of the state courts located in Salt Lake County, Utah and the federal court of the United States District Court for the Central District of Utah for the purpose of any suit, action, or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action, or other proceeding arising out of or based upon this Agreement except in the state courts located in Salt Lake County, Utah and the federal court of the United States District Court for the Central District of Utah, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action, or proceeding is brought in an inconvenient forum, that the venue of the suit, action, or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court. The parties hereto expressly and irrevocably consent in advance to such jurisdiction and venue in any action or proceeding, hereby waiving personal service of the summons and complaint or other process, and agree that service of such summons and complaint, or other process or paper, may be made by conforming to the notice provisions set forth in Section 17.C hereof, or in such manner as may be permitted under the rules of said courts.

I. Waiver of Jury Trial. EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT OR THE SUBJECT MATTER HEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH ITS LEGAL COUNSEL.

J. Waiver of Punitive Damages. You and your affiliates and us and our affiliates agree to waive, to the fullest extent permitted by law, the right to or claim for any punitive or exemplary damages against the other and agree that in the event of any dispute between them, each will be limited to the recovery of actual damage sustained.

K. Relationship of the Parties. You and we are independent contractors. Neither party is the agent, legal representative, partner, subsidiary, joint venturer, or employee of the other. Neither party may obligate the other or represent any right to do so. This Agreement does not reflect or create a fiduciary relationship or a relationship of special trust or confidence. Without limiting the generality of the foregoing, we shall have no liability in connection with or related to the products or services rendered to you by any third party, even if we required, approved or consented to the product or service or designated or approved the supplier.

L. Force Majeure. In the event of any failure of performance of this Agreement according to its terms by any party, the same will not be deemed a breach of this Agreement if it arose from a cause beyond the control of and without the negligence of said party. Such causes include, but are not limited to, strikes, wars, pandemics, riots and acts of government except as may be specifically provided for elsewhere in this Agreement. In no case shall the failure of performance under force majeure extend exceed thirty (30) days from the date that performance was to be delivered.

M. Adaptations and Variances. Complete and detailed uniformity under many varying conditions may not always be possible, practical, or in the best interest of the System. Accordingly, we have the right to vary the Devices and other standards, specifications, and requirements for any franchised clinic or franchisee based upon the customs or circumstances of a particular franchise or operating agreement, site or location, population density, business potential, trade area population, existing business practice, competitive circumstance or any other condition that we deem to be of importance to the operation of such clinic, franchisee's business or the System. We are not required to grant to you a like or other variation because of any variation from standard devices, specifications or requirements granted to any other franchisee. You acknowledge that you are aware that our other franchisees operate under several different forms of agreement that were entered into at different times and that, consequently, the obligations and rights of the parties to other agreements may differ materially in certain instances from your rights and obligations under this Agreement.

N. Notice of Potential Profit. We and/or our affiliates may from time to time make available to you or require you to purchase goods, products and/or services for use in your Clinic on the sale of which we and/or our affiliates may make a profit. Further, we and/or our affiliates may from time to time receive consideration from suppliers and/or manufacturers in respect to sales of goods, products or services to you or in consideration of services rendered or rights licensed to such persons. You agree that we and/or our affiliates are entitled to said profits and/or consideration.

O. Effective Date. We will designate the "Effective Date" of this Agreement in the space provided on the Data Sheet. If no Effective Date is designated on the Data Sheet, the Effective Date is the date when we signed this Agreement. However, as described in Section 2.A, you do not have the right to, and may not, open and commence operation of a Clinic at the Authorized Location until we notify you that you have satisfied all the pre-opening conditions set forth in this Agreement.

P. Fee Deferral. If this Agreement is for a Territory in a franchise registration state (the "Registration State") that, as of the Effective Date, requires us to defer collection of the Franchise Fee and any other initial payments, you agree to pay the deferred Franchise Fee and any other deferred payments to us in accordance with the requirements of the Registration State. If between the time of the Effective Date and the opening of the Clinic the Registration State lifts its fee deferral requirement or allows us to escrow or impound the Franchise Fee or any other initial payments in lieu of fee deferral, you agree to pay the Franchise Fee and any other initial payments:

i. immediately to us in the case the Registration State lifts the fee deferral requirement, or

ii. at our discretion, immediately into an escrow or impound account in accordance with the requirements of the Registration State if the Registration State allows us to escrow or impound the Franchise Fee or any other initial payments in lieu of fee deferral.

Q. Anti-Terrorism Laws. You agree to comply with and/or assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you certify, represent and warrant that none of your property or interests are subject to being “blocked” under any of the Anti-Terrorism Laws and that you are not otherwise in violation of any of the Anti-Terrorism Laws. For purpose of this paragraph, “Anti-Terrorism Laws” means Executive Order 13244 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 terrorists acts and acts of war.

You certify that none of your owners, employees, or anyone associated with you is listed in the Annex to Executive Order 13224. (The Annex is available at http://www.treasury.gov/offices/enforcement/ofac/sanctions/terrorism.html.) You agree not to hire any individuals listed in the Annex. You certify that you have no knowledge or information that, if known, would result in you or your owners, employees, or anyone associated with you to be listed in the Annex to Executive Order 13224. You will be solely responsible for ascertaining what actions must be taken by you to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in this Agreement pertain to your obligations under this Section.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Franchise Agreement on the dates written below.

FRANCHISEE: (For an Entity)

Date: ____________________________________

Entity: ___________________________________
(Please type name of entity)

By:_______________________________________
(Signature of person signing on behalf of entity)

Name:____________________________________
(Please type or print name of person
signing on behalf of entity)

Title:_____________________________________
(Please type or print title of person
signing on behalf of entity)

FRANCHISEE: (For an Individual or Individuals)

Date: ____________________________________

Name:____________________________________
(Please type or print)

Signature:_________________________________

FRANCHISEE: (For an Individual or Individuals)

Date:_____________________________________

Name:____________________________________
(Please type or print)

Signature:_________________________________

US:

Larada Sciences, Inc. dba Lice Clinics of America

Date:_____________________________________

By:_______________________________________

Name:____________________________________

Title:_____________________________________

Schedule A to the Franchise Agreement

Data Sheet

1. **Franchisee:** **Name:**______________________________
Address:______________________________
Phone:______________________________
Email:______________________________

2. **Owner.** You represent and warrant to us that the following persons or entities, and only the following persons or entities, will be your Owner(s):

Name	Home Address	Email	Phone	Percentage of Ownership

3. **Authorized Location.** As stated in Section 2.A of the Franchise Agreement, the Authorized Location is: ____
____

4. **Designated Territory.** As stated in Section 2.C of the Franchise Agreement, the Designated Territory under this Agreement shall mean the area designated by the following zip codes and map:

Zip Codes

Map (on following page)

5. **Initial Franchise Fee.** As stated in Section 11.A of the Franchise Agreement, the Initial Franchise Fee is $ _______.

6. **Effective Date:** ________________

Schedule B to the Franchise Agreement

Trademarks

You have the right to use the following Trademarks in accordance with the terms of the Franchise Agreement:

Trademark	Registration / Application Number	Registration / Application Date	Application
LICE CLINICS OF AMERICA	4,792,221	08/11/15	Supplemental
AIRALLÉ	4,653,717	12/9/2014	Principal
URGENT CARE FOR LICE REMOVAL	4,792,222	08/11/15	Supplemental
ONCE AND FOR ALL	5,242,942	7/11/17	Principal
ONECURE	5,875,207	10/01/19	Principal
Lice Clinics OF AMERICA	5,297,498	09/26/17	Principal
Lice Clinics OF AMERICA	5,287,315	09/12/17	Principal

We may amend Schedule B from time to time to make available additional Trademarks or to delete those Trademarks that become unavailable. You agree to use only those Trademarks that are then currently authorized.

The Trademarks must be used only in the manner that we specify. No deviations will be permitted.

Schedule C to the Franchise Agreement

Mini Clinic Addendum

This addendum (the "Addendum") to the Lice Clinics of America Franchise Agreement is made and entered into on ________________________, by and between Larada Sciences, Inc., doing business as Lice Clinics of America, a Delaware corporation with its principal business located at 4873 South State Street, Murray, Utah, 84107 (herein ("LCA", "we" or "us") and _____________________________, a(n) _________ ______________, with its principal address at______________________________________ ("you").

WHEREAS, LCA and you are parties to a franchise agreement dated ________________________, which grants you the rights to operate a Lice Clinics of America franchise in accordance with said agreement in the area of ________________ (the "Franchise Agreement"); and

WHEREAS, LCA and you desire to amend the Franchise Agreement as set forth herein.

NOW, THEREFORE, in consideration of the mutual promises contained in the Franchise Agreement and this Addendum, and for good and valuable considerations paid by each of the parties to the others, the receipt and sufficiency of which the parties acknowledge, the parties agree as follows:

1. The following definition shall be added to Section 1 titled Definitions: "OneCure Program" (also known as "Mini Clinic" or "Clinic in a Box") shall mean a program whereby you provide Consumer Devices, Consumer Tips, and other Retail Products, approved by us, to Organizations for their use in performing their own lice treatments on their students, patients, wards, or members.

2. The following definition shall be added to Section 1 titled Definitions: "Organization" shall mean a school, foster care agency, juvenile detention center, behavioral health hospital, homeless care provider, children's home, Indian tribe, or similar organization that uses Consumer Devices to treat head lice under the OneCure Program.

3. The following shall be added to Section 2 titled Grant of License: During the term of the Franchise Agreement, you have the exclusive right to develop, sell, and operate the OneCure Program to any Organization within your Designated Territory. You may also develop, sell, and operate OneCure Programs to Organizations outside your Designated Territory so long as: a) the Organization is not in a territory owned by another LCA franchisee, b) you obtain LCA's approval prior to enrolling the Organization in the OneCure Program, and c) you immediately transfer any OneCure Programs to any franchisee that subsequently acquires the territory in which the Organization operates the OneCure Program.

4. Section 7. AB titled "Suggested Pricing Policies" shall be amended by adding the following sentence at the end thereof: You have the right to establish prices for any OneCure Programs you sell, but any online promotions, including on your website and via email, shall be subject to our Minimum Advertised Price (MAP) provisions.

5. The definition of "Gross Sales" in Section 1. FF shall be amended as necessary to specifically include all income received from Organizations participating in the OneCure Program.

6. Section 8.A titled "Compliance" shall be amended by adding the following subsection at the end thereof: You shall also conduct the OneCure Program in strict compliance with our requirements, as written in our documentation or Operations Manual.

7. All OneCure Programs shall be transferred contemporaneously to a single transferee with the transfer of any Clinic, Satellite or Franchise Agreement as stated in Section 13.A titled "Transfers".

8. Section 15 titled "Default and Termination" shall be amended by adding the following at the end thereof:

> "All provisions of Section 15 shall also apply separately to the OneCure Programs operated pursuant to this Addendum; provided, however, that a termination of this Addendum pursuant to any of those sections shall not automatically result in the termination of the Franchise Agreement. Notwithstanding the foregoing, in no event may you operate any OneCure Programs if the Franchise Agreement expires or is terminated for any reason."

Except as amended hereby, all other terms and provisions of the Franchise Agreement remain in full force and effect.

The parties hereto have duly signed and executed this Addendum to the Lice Clinics of America Franchise Agreement as of the day and year first above written.

FRANCHISOR:
LARADA SCIENCES, INC. DBA LICE CLINICS OF AMERICA

By: ______________________________
Name: ____________________________
Title: ____________________________

FRANCHISEE (Entity):
____

By: ______________________________
Name: ____________________________
Title: ____________________________

Schedule D to the Franchise Agreement

Minimum Requirements

1. Minimum Annual Royalties and Cure.

   a. Beginning with the first twelve (12) months after your Clinic is opened, you must pay us at least $9,000 in Minimum Royalties each year. We will calculate Minimum Royalties at the end of each calendar year. If your Clinic is opened less than twelve (12) months before the end of the calendar year, we will calculate your Minimum Royalties on a pro rata basis that first year.

   b. If the amount of Royalty Fees paid is less than the Minimum Royalties, you can cure that default by paying the difference between the Minimum Royalties and the actual Royalty Fees paid in that year.

2. Minimum Local Marketing Spend. Upon opening your Clinic, you will be required to spend a minimum of $1,000 each month on local advertising in your Designated Territory. For the avoidance of doubt, the above $1,000 may include the costs of digital marketing campaigns but would not include management fees you will pay us to manage your digital campaigns. We do not guarantee that the spending of $1,000 will result in a successful marketing campaign. Optimal results may require additional spending.

Schedule E to the Franchise Agreement

Modifications to the Agreement

Schedule F to the Franchise Agreement

Telephone Number and Internet Agreement

____
(Name of Telephone Company)

____
(Address)

____
(City, State, Zip)

This TELEPHONE NUMBER AND INTERNET AGREEMENT, ASSIGNMENT AND POWER OF ATTORNEY ("Assignment") is made pursuant to the terms of the Franchise Agreement dated ___________ ("Agreement") by and Larada Sciences, Inc. doing business as Lice Clinics of America ("Franchisor") and ______________________ ("Franchisee"), authorizing Franchisee to use Franchisor's Marks and System in the operation of a business offering lice-removal services (the "Franchised Business") in and for the Territory. Capitalized terms used herein without a definition shall have the meaning assigned to them in the Agreement.

1. For value received, Franchisee hereby irrevocably assigns to Franchisor all telephone listings and numbers at any time used by Franchisee in any printed or internet telephone directory in connection with the operation of the Franchised Business in the Territory, whether now-existing or adopted by Franchisee in the future, (collectively "Telephone Listings") and all email addresses, domain names, social media accounts and comparable electronic identities that use the Marks or any portion of them at any time used by Franchisee in connection with any Internet directory, website or similar item in connection with the operation of the Franchised Business, whether now-existing or adopted by Franchisee in the future, (collectively "Internet Listings") (collectively referred to herein as "Listings"). From time to time upon Franchisor's request, Franchisee agrees to promptly provide a complete list of all Listings to Franchisor (in such format and level of detail as required by Franchisor).

2. Franchisee shall have the right to use the Listings only in connection with advertising the Franchised Business in the Territory. Franchisee agrees to pay all amounts pertaining to the use of the Listings incurred by it when due. Upon expiration or termination of the Agreement for any reason, Franchisee's right of use of the Listings shall terminate. In the event of termination or expiration of the Agreement, Franchisee agrees to pay all amounts owed in connection with the Listings, including all sums owed under existing contracts for telephone directory advertising and to immediately at Franchisor's request, (i) take any other action as may be necessary to transfer the Listings and numbers to Franchisor or Franchisor's designated agent, (ii) install and maintain, at Franchisee's sole expense, an intercept message, in a form and manner acceptable to Franchisor, on any or all of the Listings; (iii) disconnect the Listings; and/or (iv) cooperate with Franchisor or its designated agent in the removal or relisting of any telephone

directory or directory assistance listing, Internet directory, website or advertising, whether published or online.

3. Franchisee agrees that Franchisor may require that all telephone numbers and telephone and internet equipment and service must be owned or provided by Franchisor or a supplier approved by Franchisor and that Franchisor has the right to require Franchisee to "port" or transfer to Franchisor or an approved call routing and tracking vendor all phone numbers associated with the Franchised Business or published in any print or online directory, advertisement, marketing or promotion associated with the Marks.

4. Franchisee appoints Franchisor as Franchisee's attorney-in-fact, to act in Franchisee's place after the termination or expiration of Franchisee's Franchise agreement, for the purpose of assigning any Listings covered by this Assignment to Franchisor or Franchisor's designated agent or taking any other actions required of Franchisee under this Assignment. Franchisee grants Franchisor full authority to act in any manner proper or necessary to the exercise of the foregoing powers, including full power of substitution and execution or completion of any documents required or requested by any telephone or other company to transfer such Listings, and Franchisee ratifies every act that Franchisor may lawfully perform in exercising those powers. This power of attorney shall be effective for a period of two (2) years from the date of expiration, cancellation or termination of Franchisee's rights under the Agreement for any reason. Franchisee intends that this power of attorney be coupled with an interest. Franchisee declares this power of attorney to be irrevocable and renounces all rights to revoke it or to appoint another person to perform the acts referred to in this instrument. This power of attorney shall not be affected by the subsequent incapacity of Franchisee. This power of attorney is created to secure performance of a duty to Franchisor and is for consideration.

This Assignment is agreed to by the Franchisee signing below.

FRANCHISEE:

____

________________________________, individually

____
Date

Schedule G to the Franchise Agreement

Personal Guarantee

In consideration of and as an inducement to the execution of that certain franchise agreement ("Franchise Agreement") dated _________________ and/or any modification to that Franchise Agreement between Larada Sciences, Inc. doing business as Lice Clinics of America ("Franchisor") and _________________ ("Franchisee"), each of the undersigned Guarantors hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, that 1) Franchisee will comply with the non-disclosure covenants stated in Section 7.O of the Franchise Agreement (the "Confidentiality"), 2) Franchisee will comply with the non-compete covenants stated in Section 12.E of the Franchise Agreement (the "Non-compete"), and 3) Franchisee will comply with the punctual payment of all principal, interest, charges, and fees due Franchisor under the Franchise Agreement (collectively, the "Obligations").

Each of the undersigned consents and agrees that:

(1) he or she has carefully read the Franchise Agreement and this Guarantee, and understands all terms;

(2) his or her direct and immediate liability under this Guarantee shall be joint and several, and may not be revoked;

(3) he or she shall render any payment or performance required under the Franchise Agreement upon demand if Franchisee fails or refuses punctually to do so;

(4) Franchisor may proceed against him or her to enforce this Guarantee without first proceeding against the Franchisee, and that this Guarantee is enforceable even if Franchisee goes out of business, declares bankruptcy, or fails to pay for any reason;

(5) such liability shall not be diminished, relieved or otherwise affected by any set- off, recoupment, deductions, extension of time, credit, or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance or the compromise or release of any claims, none of which shall in any way modify or amend this guarantee, which shall be continuing and irrevocable until all Obligations have been satisfied;

(6) he or she waives presentment, demand, protest, or notice;

(7) he or she is subject to, and consents to the jurisdiction of Utah courts and waives local venue with respect to claims arising hereunder; and

(8) a facsimile or electronic copy of this Guarantee and Franchise Agreement shall be valid and binding.

[Signatures on Following Page]

This Personal Guarantee is agreed to by the Guarantor(s) signing below.

Guarantor(s):

X____ ___________________________________ Signature

Date

Printed name Social Security Number

Home Address Email

EXHIBIT C

LIST OF FRANCHISED OUTLETS AND FORMER FRANCHISEES

List of Active Outlets

Name, Address and Telephone Number of Outlets as of December 31, 2025:

Primary Contact	Clinic Address	City	State	Clinic Phone
Athena West	190 Lime Quarry Rd unit 210 Madison, AL 35758	Madison	AL	(256) 699-5962
Heidi Merritt	1011 N. 2nd St. Suite D, Cabot, AR 72023	Little Rock / Cabot	AR	(501) 424-9396
Wade Huntsman	207 East Monroe Ave, Suite D Lowell, AR 72745	Lowell	AR	(479) 877-7385
Ashlyn Frachiseur	3114 Fox Rd Ste D, Jonesboro, AR 72404	Jonesboro	AR	(870) 497-2980
Philip Moon	2920 F Street Suite G-9 Bakersfield, CA 93301	Bakersfield	CA	(661) 491-8681
Amy Allen	1155 Redmond Ave A, San Jose, CA 95120	San Jose	CA	(408) 539-7246
Jacqueline Huynh	1001 Sneath Lane, Suite 107, San Bruno, CA 94066	San Bruno	CA	(650) 746-8788
Philip Moon	1075 E. Bullard Avenue, Suite 102, Fresno, CA 93710	Fresno	CA	(559) 540-8703
Hasani Thompson	12840 Riverside Drive, Suite 200, North Hollywood, CA 91607	Burbank	CA	(818) 450-5598
Amira Purto	1625 W. March Lane, Suite 202, Stockton, CA 95207	Stockton	CA	(209) 248-6358
Sandy Kong	20406 Redwood Rd Ste A, Castro Valley, CA 95546	Castro Valley	CA	(510) 592-6688
Philip Moon	2333 W. Whitendale Ave., Suite B, Visalia, CA 93277	Visalia	CA	(559) 608-4149
Michelle Lehang Du	39237 Liberty Street, Ste. D-2, Fremont, CA 94538	Fremont	CA	(510) 592-6615
Michael Beckman	545 S. Murphy Ave., Sunnyvale, CA 94086	Sunnyvale	CA	(408) 780-9026
Amy Allen	7680 Monterey St., Suite 104a, Gilroy, CA 95020	Gilroy	CA	(408) 500-5537
Hasani Thompson	8610 S. Sepulveda Blvd, Ste 204, Los Angeles, CA 90045	Los Angeles	CA	(424) 500 3204
Amira Purto	937 Coffee Road Suite 800, Modesto, CA 95355	Modesto	CA	(209) 248-6358
Tanya Kensley	1710 Skyway Dr, Unit B, Longmont, CO 80504	Longmont	CO	(970) 233-8787
Peter Eklund	88 Inverness Circle East, Ste E-105, Englewood, CO 80112	Englewood	CO	(720) 844-5546
Mandy Ottesen	13241 Bartram Park Blvd. #1801 Jacksonville, FL 32258	Jacksonville	FL	(904) 517-4087
Mandy Ottesen	200 Via De Lago, Suite B, Altamonte Springs, FL 32701	Winter Park	FL	(904) 517-4087

Primary Contact	Clinic Address	City	State	Clinic Phone
Mandy Ottesen	1000 W. US Hwy 80, Pooler, GA 31322	Pooler	GA	(912) 988-4099
Montez Anderson	6900 University Ave., #120 Windsor Heights, IA 50324	Windsor Heights	IA	(515) 608-5485
Scott Wilson	7512 W Lemhi St, Unit 2, Boise, ID 83709	Boise	ID	(208) 314-9257
Erin Hawn	10 Phillip Rd. Ste. 123, Vernon Hills, IL 60060	Vernon Hills	IL	(224) 433-6087
Jill Leshtz	18 E. Dundee Rd., Building 6, Ste. 200, Barrington, Il 60010	Barrington	IL	(847) 282-4226
Jill Leshtz	400 Lake Cook Road, Suite #201, Deerfield, IL 60015	Deerfield	IL	(847) 282-4226
Wade Huntsman	2552 N Maize Ct., Suite 500, Wichita, KS 67205	Wichita	KS	(316) 352-9349
Judy Hayden	1795 Alysheba Way, Unit 4105, Lexington, KY 40509	Lexington	KY	(859) 523-4813
Judy Hayden	6905 Burlington Pk Ste. A Florence, KY 41042	Florence	KY	(859) 927-3835
Amy Sharp	9302 New Lagrange Rd., Condo H, Louisville, KY 40242	Louisville	KY	(502) 365-9505
Shanna Castille	100 Beauvais, Suite C2, Lafayette, LA 70507	Lafayette	LA	(337) 466-8998
Shanna Castille	7330 Fern Ave, Shreveport, LA 71105	Shreveport	LA	(337) 466-8998
Christine Cherry	640 Brighton Ave., Portland, ME 04101	Portland	ME	(855) 648-7363
Mark Dent	2301 Research Blvd, Ste 210, Rockville, MD 20852	Rockville	MD	(240) 670-5423
Mark Dent	3221A Corporate Court, Ellicott City, MD 21042	Ellicott City	MD	(410) 934-5423
Mark Dent	604 Providence Road, Towson, MD 21286	Towson	MD	(410) 934-5423
Mark Dent	North Park Center, 4-C North Ave., Suite 424, Bel Air, MD 21014	Bel Air	MD	(410) 934-5423
Naomi Golden	111 Center St., Middleborough, MA 02346	Middleborough	MA	(617) 901-0620
Naomi Golden	3 Baldwin Green Common, Suite 31, Woburn, MA 01801	Woburn	MA	(617) 901-0620
Naomi Golden	60 Dedham Ave, Needham, MA 02492	Needham	MA	(617) 901-0620
Mike Brehm	5258 Plainfield Ace NE, Suite E, Grand Rapids MI 49525	Grand Rapids	MI	(616) 635-2398
Libby Lutz	173 Long Road, Suite 100, Chesterfield, MO 63005	Chesterfield	MO	(314) 207-2787
Libby Lutz	7923 Big Bend Blvd., St. Louis, MO 63119	St. Louis	MO	(314) 329-5423
Andrea Florsheim	8424 West Center Road, Suite 212, Omaha, NE 68124	Omaha	NE	(402) 281-9188
Christine Cherry	23 Atkinson Depot Road Plaistow, NH 03865	Plaistow	NH	(855) 648-7363

Primary Contact	Clinic Address	City	State	Clinic Phone
Philip Moon	450 South Buffalo Drive, Suite 116, Las Vegas, NV 89145	Las Vegas	NV	(702) 718-7387
Marnie Murray	135 Sully's Trail Suite #7, Pittsford, NY 14534	Pittsford	NY	(585) 310-7131
Richard Florsheim	152 E 84th St, Ste 1J, New York City, NY 10028	New York City	NY	(716) 626-5423
Marnie Murray	258 Hoosick St, Ste 109, Troy, NY 12180	Troy	NY	(716) 626-5423
Marnie Murray	2809 Wehrle Drive Suite #10, Williamsville, NY 14221	Williamsville	NY	(716) 626-5423
Richard Florsheim	591 Stewart Ave ste 200, Garden City, NY 11530	Garden City	NY	(516) 217-8977
Richard Florsheim	599 W. Hartsdale Ave. White Plains, New York 10607	White Plains	NY	(914) 996-4050
Richard Florsheim	622 Hawkins Ave , Ronkonkoma NY 11779	Ronkonkoma	NY	(631) 202-1704
Marnie Murray	6221 Route 31, Suite 114, Cicero, NY 13039	Cicero	NY	(315) 401-0051
Christine Cherry	5910 Wilcox Rd, Ste E, Dublin, OH 43016	Dublin	OH	(614) 825-3802
Wade Huntsman	3421 E 21st St, Suite 210, Tulsa, OK 74135	Tulsa	OK	(918) 236-7182
Wade Huntsman	4001 N Classen Blvd, Suite 116 Oklahoma City, OK 73118	Oklahoma City	OK	(405) 420-0136
Mark Meyer	16058 SE 82nd Drive, Clackamas, OR 97015	Clackamas	OR	(360) 334-6360
Mark Meyer	4060 Macleay Rd., Suite A, Salem, OR 97317	Salem	OR	(971) 273-5900
Mark Meyer	5201 SW Westgate Drive, Suite 106, Portland, OR 97221	Portland	OR	(503) 404-0475
Christine Cherry	1000 Stonewood Dr, Ste 320, Wexford, PA 15090	Wexford	PA	(724) 620-3001
Kevin Reilly	2131 North Broad Street Suite 101, Lansdale, PA 19446	Lansdale	PA	(267) 903-7050
Kat Khalaf	1148 W Pioneer Pkwy, Ste 1148H, Arlington, TX 76013	Arlington	TX	(817) 954-8094
Jacob Anthon	1400 W. Sam Houston Parkway N., Suite 120, Houston, TX 77043	Houston West	TX	(832) 900-7385
Mirtala Pena	1512 East Expressway 83, Ste. 107A, Mission, TX 78572	Mission	TX	(956) 585-5423
Jacob Anthon	1531 FM-359, Suite 800, Richmond, TX 77406	Sugarland	TX	(281) 801-4470
Brent Mortensen	1600 James Bowie Drive, Suite D109, Baytown, TX 77520	Baytown	TX	(832) 784-8927
Sheli Schomer	19115 FM 2252, #17 San Antonio, TX 78266	San Antonio East	TX	(210) 405-1197
Mirtala Pena	1915 Zapata hwy, Suite 102, Laredo TX 78046	Laredo	TX	(956) 585-5423
Brent Mortensen	1924 W 18th St, Houston, TX 77008	Houston	TX	(936) 666-3710

Primary Contact	Clinic Address	City	State	Clinic Phone
Brent Mortensen	2330 Timber Shadow Dr. Suite 102 Kingwood, TX 77339	Kingwood	TX	(832) 948-4400
Amanda Westerman	3120 Hudson Crossing, Suite A2, McKinney, TX 75070	McKinney	TX	(972) 984-5223
Amanda Westerman	4002 Belt Line Rd, Ste 140, Addison TX 75001	Addison	TX	(972) 984-5223
Brent Mortensen	4420 Broadway St., Pearland, TX 77581	Pearland	TX	(281) 612-7382
Sonia Watt	4444 Carter Creek Pkwy, Ste 101, Bryan, TX 77802	Bryan	TX	(855) 464-8668
Kat Khalaf	4455 Camp Bowie Blvd, Suite 209, Ft. Worth, TX 76107	Ft. Worth	TX	(817) 440-3665
Amanda Westerman	5510 Abrams Rd Ste 121, Dallas TX 75214	Dallas	TX	(972) 984-5223
Sheli Schomer	6391 De Zavala #222 San Antonio, TX 78249	San Antonio	TX	(210) 409-4635
Athena West	330 Mallory Station Rd #17, Franklin, TN 37067	Franklin	TN	(615) 314-2081
Darlene La Framboise	429A Carlisle Drive, Herndon, VA 20170	Herndon	VA	(703) 303-1576
Darlene La Framboise	450 W. Broad Street, Suite 320, Falls Church, VA 22046	Falls Church	VA	(703) 303-1576
Sonny Le	6080 Franconia Road, Suite D, Alexandria, VA 22310	Alexandria	VA	(703) 520-9000
Darlene La Framboise	6134 Redwood Square Center, Ste 102	Centreville	VA	(703) 303-1576
Mark Meyer	1601 116th Ave NE Suite 114 Bellevue, WA 98004	Bellevue	WA	(855) 542-3447
Mark Meyer	3520 96th street Suite 110 South Lakewood, WA 98499	South Lakewood	WA	(855) 542-3447
Mark Meyer	9576 Ridgetop Blvd. Suite L103 Silverdale, WA 98383	Silverdale	WA	(855) 542-3447
Andrea Florsheim	124 N Broadway, Suite L1, De Pere, WI 54115	De Pere	WI	(920) 309-8399
Patty Ziegler	600 W. Main Street, Lower Level, Sun Prairie, WI 53590	Sun Prairie	WI	(608) 825-8255
Andrea Florsheim	N4 W22370 Bluemound Road, Suite 203, Waukesha, WI 53186	Waukesha	WI	(262) 806-0477

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List of Pending Outlets				
Name, Address and Telephone Number of Outlets as of December 31, 2025:				
Primary Contact	**Clinic Address**	**City**	**State**	**Clinic Phone**
Jacqueline Huynh	Pending Treatment Center - San Francisco	San Francisco	CA	(650) 746-8788
Peter Eklund	Pending Treatment Center - Boulder	Boulder	CO	(720) 844-5546
Peter Eklund	Pending Treatment Center - Lakewood	Lakewood	CO	(720) 844-5546
Mark Dent	Pending Treatment Center - Annapolis	Annapolis	MD	(410) 934-5423
Mark Di Staulo	Pending Treatment Center - Morristown	Morristown	NJ	(914) 996-4305
Mark Di Staulo	Pending Treatment Center - Ramsey	Ramsey	NJ	(914) 996-4305
Amanda Westerman	Pending Treatment Center - Austin	Austin	TX	(972) 984-5223
Amanda Westerman	Pending Treatment Center - Cedar Park	Cedar Park	TX	(972) 984-5223
Darlene La Framboise	Pending Treatment Center - Loudon	Loudon	VA	(703) 303-1576
Mark Meyer	Pending Treatment Center - Olympia	Olympia	WA	(503) 404-0475

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LIST OF FORMER FRANCHISEES

The following franchisees left the system (or sold their outlets/territories and stayed in the system) during the period from January 1, 2025 to December 31, 2025.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

Outlets & Territories Closed (December 31, 2025):					
Former Franchisee	**Total Number of Outlets Closed Under Franchise Agreement**	**City of each Outlet / Territory Closed**	**State of each Outlet / Territory Closed**	**Telephone Number**	**Reason for Closing**
David Collett	0	Youngstown	OH	(270) 721-1481	Termination
Ryan Nelson	1	Bonita Springs	FL	(239) 237-0757	Termination
Amanda Westerman*	0	Fort Worth North	TX	(972) 984-5223	Transferred Territory
Amanda Westerman*	0	Fort Worth South	TX	(972) 984-5223	Transferred Territory
Brent Mortensen*	1	Beaumont	TX	(409) 239-0502	Ceased Operations / Other Reasons
David Collett	1	Bowling Green	KY	(270) 721-1481	Ceased Operations / Other Reasons
Jeff Mauer	1	Rome	GA	(706) 503-7831	Ceased Operations / Other Reasons
Mike Brehm*	1	Daytona Beach	FL	(386) 492-7645	Non-Renewal
Philip Moon*	1	Riverside	CA	(702) 718-7387	Ceased Operations / Other Reasons
Philip Moon*	0	San Bernardino	CA	(702) 718-7387	Never Opened
Corie Kaniamos	1	Stuart	FL	(561) 557-7947	Non-Renewal
Corie Kaniamos	1	West Palm Beach	FL	(561) 557-7947	Non-Renewal
Heather Smith*	1	Lufkin	TX	(936) 225-3160	Ceased Operations / Other Reasons

*These franchisees are still part of the franchise system.

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EXHIBIT D

LIST OF STATE ADMINISTRATORS; AGENTS FOR SERVICE OF PROCESS

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STATE ADMINISTRATORS AND
AGENTS FOR SERVICE OF PROCESS

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner California Department of Financial Protection and Innovation	320 West 4th Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677; toll free 1-866-277-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62701
Indiana (State Administrator)	Indiana Secretary of State, Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E111 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General, Corporate Oversight Division, Franchise Section	525 W. Ottawa Street, P.O. Box 30736, Lansing, MI 48909
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7th Place East, Suite 280 St. Paul, MN 55101
New York (State Administrator)	New York State Department of Law Investor Protection Bureau, Franchise Section	28 Liberty Street, 21st Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	1 Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231 518-473-2492
North Dakota	Securities Commissioner North Dakota Insurance and Securities Department / Securities Division	600 East Boulevard Avenue State Capitol, Bismarck, ND 58505, phone 701-328-4712
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 69-1 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid Avenue, 2nd Floor Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9th Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities Department of Financial Institutions Division of Securities	4822 Madison Yards Way, North Tower Madison, WI 53703

EXHIBIT E

STATE-SPECIFIC ADDENDA

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CALIFORNIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

OUR WEBSITE HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AND COMPLAINTS CONCERNING THE CONTENTS OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT WWW.DFPI.CA.GOV.

SECTION 31125 OF THE CALIFORNIA CORPORATIONS CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

Item 1, Additional Disclosure:

All customers getting lice treatments at our California clinics pay for those treatments directly. Although the clinic may choose to discount their services for Medicaid recipients, neither Medicaid nor Medicare pays any portion of any treatments performed in our California clinics.

Item 3, Additional Disclosure:

Neither we nor any person described in Item 2 of the Disclosure Document is subject to any currently effective order of any National Securities Association or National Securities Exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A. 78a et seq. suspending or expelling such persons from membership in such association or exchange.

Item 5, Additional Disclosure:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

Item 17, Additional Disclosures:

The franchise agreement requires franchisee to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code

Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The franchise agreement requires application of the laws of Utah. This provision may not be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

The franchise agreement requires binding arbitration for disputes. The arbitration will occur in Salt Lake City, Utah with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Any provision of this Agreement that restricts Franchisee from engaging in a lawful profession, trade, or business after termination or expiration shall be void and unenforceable in the State of California.

The financial performance figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees listed in the Disclosure Document may be one source of this information.

CALIFORNIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516 or the California Franchise Relations Act, Cal. Bus. & Prof. Code §§20000-20043 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> The Franchise Agreement requires franchisees to execute a general release of claims upon renewal or transfer of the franchise agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order there under is void. Section 31512 voids a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 20010 voids a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).
>
> The Franchise Agreement requires application of the laws of Utah. This provision may not

be enforceable under California law.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination or non-renewal of a franchise. The Federal Bankruptcy Code also provides rights to franchisee concerning termination of the Franchise Agreement upon certain bankruptcy-related events. If the Franchise Agreement is inconsistent with the law, the law will control.

The Franchise Agreement requires binding arbitration. The arbitration will occur in Salt Lake City, Utah with the cost being borne by the parties as determined by the arbitrator. Prospective franchisees are encouraged to consult with private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

Any provision of this Agreement that restricts Franchisee from engaging in a lawful profession, trade, or business after termination or expiration shall be void and unenforceable in the State of California.

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
LARADA SCIENCES, INC.	______________________________
By: ______________________________	By: ______________________________
	Its:
Its: ______________________________	______________________________
Date: ____________________________	Date: ____________________________

HAWAII ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

THESE FRANCHISES WILL BE/HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF REGULATORY AGENCIES OR A FINDING BY THE DIRECTOR OF REGULATORY AGENCIES THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHISOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE OFFERING CIRCULAR, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS OFFERING CIRCULAR CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

STATE COVER PAGE, ADDITIONAL RISK FACTOR

THE AUDITED FINANCIAL STATEMENTS OF THE FRANCHISOR INDICATE A DEFICIT OF 20,373,780 AS OF DECEMBER 31, 2021. AS A RESULT, THE STATE OF HAWAII HAS IMPOSED A DEFERRAL OF THE PAYMENT OF ALL INITIAL FEES AND DEPOSITS OWED TO FRANCHISOR OR ITS AFFILIATES BY FRANCHISEE UNTIL SUCH TIME AS ALL INITIAL OBLIGATIONS OWED TO FRANCHISEE UNDER THE FRANCHISE AGREEMENT HAVE BEEN FULFILLED BY FRANCHISOR AND FRANCHISEE HAS COMMENCED DOING BUSINESS.

Item 5, Additional Disclosure:

Payment of all initial fees and deposits owed to the franchisor or its affiliates by you is deferred until such time as the franchisor fulfills all initial obligations owed to you under the Franchise Agreement and you have commenced doing business.

HAWAII ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§482E-1 – 482E-12 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Payment of all initial fees and deposits owed to LCA (the franchisor) or its Affiliates by Franchisee is deferred until such time as LCA fulfills all initial obligations owed to Franchisee under the Franchise Agreement and Franchisee has commenced doing business.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
By: ____________________________	By: ____________________________
Its:	Its:
Date: __________________________	Date: __________________________

ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

Item 1, Additional Disclosures. The following statements are added to Item 1:

> ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 85 ILCS 15/2, 5 (West 2014); Medical Practice Act of 1987, 225 ILCS 60/ (West 2014); and Prohibition Against Fee Splitting at 225 ILCS 60/22.2 (West 2014).
>
> IF THE OPERATION OF A FRANCHISED CLINIC OF THIS NATURE CONSTITUTES THE CORPORATE PRACTICE OF MEDICINE AND YOU ARE NOT LICENSED TO PRACTICE MEDICINE OR NURSING IN ILLINOIS, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT OR A BUSINESS ASSOCIATE AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL PROVIDE MEDICAL PRODUCTS AND SERVICES IN YOUR FRANCHISED BUSINESS. RETAIN AN EXPERIENCED FRANCHISE ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTEREST IN THIS BUSINESS VENTURE.
>
> For info about the FDA clearance of the AirAllé medical device used in the operation of this franchised business, see the following link: https://google2.fda.gov/search?q=lousebuster%20device&client=FDAgov&proxystylesheet=FD Agov&output=xml_no_dtd&site=FDAgov&requiredfields=-archive:Yes&sort=date:D:L:d1&filter=1
>
> PRIOR TO FRANCHISING LICE TREATMENT CLINCS, FRANCHISOR SOLD THE AIRALLÉ DEVICE TO INDIVIDUALS, SCHOOLS, HEALTH DEPARTMENTS, CAMPS AND MEDICAL CLINICS. FRANCHISOR CANNOT ACCOUNT FOR THE PREVIOUSLY- SOLD DEVICES AND THEREFORE CANNOT GUARANTEE THAT AIRALLÉ DEVICES DO NOT EXIST AND MAY STILL BE USED WITHIN YOUR "EXCLUSIVE" TERRITORY.
>
> No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Item 5, Additional Disclosures. The following statements are added to Item 5:

> All initial fees paid to us or our affiliates by Illinois franchisees are required to be deferred until such time as we have satisfied our pre-opening obligations and the franchisee has commenced doing business. The Illinois Attorney General's Office imposed this fee deferral

requirement due to our financial condition.

Item 17, Additional Disclosures. The following statements are added to Item 17:

The conditions under which your franchise can be terminated and your rights upon nonrenewal may be affected by Illinois law, 815 ILCS 705/19 and 705/20. Franchisor shall not terminate or fail to renew this Agreement without good cause as defined under applicable Illinois law.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void, provided that the Franchise Agreement may provide for arbitration in a forum outside of Illinois.

ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Franchise Agreement.

Section 4 of the Illinois Franchise Disclosure Act provides that any provision in the Franchise Agreement which designates jurisdiction or venue in a forum outside of Illinois is void with respect to any cause of action which otherwise is enforceable in Illinois, provided that the Franchise Agreement may provide for arbitration in a forum outside of Illinois.

Section 41 of the Illinois Franchise Disclosure Act states that "any condition, stipulation, or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of this Act is void." To the extent that any provision in the Franchise Agreement is inconsistent with Illinois law, Illinois law will control.

Illinois Franchise Disclosure Act paragraphs 705/19 and 705/20 provide rights to franchisee concerning nonrenewal and termination of this Agreement. If the Franchise Agreement contains a provision that is inconsistent with the Act, the Act shall control. Franchisor shall not terminate or fail to renew this Agreement without good cause as defined under applicable Illinois law.

All initial fees paid to LCA or its affiliates are required to be deferred until such time as LCA has satisfied its pre-opening obligations, and the franchisee has commenced doing business. The Illinois Attorney General's Office imposed this fee deferral requirement due to LCA's financial condition.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 85 ILCS 15/2, 5 (West 2014); Medical Practice Act of 1987, 225 ILCS 60/ (West 2014); and Prohibition Against Fee Splitting at 225 ILCS 60/22.2 (West 2014).

IF THE OPERATION OF A FRANCHISED CLINIC OF THIS NATURE CONSTITUTES THE CORPORATE PRACTICE OF MEDICINE AND YOU ARE NOT LICENSED TO PRACTICE MEDICINE OR NURSING IN ILLINOIS, YOU MUST NEGOTIATE THE TERMS OF A MANAGEMENT AGREEMENT OR A BUSINESS ASSOCIATE AGREEMENT WITH LICENSED MEDICAL PROFESSIONALS WHO WILL PROVIDE MEDICAL PRODUCTS AND SERVICES IN YOUR FRANCHISED BUSINESS. RETAIN AN EXPERIENCED FRANCHISE ATTORNEY WHO WILL LOOK OUT FOR YOUR BEST INTEREST IN THIS BUSINESS VENTURE.

For info about the FDA clearance of the AirAllé medical device used in the operation of this franchised business, see the following link:

https://google2.fda.gov/search?q=lousebuster%20device&client=FDAgov&proxystylesh eet=FDAgov&output=xml_no_dtd&site=FDAgov&requiredfields=-archive:Yes&sort=date:D:L:d1&filter=1

PRIOR TO FRANCHISING LICE TREATMENT CLINCS, FRANCHISOR SOLD THE AIRALLÉ DEVICE TO INDIVIDUALS, SCHOOLS, HEALTH DEPARTMENTS, CAMPS AND MEDICAL CLINICS. FRANCHISOR CANNOT ACCOUNT FOR THE PREVIOUSLY SOLD DEVICES AND THEREFORE CANNOT GUARANTEE THAT AIRALLÉ DEVICES DO NOT EXIST AND MAY STILL BE USED WITHIN YOUR "EXCLUSIVE" TERRITORY.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor, franchise seller or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR: LARADA SCIENCES, INC.	FRANCHISEE: ______________________________
By:______________________________	By: ______________________________
Its: ______________________________	Its: ______________________________
Date:______________________________	Date: ______________________________

MARYLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14201 – 14-233 applies, the terms of this Addendum apply.

Item 5, Additional Disclosures:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

You may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The general release required as a condition of renewal, sale and/or assignment/transfer will not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Maryland Franchise Registration and Disclosure Law, Md. Code Bus. Reg. §§14201 – 14-233 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
>
> Nothing in the Franchise Agreement prevents the franchisee from bringing a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
>
> Nothing in the Franchise Agreement operates to reduce the 3-year statute of limitations

afforded to a franchisee for bringing a claim arising under the Maryland Franchise Registration and Disclosure Law. Further, any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

The Federal Bankruptcy laws may not allow the enforcement of any provisions for termination upon bankruptcy of the franchisee.

All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

The Franchise Agreement provides that disputes are resolved first through mediation and then through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

Payment of the initial franchise fee and other initial payments is deferred until such time as franchisor completes its initial obligations under the Franchise Agreement.

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
LARADA SCIENCES, INC.	______________________________________

By: ________________________________	By: ________________________________
Its: ________________________________	Its: ________________________________
Date: ___________________________	Date: ________________________________

MINNESOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

State Cover Page and Item 17, Additional Disclosures:

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota, requiring waiver of a jury trial or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. A court will determine if a bond is required.

Items 5 and 7, Additional Disclosures:

Payment of the initial franchise fees is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

Item 13, Additional Disclosures:

The Minnesota Department of Commerce requires that a franchisor indemnify Minnesota Franchisees against liability to third parties resulting from claims by third parties that the franchisee's use of the franchisor's trademark infringes upon the trademark rights of the third party. The franchisor does not indemnify against the consequences of a franchisee's use of a franchisor's trademark except in accordance with the requirements of the franchise agreement, and as the condition to an indemnification, the franchisee must provide notice to the franchisor of any such claim immediately and tender the defense of the claim to the franchisor. If the franchisor accepts tender of defense, the franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17, Additional Disclosures:

Any condition, stipulation or provision, including any choice of law provision, purporting to bind any person who, at the time of acquiring a franchise is a resident of the State of Minnesota or in the case of a partnership or corporation, organized or incorporated under the laws of the State of Minnesota, or purporting to bind a person acquiring any franchise to be operated in the State of Minnesota to waive compliance or which has the effect of waiving compliance with any provision of the Minnesota Franchise Law is void.

We will comply with Minn. Stat. Sec. 80C.14, subds. 3, 4 and 5, which requires, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure), 180 days' notice for nonrenewal of the Franchise Agreement, and that consent to the transfer of the franchise will not be unreasonably withheld.

Minnesota Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§80C.01 – 80C.22.

The limitations of claims section must comply with Minn. Stat. Sec. 80C.17, subd. 5.

Franchisor shall not require or enforce any covenant that restricts Franchisee from engaging in a lawful business after termination, except as otherwise permitted under applicable Minnesota law.

MINNESOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Minnesota Franchise Act, Minn. Stat. §§80C.01 – 80C.22 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 4 which requires that except for certain specified cases, that franchisee be given 180 days' notice for non-renewal of this Franchise Agreement.

The Minnesota Department of Commerce requires that franchisor indemnify franchisees whose franchise is located in Minnesota against liability to third parties resulting from claims by third parties that the franchisee's use of franchisor's trademarks ("Marks") infringe upon the trademark rights of the third party. Franchisor does not indemnify against the consequences of a franchisee's use of franchisor's trademark, but franchisor shall indemnify franchisee for claims against franchisee solely as it relates to franchisee's use of the Marks in accordance with the requirements of the Franchise Agreement and franchisor's standards. As a further condition to indemnification, the franchisee must provide notice to franchisor of any such claim immediately and tender the defense of the claim to franchisor. If the franchisor accepts tender of defense, franchisor has the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Franchisee will not be required to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 – 80C.22.

With respect to franchises governed by Minnesota Franchise Law, franchisor shall comply with Minn. Stat. Sec. 80C.14, subd. 3 which requires that except for certain specified cases, a franchisee be given 90 days' notice of termination (with 60 days to cure). Termination of the franchise by the franchisor shall be effective immediately upon receipt by franchisee of the notice of termination where its grounds for termination or cancellation are: (1) voluntary abandonment of the franchise relationship by the franchisee; (2) the conviction of the franchisee of an offense directly related to the business conducted according to the Franchise Agreement; or (3) failure of the franchisee to cure a default under the Franchise Agreement which materially impairs the goodwill associated with the franchisor's trade name, trademark, service mark, logo type or other commercial symbol after the franchisee has received written notice to cure of at least twenty-four (24) hours in advance thereof.

According to Minn. Stat. Sec. 80C.21 in Minnesota Rules or 2860.4400J, the terms of the Franchise Agreement shall not in any way abrogate or reduce your rights as provided for in Minn. Stat. 1984, Chapter 80C, including the right to submit certain matters to the jurisdiction of the courts of Minnesota. In addition, nothing in this Franchise Agreement shall abrogate or reduce any of franchisee's rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedy provided for by the laws of the State of

Minnesota.

Any claims franchisee may have against the franchisor that have arisen under the Minnesota Franchise Laws shall be governed by the Minnesota Franchise Law.

Franchisee consents to the franchisor seeking injunctive relief without the necessity of showing actual or threatened harm. A court shall determine if a bond or other security is required.

Any action pursuant to Minnesota Statutes, Section 80C.17, Subd. 5 must be commenced no more than 3 years after the cause of action accrues.

Payment of the initial franchise fees is deferred until such time as the franchisor completes its initial obligations and franchisee is open for business.

Franchisor shall not require or enforce any covenant that restricts Franchisee from engaging in a lawful business after termination, except as otherwise permitted under applicable Minnesota law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR: LARADA SCIENCES, INC.	FRANCHISEE: ____________________
By:____________________	By:____________________
Its:____________________	Its:____________________
Date:____________________	Date:____________________

NEW YORK ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

Cover Page, Additional Disclosure.

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT D OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

Item 3, Additional Disclosure. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices, or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civila ction alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a Federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

Item 4, Additional Disclosure. The following is added to the end of Item 4:

With the exception of franchisor's bankruptcy petition filed March 19, 2021 as already described, neither the franchisor, its affiliate, its predecessor, officers, or general partner during the 10-year period immediately before the date of the offering circular: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S.Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

Item 5, Additional Disclosures.

The initial franchise fee constitutes part of our general operating funds and will be used as such in our discretion.

Item 17, Additional Disclosures. The following statements are added to Item 17:

The following is added to the Summary sections of Item 17(c) titled **"Requirements for you to renew or extend"** and 17(m) titled **"Conditions for our approval or transfer"**: However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Section 687.4 and 687.5 be satisfied.

The following is added to the Summary section of Item 17(d) titled **"Termination by you"**: You may terminate the agreement on any grounds available by law.

The following is added to the Summary section of Item 17(j) titled **"Assignment of contract by us":** However, no assignment will be made except to an assignee who in good faith and judgment of the franchisor is willing and financially able to assume the franchisor's obligations under the Franchise Agreement.

The following is added to the Summary sections of Items 17(v) titled **"Choice of forum"** and 17(w) titled **"Choice of law"**: The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

NEW YORK ADDENDUM TO FRANCHISE AGREEMENT

To the extent the New York General Business Law, Article 33, §§680 - 695 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such

provisions are hereby amended:

> Any provision in the Franchise Agreement that is inconsistent with the New York General Business Law, Article 33, Section 680 - 695 may not be enforceable.
>
> Any provision in the Franchise Agreement requiring franchisee to sign a general release of claims against franchisor does not release any claim franchisee may have under New York General Business Law, Article 33, Sections 680-695.
>
> The New York Franchise Law shall govern any claim arising under that law.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
LARADA SCIENCES, INC.	______________________________
By: ______________________________	By: ______________________________
	Its:
Its: ______________________________	______________________________
Date: ______________________________	Date: ______________________________

NORTH DAKOTA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-1917 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

Payment of the initial franchise fee is deferred until such time as the franchisor has fulfilled all of its initial obligations under the Franchise Agreement and other documents, and the franchisee has commenced doing business pursuant to the Franchise Agreement.

Item 17, Additional Disclosures. The following statements are added to Item 17:

Any provision requiring franchisees to consent to the jurisdiction of courts outside North Dakota or to consent to the application of laws of a state other than North Dakota may be unenforceable under North Dakota law. Any mediation or arbitration will be held at a site agreeable to all parties. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.

Any general release the franchisee is required to assent to as a condition of renewal is not intended to nor shall it act as a release, estoppel or waiver of any liability franchisor may have incurred under the North Dakota Franchise Investment Law.

Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.

The Franchise Agreement includes a waiver of exemplary and punitive damages. This waiver may not be enforceable under North Dakota law.

The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.

The Franchise Disclosure Document and Franchise Agreement state that franchisee must consent to the jurisdiction of courts outside that State of North Dakota. That requirement may not be enforceable under North Dakota law.

The Franchise Agreement requires the franchisee to consent to a limitation of claims within two years. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.

The Franchise Agreement includes a waiver of a trial by jury. This waiver has been determined by the North Dakota Commissioner of Securities to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law and therefore may not be enforceable under North Dakota law.

NORTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the North Dakota Franchise Investment Law, N.D. Cent. Code, §§51-19-01 – 51-1917 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> Any release executed in connection with a renewal shall not apply to any claims that may arise under the North Dakota Franchise Investment Law.
>
> Covenants not to compete during the term of and upon termination or expiration of the franchise agreement are enforceable only under certain conditions according to North Dakota law. If the Franchise Agreement contains a covenant not to compete that is inconsistent with North Dakota law, the covenant may be unenforceable.
>
> The choice of law other than the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. If the laws of a state other than North Dakota govern, to the extent that such law conflicts with North Dakota law, North Dakota law will control.
>
> The waiver of punitive or exemplary damages may not be enforceable under the North Dakota Franchise Investment Law.
>
> The requirement that arbitration be held outside the State of North Dakota may not be enforceable under the North Dakota Franchise Investment Law. Any mediation or arbitration will be held at a site agreeable to all parties.
>
> The requirement that a franchisee consent to termination or liquidated damages has been determined by the Commissioner to be unfair, unjust and inequitable within the intent of the North Dakota Franchise Investment Law. This requirement may not be enforceable under North Dakota law.
>
> The Franchise Agreement states that Franchisee must consent to the jurisdiction of courts located outside the State of North Dakota. This requirement may not be enforceable under North Dakota law.
>
> The Franchise Agreement requires Franchisee to consent to a limitation of claims within two years. To the extent this requirement conflicts with North Dakota law, North Dakota law will apply.
>
> The Franchise Agreement includes a waiver of a trial by jury. This waiver has been determined by the North Dakota Commissioner of Securities to be unfair, unjust, and inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law, and therefore may not be enforceable under North Dakota law.
>
> Payment of the initial franchise fee is deferred until such time as LCA (the franchisor) has fulfilled all of its initial obligations under the Franchise Agreement and other documents, and Franchisee has commenced doing business pursuant to the Franchise Agreement.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
LARADA SCIENCES, INC.	______________________________
By: ______________________________	By: ______________________________
	Its:
Its: ______________________________	______________________________
Date: ___________________________	Date: ______________________________

RHODE ISLAND ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 1928.1-34 applies, the terms of this Addendum apply.

Item 17, Additional Disclosure. The following statement is added to Item 17:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

RHODE ISLAND ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Rhode Island Franchise Investment Act, R.I. Gen. Law ch. 395 §§19-28.1-1 – 1928.1-34 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that: "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR: LARADA SCIENCES, INC.	FRANCHISEE: ______________________________
By: __________________________	By: __________________________
Its: __________________________	Its: ______________________________
Date: ________________________	Date: ________________________

SOUTH DAKOTADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 375B-53 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

> Payment of initial franchise fees owed to the franchisor or its affiliates by franchisee is deferred until such time as the franchisor has performed its initial obligations and the franchisee has commenced operations.

SOUTH DAKOTA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the South Dakota Franchise Investment Act, S.D. Codified Laws §§37-5B-53 – 375B-53 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> Payment of initial franchise fees owed to LCA (the franchisor) or its Affiliates by Franchisee is deferred until such time as LCA has performed its initial obligations and Franchisee has commenced operations.

2. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
LARADA SCIENCES, INC.	______________________________
By: ______________________	By: ______________________
Its:	Its:
Date: ______________________	Date: ______________________

VIRGINIA ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

Item 5, Additional Disclosure:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

Item 17, Additional Disclosures:

Any provision in any of the contracts that you sign with us which provides for termination of the franchise upon the bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. 101 et. seq.).

According to Section 13.1 – 564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

VIRGINIA ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Virginia Retail Franchising Act, Va. Code §§13.1-557 – 13.1-574 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

> According to Section 13.1-564 of the Virginia Retail Franchising Act,it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Under subsection D of § 13.1-559 of the Virginia Retail Franchising Act, for all franchises located in Virginia, the franchise contract or agreement offered or entered into pursuant to terms of this chapter shall be governed by the laws of the Commonwealth of Virginia.

Under subdivision A 4 of § 13.1-563 of the Virginia Retail Franchising Act ("Act"), it is unlawful to offer or enter into a franchise agreement that restricts the right of a franchisee to engage in the business of offering, selling, or distributing goods or services at retail after termination or expiration of the franchise agreement. However, subsection B of § 13.1-563 of the Act provides that if a franchisee sells a franchise at a mutually agreed upon price to a third party or back to the franchisor, such sale may include a term restricting the right of such franchisee to engage in the business of offering, selling, or distributing goods or services at retail for a period of no more than two years after such sale.

2. The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires LCA (the franchisor) to defer payment of the initial franchise fee and other initial payments owed by Franchisee to LCA until LCA has completed its pre-opening obligations under the Franchise Agreement.

3. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

4. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
LARADA SCIENCES, INC.	______________________________
By: ______________________________	By: ______________________________
	Its:
Its: ______________________________	______________________________
Date: ____________________________	Date: ____________________________

WASHINGTON ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT, THE FRANCHISE AGREEMENT, AND ALL RELATED AGREEMENTS

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. Conflict of Laws. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.

2. Franchisee Bill of Rights. RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

3. Site of Arbitration, Mediation, and/or Litigation. In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

4. General Release. A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).

5. Statute of Limitations and Waiver of Jury Trial. Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

6. Transfer Fees. Transfer fees are collectable only to the extent that they reflect the franchisor’s reasonable estimated or actual costs in effecting a transfer.

7. Termination by Franchisee. The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. Certain Buy-Back Provisions. Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee’s business for any reason during the term of the franchise agreement without the franchisee’s consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. Fair and Reasonable Pricing. Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. Waiver of Exemplary & Punitive Damages. RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees

to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. Franchisor's Business Judgement. Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. Indemnification. Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. Attorneys' Fees. If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. Noncompetition Covenants. Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. Nonsolicitation Agreements. RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. Questionnaires and Acknowledgments. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. Prohibitions on Communicating with Regulators. Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. Advisory Regarding Franchise Brokers. Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

19. Item 5, Additional Disclosure: The Washington State Department of Financial Institutions requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement and franchisee has opened for business.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:	FRANCHISEE:
LARADA SCIENCES, INC.	________________________________
By: ____________________________	By: ____________________________
	Its:
Its: ____________________________	________________________________
Date: __________________________	Date: __________________________

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FORM RELEASE OF CLAIMS

THIS IS A CURRENT RELEASE FORM THAT GENERALLY WILL BE USED WITH OR INCORPORATED INTO A SEPARATE AGREEMENT. THIS FORM IS SUBJECT TO CHANGE OVER TIME.

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For and in consideration of the Agreements and covenants described below, Larada Sciences, Inc. ("LCA"), ___________________ ("Franchisee") and ______________________ ("Guarantors") enter into this Release of Claims ("Agreement").

RECITALS

A. LCA and Franchisee entered into a LCA Franchise Agreement dated________________, ____ (the "Franchise Agreement").

B. [NOTE: Describe the circumstances relating to the release.]

AGREEMENTS

1. **Consideration**. [NOTE: Describe the consideration paid.]

2-3. [NOTE: Detail other terms and conditions of the release.]

4. Release of Claims.

A. Definitions.

1. LCA Parties: LCA and each of its subsidiaries, corporate parents and affiliates, and their respective officers, directors, owners, stockholders, members, employees, insurers, attorneys, agents, successors, predecessors, assigns, heirs and personal representatives.

2. Franchisee Parties: Franchisee and each of the Guarantors and all persons or entities acting on their behalf or claiming under them including, without limitation, each of their respective corporate parents, subsidiaries, affiliates, owners, heirs, executors, administrators, managers, directors, officers, employees, trustees, agents, partners, business entities, attorneys, insurers, successors and assigns.

B. The Franchisee Parties irrevocably and unconditionally waive, release and forever discharge, and covenant not to sue, the LCA Parties of and from any and all claims, suits, debts, liabilities, causes of action, demands, contracts, promises, obligations, losses, rights, controversies, damages, costs, expenses (including, without limitation, actual attorneys' fees and costs incurred), actions and causes of action of every nature, whether known or unknown, direct or indirect, vested or contingent, at law or in equity, whether arising by statute, common law, or otherwise, including claims for negligence (collectively, "Claims"), that they may now have, or at any time heretofore had, or hereafter may have, against each or any of the LCA Parties arising out of or relating to any conduct, transaction, occurrence, act or omission at any time before the [Effective Date] relating to the Franchise Agreement(s), the development or operation of the Clinic(s), the franchise relationship between the parties, the offer or sale of any franchise, or any agreement between any of the Franchisee Parties and any of the LCA Parties.

C. The Franchisee Parties specifically and expressly acknowledge and agree that the consideration accepted under this Agreement is accepted in full satisfaction of any and all injuries and/or damages that have previously arisen and which may hereafter arise respecting any of the claims being released.

[California option: The Franchisee Parties expressly waive all rights or benefits that they have or may have under Section 1542 of the California Civil Code, which section provides:

> A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release, and that if known by him or her, would have materially affected his or her settlement with the debtor or released party.]

[Washington option: The general release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

D. The Franchisee Parties acknowledge that they have had a reasonable opportunity to consult with an attorney prior to signing this release and they have executed this release voluntarily. Also, the Franchisee Parties represent that they have not assigned or transferred to anyone any claims released by them under Section 4(B) above.

5. **General**. No amendment to this Agreement or waiver of the rights or obligations of either party shall be effective unless in writing signed by the parties. This Agreement is governed by the laws of the State of___________________without regard to conflicts of laws principles. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Agreement will remain in full force and effect. This Agreement contains the entire agreement and understanding of the parties concerning the subject matter of this Agreement. [NOTE: Detail other miscellaneous provisions.]

FRANCHISOR:	FRANCHISEE:
LARADA SCIENCES, INC.	
	___________________________________
By: By:___________________________________	___________________________________
Title: ___________________________________	Title: ___________________________________
	GUARANTORS:
	___________________________________
	___________________________________

Exhibit F

GENERAL RELEASE

This release (the "Release") is given this day of ______________________ by ______________________________, a(n) _______________________, with its principal place of business located at____ ("Franchisee") and ____________________'s principals ________________________, an individual residing at ________ ______________________________and ("Principal(s)").

Franchisee and Principal(s), on behalf of themselves and their respective officers, directors, employees, successors, assigns, heirs, personal representatives, and all other persons acting on their behalf or claiming under them (collectively, the "Franchisee Releasors"), hereby release, discharge and hold harmless Larada Sciences, Inc. doing business as Lice Clinics of America ("Franchisor") and Franchisor's parent company, affiliates, officers, directors, members, shareholders, employees, agents, attorneys, successors, and assigns (collectively, the "Franchisor Releasees") from any suits, claims, controversies, rights, promises, debts, liabilities, demands, obligations, costs, expenses, actions, and causes of action of every nature, character and description, in law or in equity, whether presently known or unknown, vested or contingent, suspected or unsuspected arising under, relating to, or in connection with the Franchise Agreement dated _________between Franchisee and Franchisor and any related agreements and the relationship created thereby, or the Business operated under the Franchise Agreement, or any claims or representations made relative to the sale of the franchise to operate such Franchised Business or under any federal or state franchise or unfair or deceptive trade practice laws, which any of the Franchisee Releasors now own or hold or have at any time heretofore owned or held against the Franchisor Releasees (collectively, the "Franchisee Released Claims").

******

[NOTE: The following language in bold type will be included only when the franchisee operates in California or California law is deemed to apply.]

Each of the parties granting a release acknowledges a familiarity with Section 1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or releasing party."

Each party granting a release and its authorized signatories hereto recognize that he, she, or it may have some claim, demand, or cause of action against the released parties of which he, she, or it is unaware and unsuspecting, and which he, she, or it is giving up by signing this Addendum. Each party granting a release and its authorized signatories hereby waive and relinquish every right or benefit which he, she or it has under Section 1542 of the Civil Code of the State of California, and any similar statute under any other state or federal law, to the fullest extent that such right or benefit may lawfully be waived.

******

Franchisee and Principal(s) on behalf of themselves and the Franchisee Releasors waive any rights and benefits conferred by any applicable provision of law existing under any federal, state or political subdivision thereof which would invalidate all or any portion of the release contained herein because such release may extend to claims which the Franchisee Releasors do not know or suspect to exist in their favor at the time of execution of this Release. The Franchisee Releasors also covenant not to bring any suit, action, or proceeding, or make any demand or claim of any type, against any Franchisor Releasees with respect to any Franchisee Released Claim, and Franchisee and Principal(s) shall defend, indemnify and hold harmless each of Franchisor Releasees against same.

Release given this day of ___________________________________ by:

FRANCHISEE (Entity):	FRANCHISEE (Principal):
___________________________________	____________________________
	____________________________
By:_________________________________	(Print Name)

(Print Name, Title)

FRANCHISEE (Principal):

(Print Name)

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EXHIBIT G

BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (the "***BAA***"), dated as of___________________, 20 (the "***Effective Date***"), is by and between LARADA SCIENCES, INC. ("***LARADA***") and _____________________, ("***CLINIC***") whose business/home address is ________________________ (each individually, a "***Party***," and collectively, the "***Parties***").

RECITALS

CLINIC is interested in LARADA furnishing certain administrative support services to CLINIC, and LARADA has the expertise necessary to provide such services.

For LARADA to furnish services to CLINIC, CLINIC intends to disclose certain Protected Health Information ("***PHI***") to LARADA.

The Parties desire to comply with federal laws regarding the Use and Disclosure of Individually Identifiable Health Information, with the provisions of the federal Health Insurance Portability and Accountability Act of 1996 ("***HIPAA***"), and the Health Information Technology for Economic and Clinical Health Act ("***HITECH***"), and regulations promulgated under these laws.

NOW, THEREFORE, the Parties, in consideration of the mutual agreements herein contained and for other good and valuable consideration, the receipt and adequacy acknowledged, do hereby agree as follows:

Definitions

For purposes of this BAA, each of the following capitalized terms shall have the meaning set forth in this Section. Except as the context of a provision dictates otherwise, a term used in this BAA that is not defined in this Section or elsewhere in this BAA shall have the meaning accorded to it under HIPAA or HITECH, as applicable.

Breach. "Breach" shall have the same meaning as the term "breach" in 45 CFR § 164.402 but limited in application to Unsecured Protected Health Information.

Business Associate. "Business Associate" shall mean LARADA.

CFR. "CFR" shall mean the Code of Federal Regulations.

Covered Entity. "Covered Entity" shall mean CLINIC.

Designated Record Set. "Designated Record Set" shall have the same meaning as the term "designated record set" in 45 CFR § 164.501.

HIPAA. "HIPAA" shall mean the Health Insurance Portability and Accountability Act of 1996 and the regulations promulgated thereunder relating to the privacy and security of protected health information, as such statute and regulations may be amended from time to time.

HITECH. "HITECH" shall mean the Health Information Technology for Economic and Clinical Health Act, enacted as part of the American Recovery and Reinvestment Act of 2009, and the regulations promulgated thereunder relating to the privacy and security of protected health information, as such statute and regulations may be amended from time to time.

Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

Privacy Rule. "Privacy Rule" shall mean the standards for Privacy of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and E.

Protected Health Information/Electronic Protected Health Information. "Protected Health Information" and "Electronic Protected Health Information" shall have the same meaning as the terms "protected health information" and "electronic protected health information," respectively, in 45 CFR § 160.103, limited to the information created, received, maintained, or transmitted by Business Associate from or on behalf of Covered Entity.

Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.103.

Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his or her designee.

Security Rule. "Security Rule" shall mean the standards for Security of Individually Identifiable Health Information at 45 CFR part 160 and part 164, subparts A and C.

Subcontractor. "Subcontractor" shall mean a person, not acting as a member of the Business Associate's workforce, to whom Business Associate delegates a function, activity, or service: (i) that is subject to the requirements of this Agreement; and (ii) for which the person creates, receives, maintains, or transmits protected health information.

Unsecured Protected Health Information. "Unsecured Protected Health Information" shall have the same meaning as the term "unsecured protected health information" in 45 CFR § 164.402, but limited to Protected Health Information.

Obligations and Activities of Business Associate

Business Associate will not use or disclose Protected Health Information other than as permitted or required by this BAA or as Required by Law.

Business Associate agrees to use appropriate physical, technical, and administrative safeguards to prevent use or disclosure of Protected Health Information other than as provided for by this BAA or Required by Law. These safeguards shall include, but not be limited to, policies and procedures for reasonably and appropriately protecting the confidentiality, integrity and availability of Electronic Protected Health Information. With respect to such information, Business Associate shall meet the requirements of the Security Rule that apply to business associates.

To the extent practicable, Business Associate agrees to mitigate any harmful effect that is known to Business Associate of its use or disclosure of Protected Health Information in violation of the requirements of this BAA.

Business Associate agrees to report promptly and in writing to Covered Entity any use or disclosure of Protected Health Information not provided by this BAA or Required by Law and any security incidents within the meaning of 45 CFR § 164.304 of which it becomes aware. Such reports shall be made promptly as they occur provided that unsuccessful attempts to access Business Associate's information systems shall be reported only to the extent and at such times as the Parties mutually agree in writing.

To the extent that Business Associate is to carry out Covered Entity's obligations under the Privacy Rule, Business Associate shall perform such responsibilities in accordance with the requirements of the Privacy Rule.

Business Associate agrees to ensure, through written agreement, that any Subcontractor agrees to substantially the same restrictions and conditions that apply through this BAA to Business Associate with respect to such information. Business Associate may disclose all or some of the terms of this BAA to any of its Subcontractors to secure its compliance with such restrictions and conditions.

Within thirty (30) calendar days of Covered Entity's written request, pursuant to a request by an Individual, Business Associate shall provide Covered Entity with Protected Health Information that Business Associate maintains in a Designated Record Set in a time and manner that reasonably allow Covered Entity to comply with the requirements under 45 CFR § 164.524.

Within thirty (30) calendar days of Covered Entity's written request, pursuant to a request by an Individual, Business Associate shall make Protected Health Information that it maintains in a Designated Record Set available to Covered Entity for amendment in a time and manner that reasonably allow Covered Entity to comply with the requirements under 45 CFR § 164.526, and, upon written notice from Covered Entity, Business Associate shall hold such amendments as Covered Entity incorporates into such information in accordance with the requirements of 45 CFR § 164.526.

Business Associate agrees to make internal practices, books, and records relating to the use and disclosure of Protected Health Information available to the Secretary in a time and manner designated by the Secretary, for purposes of the Secretary's determining Covered Entity's or Business Associate's compliance with the Privacy Rule.

Business Associate agrees to document disclosures of Protected Health Information and information related to such disclosures as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures (and to the extent required under the HIPAA Rules, an access report) of Protected Health Information in accordance with the requirements under 45 CFR § 164.528. Upon Covered Entity's reasonable and timely request, Business Associate shall provide Covered Entity with such accounting (and to the extent required under the HIPAA Rules, an access report) in a time and manner that reasonably allow Covered Entity to comply with the requirements under 45 CFR § 164.528.

To the extent required under HIPAA, Business Associate shall: (i) restrict its use and disclosure of an individual's Protected Health Information relating to a healthcare item or service where the individual or another person acting on the individual's behalf pays the entire cost of the item or service out of his or her own pocket; (ii) make a reasonable effort to use and disclose only the minimum amount of Protected Health Information necessary to achieve a particular purpose; and (iii) provide Protected Health Information that it maintains electronically in the form requested by Covered Entity pursuant to a request for such information in such form by an Individual or, if not readily producible in such form, in another electronic form agreeable to the Individual and Business Associate, or if such agreement cannot be reached, as a readable hard copy.

Notwithstanding anything in this Agreement to the contrary, Business Associate shall not undertake the sale of Protected Health Information unless permitted under HIPAA and HITECH.

Upon the discovery of a Breach of Unsecured Protected Health Information, Business Associate shall notify Covered Entity of the Breach in accordance with the requirements under 45 CFR § 164.410.

Permitted Uses and Disclosures by Business Associate

Except as otherwise limited in this BAA, Business Associate may use or disclose Protected Health Information to:

Perform functions, activities, or services for, or on behalf of, the Covered Entity, except to the extent that such use or disclosure would violate the Privacy Rule if performed by Covered Entity;

Perform its obligations under this BAA, except to the extent that such use or disclosure would violate the Privacy Rule if performed by Covered Entity;

Conduct activities for its own proper management and administration or carry out its own legal responsibilities, provided that any disclosure of Protected Health Information for such purpose shall be either: (i) Required By Law; or (ii) made after Business Associate obtains reasonable assurances from the recipient of the Protected Health Information that the Protected Health Information will be held confidentially, that it will be used and disclosed further only for the purpose for which it was disclosed to the recipient, and that the recipient will notify Business Associate of any instances of which it becomes aware that the confidentiality of the Protected Health Information has been breached;

Provide data aggregation services relating to the health care operations of Covered Entity; and

Report violations of law in accordance with 45 CFR § 164.502(j)(1).

Authorized Individuals

To the extent that Business Associate is obliged to act pursuant to the direction of Covered Entity, it shall have that obligation only when such direction is made by an individual authorized to provide such direction. Such authorization shall be provided in a written notice that Covered Entity provides to Business Associate**.**

Obligations of Covered Entity

Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions.

Covered Entity shall furnish the Business Associate with its notice of privacy practices prepared in accordance with 45 CFR § 164.520 and of any modifications thereto.

Covered Entity shall notify the Business Associate of: (i) any restriction to the use or disclosure of Protected Health Information that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of Protected Health Information; and (ii) any changes in, or revocation of, permission by an Individual to use or disclose Protected Health Information, to the extent that such changes may affect Business Associate's use or disclosure of Protected Health Information.

Permissible Disclosures by Covered Entity. Covered Entity shall make a reasonable effort not to provide Business Associate more than the minimum Protected Health Information necessary for the Business Associate to perform functions that are permitted or required under this BAA and shall implement and apply other physical, technical and administrative safeguards to transmit Protected Health Information to Business Associate in a manner that meets the requirements of HIPAA and HITECH, as applicable.

Permissible Requests by Covered Entity. Covered Entity shall not request the Business Associate to use or disclose more than the minimum Protected Health

Information necessary to perform functions that are permitted or required under this BAA or to use or disclose Protected Health Information in any manner that would not be permissible under HIPAA or HITECH if done by Covered Entity

Term and Termination

Term. The term of this BAA shall begin on the Effective Date and shall terminate as provided elsewhere in this BAA or when all the Protected Health Information is destroyed or returned to Covered Entity or its designee, or, if it is infeasible to return or destroy Protected Health Information, where protections are extended to such information, in accordance with the termination provisions in this Section.

Termination for Cause. If Covered Entity knows of a pattern of activity or practice by the Business Associate that constitutes a material breach or violation of the Business Associate's obligations under the BAA, Covered Entity shall notify Business Associate of the breach and of the period during which the Business Associate may take reasonable measures to cure the breach or end the violation. If the Business Associate does not cure the breach or end the violation within that period, Covered Entity shall terminate this BAA as soon as feasible.

Effect of Termination. Without limiting any responsibility for the Business Associate transfer information upon termination of this BAA, as set forth elsewhere in this BAA.

Except as provided in paragraph (2) of this Section, upon termination of this BAA, for any reason, the Business Associate shall return or, in the Covered Entity's direction, destroy all Protected Health Information.

If the Business Associate determines that returning or destroying any Protected Health Information is infeasible, the Business Associate shall extend the protections of this BAA to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as the Business Associate maintains such Protected Health Information.

Miscellaneous

Regulatory References. A reference in this BAA to a section in HIPAA or HITECH, as applicable, means the section as in effect or, as applicable, as it has been redesignated subsequent to execution of this BAA.

Incorporation of Required Provisions. Any provisions of HIPAA, HITECH, or other applicable law that are required to be, but are not otherwise incorporated into this BAA are hereby incorporated by reference herein, effective as of the effective date of this BAA or, if later, as of the date such requirement is required to be incorporated herein.

Amendment. Covered Entity and the Business Associate agree to take appropriate action to amend this BAA from time to time as necessary for the Parties to comply with the requirements of HIPAA or HITECH, as each may be amended or construed by courts of applicable jurisdiction or the Secretary from time to time. Each such amendment shall be made by and, unless the Parties mutually agree, effective as of the applicable compliance date for the change in rules or interpretation. The Parties may amend or terminate this BAA in a writing executed by authorized representatives of each Party. Covered Entity shall notify the Business Associate in writing of changes in its policies, procedures, or practices with respect to the privacy or security of information that may increase Business Associate's costs in performing obligations under this BAA.

Relationship. With respect to all functions that the Business Associate performs on behalf of Covered Entity that involve Protected Health Information, the Parties shall have no relationship other than that of independent contractors.

Disclosure of Terms of Agreement. The Business Associate may disclose some or all the terms of this BAA to a Subcontractor or potential Subcontractor.

Survival. The respective rights and obligations of the Business Associate under Sections 6(c) of this BAA shall survive the termination of this BAA.

Interpretation. Any ambiguity in this BAA shall be resolved to permit Covered Entity and Business Associate to comply with their respective obligations under HIPAA and HITECH.

IN WITNESS WHEREOF, this Agreement is executed by the parties, acting through their duly authorized representatives, as of the date first set forth above.

LARADA SCIENCES, INC.

By:______________________________________

Name:____________________________________

Title:_____________________________________

Date: ____________________________________

[CLINIC]

By:______________________________________

Name:____________________________________

Title:_____________________________________

Date: ____________________________________

EXHIBIT H

LICE CLINICS OF AMERICA®
OPERATIONS MANUAL
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EXHIBIT I

Point of Sale Subscription Agreement

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LARADA • SCIENCES™

SUBSCRIPTION AGREEMENT

This subscription agreement ("Agreement") is made and effective as of the date signed by LCA below (the "Effective Date"), by and between Larada Sciences, Inc., a Delaware corporation ("LCA"), whose address is 4873 South State Street, Utah, 84107, U.S.A. and __________________ ("Franchisee(s)") whose business/home address is _______________________________ ("Business Address"). LCA and Franchisee may sometimes be referred to as a "Party" or jointly as the "Parties."

1. Definitions

Any capitalized term not otherwise defined in this Agreement shall have the following meaning:

a. "ACH" means "Automated Clearing House" and refers to the network that processes electronic financial transactions in the United States.

b. "Aggregated Data" means information (excluding PII) anonymized, gathered, derived or summarized by or through the operation of the Services, developed by or on behalf of LCA or LCA's Service Provider.

c. "Business" means the lice-removal business operated by the Franchisee under a franchise agreement or license agreement by and between LCA and Franchisee.

d. "Documentation" means all written, electronic and other materials supplied by LCA or LCA's Service Provider regarding the Services, including user manuals and/or training guides in connection with access, functionality, operation and features of the Services; technical specifications explaining and detailing the design, capabilities and performance standards for the Services; and any other writings or other materials provided by LCA or LCA's Service Provider for use in conjunction with the testing and use of the Services.

e. "Franchisee Data" means (i) data, information, material submitted, collected, obtained, used in, stored, generated, or produced as the result of Franchisee's access to and use of the Services; and (ii) PII. Franchisee Data does not include Aggregated Data.

f. "HIPAA" means the Health Insurance Portability and Accountability Act passed by Congress in 1996.

g. "LCA Parties" means officers, directors, shareholders, employees, and agents of LCA.

h. "PHI" means personal health information pursuant to HIPAA and applicable rules and regulations, broadly interpreted to include information about (or linked to) an individual's health, health status, health care, medical record, or payment for health care.

i. "PII" means personally identifiable information collected, obtained, used in, stored, generated, or produced as the result of use of the Services, that may specifically identify an individual, distinguish one individual from another, contact, or locate an individual, or identify an individual in context, including PHI, social security numbers or other government issued numbers, dates of birth, addresses, telephone numbers, maiden names, email addresses, facsimile numbers, credit card information, transaction history or a person's name in combination with any other of the foregoing elements.

j. "Reports" means the results or output of Franchisee Data, or data anonymized, gathered, derived or summarized by or through the operation of the Services.

k. "Services" means the Meevo point-of-sale system licensed by LCA from a third-party provider, related services provided by such third-party provider, training, and support services, all of which LCA may make available to Franchisee in accordance with the terms and conditions of this Agreement.

l. "Service Provider" means the third-party provider of the Services, a.k.a. Millennium Systems International.

m. "Third-Party Services" means certain additional services offered by third-party vendors that support or enhance the functionality of the Services and for which LCA or Franchisee contracts separately, subject to separate terms, conditions, and fees, including by way of example, but not limitation, products, applications, services, software, networks, systems, directories, websites, databases and information obtained separately by LCA or Franchisee to which the Services link, or which LCA or Franchisee may connect to or enable in conjunction with the Services.

n. "User" means an individual that Franchisee authorizes to access and use the Services.

2. Rights to Use the Services

a. Subject to the terms and conditions of this Agreement, LCA grants Franchisee a limited right to access and use the Services solely in connection with Franchisee's Business in the _______________ Territory, as defined in Franchisee's franchise/license agreement dated ______________, up to the quantities specified on Exhibit B. If Franchisee has signed multiple franchise agreements or license agreements with LCA, Franchisee must sign a separate subscription agreement for each of those agreements.

b. For the avoidance of doubt, Franchisee agrees that its right to access and use the Services is also subject to the terms of use for the Services set forth in Exhibit A.

c. Franchisee further agrees to cause its Users to comply with the terms and conditions of this Agreement, and Franchisee is responsible for the acts and omissions of its Users.

d. Franchisee acknowledges and agrees that Franchisee's right to use the Services is conditioned on Franchisee completing an order form supplied by Service Provider.

e. Franchisee acknowledges and agrees that Franchisee's right to use the Services is expressly conditioned on Franchisee using a payment processor that integrates with the Services. Accordingly, Franchisee agrees to use and contract with such a payment processor. If Franchisee's contract with such payment processor terminates or expires, Franchisee remains responsible and liable for all of its obligations under this Agreement.

f. Franchisee is solely responsible, at Franchisee's own expense, for: acquiring, installing and maintaining all hardware, software and other equipment that is necessary for Franchisee to connect to, access, and use the Services; setting up and learning how to use the Services; transferring or migrating data from a previous point-of-sale system, if desired; and maintaining battery backups of computer systems to keep computers from shutting down improperly.

3. Data.

a. As between the Parties, Franchisee is solely responsible for the accuracy and quality of Franchisee Data and ensuring its collection of Franchisee Data complies with all applicable laws, including those related to data privacy and transmission of PII and other data.

b. Franchisee grants LCA a nonexclusive, worldwide, assignable, fully paid-up and royalty-free license, including the right to sublicense (through multiple tiers), to copy, distribute, display and perform, publish, prepare derivative works of and otherwise use Franchisee Data: (i) to enable LCA and LCA's Service Provider to evaluate ways to improve the Services, including analysis of markets and market trends; and (ii) for LCA's internal business purposes, provided that any Franchisee Data that is PHI will only be used by LCA in compliance with HIPAA.

c. Franchisee acknowledges and agrees that LCA may analyze and aggregate Franchisee Data with data of other LCA franchisees for purposes that include: (i) assisting franchisees and LCA in identifying best practices; and (ii) marketing of LCA franchises and products.

d. The Parties agree to sign a Business Associate Agreement that sets forth each Party's obligations with respect to Franchisee Data that is PHI.

4. Term and Renewal

a. Initial Term. The initial term of this Agreement begins on the Effective Date and continues (i) for a period of one (1) year (the "Initial Term") or (ii) until such time as LCA's contract with the third-party provider of the Services is no longer in effect, whichever is shorter.

b. Renewal. Unless this Agreement is terminated pursuant to Section 4.a.ii (see above) or pursuant to Section 10 or a Party provides the other Party with written notice of its intent not to renew this Agreement at least thirty (30) days prior to the end of the Initial Term or any Renewal Term, this Agreement will automatically renew for successive one (1) year periods (each, a "Renewal Term").

c. Effect of Termination of Franchise Agreement. This agreement automatically terminates on the date the franchise agreement or license agreement between the parties terminates. Upon such termination, Franchisee has no rights to access or use the Services and must promptly return to LCA any Documentation in Franchisee's possession. In some circumstances, Franchisee may be permitted to use the Services for a temporary period following termination, upon LCA's prior approval and upon continued payment of all applicable fees.

d. Effect of Sale or transfer of Franchise. Upon the sale or other transfer of Franchisee's rights under a franchise agreement or license agreement, Franchisee's subscription may be assigned to the transferee of Franchisee's rights upon the following conditions: (i) transferee executes a subscription agreement; and (ii) transferee pays an administration fee of one hundred fifty ($150) dollars prior to LCA and Service Provider granting access to the Services to transferee. Franchisee shall provide Franchisor with not less than seven (7) days advance written notice requesting the transfer of this Agreement ("Transfer Notice"). The Transfer Notice shall include information regarding such transfer, including but not limited to the effective date of such transfer, the contact information for the transferee, and a copy of this Agreement duly executed by transferee.

5. Training and Technical Support

a. LCA will provide to Franchisee an on-boarding guide for setting up the Services. Franchisee will have access to Service Provider's training academy for self-guided training.

b. At Franchisee's sole expense, Franchisee may purchase more in-depth training from the Service Provider based on an hourly rate that LCA has negotiated with the Service Provider. As of March 1, 2019, that negotiated rate was $100 per hour.

c. LCA does not provide technical support. Franchisee is entitled to receive technical support from the Service Provider by calling 973-402-8801 during the regular support hours listed at www.millenniumsi.com/support. Service Provider's technical support does not include software trainings, non-software related issues, provision of software upgrades, data recovery, and data restoration.

6. Other Franchisee Obligations

a. Franchisee will perform or comply with the obligations set forth in Exhibit C.

7. Fees and Payment Terms

a. In consideration for Franchisee's access and use of the Services, Franchisee will pay LCA the fees set forth in Exhibit B (the "Services Fees"). LCA may increase such fees on sixty (60) days' notice to Franchisee.

b. Franchisee acknowledges and agrees that LCA will charge Franchisee's ACH or credit card on file with LCA for any one-time fees for the Services upon Franchisee's signature of this Agreement.

c. Franchisee acknowledges and agrees that LCA will charge Franchisee's ACH or credit card on file with LCA for: (i) recurring Services Fees on a monthly basis, in advance; and (ii) overage fees related to the Services Fees on a monthly basis, in arrears. LCA will automatically process such charges on the 25th day of each month, or within a few days after the 25th of each month. Notwithstanding the foregoing, in its initial Services Fees charge, LCA will charge for the first month on a pro rata basis from the Effective Date (calculated on a 30-day month), plus one full month. If the Effective Date is the first day of the month then LCA will charge for just one month in its initial Services Fees charge.

d. If Franchisee fails to have a sufficient credit limit or balance in the designated ACH account to pay the Services Fees, or the credit card is declined for any reason, LCA may 1) charge interest on the missing or late payment at eighteen percent (18%) per annum ("Interest") plus court costs and reasonable attorneys' fees incurred in collecting any past due balance; and 2) if the Services Fees remain unpaid for fifteen (15) days, prohibit Franchisee from accessing the Services until such time as Franchisee pays the Services Fees. Franchisee agrees and hereby consents, in order for LCA to collect any amounts Franchisee may owe, LCA may contact Franchisee by telephone at any telephone number, including wireless telephone numbers, which could result in charges to Franchisee. Franchisee also agrees that LCA may also contact Franchisee by sending text messages or e-mails to any of Franchisee's phone numbers or e-mail accounts. Methods of contact may include using pre-recorded/artificial voice messages and/or use of an automatic dialing device, as applicable. Franchisee acknowledges that this subsection does not constitute LCA's agreement to accept any payment after it is due or a commitment to extend credit to or otherwise finance the operation of Franchisee's business. The collection of any Interest and the acceptance of any late payment will not diminish LCA's right to any other remedies available under this Agreement or at law or in equity. Notwithstanding any designation by Franchisee as to the application of a payment, LCA shall allocate any payments first to any Interest owed, then to any past due Services Fees, then to current Services Fees owed to LCA. The allocation set forth above shall not serve to postpone any payments that are due on any current or future due date. If Franchisee goes for more than sixty (60) days without paying the Services Fees after it is due, Franchisee shall be in Incurable Default of this Agreement.

8. Confidentiality

a. For purposes of this Agreement, "Confidential Information" means:

i. Documentation;

ii. information relating to the Services and Documentation;

iii. software and related source code and object code utilized in connection with the Services;

iv. the terms and conditions of this Agreement, including the fees for the Services; and

v. Reports.

b. Franchisee shall not: (i) directly or indirectly disclose any Confidential Information to any third parties other than Franchisee's employees, agents, or advisors with a bona fide need to know in connection with this Agreement; (ii) use any Confidential Information for the furtherance of its own business or financial interests or those of any other person or entity; (iii) use Confidential Information for any purposes whatsoever other than performance of this Agreement; or (iv) permit, cause or authorize unauthorized access, use, or disclosure of Confidential Information by any third party.

c. Franchisee further agrees to advise and require its employees, agents, and advisors of Franchisee's and their obligations to maintain all Confidential Information as strictly confidential. Franchisee shall immediately notify LCA if Franchisee learns or has reason to believe that any third party who had access to Confidential Information has violated or intends to violate the terms of this Agreement. Franchisee will cooperate with LCA and its Service Provider in seeking injunctive or equitable relieve against any such third party.

9. Services Warranty; Disclaimer of Warranties

a. LCA represents and warrants that the Services will operate in material conformance with the Documentation.

b. Franchisee acknowledges and accepts that neither LCA nor its Service Provider guarantees continuous, uninterrupted or secure access to the Services, or that operation of the Services will be uninterrupted or error free. Franchisee understands that usage of the Services may be interfered with or adversely affected by numerous factors or circumstances outside of the control of LCA and its Service Provider.

c. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE SERVICES ARE PROVIDED "AS IS". LCA AND ITS SERVICE PROVIDER EXPRESSLY DISCLAIM ALL OTHER WARRANTIES OR CONDITIONS OF ANY KIND (EXPRESS, IMPLIED, OR STATUTORY), INCLUDING WITHOUT LIMITATION IMPLIED WARRANTIES OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. LCA AND ITS SERVICE PROVIDER CANNOT AND DO NOT GUARANTEE THAT THE SERVICES WILL WORK IN ANY PARTICULAR WAY, NOR CAN LCA OR ITS SERVICE PROVIDER GUARANTEE ANY PARTICULAR RESULT. FRANCHISEE AGREES NOT TO HOLD LCA OR ITS SERVICE PROVIDER LIABLE, FINANCIALLY, OR OTHERWISE, SHOULD THE SERVICES FAIL TO PERFORM.

10. Indemnification

a. Franchisee shall indemnify, defend and hold LCA and all LCA Parties harmless from any and all liabilities, obligations, injuries, deficiencies, demands, claims, suits, actions or causes of action, assessments, awards, losses, damages, costs, fees (including reasonable fees and expenses of attorneys, accountants and other experts and consultants), expenses, interest, fines or penalties, (individually and collectively , the "Losses"): (i) resulting from Franchisee's unauthorized use or access to the Services; (ii) resulting from any actual violation by Franchisee of any third-party intellectual property rights; (iii) in connection with any dispute regarding ownership of or access to Franchisee Data; or (v) to the extent such Losses relate to, have arisen in connection with, or result directly or indirectly from Franchisee's breach of any term or condition of this Agreement.

b. Included in any indemnification hereunder shall be the reimbursement or direct payment of any award, damage and costs reasonably incurred by LCA or an LCA Party in the defense of any claim against LCA or an LCA Party, including, without limitation, reasonable accountants', attorneys' and expert witness' fees, costs of investigation and proof of facts, court costs, and other litigation expenses.

11. Limitation of Liability

a. NOTWITHSTANDING ANY OTHER PROVISION TO THE CONTRARY IN THIS AGREEMENT, UNDER NO CIRCUMSTANCES, WILL ANY OF THE LCA PARTIES OR LCA'S SERVICE PROVIDER BE LIABLE TO FRANCHISEE OR TO ANY PERSON OR ENTITY CLAIMING THROUGH FRANCHISEE FOR ANY LOST DATA, LOST PROFITS, OR COSTS OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, HOWEVER CAUSED AND UNDER ANY THEORY OF LIABILITY (INCLUDING NEGLIGENCE) EVEN IF AN LCA PARTY OR LCA'S SERVICE PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE MAXIMUM AGGREGATE LIABILITY OF THE LCA PARTIES AND LCA'S SERVICE PROVIDER FOR ANY DIRECT DAMAGES ARISING OUT OF OR RELATING TO THIS AGREEMENT SHALL NOT EXCEED THE AMOUNT OF FEES FOR THE SERVICES PAID OR PAYABLE UNDER THIS AGREEMENT. THE FOREGOING LIMITATIONS WILL NOT APPLY TO AN LCA PARTY'S OR LCA'S SERVICE PROVIDER'S GROSS NEGLIGENCE OR WILLFUL MISCONDUCT.

b. SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN WARRANTIES OR THE LIMITATION OR EXCLUSION OF LIABILITY FOR CERTAIN TYPES OF DAMAGES. ACCORDINGLY, SOME OF THE ABOVE DISCLAIMERS OF WARRANTIES AND LIMITATIONS OF LIABILITY MAY NOT APPLY TO FRANCHISEE. IN JURISDICTIONS WHERE LIMITATION OF LIABILITY FOR CONSEQUENTIAL OR INCIDENTAL DAMAGES IS NOT PERMITTED, THE LIABILITY OF LCA PARTIES AND LCA'S SERVICE PROVIDER IS LIMITED TO THE MAXIMUM EXTENT PERMITTED BY LAW.

12. Termination

a. Termination Rights for Incurable Defaults. Effective upon receipt of written notice, said notice presented to Franchisee in accordance with Section 13 below, LCA may terminate this Agreement without providing the Franchisee any right to cure upon the occurrence of any one or more of the following events (each of which event is deemed to be an "Incurable Default"):

i. Franchisee ceases to operate the Business, without the prior written consent of LCA or otherwise abandons such Business for a period of fourteen (14) consecutive days, or any shorter period that indicates Franchisee's intent to discontinue operation of such Business.

ii. Franchisee becomes insolvent, as that term is commonly defined using generally accepted accounting principles; is adjudicated as bankrupt; if any action is taken by Franchisee or by others against Franchisee under any insolvency, bankruptcy or reorganization act; if an assignment for the benefit of creditors is made by Franchisee in reference to the Business; or if a receiver is appointed to the Business.

iii. Franchisee uses any component of Confidential Information in violation of this Agreement, or otherwise negligently or intentionally discloses any component of the Confidential Information in violation of this Agreement.

iv. Franchisee violates any term, covenant or condition of this Agreement that: (i) contains its own right to cure, and Franchisee fails to cure such violation within such specified cure period; (ii) is a curable default that occurs a third time after having been cured twice before for the same breach, or (iii) is otherwise identified as an Incurable Default.

1.

v. Franchisee fails to pay the Services Fees for more than sixty (60) days after such fees are due.

b. Termination Rights for Curable Defaults. LCA will have the right to terminate this Agreement effective upon fifteen (15) days' written notice to Franchisee if Franchisee breaches any other term, covenant or condition of this Agreement not identified as an Incurable Default and fails to cure the default during such fifteen (15) day period.

c. Termination for Convenience. Unless prohibited by Franchisee's franchise agreement or license agreement with LCA, Franchisee may terminate this Agreement after the Initial Term set forth in Section 4 above upon thirty (30) days' prior written notice to LCA in accordance with Section 13. Such termination will be effective at the end of the calendar month following LCA's receipt of such notice.

d. Services Fees at Termination. If this Agreement terminates for any reason, any Services Fees paid to LCA, including any monthly fees paid in advance, shall not be returned to Franchisee.

13. Miscellaneous Provisions

a. Entire Agreement. This Agreement and the Exhibits hereto contain the entire understanding of the Parties and incorporates and merges herein all prior oral or written, express or implied conditions, agreements, contracts or understandings of the Parties. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations LCA made in the franchise disclosure document that LCA furnished to Franchisee.

b. Modifications. This Agreement may be modified only in a written agreement that is signed by all Parties. Notwithstanding the foregoing, LCA or its Service Provider may modify the Services and Documentation at any time.

c. Waivers. No waiver by either Party of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by a Party shall be considered to imply or constitute a further waiver by a Party of the same or any other condition, covenant, right or remedy.

d. Severability. If any provision of this Agreement is held invalid by any tribunal in a final decision from which no appeal is or can be taken, such provision shall be deemed modified to the least extent possible so as to eliminate the invalid element and, as so modified, such provision shall be deemed a part of this Agreement as though originally included.

e. Notices. Any notice required to be given pursuant to the terms and provisions hereof shall be in writing and shall be deemed to have been given and received (i) upon hand delivery, (ii) three days after being sent by certified or registered mail, return receipt requested or (iii) one (1) day after being sent by email or fax or by letter deposited with a recognized overnight courier with confirmation of next day delivery, addressed to a Party at the address provided to the other Party from time to time.

f. Enforceable Extensions. Any provision, term, covenant or condition of this Agreement that by its terms must extend beyond termination or expiration of this Agreement in order to remain enforceable shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

g. Independent Covenants. The Parties agree that each covenant herein shall be construed to be independent of any other covenant or provision of this Agreement.

h. Governing Law. This Agreement shall be interpreted in accordance with the laws of the state of Utah without consideration of any conflict of laws.

B.

i. Dispute Resolution. The parties hereto agree to submit all disputes, controversies or claims to binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association ("AAA") then in effect. The venue of any such Arbitration shall be held in Salt Lake City, Utah, and the arbitration shall be conducted in English. Within ten calendar days after the arbitration demand is served upon a party, the parties must jointly select an arbitrator with substantial experience in resolving commercial contract disputes. If the parties have not mutually agreed on an arbitrator within thirty (30) days after the demand for confidential arbitration is made and filed, the arbitrator shall be appointed in the manner provided by Rule 13 of the Commercial Arbitration Rules of the AAA. Except as may be required by law, neither a party nor the arbitrator may disclose the existence, content or results of any arbitration without the prior written consent of both parties, unless to protect or pursue a legal right. The arbitrator shall, within fifteen (15) calendar days after the conclusion of the arbitration hearing, issue a written award and statement of decision describing the essential findings and conclusions on which the award is based, including the calculation of any damages awarded. In determining an award, the arbitrator shall give effect to all limitations and disclaimers in this Agreement, and in no event shall the arbitrator (i) award punitive damages, (ii) award non-economic damages, such as for emotional distress, pain and suffering or loss of consortium or reform, or (iii) modify or materially change this Agreement or any other agreements contemplated hereunder. The parties hereby mutually waive any claim for damages which may be awarded in excess or conflict with the foregoing in connection with any dispute subject to confidential arbitration under this Agreement. The decision of the arbitrator shall be final and binding and no party shall have rights of appeal and the judgment thereon may be entered into any court having jurisdiction over the parties and the subject matter thereof. Each party shall bear its own costs and fees in connection with the arbitration; however, the arbitrator shall have the power to order one party to contribute to the reasonable costs and expenses of the other party, or to pay all or any portion of the costs of the arbitration. ANY CLAIMS MADE IN ARBITRATION MUST BE BROUGHT IN THE PARTIES' INDIVIDUAL CAPACITY AND NOT AS A PLAINTIFF OR CLASS MEMBER IN ANY PURPORTED CLASS OR REPRESENTATIVE PROCEEDING. THE ARBITRATOR MAY NOT CONSOLIDATE MORE THAN ONE PERSON'S CLAIMS UNLESS OTHERWISE AGREED TO BY THE PARTIES IN WRITING AND MAY NOT OTHERWISE PRESIDE OVER ANY FORM OF A REPRESENTATIVE OR CLASS PROCEEDING. Notwithstanding the foregoing, (x) either party shall be permitted to seek a preliminary injunction or other equitable remedy in the courts to preserve rights, which may otherwise be lost or encumbered in the absence of injunctive relief, or to preserve the status quo, including but not limited to preserve confidentiality of Proprietary Information, and (y) any dispute, controversy or claim relating to the scope, validity, enforceability or infringement of any patents, copyrights, trademarks or trade secrets subject to this Agreement shall be submitted to a court of competent jurisdiction in state courts located in Salt Lake County, Utah or the federal courts located in Salt Lake City, Utah (unless such courts do not have personal jurisdiction in the dispute).

j. Survivability of Claims. Any claims by Franchisee against LCA must be made prior to the expiration of two years from the date the Agreement terminates.

k. Relationship of Parties. In all matters as between the Parties or between the Parties and the public, the only relationship between the Parties is that of franchisor and franchisee. Nothing in this Agreement or the relationship created thereby constitutes a partnership, agency, joint venture, or other arrangement between the Parties. Except as provided herein, each Party is: (i) liable for its own debts, liabilities, taxes, duties, obligations, defaults, compliance, intentional acts, wages, employees, negligence, errors, or omissions and not that of the other Party; and, (ii) responsible for the management and control of its business including its daily operations and employee matters. Each Party agrees not to hold itself out by action or inaction, contrary to the foregoing. It is understood and agreed that the Agreement does not establish a fiduciary relationship between the Parties.

l. Definition of Day. Unless otherwise stated, a "day" shall refer to a calendar day and a "business day" shall refer to any day except Saturday, Sunday or any other day on which commercial banks located in Salt Lake City, Utah are authorized or required by Law to be closed for business

C.

m. Counterparts; Electronic Signatures. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument. Electronic signatures or digitally transmitted signed documents shall be deemed to effectively bind the Parties.

n. Singular and Plural. The Parties further agree that the singular shall include the plural where applicable, the reference to one gender shall refer to the other gender and the use of the term “including” shall mean “including but not limited to”.

o. Due Diligence. The Parties further agree that this Agreement was diligently reviewed by each Party. As a result, any vague or inconsistent term, covenant or condition herein shall not be interpreted against that Party that drafted it merely because of such drafting.

p. Prevailing Party. In the event that either Party brings any action in reference to this Agreement, the “Prevailing Party” in such action shall be awarded all reasonable attorneys’ fees, expert witness fees, court costs and discovery costs incurred. For purposes of this Agreement, the Prevailing Party shall be deemed that Party that has prevailed on a majority of the issues decided by the trier of fact, law or equity.

q. Legal Authority of LCA. LCA is duly incorporated, validly existing and in good standing under the laws of the State of Delaware with full legal power and authority to conduct its business, to enter into the Agreement to which it is a party and to carry out its obligations thereunder.

r. Legal Authority of Franchisee. Franchisee is duly organized, validly existing and in good standing under the laws of the state in which Franchisee is located with full legal power and authority to conduct its business, to enter into the Agreement to which it is a party and to carry out its obligations thereunder.

s. Compliance with Laws. Franchisee shall comply with all applicable laws regarding Franchisee’s use of and access to the Services.

t. Third-Party Beneficiaries. The Parties agree and acknowledge that LCA’s Service Provider is a third-party beneficiary of this Agreement, with the right to enforce applicable terms of the Agreement against Franchisee.

This Agreement was executed by the Parties as of the Effective Date:

LCA

LARADA SCIENCES, INC.

By: ___________________________ (sign)

Name: _________________________________ (print)

Title: ___________________________

Effective Date: ___________________________

FRANCHISEE		FRANCHISEE	
By:	______________________ (sign)	By:	______________________ (sign)
Name:	______________________ (print)	Name:	______________________ (print)
Title:	______________________	Title:	______________________
Date:	______________________	Date:	______________________
Email:	______________________	Email:	______________________
Phone:	______________________	Phone:	______________________

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EXHIBIT A
MEEVO TERMS OF USE

Each capitalized term shall have the meaning ascribed to it in the Agreement.

1. Access and Use of the Services by Franchisee

a. Franchisee acknowledges and agrees that Franchisee's rights to access and use the Services are personal, non-exclusive, non-transferable and non-sublicensable. Franchisee acknowledges and agrees the Services may only be used for Franchisee's operation of Franchisee's Business and not for the benefit of any other person or entity other than LCA.

b. LCA and its Service Provider reserve the right to suspend or terminate Franchisee's use of the Services if LCA or its Service Provider discovers, or has a reasonable basis to believe, that Franchisee has violated the Agreement. Franchisee is responsible for maintaining the confidentiality of its Users' log-in details and Franchisee is fully responsible for all activities that occur under Franchisee's account. Franchisee shall exercise commercially reasonable best efforts to prevent unauthorized access to, or use of the Services, and shall notify LCA immediately of any actual, threatened, or suspected unauthorized access to, or use of the Services. LCA and its Service Provider will not be liable for any loss or damage arising from Franchisee's failure to protect the confidentiality of its Users' log-in details.

2. Prohibitions on Use; Limitations; Restrictions

a. Franchisee shall not: (i) make the Services or Documentation publicly available or grant access to the Services or the Documentation except as expressly authorized under this Agreement; (ii) adapt, analyze, decompile, disassemble, reverse engineer, modify or translate the Services or the Documentation; (iii) transfer access to the Services to another entity without LCA's express and prior written consent; (iv) transmit by any media or copy, in whole or in part, the Services or the Documentation; or (v) distribute or allow use of the Services by any third party other than LCA.

b. Franchisee shall not: (i) submit any infringing, obscene, defamatory, threatening, or otherwise unlawful or tortious material to the Services, including any material that violates privacy rights; (ii) interfere with or disrupt the integrity or performance of the Services or the data contained in the Services; (iii) attempt to use or gain access to the Services or related systems or networks in a manner not authorized by this Agreement; (iv) post, transmit or otherwise make available through or in connection with the Services any virus, worm, Trojan horse, Easter egg, time bomb, spyware or other harmful computer code, files, scripts, agents or programs; (vi) remove any copyright, trademark or other proprietary rights notice from the Services; (vii) frame or mirror any portion of the Services, or other incorporate any portion of the Services into any product or service; (viii) systematically download and store content from the Services; or (ix) use any robot or manual or automatic device to retrieve, index, data mine or otherwise gather content from the Services or circumvent the navigational structure or presentation of the Services. Franchisee is solely responsible for any liability resulting from mishandling or misuse of any of Franchisee Data by Franchisee or Franchisee's Users.

3. Audits

a. Franchisee understands and agrees that LCA's Service Provider has access to and may monitor Franchisee's use of the Services to ensure compliance with Franchisee's obligations under this Agreement and may limit Franchisee's access to the Services at any time should LCA's Service Provider reasonably believe Franchisee has, or may at some point in the future, violate this Agreement.

4. Third-Party Services

a. Franchisee's access to and use of any Third-Party Services is governed solely by the terms and conditions imposed by such Third-Party Services. LCA and its Service Provider do not endorse, are not responsible or liable for, and make no representations as to any aspect of such Third-Party Services, including without limitation, content, or the

handling, protection, management or provisions of data (including Franchisee Data) or any interaction between Franchisee and the provider of such Third-Party Services. LCA and its Service Provider are not liable for any damage or loss caused or alleged to be caused by or in connection with Franchisee's enablement, access or use of any such Third-Party Services, or Franchisee's reliance on the privacy practices, data security processes or other policies of such Third-Party Services. Franchisee may be required to register for or log into such Third-Party Services on their respective websites.

5. Modifications to Services

a. Franchisee understands that LCA or its Service Provider may from time to time update, change or revise the Services, and that all such updates, changes and revisions will be deemed part of the Services for all purposes of this Agreement.

6. Ownership

a. All copyrights, trademarks, patent, and other intellectual property rights in the Services, including without limitation the design, text, graphics, interfaces, and the selection and arrangements thereof, are owned by LCA or its Service Provider, with all rights reserved. Franchisee acknowledges that Franchisee is not receiving any ownership interest in or to any of the foregoing, and no right or license is granted to Franchisee to use the same apart from Franchisee's right to access it under this Agreement.

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EXHIBIT B

Fees for the Services and Usage Limitations

Metric	Maximum Quantity	Fees per Month
Users	25	Included in the Technology Fee
Text Messages	1500 per month	
Emails	3,000 per month	

OVERAGE CHARGES

Text Messages: $ 0.04 per message if Franchisee exceeds 1500 messages per month

Emails: $ 0.30 per 1000 emails if Franchisee exceeds 3000 emails per month

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EXHIBIT C

Operational Requirements

1. Franchisee shall process all of its client transactions through the Services.
2. Franchisee shall complete an electronic record in the Services for each client who receives a service or buys a product (the "Client Record").
3. Franchisee shall ensure each client receiving an AirAllé treatment completes the Consent for Treatment form (as it is defined in Franchisee's franchise agreement or license agreement) in the Services.
4. Franchisee shall complete any other consent forms as required by LCA during the term of this Agreement.
5. Franchisee shall use text and email functionality of the Services to notify and confirm appointment set-up and/or changes, and for sending pre- and post-treatment information to each client's primary caregiver/contact.
6. Franchisee shall refer to treatments and services as pre-defined in the Services: Signature AirAllé, Express AirAllé, Comb-out and Head Lice Screening.
7. LCA reserves the right to create an operations manual for its franchise system. If LCA creates such a manual, Franchisee agrees to use the Services according to the requirements listed in that operations manual.

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EXHIBIT J

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
California	April 20, 2026
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Pending
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	Pending
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

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EXHIBIT K

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If we do not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and those state administrators listed on Exhibit D.

The franchisor is Larada Sciences, Inc. located at 4873 South State Street, Murray Utah 84107. Our telephone number is (801) 533-5423.

Issuance Date: April 17, 2026

Our franchise sellers involved in offering and selling the franchise to you are Scott Wilson, 801-430-8550, and the name, address and telephone number of any other franchise sellers involved in offering and selling the franchise to you are listed below or will be provided to you separately before you sign a franchise agreement:
____.

We authorize the respective state agencies identified on Exhibit D to receive service of process for us in the particular state.

I have received a disclosure document dated April 17, 2026 that included the following Exhibits:

(A) Financial Statements	(H) Business Associate Agreement
(B) Franchise Agreement	(I) Operations Manual Table of Contents
(C) Lists of Franchisees and Outlets, and Former Franchisees	(J) Point of Sale Subscription Agreement
(D) List of State Administrators; Agents for Service of Process	(K) State Effective Dates
(E) State Specific Addenda	(L) Receipt
(F) Disclosure Acknowledgment Agreement	
(G) Termination and General Release Agreement	

Date:________________________
(Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

Copy for Franchisee

Receipt

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If we offer you a franchise, we must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, us or our affiliate in connection with the proposed franchise sale. Iowa and New York require that we give you this disclosure document at the earlier of the first personal meeting or 10 business days (or 14 calendar days in Iowa) before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Michigan requires that we give you this disclosure document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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(F) Disclosure Acknowledgment Agreement	
(G) Termination and General Release Agreement	

Date:________________________
(Do not leave blank)

____
Signature of Prospective Franchisee

____
Print Name

Copy for Larada

Please sign and date both copies of this receipt. Keep one copy (the previous page) for your records. Scan and email one copy (this page) to FDD@laradasciences.com. Although email is preferred, you may instead mail one copy (this page) to the address listed on the front page of this disclosure document.