FRANCHISE DISCLOSURE DOCUMENT

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NEUROSCULPTING INSTITUTE

Neurosculpting Institute Franchising, LLC is offering franchises for businesses that offer the instruction and facilitation of our proprietary 5-step meditation methodology.

The total estimated initial investment necessary to begin operation of a Certified NEUROSCULPTING Facilitator franchise ranges from $10,100 to $130,650. This includes approximately $7,500 that must be paid to the franchisor or its 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 us at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218, telephone (303) 981-9743.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as *"Buying a Franchise: A Consumer Guide"* 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 29, 2022

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, Exhibit C or Exhibit D.
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 the support to my business?	Item 21 or Exhibit E includes the 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 NEUROSCULPTING 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 NEUROSCULPTING franchisee?	Item 20 or Exhibit C and Exhibit D 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 in order to continue to operate your franchise business.

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

Some States Require Registration

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

Your state 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 risks be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement requires you to resolve disputes with the franchisor by mediation or litigation only in Colorado. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Colorado than in your own state.
2. **Financial Condition**. The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.

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.

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.

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 any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provisions of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 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 language has been included in this Disclosure Document as a condition to registration. The Franchisor and Franchisee do not agree with the above language and believe that each of the provisions of the Franchise Agreement, including all choice of law provisions, are fully enforceable. The Franchisor and the Franchisee intend to fully enforce all of the provisions of the Franchise Agreement and all other documents signed by them, including but not limited to, all venue, choice-of-law provisions and other dispute resolution provisions.

(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 franchisee 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 the notice should be directed to:

State of Michigan
Consumer Protection Division
Attention: Franchise
P.O. Box 30213
Lansing, Michigan 48909
Telephone Number: (517) 373-7117

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ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

The Franchisor and any Parents, Predecessors and Affiliates

The name of the franchisor is Neurosculpting Institute Franchising, LLC. Neurosculpting Institute Franchising, LLC will be referred to as "**we**," "**us**," "**our**" or "**NSIF**" in this Disclosure Document. We will refer to the person who buys the franchise as "**you**" or "**your**" throughout this Disclosure Document. If the franchisee is a corporation, partnership or limited liability company, certain provisions of the Franchise Agreement will also apply to the owners and will be noted. NSIF's principal offices are located at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218. We presently do business under the names "Neurosculpting Institute Franchising" and "The Neurosculpting Institute." We were formed on January 20, 2016, as a Colorado limited liability company. Our agents for service of process are listed on Exhibit A.

Ripple Effect, LLC, a Colorado limited liability company ("**REL**") formed on January 26, 2007, is our affiliate. REL has provided instruction and facilitation of our 5-step meditation methodology to members of the general public and to trauma and law enforcement teams since January 2007. REL began operating The Neurosculpting Institute in January 2012 in Denver, Colorado. REL is also an approved supplier of training, instructional materials, marketing materials and other items to franchisees. REL's principal place of business is 2126 Gilpin Street, Denver, Colorado 80205. We have no parent or predecessor company.

In January 2020, our affiliate REL began offering the Neuropraxis App, a curated library of NEUROSCULPTING meditations designed for persons suffering from chronic pain associated with Lyme disease, mold exposure, toxins and viruses, including COVID-19. The Neuropraxis App is designed to be used as a mobile meditation tool, but it does not teach the NEUROSCULPTING 5-step mediation methods, nor does it function as a prerequisite towards certification or substitute for any type of certification.

The Franchise

We offer franchises for businesses that offer the instruction and facilitation of our proprietary 5-step meditation methodology. The meditation process is well-suited to be used by first responders and others engaged in high-stress occupations, including paramedics, police officers, doctors and other health care providers. Our franchisees are referred to as "**Certified NEUROSCULPTING Facilitators**," "**Facilitators**" or "**CNSFs**." Certified NEUROSCULPTING Facilitators use our distinctive instruction and facilitation techniques and methods, instruction materials, presentation methods, advertising, promotional and marketing methods, and operational standards and specifications (together, the "**Licensed Methods**"). We franchise under our trade name and service mark "NEUROSCULPTING" and other logos, trademarks, service marks and commercial symbols (together, the "**Marks**"). We may also refer to Certified NEUROSCULPTING Facilitators in this Disclosure Document as "**Tier 1 Facilitators.**"

A Franchise Agreement ("**Franchise Agreement**"), which is attached as Exhibit B to this Disclosure Document, is signed by each prospective Certified NEUROSCULPTING Facilitator. By signing a Franchise Agreement, you will receive the right to use our Marks and Licensed Methods to operate a business that provides instruction and facilitation of our proprietary 5-step meditation methodology ("**Franchised Business**"). Clients of your Franchised Business will not be required to purchase membership subscriptions. You may operate a Franchised Business via remote online platform or in a variety of locations, including yoga studios, health clinics, libraries, event centers, meeting rooms, store fronts, offices, and other locations where a quiet, private room is available. You may, but you are not

required to, operate the Franchised Business from a single, specified location that is owned or leased by you.

Regulations

You must investigate and comply with all local, state and federal laws and regulations affecting your Franchised Business. We are not aware of any regulations specific to Certified NEUROSCULPTING Facilitators in your state, although you are responsible for complying with all local, state and federal laws of a general nature which affect your Franchised Business. If, however, you operate the Franchised Business from a fitness center, you may be subject to some of the same regulations as health clubs, which may include licensing and bonding requirements. You should consult with your attorney on this subject, especially regarding state and local laws, rules and regulations that may affect your Franchised Business at your particular location. Clients are not required to purchase a membership subscription. You are responsible for complying with employment, workers' compensation, insurance, corporate, taxing, licensing, privacy and similar laws and regulations, as applicable.

Market and Competition

The market for your services will include members of the general public who wish to learn methods of meditation and relaxation, including women, men and children at least 4 years of age. The sale of the services offered by Certified NEUROSCULPTING Facilitators is not seasonal. The meditation, mindfulness, and stress relief industries are very fragmented. You may encounter competition from yoga studios, various types of health and wellness clinics and Internet sites that offer services related to meditation, mindfulness and stress relief. You may even experience competition from other CNSFs within the same market area as your Franchised Business and from our affiliate REL.

Business History

Our founder, Lisa Wimberger, has practiced meditation for over 35 years. Ms. Wimberger began providing instruction and facilitation of various meditation techniques to the general public over 25 years ago. Over time, Ms. Wimberger developed the 5-step NEUROSCULPTING meditation methodology, and 10 years ago she opened The Neurosculpting Institute to provide meditation instruction and facilitation services similar to those provided by CNSFs. REL currently operates The Neurosculpting Institute in Denver, Colorado. REL previously licensed NEUROSCULPTING methods similar to those described in this Disclosure Document from 2013 to 2015. Since April 2017, REL has either terminated or converted all former licensees to franchises. Because our business is limited to operating as a franchisor, we do not currently provide NEUROSCULPTING services of the type to be offered by your Franchised Business. We have offered franchises to individuals to operate businesses as Certified NEUROSCULPTING Facilitators since April 2016. Neither we nor any affiliate have offered franchises in any other line of business. Except as described above, no affiliate has offered franchises for the same type of business to be operated by you.

ITEM 2

BUSINESS EXPERIENCE

Founder and President: Lisa Marie Wimberger

Ms. Wimberger has been our President since our inception in January 2016. She has also served as the Managing Member of our affiliate Ripple Effect, LLC, since its inception in January 2007. She is the founder of The Neurosculpting Institute and the developer of our 5-step NEUROSCULPTING

meditation methodology. Since January 2012, she has instructed clients in mediation through The Neurosculpting Institute.

Director of Facilitator Engagement: Danielle Rachlin

Ms. Rachlin has served as our Director of Facilitator Engagement since April 2021. In addition to this position, she served as a Communications and Marketing Specialist for us since February 2019. Since April 2021, she has also served as President and Executive Director of Natural Wanders, a non-profit organization based in Colorado focused on environmental education. From 2012 to 2020, Ms. Rachlin was a student, earning her bachelor's degree from the University of Colorado at Denver, in 2019, and her Master's in Public Administration, also from the University of Colorado in Denver, in 2020.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

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

ITEM 5

INITIAL FEES

You will pay an initial franchise fee of $7,500 either as a lump sum when you sign the Franchise Agreement and register for training as a Certified NEUROSCULPTING Facilitator, or in monthly installments over two to 10 months, with the first installment due when you sign the Franchise Agreement and the final installment due on your last day of training as a Certified NEUROSCULPTING Facilitator. This fee includes your training and certification, the cost of marketing materials for your opening marketing campaign, and the internet directory fee. See Item 7. See Item 10 for more information about financing.

All initial fees, once paid, are nonrefundable, unless you are incapable of attending training due to personal or family medical reasons. All franchisees currently acquiring a franchise pay the same franchise fee and all franchisees paid the same initial franchise fees in our most recent fiscal year.

ITEM 6

OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Training Program Expenses[1, 3]	Travel and living costs associated with attending mandatory in-person training sessions.	As incurred	Initial training is included as part of your initial franchise fee, except for those costs paid to other parties. We may require additional training at other times at your expense, ranging from $500 to $1,000 per session.
Additional Assistance Fee[2]	Then current published hourly rate, plus expenses. Our hourly rate is $150 as of the date of this Disclosure Document.	As incurred	Payable for additional assistance if you request it.
Tier 1 Annual Certification Program Fee [1,2]	$210 minimum for Tier 1 Facilitators. This fee may increase in later years.	Each year before the anniversary date of your Franchise Agreement	You must attend at least 12 hours of ongoing education classes to maintain your Tier 1 certification each year during the term of the Franchise Agreement.
Annual Internet Directory Fee[2]	$120 - $150 per year	Annually	This fee reimburses our costs to maintain your business listing on our website beginning in year two of your Franchise Agreement. The fee is subject to increase if our costs increase.
Successor Franchise Fee[1]	$500	Before expiration of the current Franchise Agreement	Payable if you wish to renew your Franchise Agreement.
Costs and Attorneys' Fees[2]	Will vary depending on nature of your default or the claim brought.	As incurred	Payable if we are successful in a legal action or arbitration proceeding.
Indemnification Under Franchise Agreement[2]	Will vary depending on nature of the claim against us.	As incurred	You must reimburse us if we are held liable for claims resulting from the operation of your Franchised Business.
Costs of Inspection and Audit[2]	Varies according to your location.	As incurred	Payable only if you do not cooperate in performance of inspection and audit.

Type of Fee	Amount	Due Date	Remarks
Payments for Items Supplied by us or our affiliates[2]	Then-current published prices, subject to increase based on the then current published rate. Published prices range from $30 to $150 as of the date of this Disclosure Document.	As incurred	We charge you for items you purchase from or through us or our affiliates. Paid by electronic funds transfer or credit card or other means we designate.
Recommended Local Advertising Expenditure[1]	$50 a month; this is also the amount you would contribute to an Advertising Fund or Association if we were to establish an Advertising Fund or Association in the future.	We recommend that you spend this amount each month, averaged over a 3-month period, starting when you begin operating as a CNSF	This local advertising expenditure is the recommended minimum average which should be spent during each month. If we establish an Advertising Fund or Association, businesses operated by us or our affiliates will contribute to the Advertising Fund or Association on the same basis as franchisees.

[1] Fees which are not paid to us but are not refundable.

[2] Fees which we charge and must be paid to us. We do not refund these fees. All fees and charges are payable by electronic funds transfer and pre-authorized credit card. Except as described in this Item, all fees are uniformly imposed on franchisees currently acquiring a franchise. We reserve the right to increase and modify these fees, under certain circumstances, including to resolve disputes, to address current business and economic conditions and under other circumstances.

[3] Expenses associated with travel, meals and lodging while attending training sessions. All of these expenses are payable to third parties. These expenses will vary according to where you stay, where you eat and how far you have to travel.

ITEM 7

ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Initial Franchise Fee (See Note 1)	$7,500	Lump Sum or in Installments	Lump sum due at signing of Franchise Agreement or paid in installments.	Us
Leasehold Improvements (See Note 2)	$0-$100,000	As incurred	Before Commencing Operations	Other Suppliers

Type of Expenditure	Amount	Method of Payment	When Due	To Whom Payment Is To Be Made
Furniture and Fixtures (See Note 3)	$0-$8,000	As incurred	Before Commencing Operations	Other Suppliers
Computer System (See Note 4)	$0-$4,000	As incurred	Before Commencing Operations	Other Suppliers
Website Maintenance Fee (See Note 5)	$0-$150	As incurred	Before Commencing Operations	Other Suppliers
Initial Training Expenses (See Note 6)	$2,000-$4,000	As incurred	Before Commencing Operations	Other Suppliers
Utility Deposits and Business Licenses (See Note 7)	$500-$5,000	As incurred	Before Commencing Operations	Other Suppliers
Additional Funds - 3 Months (See Note 8)	$100-$2,000	As incurred	As Incurred	Other Suppliers
TOTAL ESTIMATED INITIAL INVESTMENT (See Note 9)	**$10,100 - $130,650**			

Explanatory Notes

Note 1: Initial Franchise Fee. You will pay the initial franchise fee of $7,500 either as a lump sum when you sign the Franchise Agreement and register for training as a Certified NEUROSCULPTING Facilitator, or in monthly installments, ranging from two to 10 months with the first installment due when you sign the Franchise Agreement and the final installment due on your last day of training as a Certified NEUROSCULPTING Facilitator. Included in this fee are the cost to list your business on our Internet directory and the cost of Opening Marketing Campaign Materials.

Note 2: Leasehold Improvements. You may choose to offer services through online platforms that enable remote attendance. If you offer in-person services, you must obtain space that allows you to conduct meditation sessions in a closed room that is not in your home. You may choose to buy or rent a facility, to operate your Franchised Business in the facilities occupied by your clients, or to conduct meditation sessions in a public space, such as a meeting room in a public library. The low-range estimate in the chart above assumes that you will not buy or rent space on a long-term basis.

These costs may vary significantly from market to market. If you purchase property or a building, or both, your additional costs will depend on the location and size of the land and building. We are unable to estimate these costs due to the significant variances based on location and market conditions. We are also unable to estimate the cost of leasing space or any lease security deposit due to significant variances based on market conditions, size, whether the landlord provides a tenant finish allowance and other variables. If you intend to lease space, you should investigate the rates in the area in which you propose to operate your Franchised Business as well as the other factors which will affect your rent and lease security deposit.

Note 3: Furniture and Fixtures. This item includes basic furnishings. The low-range estimate in the chart above assumes that you will not buy or rent space on a long-term basis and will not need to purchase furniture and fixtures.

Note 4: Computer System. This estimate includes the cost of a new Computer System, including hardware and software. The low-range estimate in the chart above assumes that you will not need to buy new computer hardware or software. See Item 11 for a general description of the recommended computer hardware and software for your Franchised Business.

Note 5: Website Maintenance Fee. This is the range of fees you will pay to third parties for ongoing maintenance to your linked webpage. See Items 8 and 11.

Note 6: Initial Training Expenses. Your travel and living expenses when you attend our in-person initial training program vary depending on the length of your instruction, the distance you must travel and the standard of living you desire while you attend the program. We may conduct initial training remotely, and the low-range estimate in the chart above assumes that you will attend initial training remotely.

Note 7: Utility Deposits and Business Licenses. Utility deposits range from a nominal amount to approximately $2,000 and business licenses range from a nominal amount to approximately $3,000.

Note 8: Additional Funds. This estimates your pre-operational expenses, which we have not listed above, as well as additional funds necessary for the first three months of your business operations. These figures are estimates and we cannot guarantee that you will not have additional expenses starting your Franchised Business. Your costs depend on factors such as: how much you follow our methods and procedures; your management skill, experience and business acumen; local economic conditions; the local market for our services; the prevailing wage rate; competition; and the sales level reached during this initial period. This item includes a variety of expenses and working capital items during your start-up phase such as: legal and accounting fees; insurance premiums; additional advertising and promotional expenses and materials; and other miscellaneous costs. This item does not include a salary for you. The chart does not include the cost to purchase land or a building or lease space. You should investigate the market rates for the purchase of land or a building and the rental rates in the area where you propose to locate your Franchised Business.

Note 9: Basis For Estimates; Financing. We relied on our founder's more than 25 years of experience providing meditation instruction and facilitation and 10 years of experience operating The Neurosculpting Institute when preparing these figures. Because the ranges in the chart are only estimates, it is possible both to reduce and exceed the estimated range of costs listed in each item of the chart. In certain major metropolitan areas, actual costs may substantially exceed the high range estimates in the chart. You should review these figures carefully with a business advisor before making any decision to purchase a franchise. We offer financing of your initial franchise fee. See Item 10. We do not offer financing in connection with any other portion of your initial investment. The availability and terms of financing from independent third parties depend on factors such as the availability of financing generally, your creditworthiness, other security and collateral you may have and policies of lenders. None of the fees and costs estimated in the chart above are refundable, except deposits paid to third parties may be refundable.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Operations

You must establish, maintain and operate your Franchised Business in compliance with your Franchise Agreement. It is mandatory that you comply with the standards and specifications contained in an operations manual we provide to you, in the form of one or more manuals, technical bulletins or other written or electronic materials (together, "**Operations Manual**"), which we may modify. We provide you with our mandatory standards and specifications for the services you offer as a Certified NEUROSCULPTING Facilitator and for advertising materials, insurance, and other items used in the operation of your Franchised Business.

Internet Directory and Website

We will list you on our Internet directory of Certified NEUROSCULPTING Facilitators for the first year at no additional charge. If you choose to remain in our directory, you will pay us an annual internet directory fee of $120 to $150, depending on our cost, at the start of your second year as a CNSF. We reserve the right to increase this fee if our costs increase. See Item 7. We recommend that you also create a webpage that you will link to our website and which conforms to our standards and specifications. You are responsible for creating and maintaining website content for your linked webpage. To maintain your linked webpage, you should purchase website maintenance services from third parties approved by us. Any webpage where you use the Marks and any other electronic advertising must comply with our policies and rules regarding development, maintenance, use and content. We reserve the right to require you to make changes to your website and any other electronic advertising if we determine that they do not conform to our standards and specifications. We also reserve the right to charge you a fee for access to electronic or other communication or technology services we provide or make available to you.

Computer System

You must have access to computer equipment and software (the computer equipment and software is referred to as "**Computer System**") which meets our standards and specifications. We recommend purchasing a computer system, such as an iMac, with an attached web camera and general office and financial management software. We reserve the right to develop and own proprietary software, license it to you, and to derive revenue from license and maintenance fees. We reserve the right to change our standards and specifications for the Computer System.

Insurance

You must procure, maintain and provide, upon our request, evidence of (i) commercial general liability insurance for your Franchised Business and its operations with a limit of not less than $1,000,000 combined single limit; and (ii) unemployment and worker's compensation insurance with a broad form all-states endorsement coverage sufficient to meet the requirements of the law, if applicable. Upon 60 days prior written notice to you, we reserve the right to change the type of insurance you are required to maintain and to revise the required coverage limits.

Purchases from Designated or Approved Sources, Including Advertising and Marketing Materials and Instructional Materials

We reserve the right to designate a single approved supplier for certain supplies and services, including advertising and marketing materials and instructional materials. If there is no designated or approved supplier for a particular item, you may purchase, lease, sell or use supplies and services that meet our standards and specifications from any source. After you pay your initial franchise fee and upon your request, we will give you a list of our recommended suppliers, and the standards and specifications for supplies and services to be used by you in the operation of your Franchised Business. Lisa Wimberger, our President, is the sole owner of our affiliate REL, an approved supplier of advertising and marketing materials. Other than Ms. Wimberger's ownership of REL, none of our officers, managers, or members own an interest in any other designated or approved suppliers.

Our affiliate, REL, is currently the only approved supplier of advertising, promotional and instructional materials and may derive revenue from sales of these items in fiscal year 2022. Neither we nor REL had any revenues from the sale of these items to franchisees in fiscal year 2021. We estimate that the costs of your purchases from designated or approved sources, or according to our standards and specifications, may range from 5% to 20% of the total cost to begin operations as a Certified NEUROSCULPTING Facilitator and approximately 5% to 20% of the total cost of operating your Franchised Business after that time.

We do not provide material benefits, such as renewal or granting additional franchises to franchisees based on your use of recommended suppliers.

Advertising and Marketing

All marketing and promotion of your Franchised Business must conform to our standards and specifications. You must submit to us samples of all advertising and promotional materials to be used in radio, TV, print or other paid advertising that have not been prepared or previously approved by us. We retain the right to develop and control all advertising using our Marks on the Internet, through social media or other electronic advertising. We reserve the right, on 30 days prior written notice to you, to require that you participate in electronic advertising.

Purchasing Arrangements

We have no purchasing or distribution cooperatives at the current time. Periodically, we may negotiate purchase arrangements with suppliers for the benefit of our franchisees. We can require that you participate in these arrangements and programs if we determine that they will be effective in growing your Franchised Business. You should not rely on the continued availability of any particular discount buying, pricing or distribution arrangement, or the availability of any particular product or brand in deciding whether to purchase the franchise. We and our affiliates have the right to receive payments from suppliers on account of their dealings with you and other franchisees. We did not receive any payments from suppliers as a result of franchisee purchases in the fiscal year ending December 31, 2021. We have the right to retain the credit of any volume discounts, rebates or incentives received as a result of your purchases.

ITEM 9

FRANCHISEE'S OBLIGATIONS

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

Obligation		Section in Franchise Agreement	Item in Disclosure Document
(a)	Site selection and acquisition/ lease	Sections 3.1 and 3.3	Items 8 and 11
(b)	Pre-opening purchases/leases	Sections 5.1, 5.2 and 5.4	Items 5, 6, 7 and 8
(c)	Site development and other pre-opening requirements	Sections 5.1, 5.2, 5.3 and 5.4	Items 7, 8 and 11
(d)	Initial and ongoing training	Article 6	Item 11
(e)	Opening	Sections 5.3 and 7.1	Item 11
(f)	Fees	Sections 4.1, 5.4, 5.9, 6.1, 9.1, 9.2, 12.4, 12.6, 16.4, 18.3, 22.6 and Article 11	Items 5, 6 and 7
(g)	Compliance with standards and policies/ Operations Manual	Articles 8 and 12	Items 11 and 14
(h)	Trademarks and proprietary information	Article 13	Items 13 and 14
(i)	Restrictions on products/services offered	Sections 10.1, 12.4, 12.5 and 12.6	Item 16
(j)	Warranty and customer service requirements	Not applicable	Not applicable
(k)	Territorial development and sales quotas	Not applicable	Not applicable
(l)	On-going product/service purchases	Sections 5.1, 5.4 and 10.1	Item 8
(m)	Maintenance, appearance and remodeling requirements	Sections 10.1 and 16.3	Item 8
(n)	Insurance	Article 20	Item 8
(o)	Advertising	Section 9.1 and Article 11	Items 5, 6, 7 and 11
(p)	Indemnification	Section 18.3	Item 6
(q)	Owner's participation/ management/ staffing	Article 10.1	Items 11 and 15
(r)	Records and reports	Article 14	Items 6 and 11
(s)	Inspections/audits	Section 12.3	Item 6
(t)	Transfer	Article 15	Item 17
(u)	Renewal	Article 16	Item 17; Exhibit H
(v)	Post-termination obligations	Section 17.3	Item 17
(w)	Non-competition covenants	Article 21 of	Item 17; Exhibit G
(x)	Dispute resolution	Article 21 of	Item 17
(y)	Owner's Guaranty	Exhibit II	Item 15

ITEM 10

FINANCING

We currently offer financing of your initial franchise fee. If you choose to finance your initial franchise fee of $7,500, you will pay equal monthly installments over a period of two to 10 months with the first installment due when you sign the Franchise Agreement. You will pay the final installment plus interest at 12% per annum, on or before the last day of your initial training, pursuant to the terms of a promissory note attached as Exhibit I to this Disclosure Document. If you fail to pay the remaining balance on time, we may charge interest on the past due balance at a rate of 18% per annum, terminate your Franchise Agreement, and recover from you a $50 late fee, plus all costs we incur in collecting the past due balance, including attorneys' fees. No security interest must be pledged, and we will not require anyone except the individual franchisee or owners of the franchise entity to guaranty the note. We will not sell or assign your promissory note.

Except as described above, neither we nor any agent or affiliate offer direct or indirect financing to you. We do not guarantee your note, lease or other obligations. We do not receive any benefit, monetary or otherwise, from any lender.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING

Except as listed below, NSIF is not required to provide you with any assistance.

Pre-Opening Assistance

Before you begin operating your Franchised Business, we or our designee will:

1. Conduct an initial training program described below in this Item 11. (Sections 6.1, 6.2, 6.3 and 6.4 of Franchise Agreement)

2. Provide you with a designated mentor for the duration of your teaching practicum. (Section 7.1.b of Franchise Agreement)

3. Provide up to two days of in-person or remote assistance at or around the time you begin operating your Franchised Business. (Section 7.1.d of Franchise Agreement)

4. Loan you one hard copy or provide electronic access to our confidential and proprietary Operations Manual, covering the specifications, standards, and operating procedures that we require and information about your obligations. (Section 8.1 of Franchise Agreement)

5. Provide you with assistance and advice about how to conduct your grand opening marketing campaign. (Section 7.1.e of Franchise Agreement)

6. Provide you with access to our "best practices" network of franchisees. (Section 7.1.f of Franchise Agreement)

Continuing Assistance

During the operation of your Franchised Business, we or our designee will:

1. Provide, at your reasonable request, consultation by telephone or electronic mail regarding the continued operation and management of your Franchised Business and advice regarding customer instruction and facilitation techniques, ancillary customer services, customer relations, customer marketing, and accounting. (Section 9.1.a of Franchise Agreement)

2. Give you access to advertising and promotional materials as we may develop them, the cost of which may be passed on to you at our option and, at your reasonable request, assist you via telephone or electronic mail in determining the media, timing and placement for your ongoing marketing program. (Section 9.1.b of Franchise Agreement)

3. Provide you with on-going updates of information and programs regarding instruction and facilitation techniques, including live monthly meditation and coaching calls, marketing and promotional programs, the competition, the industry, the NEUROSCULPTING 5-step meditation methodology and related Licensed Methods, including information about special or new services which we develop and make available to franchisees. (Section 9.1.c of Franchise Agreement)

4. Provide quarterly training sessions and periodically offer continuing education courses we may develop regarding new instruction or facilitation techniques, safety procedures, business accounting, advertising, presentation skills and other services. These are available remotely or in person if you wish to travel at your expense. (Section 9.1.e of Franchise Agreement)

5. Make our employees or designated agents available to you for advice and assistance regarding the on-going operation of your Franchised Business. If you request additional assistance and we agree to provide it, we may charge you for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with the assistance, plus a fee based on the time spent by each employee on your behalf. We charge you our then current hourly or daily rates at the time we assist you. (Section 9.2 of Franchise Agreement)

6. Provide you with opportunities to publish articles and advertise in our newsletters at a discounted rate. (Section 9.1.f of Franchise Agreement)

7. At your reasonable request, offer you coaching sessions with our founder, Lisa Wimberger, subject to Ms. Wimberger's availability, at a discounted rate. (Section 9.2 of Franchise Agreement)

8. Provide you with Community monthly membership benefits including a 10% discount on your ongoing education and eight audio meditations. (Section 9.1.g of Franchise Agreement)

Advertising and Promotion

NSIF or our designee and you will decide on the grand opening marketing campaign, to be conducted during the first six months after you complete the initial training and become certified. See Item 7 for the cost of the grand opening marketing campaign. Payment for a basic package of marketing materials you will use in your grand opening marketing campaign is included in your initial franchise fee. You are responsible for conducting the campaign. If we determine that you should conduct a more extensive campaign, the exact amount you must spend will be included in an Addendum to your Franchise Agreement, upon execution of your Franchise Agreement.

We do not currently collect, maintain or spend advertising contributions ("**Advertising Fund**") on behalf of our franchisees. We may, on 30 days written notice to you, create an Advertising Fund, if we deem it valuable for the development of the franchise system, and require you to contribute up to $50 a month to it. If the term of your Franchise Agreement begins, expires or is terminated in the middle of the

month, you will be required to contribute a pro-rata amount. If we establish an Advertising Fund, you may request an annual unaudited financial statement that indicates how the Fund has been used in the previous fiscal year. Audited financial statements will not be available because we will not have the Fund audited. We have no obligation to conduct advertising or to spend any amount in any geographic area.

We may use outside advertising agencies and personnel and in-house personnel to create local and regional advertising, including ad slicks, radio spots, direct mail and other marketing pieces and programs. We may advertise on a regional basis in the future. You may purchase local advertising separately through local marketing and media sources within a geographical area. Local advertising is primarily your responsibility. You may also participate in electronic advertising by developing a webpage linked to our website. We retain the right to develop and control all Internet advertising and communications, including social media, using our Marks. All Certified NEUROSCULPTING Facilitators must participate in any mandatory programs or other promotions that we adopt in the future.

Local Advertising

We highly recommend that you spend on average each calendar quarter, $50 a month on local advertising. You may create your own advertising and promotional materials; however, all local advertising and promotion by you must be in a media and format that we approve, be conducted in a dignified manner and conform to our standards. You may not use any advertising or promotional plans or materials, including electronic or Internet advertising, unless and until you have first received approval from us.

Advertising Association

We reserve the right, on 30 days written notice to you, to establish a cooperative advertising association ("**Association**") in the marketing area where you are located and require you to participate in it. An Association, if established, will consist of other Certified NEUROSCULPTING Facilitators (and, if applicable, facilities operated by us or our affiliates) that are within a geographic area, the scope of which we will determine. We also reserve the right to establish advertising cooperatives in particular regions to enable the cooperative to self-administer a regional advertising program. If we establish a cooperative, you must participate in it and contribute up to $50 a month to the Association, unless the term of your Franchise Agreement commences, expires or is terminated in the middle of the month, in which case you will be required to contribute a pro-rata amount. All franchisor or affiliate-owned outlets in the geographic area must contribute on the same basis as franchisees. If we establish an Association, it will operate under written governing documents that you may review. As of the date of this Disclosure Document, we had not established any regional advertising Associations or cooperatives.

Operations Manual

Attached to this Disclosure Document as Exhibit F is the table of contents of our Operations Manual. There are 85 total pages in our Operations Manual.

Franchise System Advisory Council

As of the date of this Disclosure Document, we do not sponsor a franchise system advisory council ("**Advisory Council**"). We retain the authority to form, change and dissolve an Advisory Council.

Computer System

We highly recommend that you purchase or lease computer hardware and software for your Franchised Business ("**Computer System**"). Our recommended Computer System includes an Apple iMac

or iPad (or similar device) and a multi-function inkjet printer, scanner and copier, as well as software that can perform general office administrative and financial management functions. The estimated cost to purchase a Computer System ranges from $500 to $4,000. See Item 7. You may purchase maintenance and support contracts from third parties for hardware or software if you wish. We do not require independent access to the information that will be generated and stored using the Computer System.

We also highly recommend joining and paying for a high-speed electronic network connection service to facilitate communication between you and us and among all Facilitators. We may require you to purchase a new Computer System, or upgrade and update any existing Computer System, including the software, and other technology systems, during the term of your Franchise Agreement. No contractual limitation exists on the frequency or cost of this obligation. We and third parties may (i) develop additional proprietary software or other technology systems for use by Certified NEUROSCULPTING Facilitators and charge you a license or other fee to license or purchase such software or other technology; (ii) derive revenue from computer software or other technology systems maintenance and upgrade fees, in the event other proprietary software or other technology systems are developed or required to be used in your Franchised Business; and (iii) require that you participate, at your cost, in all credit card or other payment programs, in all electronic data capture, maintenance and warranty, electronic communication services or other similar programs that we deem mandatory.

Schedule For Commencing Operations

We estimate that the typical length of time between the date you sign the Franchise Agreement and the date your Franchised Business opens will be approximately 4 months. The factors which may affect this time period are your ability to locate a site, secure financing, and complete your training. You must begin operating your Franchised Business within 6 months after you sign the Franchise Agreement.

Training Programs

We will provide an initial training program which will be conducted in Denver, Colorado or remotely via the Internet, in our discretion. As of the date of this Disclosure Document, we schedule the initial training program twice a year. We provide you with written manuals for use in conjunction with the training. We may waive all or a portion of the training program, if you have sufficient prior experience or training, in our sole determination.

Only one person is eligible to participate in our initial training program, and that person must successfully complete the initial training program to our satisfaction. You must pay all transportation and living expenses which you incur in connection with attendance at the training program at our headquarters in Denver, Colorado. We also provide a designated mentor during your teaching practicum, which must be completed within 3 months of completing the other portions of the initial training program. We will provide up to 2 days of follow-up operational assistance at your Franchised Business at or around the time you open your business, unless we determine you have sufficient prior experience.

We may occasionally present seminars, conventions, continuing development programs or conduct meetings for your benefit. You must attend certain seminars, conventions, programs or meetings offered by us during the term of your Franchise Agreement, when we announce them as being mandatory. We will give you at least 30 days written notice before any seminar, convention, program or meeting at which we will require attendance. You may be required to complete on-line training seminars up to 4 times each year. We may charge a tuition or fee for training. You will also be responsible for all travel and living expenses which are associated with attendance at such programs.

If you wish to remain compliant with your obligations under your Franchise Agreement as a Tier 1 Certified NEUROSCULPTING Facilitator, each year during the term of the Franchise Agreement, you must complete at least 6 training classes of your choosing from a menu provided by REL, and you must accrue a minimum of 24 hours of instruction and facilitation experience. The minimum cost of the classes required for renewal is $297, but the cost may be more depending on the classes you choose to purchase from REL. You will also be responsible for all travel and living expenses which are associated with attendance at the classes, unless you are approved for remote attendance by us.

Instructors for our initial training program include: Lisa Wimberger, our President since 2016, the founder of The Neurosculpting Institute, an instructor of meditation techniques for over 25 years and the developer of our 5-step meditation methodology.

Training will be conducted after you have signed a Franchise Agreement. We currently provide the following initial training to franchisees:

TRAINING PROGRAM

Subject	Hours of Classroom or Remote Training	Hours of On-The-Job Training	Location[1]
Studies in Emotional Regulation and the Brain & Reward Response	9	0	Denver, Colorado or by Remote Internet Connection
Prefrontal Cortex as Social Brain & Leadership and Emotional Triggers	9	0	Denver, Colorado or by Remote Internet Connection
Food and Brain Plasticity	9	0	Denver, Colorado or by Remote Internet Connection
Business Building & Practices	11	0	Denver, Colorado or by Remote Internet Connection
Nutrition and Health	4	0	Denver, Colorado or by Remote Internet Connection
Nutrition and the Brain	12	0	By Remote Internet Connection
Groups and Class Dynamics Part 1	9	0	Denver, Colorado or by Remote Internet Connection
Groups and Class Dynamics Part 2	9	0	Denver, Colorado or by Remote Internet Connection
Presentation Talks Practice Sessions	5	0	Remote Internet Connection
Teaching Practicum	0	10	We observe you teaching at your location either in-person or by remote internet connection.
Total Training	**77**	**10**	

[1] We may designate an alternative location.

ITEM 12

TERRITORY

You are not required to operate the Franchised Business from a specific, approved location, but you must notify us of the state in which you will live and the state(s) in which you will operate the Franchised Business. If you wish to operate from a different or additional state or if you change your state of residence, you must notify us in writing 90 days in advance. We will approve of a change in your state of residence or your state of operation if we are able to offer you a franchise under the laws of that state. You may operate your Franchised Business in many types of locations, including yoga studios, health clinics, libraries, event centers, hotel meeting rooms, offices, storefronts, and other locations. You will not receive an exclusive territory. You may face competition from other franchisees, from REL through The Neurosculpting Institute, from the Neuropraxis App, or from other channels of distribution or competitive brands that we control.

The operation of your Franchised Business does not grant you the exclusive right to any particular market or customers. You may advertise your Certified NEUROSCULPTING Facilitator services anywhere and you may serve all persons interested in purchasing NEUROSCULPTING services. Other Certified NEUROSCULPTING Facilitators have the same rights to conduct advertising anywhere and provide services to all persons interested in purchasing NEUROSCULPTING services. You may only provide approved services through your Franchised Business. With our prior written consent, you may provide certain services in accordance with the policies and procedures that we may promulgate from time to time. You may not accept orders or sell approved services or merchandise through alternative channels of distribution, but you may offer NEUROSCULPTING services over approved online platforms. Tier 1 Facilitators may teach introductory NEUROSCULPTING sessions consistent with our standards and specifications at retreats, but they may not adapt any classes or content outside of the scope of their Tier 1 Facilitator training.

We and our affiliates and successors retain the rights, among others, without compensation to you: (1) to use and to license others to use, the Marks and Licensed Methods in connection with the operation of a NEUROSCULPTING Franchised Business at any location; (2) to use the Marks at any location to promote and market NEUROSCULPTING services, and related services and merchandise, and to identify, offer and sell products and services through alternative channels of distribution other than through NEUROSCULPTING franchisees or The Neurosculpting Institute, including, but not limited to, the Internet, other electronic communications methods, catalog sales, telemarketing and other direct marketing sales, mail order, and retail store display; (3) to use and license the use of other proprietary marks or methods in connection with the sale of products and services similar to or the same as those which you sell, whether in alternative channels of distribution, such as the Internet, other electronic communications methods, catalog sales, telemarketing and other direct marketing sales, mail order, and retail store display, or in connection with the operation of businesses which are the same as, or similar to, or different from your Franchised Business, at any location, and on any terms and conditions as we determine; and (4) to engage in any other activities not expressly prohibited by the Franchise Agreement. We have no present plans to establish other related franchises or company-owned businesses selling similar products or services under a different name or trademark, although we reserve the right to do so in the future. You have no options, rights of first refusal or similar rights to acquire additional franchises.

ITEM 13

TRADEMARKS

We license to you the right to use the Marks, including the service mark "NEUROSCULPTING" and other trademarks, service marks and commercial symbols that we may authorize. The Marks were licensed to NSIF by REL in April 2016. Through this license, we have the right to use and license to franchisees the use of the Marks for 10-year terms that automatically renew. This license can be terminated only on mutual agreement of the parties or following a notice of default and a cure period. In the event of a termination, NSIF's rights and obligations under all Franchise Agreements are deemed to be assigned to REL to provide continuity to franchisees.

We have registered the following service mark on the Principal Register of the United States Patent and Trademark Office (USPTO):

Mark	Registration Date	Registration No.
NEUROSCULPTING	October 23, 2018	5,589,802

All required affidavits of use and renewals of registration will be filed as they become due. From July 10, 2012 to October 23, 2018, we held a registration on the Supplemental Register for the service mark "Neurosculpting."

You must use the service mark "NEUROSCULPTING" when providing services that are part of our Licensed Methods. You must also, however, identify yourself as an independent business owner. You may not use any of the Marks as part of any corporate or trade name, nor may you use any of the Marks to identify unauthorized services or products or in any other manner not expressly authorized in writing by us. Without our prior consent, you may not use or register any of the Marks as part of an electronic mail address or domain name or use any of the Marks on any sites on the Internet or World Wide Web, or with any prefix, suffix, or other modifying words, terms, designs or symbols (other than logos licensed to you), or in any modified form. We will establish and maintain the standards and specifications for your use of the Marks on the Internet.

You will be required to modify or discontinue your use of a Mark if we require modification or discontinuance of it, at your own expense.

Other than the license agreement with REL, no agreements limit our right to use or license the use of the Marks.

There are no effective determinations of the USPTO, the Trademark Trial and Appeal Board or any state trademark administrator or court, or any pending infringement, opposition or cancellation proceedings involving any of the Marks. We do not know of any superior or prior rights or infringing uses that could materially affect your use of the Marks in any state.

Any apparent infringement of or challenge to your use of any Mark should be brought to our attention immediately. The Franchise Agreement does not obligate us to protect you against claims of infringement or unfair competition with respect to your use of the Marks, but it is our policy to do so when, in the opinion of our counsel, your rights require protection. We pay all costs, including attorneys' fees and court costs, associated with any litigation we commence or defend on your behalf to protect the Marks and your right to use them. You must cooperate with us in any litigation. You may not communicate with any person other than us or our counsel regarding any such matter. You may not settle any claim without

our written consent. We have sole discretion to take any appropriate action. We and REL have the right to control exclusively any litigation, USPTO proceeding or any other administrative proceeding arising out of any infringement, challenge or claim relating to any Mark.

ITEM 14

PATENTS, COPYRIGHTS AND PROPRIETARY INFORMATION

We do not own any patents or copyright registrations which are material to the franchise, and we have no pending patent applications. We consider our Operations Manual, training materials, and our Licensed Methods as our trade secrets, which are proprietary and confidential property. They may be used by you only as described in the Franchise Agreement. We require that you maintain the confidentiality of our information and adopt reasonable procedures to prevent unauthorized disclosure of these secrets and information. Although we have not obtained a copyright registration, we own the copyright in our Operations Manual, videos, advertising materials and other works, including all class content. We do not claim a copyright in any other written or electronic materials developed by you, except to the extent they include our Marks or Licensed Methods.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

You are required to participate personally in the operation of your Franchised Business. You must successfully complete our mandatory training program for Certified NEUROSCULPTNG Facilitators. If you are a corporation, limited liability company or partnership, each of your officers, directors, shareholders or members (and, if you are an individual, immediate family members) must sign our standard Nondisclosure and Noncompetition Agreement, a copy of which is attached to this Disclosure Document as Exhibit G.

Other than the above, we make no recommendations and have no requirements regarding employment or other written agreements between you and your employees.

Each of your officers, directors, shareholders, partners or members may be required to sign an agreement (Exhibit II to Franchise Agreement) personally guaranteeing and agreeing to perform all obligations of the franchisee under the Franchise Agreement. Your spouse is not required to sign a personal guaranty unless he or she is also an officer, director, shareholder, partner or member of your franchisee entity, in which case he or she may be required to sign a personal guaranty.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You may sell only those NEUROSCULPTING services approved by us and may not use the Marks or Licensed Methods for any purposes other than operating your Franchised Business. You may sell other products and services, as long as they are clearly unaffiliated with the NEUROSCULPTING services you sell. With our prior written consent and in accordance with our policies and procedures: (i) you may provide NEUROSCULPTING services in combination with other services, and (ii) you may provide promotional instruction and facilitation services.

You must refrain from selling any NEUROSCULPTING services we have not approved. If you are not in compliance with the Operations Manual, we may limit the services you may sell temporarily or permanently. We have the right to change or supplement the types of authorized services, and there are no limits on our right to do so. Other than the above, there are no restrictions on goods or services offered by you or on the customers to whom you may sell.

ITEM 17

RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in the Franchise Agreement attached to this Disclosure Document.

Provision		Section in Franchise Agreement	Summary
(a)	Length of the franchise	Section 16.1	3 years.
(b)	Renewal or extension of the term	Article 16	3 years.
(c)	Requirements for franchisee to renew or extend	Sections 16.3	Fulfill training and certification requirements. You may be asked to sign a contract with materially different terms and conditions than your original contract if you choose to renew.
(d)	Termination by franchisee	Not applicable.	Not applicable.
(e)	Termination by franchisor without cause	Not applicable.	Not applicable.
(f)	Termination by franchisor with cause	Sections 17.1 and 17.2	We can terminate only if you commit any one of several listed violations.
(g)	"Cause" defined curable defaults	Sections 17.1 and 17.2	Failure to maintain standards, deceptive practices, failure to obtain consent, failure to comply with manual, breach of related agreement, failure to make payments after 10 days past due notice.
(h)	"Cause" defined non-curable defaults	Section 17.1	Unauthorized disclosure, conviction of a crime, abandonment, unauthorized transfers, bankruptcy (may not be enforceable under federal bankruptcy law), assignment for benefit of creditors, unsatisfied judgments, levy, foreclosure, repeated violations, misuse of Marks.
(i)	Franchisee's obligations on termination/nonrenewal	Section 17.3	Pay outstanding amounts, cease use of Marks, covenant not to compete, remove Internet sites (see also r).
(j)	Assignment of contract by franchisor	Section 15.2	No restriction on our right to assign.
(k)	"Transfer" by franchisee – defined	Section 15.1	No transfer, except interest in your entity, if applicable.
(l)	Franchisor approval of transfer by franchisee	Section 15.1	Not applicable.

Provision		Section in Franchise Agreement	Summary
(m)	Conditions for franchisor approval of transfer	Section 15.1	Not applicable.
(n)	Franchisor's right of first refusal to acquire franchisee's business	Not applicable.	Not applicable.
(o)	Franchisor's option to purchase franchisee's business	Not applicable.	Not applicable.
(p)	Death or disability of franchisee	Section 15.1	Automatic termination.
(q)	Non-competition covenants during the term of the franchise	Section 19.1	No involvement in competing business and no diversion.
(r)	Non-competition covenants after the franchise is terminated or expires	Section 19.2	No competing business for 2 years.
(s)	Modification of the agreement	Section 22.1	No modifications generally but Operations Manual subject to change.
(t)	Integration/merger clause	Section 22.2	Only terms of the Franchise Agreement and other related agreements are binding (subject to applicable state law). Any representations or promises outside of this Disclosure Document, the Franchise Agreement and other agreements may not be enforceable.
(u)	Dispute resolution by arbitration or mediation	Section 21.1	All disputes except those based on enforcement of the Marks and enforcement of the covenants not to compete will be mediated.
(v)	Choice of forum	Sections 21.1 and 21.2	Mediation and, for certain claims, litigation in Colorado (subject to state law).
(w)	Choice of law	Section 21.2	Colorado law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

There is no compensation or other benefit given or promised to any public figure arising from either the use of the public figure in the name or symbol of the franchise or the endorsement or recommendation of the franchise by the public figure in advertisements. There are no public figures involved in our management.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for

the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or affiliate-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 the franchisor's management by contacting Lisa Wimberger at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218, telephone: (303) 981-9743, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1

SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2019, 2020, 2021[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2019	51	58	+7
	2020	58	61	+3
	2021	61	57	-4
Company Owned	2019	2	2	0
	2020	2	1	-1
	2021	1	1	0
Total Outlets	**2019**	**53**	**60**	**+7**
	2020	**60**	**62**	**+2**
	2021	**62**	**58**	**-4**

[1] All numbers are as of December 31st of each year.

Table 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR YEARS 2019, 2020, 2021[1]

	Year	Number of Transfers
Totals	**2019**	**0**
	2020	**0**
	2021	**0**

[1] All numbers are as of December 31st of each year.

Table 3

STATUS OF FRANCHISED OUTLETS
FOR YEARS 2019, 2020, 2021[1]

	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Arizona	2019	2	0	0	0	0	0	2
	2020	2	0	0	2	0	0	0
	2021	0	0	0	0	0	0	0
California	2019	4	1	0	0	0	0	5
	2020	5	0	0	0	0	0	5
	2021	5	0	0	0	0	0	5
Colorado	2019	27	3	0	0	0	1	29
	2020	29	8	0	4	0	0	33
	2021	33	0	0	0	0	3	30
Connecticut	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Florida	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Idaho	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Illinois	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Indiana	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
Massachusetts	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Michigan	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	1	0
New Jersey	2019	2	0	0	0	0	0	2
	2020	2	0	0	1	0	0	1
	2021	1	1	0	0	0	0	2
New Mexico	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
New York	2019	0	0	0	0	0	0	0
	2020	0	1	0	0	0	0	1
	2021	1	0	0	0	0	0	1

	Year	Outlets at Start of Year	Outlets Opened	Termina -tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
North Carolina	2019	1	0	0	0	0	0	1
	2020	1	1	0	0	0	0	2
	2021	2	0	0	0	0	0	2
North Dakota	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Pennsylvania	2019	1	1	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Rhode Island	2019	0	1	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Texas	2019	1	0	0	0	0	0	1
	2020	1	0	0	0	0	0	1
	2021	1	0	0	0	0	0	1
Virginia	2019	1	0	0	0	0	0	1
	2020	1	1	0	1	0	0	1
	2021	1	0	0	0	0	0	1
Washington	2019	2	0	0	0	0	0	2
	2020	2	0	0	0	0	0	2
	2021	2	0	0	0	0	0	2
Wisconsin	2019	2	1	0	0	0	0	3
	2020	3	0	0	0	0	0	3
	2021	3	0	0	0	0	0	3
Totals	**2019**	**51**	**8**	**0**	**0**	**0**	**1**	**58**
	2020	**58**	**11**	**0**	**8**	**0**	**0**	**61**
	2021	**61**	**1**	**0**	**0**	**0**	**5**	**57**

[1] All numbers presented above are as of December 31st of each year.

Table 4

STATUS OF COMPANY/AFFILIATE-OWNED OUTLETS FOR YEARS 2019, 2020, 2021[1]

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Colorado	2019	1	0	0	0	0	1
	2020	1	0	0	0	0	1
	2021	1	0	0	0	0	1
New Jersey	2019	1	0	0	0	0	1
	2020	1	0	0	1	0	0
	2021	0	0	0	0	0	0
Totals	**2019**	**2**	**0**	**0**	**0**	**0**	**2**
	2020	**2**	**0**	**0**	**1**	**0**	**1**
	2021	**1**	**0**	**0**	**0**	**0**	**1**

[1] All numbers presented above are as of December 31st of each year.

Table 5

PROJECTED OPENINGS AS OF DECEMBER 31, 2021

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in the Next Fiscal Year	Projected New Company Owned Outlets in the Next Fiscal Year
Colorado	0	2	0
New York	0	1	0
TOTALS	**0**	**3**	**0**

A list of the names of all franchisees and their addresses and telephone numbers are listed as Exhibit C to this Disclosure Document. A list of the name, current business address and telephone number (or, if unknown, the last known home telephone number) of every franchisee who has had a franchise terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during fiscal year 2021 or who has not communicated with us within 10 weeks of the date of this Disclosure Document is listed on Exhibit D to this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three fiscal years, no current or former franchisees have signed confidentiality clauses that restrict their ability speak openly about their experience with us or as a franchisee in our franchise system.

No independent franchisee organizations have asked to be included in this Disclosure Document. As of the date of this Disclosure Document, there are no trademark-specific franchisee organizations associated with the franchise system that have been created, sponsored or endorsed by us.

ITEM 21

FINANCIAL STATEMENTS

Attached to this Disclosure Document as Exhibit E are audited financial statements from our fiscal years ended December 31, 2019, 2020, and 2021. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

Attached to this Disclosure Document are the following franchise-related contracts:

Exhibit B	Franchise Agreement	
	Exhibit I	Addendum to Franchise Agreement
	Exhibit II	Guaranty and Assumption of Franchisee's Obligations
	Exhibit III	Statement of Ownership
Exhibit G	Nondisclosure and Noncompetition Agreement	
Exhibit H	Amendment to Franchise Agreement -- Renewal	
Exhibit J	Closing Acknowledgement	
Exhibit K	State Addenda to the Franchise Disclosure Document, Franchise Agreement and other Agreements	
Exhibit L	Release	

ITEM 23

RECEIPTS

The last page of the Disclosure Document (following the exhibits and attachments) is a document acknowledging receipt of the Disclosure Document by you (one copy for you and one copy to be signed and returned to us).

EXHIBIT A
(TO DISCLOSURE DOCUMENT)

LIST OF STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

LIST OF STATE AGENCIES

California

Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7505
(866) 275-2677

2101 Arena Blvd.
Sacramento, CA 95834
(916) 445-7205
(866) 275-2677

1350 Front Street
San Diego, CA 92101
(619) 525-4044
(866) 275-2677

One Sansome Street, Suite 600
San Francisco, CA 94104
(415) 972-8559
(866) 275-2677

Florida

Department of Agriculture and Consumer Services
Division of Consumer Services
Terry Lee Rhodes Building
2005 Apalachee Parkway
Tallahassee, FL 32399-6500
(850) 488-2221

Hawaii

Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

Office of Attorney General
Franchise Division
500 South Second Street
Springfield, IL 62706
(217) 782-4465

Indiana

Indiana Secretary of State
Securities Division
302 West Washington Street
Room E-111
Indianapolis, IN 46204
(317) 232-6681

Maryland

Office of Attorney General
Maryland Division of Securities
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

State of Michigan
Consumer Protection Division
Attention: Franchise
P.O. Box 30213
Lansing, MI 48909
(517) 373-7117

Minnesota

Minnesota Department of Commerce
Securities Unit
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

Nebraska

Department of Banking and Finance
1200 N Street, Suite 311
P.O. Box 95006
Lincoln, NE 68509
(402) 471-3445

New York

New York State
Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, NY 10005
(212) 416-8222

North Dakota

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol, 5th Floor, Dept. 414
Bismarck, ND 58505-0510
(701) 328-4712

Oregon

Department of Insurance and Finance
Corporate Securities Section
Labor and Industries Building
Salem, OR 97310
(503) 378-4387

Rhode Island

Department of Business Regulation
Division of Securities
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota

South Dakota Department of Labor and Regulation
Division of Insurance - Securities Regulation
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Texas

Secretary of State
Statutory Document Section
P.O. Box 13563
Austin, TX 78711
(512) 475-1769

Virginia

State Corporation Commission
Division of Securities and Retail Franchising
1300 E. Main Street, 9th Floor
Richmond, VA 23219
(804) 371-9051

Washington

Securities Administrator
Department of Financial Institutions
Securities Division
150 Israel Road S.W.
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Department of Financial Institutions
Division of Securities
345 W. Washington Avenue, 4th Floor
Madison, WI 53703
(608) 261-9555

LIST OF AGENTS FOR SERVICE OF PROCESS

California

Commissioner of Financial Protection and Innovation
California Department of Financial Protection and Innovation
320 West 4th Street, Suite 750
Los Angeles, CA 90013-2344
(213) 576-7505
(866) 275-2677

Hawaii

Commissioner of Securities
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813
(808) 586-2722

Illinois

Illinois Attorney General
500 South Second Street
Springfield, IL 62706
(217) 782-1090

Indiana

Indiana Secretary of State
201 State House
200 West Washington Street
Indianapolis, IN 46204
(317) 232-6531

Maryland

Maryland Securities Commissioner
200 St. Paul Place
Baltimore, MD 21202-2020
(410) 576-6360

Michigan

Michigan Department of Commerce
Corporations and Securities Bureau
6546 Mercantile Way
Lansing, MI 48910
(517) 334-6212

Minnesota

Minnesota Commissioner of Commerce
Department of Commerce
85 7th Place East, Suite 280
St. Paul, MN 55101
(651) 539-1600

New York

New York Department of State
One Commerce Plaza
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
(518) 473-2492

North Dakota

North Dakota Securities Commissioner
600 E. Boulevard Avenue
State Capitol, 5th Floor
Bismarck, ND 58505-0510
(701) 328-2910

Oregon

Director of Oregon Department of Insurance and Finance
700 Summer Street, N.E.
Suite 120
Salem, OR 97310
(503) 378-4387

Rhode Island

Director of Rhode Island
Department of Business Regulation
1511 Pontiac Avenue
John O. Pastore Complex – Building 69-1
Cranston, RI 02920
(401) 462-9527

South Dakota

Director of South Dakota Division of Insurance
124 S. Euclid, Suite 104
Pierre, SD 57501
(605) 773-3563

Virginia

Clerk of the State Corporation Commission
1300 East Main Street, 1st Floor
Richmond, VA 23219
(804) 371-9733

Washington

Securities Administrator
Washington State Department of Financial Institutions
150 Israel Road S.W.
Tumwater, WA 98501
(360) 902-8760

Wisconsin

Wisconsin Commissioner of Securities
345 W. Washington Ave., 4th Floor
Box 1768
Madison, WI 53703
(608) 261-9555

EXHIBIT B

(TO DISCLOSURE DOCUMENT)

NEUROSCULPTING INSTITUTE FRANCHISING, LLC

FRANCHISE AGREEMENT

Franchisee: _____

Date: _____

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EXHIBITS

I Addendum to Franchise Agreement

II Guaranty and Assumption of the Franchisee's Obligations

III Statement of Ownership

NEUROSCULPTING INSTITUTE FRANCHISING, LLC

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT (the "**Agreement**") is made this ____ day of_____, 20_, by and between NEUROSCULPTING INSTITUTE FRANCHISING, LLC, a Colorado limited liability company, located at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218 (the "**Franchisor**"), and_____, located at_____, with the phone number_____and electronic mail address of_____(the "**Franchisee**"), who, on the basis of the following understandings and agreements, agree as follows:

1. PURPOSE

1.1 The Franchisor has developed methods for establishing, operating and promoting businesses ("**NEUROSCULPTING Franchises**" or "**Franchises**") that offer instruction and facilitation of a proprietary 5-step meditation modality (the "**NEUROSCULPTING Services**") to adults and children as young as 4 years of age. Franchises are established and operated under the trade name and service mark "NEUROSCULPTING" and other logos, trademarks, service marks and commercial symbols (collectively, the "**Marks**") and use the Franchisor's instruction and facilitation techniques and methods, instruction materials, presentation methods, advertising, promotional and marketing methods, operational standards and specifications, and various other proprietary methods of doing business (collectively, the "**Licensed Methods**").

1.2 The Franchisor grants the right to others to develop and operate NEUROSCULPTING Franchises, under the Marks and pursuant to the Licensed Methods.

1.3 The Franchisee desires to establish a NEUROSCULPTING Franchise, and the Franchisor desires to grant the Franchisee the right to operate a NEUROSCULPTING Franchise under the terms and conditions which are contained in this Agreement.

2. GRANT OF FRANCHISE

2.1 **Grant of Franchise**. The Franchisor grants to the Franchisee, and the Franchisee accepts from the Franchisor, the right to use the Marks and Licensed Methods in connection with the establishment and operation of the Franchise. The Franchisee agrees to use the Marks and Licensed Methods, as they may be changed, improved, and further developed by the Franchisor from time to time, only in accordance with the terms and conditions of this Agreement.

2.2 **Scope of Franchise Operations**. The Franchisee agrees at all times to faithfully, honestly and diligently perform the Franchisee's obligations hereunder, and to continuously use best efforts to promote the Franchise. The Franchisee agrees to utilize the Marks and Licensed Methods to operate all aspects of the business franchised hereunder in accordance with the methods and systems developed and prescribed from time to time by the Franchisor, all of which are a part of the Licensed Methods. The Franchisee shall offer all services and only those services as the Franchisor shall designate. With the prior written consent of the Franchisor and in accordance with the policies and procedures the Franchisor may promulgate from time to time, the Franchisee may: (i) offer NEUROSCULPTING Services in combination with other services, (ii) provide promotional instruction and facilitation services, and (iii) utilize an approved website to market and schedule approved services. The Franchisee shall not accept orders or make sales of approved services through alternative channels of distribution including, without limitation,

the Internet (except as described above in this Section 2.2), catalog sales, telemarketing or other direct marketing.

3. LOCATION AND FRANCHISOR RESERVATION OF RIGHTS

3.1 Location. The Franchisee is granted the right and franchise to own and operate one NEUROSCULPTING Franchise. The Franchisee shall identify the Franchisee's state of residence ("**Residency State**") and the state in which the Franchisee intends to operate its NEUROSCULPTING Franchise ("**Operation State**") on Exhibit I.

3.2 No Protected Territory. The Franchisee shall not receive a protected territory in which to operate its NEUROSCULPTING Franchise, nor shall the Franchisee receive an exclusive right to market to or provide services to any particular clients or customers.

3.3 Relocation. If, for any reason during the term of this Agreement, the Franchisee intends to change the Residency State or Operation State, the Franchisee must provide the Franchisor with 90 days' prior written notice. The Franchisee shall not operate in any state without the prior written approval of the Franchisor, which approval shall not be unreasonably withheld.

3.4 Franchisor's Reservation of Rights. The Franchisee acknowledges that its franchise rights as granted under this Agreement are non-exclusive and that the Franchisor and its affiliates and successors retain the rights, among others, without compensation to the Franchisee:

a. to use, and to license others to use, the Marks and Licensed Methods in connection with the operation of a NEUROSCULPTING Franchise, in any state and at any location;

b. to use the Marks at any location to promote and market NEUROSCULPTING Franchises and related services and to identify, offer and sell products and services through alternative channels of distribution other than through NEUROSCULPTING Franchises, at any location, and on any terms and conditions as the Franchisor determines, including, but not limited to, the sale of products and services, by way of the Internet, other electronic communications methods, catalog sales, telemarketing and other direct marketing sales, mail order, retail store display and wholesale;

c. to use and license the use of alternative proprietary marks or methods in connection with the sale of products and services similar to or the same as those which the Franchisee will sell, whether in alternative channels of distribution, including but not limited to, by way of the Internet, other electronic communications methods, catalog sales, telemarketing and other direct marketing sales, mail order, retail store display and wholesale, or in connection with the operation of businesses which are the same as, or similar to, or different from NEUROSCULPTING Franchises, at any location, and on any terms and conditions as the Franchisor deems advisable; and

d. to engage in any other activities not expressly prohibited by this Agreement.

4. INITIAL FRANCHISE FEE

4.1 Initial Franchise Fee. In consideration for the right to develop and operate a NEUROSCULPTING Franchise, the Franchisee agrees to pay to the Franchisor an initial franchise fee in the amount, and on the due dates, set forth in Exhibit I, attached to this Agreement. The Franchisee acknowledges and agrees that the initial franchise fee represents payment for the initial grant of the rights to use the Marks and Licensed Methods, that the Franchisor has earned the initial franchise fee upon receipt thereof and that the fee is not refundable to the Franchisee after it is paid, unless the Franchisee is incapable

of attending the initial training program due to personal or family medical reasons. If the Franchisee is incapable of attending the initial training program, the Franchisee must provide the Franchisor with written documentation from a medical professional prior to the commencement of the initial training program. If the Franchisee provides adequate documentation, as determined in the Franchisor's sole discretion, then the Franchisee will be permitted to attend another training program.

5. DEVELOPMENT OF FRANCHISE

5.1 Technology and Computer Systems. The Franchisor highly recommends that the Franchisee obtain a computer system, including hardware, software and other equipment (collectively, the "**Computer System**"). The Franchisee shall be responsible for all maintenance costs associated with the Computer System. The Franchisor also highly recommends that the Franchisee, at the Franchisee's sole cost, join a high-speed electronic network connection service to facilitate communication between the Franchisor and the Franchisee. The Franchisor, in its sole discretion, may require the Franchisee, at the sole cost and expense of the Franchisee, to upgrade and update the Computer System hardware and software during the term of this Agreement. The Franchisor reserves the right to: (i) charge the Franchisee a fee for access to electronic and other communication and technology services the Franchisor provides or makes available to the Franchisee either directly or through a designated supplier; (ii) develop proprietary software or other technology for use in NEUROSCULPTING Franchises and charge the Franchisee a licensing fee for such software or other technology, which will be paid to either the Franchisor or to a designated third party; (iii) derive revenue from the Computer System or other technology maintenance and upgrade fees in the event proprietary software or other technology systems are developed for use in NEUROSCULPTING Franchises; and (iv) require that the Franchisee participate in any credit card, gift card, electronic data capture or other similar programs that the Franchisor deems mandatory at the Franchisee's expense.

5.2 Permits and Licenses. The Franchisee agrees to obtain all such permits and certifications as may be required for the lawful operation of the NEUROSCULPTING Franchise together with all certifications from government authorities having jurisdiction over the Franchise and any site purchased or leased by the Franchisee for the operation of the Franchise, that all requirements for operation have been met, including without limitation, zoning, access, sign, health, safety requirements, building and other required construction permits, licenses to do business and fictitious name registrations, sales tax permits, health and sanitation permits and ratings and fire clearances.

5.3 Commencement of Operations. Unless otherwise agreed to in writing by the Franchisor and the Franchisee, the Franchisee shall have six months from the date of this Agreement within which to: (1) secure all necessary financing for the Franchise; (2) complete the initial training programs described in Article 6 of this Agreement; (3) obtain and, upon the Franchisor's request, provide evidence of insurance as described in Section 2.1 below; (4) implement a grand opening marketing campaign as described in Section 11.6 of this Agreement; and (5) commence operation of the NEUROSCULPTING Franchise. The Franchisor will extend this deadline for a reasonable period of time in the event factors beyond the Franchisee's reasonable control prevent the Franchisee from meeting this development schedule, so long as the Franchisee has made reasonable and continuing efforts to comply with such development obligations and the Franchisee requests, in writing, an extension of time in which to have its NEUROSCULPTING Franchise open before such development period lapses. The Franchisee shall obtain the Franchisor's approval prior to commencing operation of the NEUROSCULPTING Franchise.

5.4 Website Design and Maintenance. The Franchisor highly recommends that the Franchisee create a website linked to the Franchisor's website that conforms to the Franchisor's standards and specifications. The Franchisee is responsible for creating and maintaining website content for its page. The Franchisor also highly recommends that the Franchisee purchase website development and maintenance services, to be provided by third parties. The Franchisor reserves the right to require the

Franchisee to create a website linked to the Franchisor's website upon 30 days' notice and at the Franchisee's expense.

5.5 Third-Party Financing. If the Franchisee obtains financing from a third-party lender to develop the Franchise, the Franchisee shall deliver a copy of the lender's commitment letter to the Franchisor within 10 days of receipt of the commitment letter.

6. TRAINING

6.1 Initial Training Program. The Franchisee or, if the Franchisee is not an individual, the individual designated by the Franchisee to operate the NEUROSCULPTING Franchise ("**Principal Operator**"), is required to attend and successfully complete the Franchisor's initial franchise training program for Certified Neurosculpting Facilitators ("**CNSFs**"), which will be held at a location in the Denver, Colorado metropolitan area, remotely, or at another location designated by the Franchisor. The Franchisor may, in its sole discretion, conduct the initial training program via webinar or other computerized remote access software. Only one person, either the Franchisee if an individual, or the Principal Operator if the Franchisee is an entity, is eligible to participate in the initial training program without charge of a tuition or fee. The Franchisee shall be responsible for any and all travel and living expenses incurred by the Franchisee or the Principal Operator in connection with attendance at the initial training program. Training participants will not receive any compensation from the Franchisor while attending the initial training program.

6.2 Length of Training Program. The initial training program will consist of up to three weeks of instruction and training at a location designated by the Franchisor. All or a portion of the training program may be conducted via webinar or other remote access software, in the Franchisor's sole discretion. The Franchisor reserves the right to waive a portion of the initial training program, or alter the training schedule, if, in the Franchisor's sole discretion, the Franchisee or the Principal Operator has sufficient prior experience or training.

6.3 Training Required for Continued CNSF Status. In order to maintain Tier 1 CNSF status, the Franchisee or the Principal Operator must successfully complete at least six credits for additional training classes and must accrue at least 24 hours of instruction and facilitation experience during each year of the term of this Agreement. The Franchisee is responsible for any and all travel and living expenses incurred in connection with attendance by the Franchisee or the Principal Operator at any and all training classes, programs, immersion or modules. All such training may be provided via webinar in the Franchisor's sole discretion.

6.4 Additional Training. The Franchisor shall provide additional opening training and assistance to the Franchisee, as described in Section 7.1 below. From time to time, the Franchisor may also present additional seminars, conventions or continuing development programs or conduct meetings for the benefit of the Franchisee. The Franchisee or the Principal Operator shall be required to attend any ongoing mandatory seminars, conventions, programs or meetings as may be offered by the Franchisor. The Franchisor shall give the Franchisee at least 30 days prior written notice of any additional seminar, convention or program which is deemed mandatory. The Franchisor may charge a tuition or fee for additional training. The Franchisee will be responsible for all travel and living expenses which are associated with attendance at any additional training. Any additional seminars, conventions or continuing development programs or meetings may be provided via webinar in the Franchisor's sole discretion.

7. DEVELOPMENT ASSISTANCE

7.1 The Franchisor's Development Assistance. The Franchisor, or its designee, shall provide the Franchisee with assistance in the initial establishment of the NEUROSCULPTING Franchise as follows:

a. Provide the initial training program to be conducted in the Denver, Colorado metropolitan area, or at another location designated by the Franchisor or via webinar, as described in Article 6 above.

b. Provide a designated mentor for the duration of the teaching practicum portion of the initial training program.

c. Loan or provide electronic access to one copy of the Operations Manual in accordance with the terms and conditions of Section 8 below.

d. The Franchisor will make available to the Franchisee at or around the commencement of operations of the Franchisee's NEUROSCULPTING Franchise, a representative for up to two days to assist the Franchisee in the opening and initial operation of the Franchise. The representative will assist the Franchisee in the opening and initial operation of the NEUROSCULPTING Franchise either in person or remotely, at a time scheduled by the Franchisor, unless in the Franchisor's determination, the Franchisee or the Principal Operator have had sufficient prior training or experience.

e. Provide assistance and advice regarding how to conduct the grand opening marketing campaign.

f. Provide access to the Franchisor's "best practices" network of franchisees.

8. OPERATIONS MANUAL

8.1 Operations Manual. The Franchisor shall loan to the Franchisee one copy of its manuals, technical bulletins, or other written materials (collectively referred to as "**Operations Manual**"), in hardcopy or electronic form, covering certain standards, specifications, and operating and marketing procedures that the Franchisor requires the Franchisee to utilize in operating its Franchise. The Franchisee shall comply with the Operations Manual as an essential aspect of its obligations under this Agreement. The Operations Manual shall be deemed to be incorporated herein by reference. Failure by the Franchisee to substantially comply with the Operations Manual may be considered by the Franchisor to be a breach of this Agreement.

8.2 Confidentiality of Operations Manual Contents. The Franchisee agrees to use the Marks and Licensed Methods only as specified in the Operations Manual. The Operations Manual is the sole property of the Franchisor and shall be used by the Franchisee only during the term of this Agreement and in strict accordance with the terms and conditions hereof. The Franchisee shall not duplicate the Operations Manual nor disclose its contents to persons that have not signed a nondisclosure and noncompetition agreement in a form approved by the Franchisor. The Franchisee shall return the Operations Manual, with any written updates, to the Franchisor upon the expiration or termination of this Agreement.

8.3 Changes to Operations Manual. The Franchisor reserves the right to revise the Operations Manual from time to time as it deems necessary to update or change operating and marketing techniques or standards and specifications. The Franchisee, upon receipt of any updated information, shall

update its copy of the Operations Manual as instructed by the Franchisor and shall conform its operations with the updated provisions within 30 days thereafter. The Franchisee acknowledges that a master copy of the Operations Manual maintained by the Franchisor at its principal office shall be controlling in the event of a dispute relative to the content of any Operations Manual.

9. OPERATING ASSISTANCE

9.1 The Franchisor's Services. The Franchisor agrees that, during the Franchisee's operation of the NEUROSCULPTING Franchise, the Franchisor, or its designee, shall make available to the Franchisee the following services:

a. Upon the reasonable request of the Franchisee, consultation by telephone or electronic mail, regarding the continued operation and management of a NEUROSCULPTING Franchise and advice regarding customer instruction and facilitation techniques, ancillary customer services, customer relations, marketing and accounting.

b. Access to advertising and promotional materials and designs, although the costs of reproduction, reprinting and placement shall be, at the option of the Franchisor, the Franchisee's responsibility, and assistance via telephone or electronic mail, in determining the media, timing and placement for the Franchisee's ongoing marketing program.

c. On-going updates of information and programs regarding instruction and facilitation techniques, including live monthly meditation and coaching calls or webinars, marketing and promotional programs, the competition, the industry, the NEUROSCULPTING concept and the Licensed Methods, including information concerning special or new services which the Franchisor develops and makes available to its franchisees.

d. The Franchisor shall offer training programs for the maintenance of Tier 1 CNSF status, for a fee commensurate with the Franchisor's current published prices for training, payable at the time of or in advance of training. The Franchisee shall be responsible for having the computer hardware and software necessary to access training held via webinar, and if training is held in person, the Franchisee shall be responsible for all travel and living expenses incurred during the training programs. The availability of the training programs shall be determined by the Franchisor, and subject to space and timing considerations and prior commitments to new NEUROSCULPTING franchisees.

e. The provision of quarterly training sessions, mandatory or voluntary, at the Franchisor's option, and continuing education courses that the Franchisor may develop regarding new instruction and facilitation techniques, safety procedures and services. These sessions will be available via webinar if the Franchisor determines that circumstances warrant, or in person, at the Franchisor's discretion. If training is held in person, the Franchisee is responsible for all travel expenses.

f. The provision of opportunities to publish articles and advertise in the Franchisor's newsletter at a discounted rate.

g. Offer the Franchisee Bronze membership benefits including a 10% discount in ongoing education, two live calls a month, and eight audio meditations.

9.2 Additional Franchisor Services. Although not obligated to do so, the Franchisor may make its employees or designated agents available to the Franchisee for on-site advice and assistance in connection with the on-going operation of the NEUROSCULPTING Franchise governed by this Agreement. This assistance includes coaching sessions with the Franchisor's founder, subject to her

availability and prior commitments, at a rate that is discounted from her hourly rate for coaching members of the public. In the event that the Franchisee requests such additional assistance and the Franchisor agrees to provide the same, the Franchisor reserves the right to charge the Franchisee for all travel, lodging, living expenses, telephone charges and other identifiable expenses associated with such assistance, plus a fee based on the time spent by each employee on behalf of the Franchisee, which fee will be charged in accordance with the then current daily rates being charged by the Franchisor for assistance. The Franchisor may provide such additional assistance remotely, in the Franchisor's discretion, if circumstances warrant, subject to a fee for the time spent by the Franchisor's employees.

10. FRANCHISEE'S OPERATIONAL COVENANTS

10.1 Business Operations. The Franchisee acknowledges that it is solely responsible for the successful operation of its NEUROSCULPTING Franchise and that the continued successful operation thereof is, in part, dependent upon the Franchisee's compliance with this Agreement and the Operations Manual. In addition to all other obligations contained in this Agreement and in the Operations Manual, the Franchisee agrees to comply with the following operational obligations:

a. **Quality of Operations**. The Franchisee shall maintain clean, efficient and high quality NEUROSCULPTING Franchise operations and shall operate the Franchise in accordance with the Operations Manual and in such a manner as not to detract from or adversely reflect upon the name and reputation of the Franchisor and the goodwill associated with the NEUROSCULPTING name and Marks.

b. **Compliance with Laws and Good Business Practices**. The Franchisee will conduct itself and operate its NEUROSCULPTING Franchise in compliance with all applicable laws and regulations, including but not limited to data security and privacy laws, and in such a manner so as to promote a good public image in the business community. In connection therewith, the Franchisee will be solely and fully responsible for obtaining any and all licenses to operate the Franchise and to carry on its business. The Franchisee shall promptly forward to the Franchisor copies of all health department, fire department, zoning, building department and other similar reports of inspections if, as and when they become available. The Franchisee shall also immediately forward to the Franchisor health department, fire department, building department or other governmental entity notices of violation upon receipt thereof or any other inspection reports, warnings, certificates or ratings issued by any governmental entity during the term of this Agreement in connection with the conduct of the NEUROSCULPTING Franchise which indicates the Franchisee's failure to meet or maintain the highest governmental standards, or less than full compliance by the Franchisee with any applicable law, rule or regulation. The Franchisee shall be solely responsible for any penalties or fines assessed for failure to abide by such laws, regulations and ordinances.

c. **Management**. The Franchisee acknowledges that proper management of the NEUROSCULPTING Franchise is important and shall ensure that the Franchisee or the Principal Operator who has completed the Franchisor's training program, be responsible for the management of the NEUROSCULPTING Franchise at all times throughout the term of this Agreement.

d. **Approved Services; Scope of Franchise Operation**. The Franchisee shall offer only services through its Franchise which meet or exceed the minimum standards and specifications established by the Franchisor as more fully described in the Operations Manual. The Franchisee shall offer all types of services as from time to time may be prescribed by the Franchisor.

e. **Payment of Obligations; Insolvency**. The Franchisee shall also pay on a timely basis all amounts due and owing by the Franchisee to all third parties, including landlords, suppliers, vendors and taxing authorities, with whom the Franchisee does business through the Franchise. In connection with any amounts due and owing by the Franchisee to third parties, the Franchisee expressly

acknowledges that a default by the Franchisee with respect to such indebtedness may be considered a default hereunder and the Franchisor may avail itself of all remedies provided for herein in the event of default. The Franchisee shall immediately notify the Franchisor if any action is taken by the Franchisee or the owners of the Franchisee, or by others against the Franchisee or owners of the Franchisee under any insolvency, bankruptcy or reorganization act, or if the Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed by the Franchisee.

f. **Other Agreements**. The Franchisee shall comply with all agreements with third parties related to the NEUROSCULPTING Franchise, including, in particular, all corporate contracts and other agreements.

g. **Employees**. The Franchisee shall be exclusively responsible for the conduct and control of its employees and employment practices, including hiring, firing, training and compensation of its employees. Nothing in this Agreement shall be deemed to make the Franchisee's employees, representatives or agents (i) subject to the control of the Franchisor, or (ii) employees of the Franchisor.

h. **Ownership of Business**. The Franchisee shall at all times during the term of this Agreement own and control the NEUROSCULPTING Franchise authorized hereunder. The Franchisee represents that the Statement of Ownership, attached hereto as Exhibit III and by this reference incorporated herein, is true, complete, accurate and not misleading, and, in accordance with the information contained in the Statement of Ownership, the controlling ownership of the NEUROSCULPTING Franchise is held by the Franchisee. The Franchisee shall promptly provide the Franchisor with a written notification if the information contained in the Statement of Ownership changes at any time during the term of this Agreement. In addition, if the Franchisee is an entity, all of the owners of the Franchisee (each, an "**Owner**") shall sign the Personal Guaranty attached hereto as Exhibit II and such Owners of the Franchisee as the Franchisor shall designate, shall sign a Nondisclosure and Noncompetition Agreement.

11. ADVERTISING

11.1 Approval of Advertising. The Franchisee shall obtain the Franchisor's prior approval of all written advertising or other marketing or promotional programs regarding the NEUROSCULPTING Franchise, including, without limitation, Internet directory advertising, social media, search engine optimization (SEO), promotions, newspaper ads, flyers, brochures, coupons, direct mail pieces, and radio and television advertising. The Franchisee shall also obtain the Franchisor's prior approval before using any promotional materials as may be provided by vendors. The proposed written advertising or a description of the marketing or promotional program materials shall be submitted to the Franchisor at least 30 days prior to publication, broadcast or use. If the Franchisee is not notified by the Franchisor of its disapproval within 30 days, the marketing or promotional program materials will be deemed by the Franchisor to be approved. The Franchisee acknowledges that advertising and promoting the NEUROSCULPTING Franchise in accordance with the Franchisor's standards and specifications is an essential aspect of the Licensed Methods, and the Franchisee agrees to comply with all advertising standards and specifications. The Franchisee shall display any required promotional materials, signs, point of purchase displays and other marketing materials in its NEUROSCULPTING Franchise in the manner prescribed by the Franchisor. The Franchisee shall participate in all promotional programs established by the Franchisor from time to time for all NEUROSCULPTING Franchises, and the Franchisor shall set the rules for and dates during which any such promotional programs shall be implemented.

11.2 Advertising Contribution. The Franchisor reserves the right, upon 30 days prior written notice to the Franchisee, to create an advertising fund for the benefit of all NEUROSCULPTING Franchisees ("**Advertising Fund**"). If an Advertising Fund is established, the Franchisee will be required to participate in the Advertising Fund.

11.3 Local Advertising. The Franchisor does not require but highly recommends that the Franchisee spend an average of $50 per month, averaged quarterly, to advertise the Franchise locally. The Franchisee shall use materials supplied and pre-approved by the Franchisor or obtain the Franchisor's prior approval of all written advertising and promotional materials before publication.

11.4 Regional Advertising Programs. The Franchisor reserves the right, upon 30 days prior written notice to the Franchisee, to create a regional advertising association ("**Co-op**") for the benefit of NEUROSCULPTING Franchisees located within a particular geographic area. If a Co-op is established for the area where the Franchisee is located, the Franchisee will be required to participate in the Co-op for the purpose of selecting and participating in regional marketing and promotional programs for NEUROSCULPTING Franchisees.

11.5 Electronic Advertising. The Franchisee may develop, create, distribute, disseminate or use Internet communications, including, without limitation, a website, blog, instant messaging service, social media site or networking account or other electronic or other communication method now in existence or to be created (including, without limitation, the website developed for the Franchise pursuant to Section 5.4 of this Agreement), or multimedia, telecommunication, mass electronic mail or audio/visual advertising, promotional or marketing materials ("**Electronic Advertising**"). The Franchisee's use of Electronic Advertising related to the Marks, the Licensed Methods or the Franchisor and its affiliates, however, is subject to Franchisor's prior approval, which may be withheld in the Franchisor's sole discretion. The Franchisor reserves the right, upon 30 days prior written notice, to require the Franchisee to participate in any Electronic Advertising of the NEUROSCULPTING Franchises sponsored by the Franchisor. The Franchisor reserves the right to require the Franchisee to change or delete any Electronic Advertising. If the Franchisor permits or requires the Franchisee to develop any Electronic Advertising, the Franchisee shall do so in compliance with the Franchisor's policies and rules regarding the creation, maintenance, use, publication and content of such Electronic Advertising as set forth in this Agreement, the Operations Manual or any Electronic Advertising code of conduct that the Franchisor may develop, disseminate and modify from time to time. After the first year of the term of this Agreement, the Franchisee agrees to pay an annual fee ranging from $120 to $150 to the Franchisor for listing on the Franchisor's directory of NEUROSCULPTING service providers.

11.6 Grand Opening Marketing Campaign. The Franchisee shall conduct a grand opening marketing campaign approved by the Franchisor or its designee for the NEUROSCULPTING Franchise during the first six months after the Franchise commences operations and shall spend a minimum dollar amount as set forth in Exhibit I for the grand opening marketing campaign.

12. QUALITY CONTROL

12.1 Compliance with Operations Manual. The Franchisee agrees to maintain and operate the NEUROSCULPTING Franchise in compliance with this Agreement and the standards and specifications contained in the Operations Manual, as the same may be modified from time to time by the Franchisor.

12.2 Standards and Specifications. The Franchisor will make available to the Franchisee standards and specifications for services offered at or through the NEUROSCULPTING Franchise. The Franchisor reserves the right to change standards and specifications for services offered at or through the NEUROSCULPTING Franchise and for the Computer System, materials, forms, supplies and services used in connection with the Franchise, upon 30 days prior written notice to the Franchisee. The Franchisee shall, throughout the term of this Agreement, remain in compliance and strictly adhere to all of the Franchisor's current standards and specifications for the NEUROSCULPTING Franchise as prescribed from time to time.

12.3 Inspections. The Franchisor shall have the right to inspect the Franchise, including NEUROSCULPTING sessions in progress, to ensure compliance with all standards and specifications set by the Franchisor. The Franchisor shall conduct such inspections during regular business hours and the Franchisee may be present at such inspections. The Franchisor, however, reserves the right to conduct the inspections without prior notice to the Franchisee. During the inspections conducted by the Franchisor, the Franchisor shall have the right to: (i) videotape or take photographs of NEUROSCULPTING sessions; (ii) interview customers of the Franchisee; and (iii) require the Franchisee to immediately cease any unauthorized or nonconforming services being offered by the Franchise. The Franchisor shall have the right to use such photographs and videotaped material in such a manner as it reasonably deems appropriate.

12.4 Restrictions on Services and Merchandise. The Franchisee is prohibited from offering or selling NEUROSCULPTING services not authorized by the Franchisor as being a part of the Licensed Methods. If the Franchisee proposes to offer, conduct or utilize any NEUROSCULPTING services for use in connection with or sale through the Franchise that are not previously approved by the Franchisor as meeting its specifications, the Franchisee shall first notify the Franchisor in writing and request approval from the Franchisor. The Franchisor may, in its sole discretion, for any reason whatsoever, elect to withhold such approval; however, in order to make such determination, the Franchisor may require submission of specifications, information, or samples of such services. The Franchisee shall pay or reimburse the Franchisor for the reasonable costs of investigation in determining whether such services meet the Franchisor's specifications. The Franchisor will advise the Franchisee within a reasonable time whether such services meet its specifications and if the Franchisee is approved to offer, conduct, or utilize the same.

12.5 Approved Suppliers. The Franchisor reserves the right to designate from time to time, a single supplier for any services, supplies or materials used in the operation of the NEUROSCULPTING Franchise and to require the Franchisee to use such designated supplier exclusively, which exclusive designated supplier may be the Franchisor or its affiliates. The Franchisor and its affiliates may receive payments from suppliers on account of such suppliers' dealings with the Franchisee and other franchisees and may use all such amounts without restriction and for any purpose the Franchisor and its affiliates deem appropriate (unless the Franchisor and its affiliates agree otherwise with the supplier).

12.6 Request to Approve Supplier. In the event the Franchisee desires to purchase or use services, supplies or materials from suppliers other than those previously approved by the Franchisor, the Franchisee shall, prior to purchasing from or otherwise utilizing any supplier, give the Franchisor a written request to approve the supplier. In the event the Franchisor rejects the Franchisee's requested new supplier, the Franchisor must, within 30 days of the receipt of the Franchisee's request to approve the supplier, notify the Franchisee in writing of its rejection. The Franchisor may continue from time to time to inspect any suppliers' facilities and products to assure compliance with the Franchisor's standards and specifications. Permission for such inspection shall be a condition of the continued approval of such supplier. The Franchisor may at its sole discretion, for any reason whatsoever, elect to withhold approval of the supplier; however, in order to make such determination, the Franchisor may require that samples from a proposed new supplier be delivered to the Franchisor for testing prior to approval and use. A charge not to exceed the reasonable cost of investigation may be made by the Franchisor and shall be paid by the Franchisee.

12.7 Shopping Service. The Franchisor reserves the right to use third party shopping services from time to time to evaluate the operation and quality of the Franchisee's NEUROSCULPTING Franchise, including such things as quality of customer instruction, customer relations, cleanliness, and knowledge and expertise. The Franchisor may use shopping services to inspect the Franchisee's NEUROSCULPTING Franchise at any time at the Franchisor's expense, without prior notification to the Franchisee. The Franchisor may, but need not, make the results of any such service evaluation available to the Franchisee, in the Franchisor's sole discretion.

13. MARKS, TRADE NAMES AND PROPRIETARY INTERESTS

13.1 **Marks**. The Franchisee acknowledges that the Franchisor or a company affiliated with or contractually obligated to the Franchisor has the right to license and control the Franchisee's use of the "NEUROSCULPTING®" service mark and other of the Marks, and that such Marks shall remain under the ownership and control of the Franchisor or a company affiliated with or contractually obligated to the Franchisor. The Franchisee acknowledges that it has not acquired any right, title or interest in the Marks except for the right to use such marks in the operation of its NEUROSCULPTING Franchise as it is governed by this Agreement. The Franchisee agrees not to use any of the Marks on any sites on the Internet and the World Wide Web unless expressly permitted by the Franchisor, and the Franchisee agrees not to use any of the Marks as part of an electronic mail address or to register any of the Marks as a domain name on the Internet.

13.2 **No Use of Other Marks**. The Franchisee agrees that no service mark other than "NEUROSCULPTING" or such other Marks as may be specified by the Franchisor shall be used in the identification, marketing, promotion or operation of the NEUROSCULPTING Franchise.

13.3 **Licensed Methods**. The Franchisee acknowledges that the Franchisor owns and controls the distinctive plan for the establishment, operation and promotion of the NEUROSCULPTING Franchise and all related licensed methods of doing business, previously defined as the "**Licensed Methods**," which include, but are not limited to, standards and specifications for the services offered at or through the NEUROSCULPTING Franchise; instructional methods; marketing techniques; written promotional materials; advertising; and any customized software, all of which constitute confidential trade secrets of the Franchisor, and the Franchisee acknowledges that the Franchisor has valuable rights in and to such trade secrets. The Franchisee acknowledges and agrees that it will promptly notify the Franchisor about any and all modifications or additions to the Licensed Methods or new instructional techniques and improvements in the NEUROSCULPTING Franchise developed by the Franchisee and that all such modifications or additions shall inure solely to the benefit of the Franchisor and may be adopted by the Franchisor and incorporated into the Licensed Methods without the Franchisor owing any compensation to the Franchisee. The Franchisee further acknowledges that it has not acquired any right, title or interest in the Licensed Methods except for the right to use the Licensed Methods in the operation of the NEUROSCULPTING Franchise as it is governed by this Agreement and that it is obligated to maintain the confidentiality of the Licensed Methods in accordance with Section 19.3 below.

13.4 **Mark Infringement**. The Franchisee agrees to notify the Franchisor in writing of any possible infringement of or claim of right to a trademark the same as or confusingly similar to the Marks which may come to its attention. The Franchisee acknowledges that the Franchisor shall have the right to determine whether any action will be taken on account of any possible infringement or illegal use. The Franchisor may commence or prosecute such action in the Franchisor's own name and may join the Franchisee as a party to the action if the Franchisor determines it to be reasonably necessary for the continued protection and quality control of the Marks and Licensed Methods. The Franchisor shall bear the reasonable cost of any such action, including attorneys' fees. The Franchisee agrees to fully cooperate with the Franchisor in any such litigation.

13.5 **Franchisee's Business Name**. The Franchisee acknowledges that the Franchisor has a prior and superior claim to the "NEUROSCULPTING®" trade name. The Franchisee shall not use the word "NEUROSCULPTING" in the legal name of its corporation, partnership or any other business entity used in conducting the business provided for in this Agreement. The Franchisee also agrees not to register or attempt to register a trade name or domain name using the word "NEUROSCULPTING" in the Franchisee's name or that of any other person or business entity, without the prior written consent of the Franchisor. The Franchisee shall not identify itself as being "The Neurosculpting Institute" or as being associated with the

Franchisor in any manner other than as a franchisee or licensee. The Franchisee further agrees that in all advertising and promotion and promotional materials it will display its business name only in obvious conjunction with the phrase "NEUROSCULPTING Franchisee" or with such other words and in such other phrases to identify itself as an independent owner of the NEUROSCULPTING Franchise, as may from time to time be prescribed in the Operations Manual.

13.6 **Change of Marks**. In the event that the Franchisor, in its sole discretion, shall determine it necessary to modify or discontinue the use of any proprietary Marks, or to develop additional or substitute marks, the Franchisee shall, within a reasonable time after receipt of written notice of such a modification or discontinuation from the Franchisor, take such action, at the Franchisee's sole expense, as may be necessary to comply with such modification, discontinuation, addition or substitution.

13.7 **Creative Ownership**. All copyrightable works created by the Franchisee or any of its owners, officers or employees in connection with the Franchise shall be the sole property of the Franchisor. The Franchisee assigns all proprietary rights, including copyrights, in these works to the Franchisor without additional consideration. The Franchisee hereby assigns and will execute such additional assignments or documentation to effectuate the assignment of all intellectual property, inventions, copyrights, trademarks and trade secrets developed in part or in whole in relation to the Franchise, during the term of this Agreement, as the Franchisor may deem necessary in order to enable it, at its expense, to apply for, prosecute and obtain copyrights, trademarks, patents or other proprietary rights in the United States and in foreign countries or in order to transfer to the Franchisor all right, title, and interest in said property. The Franchisee shall promptly disclose to the Franchisor all inventions, discoveries, improvements, creations, patents, copyrights, trademarks and confidential information relating to the Franchise which it or any of its owners, officers or employees has made or may make solely, jointly or commonly with others and shall promptly create a written record of the same. In addition to the foregoing, the Franchisee acknowledges and agrees that any improvements or modifications, whether or not copyrightable, directly or indirectly related to the Franchise, shall be deemed to be a part of the Licensed Methods and shall inure to the benefit of the Franchisor.

13.8 **Rights in Images and Likeness**. With respect to images, videos or other content ("**Materials**") that the Franchisee or the Owners supply to the Franchisor or to a technology provider of the Franchisor ("**Vendor**"), the Franchisee and the Owners, as applicable, grant the Franchisor a fully paid-up and royalty-free license and right to use and sublicense such Materials for any marketing, educational or operational purpose the Franchisor or Vendor deems appropriate in any media now in existence or hereafter created. To the extent that the Materials feature any Owner's likeness, image, performance, voice or name (the "**Likeness**"), or the Likeness of the Owner appears in images, video or other content created by the Franchisor during the term of this Agreement, the license granted herein shall include the right to use and sublicense such Likeness. To the extent that the Franchisee or the Owners do not own the copyright in the Materials, the Franchisee and the Owners represent and warrant that it/they have permission to use such Materials and to authorize the uses contemplated by this Section. The Franchisee and the Owners hereby release and covenant not to sue the Franchisor or Vendor in connection with any use of the Materials or Likeness permitted by this Agreement, and further agree to indemnify and hold the Franchisor and Vendor harmless from and against any claims by any third party that use of the Materials or Likeness infringes upon such third party's rights, including but not limited to, copyrights and rights of publicity. The license and other provisions of this Section shall survive termination or expiration of this Agreement.

14. REPORTS AND RECORDS

14.1 **Franchisee Reports**. The Franchisee shall provide copies of any reports, financial statements and records reasonably requested by the Franchisor regarding the operation of the NEUROSCULPTING Franchise. The Franchisor reserves the right to disclose data derived from such

reports, without identifying the Franchisee, except to the extent identification of the Franchisee is required by law. Each report to be submitted to the Franchisor pursuant to this Agreement shall be signed and verified by the Franchisee. If the Franchisee fails to prepare and submit any statement or report as required under this Article 14, then the Franchisor shall have the right to treat the Franchisee's failure as good cause for termination of this Agreement.

14.2 Books and Records. The Franchisee shall maintain all books and records for its NEUROSCULPTING Franchise in accordance with GAAP, consistently applied, and shall preserve these records for at least five years after the fiscal year to which they relate.

15. TRANSFER

15.1 Transfer by Franchisee. The rights granted herein are personal to the Franchisee, and the Franchisor shall not allow or permit any transfer, assignment, subfranchise or conveyance (each, a "**Transfer**") of this Agreement. As used in this Agreement, Transfer shall not mean or include the voluntary assignment, sale, gift, exchange or other disposition by an owner of the Franchisee, if the Franchisee is an entity, as long as such owner is not the Principal Operator of the Franchisee. The following shall, however, be considered a Transfer and shall result in the immediate and automatic termination of this Agreement: an assignment, sale, gift or other disposition resulting from a divorce, insolvency, corporate or partnership dissolution proceeding, public or private offering of stock or other ownership interests in the Franchisee entity, or otherwise by operation of law or, (in the event of the death of the Franchisee, or the Principal Operator of the Franchisee,) by will, declaration of or transfer in trust or under the laws of intestate succession.

15.2 Assignment by the Franchisor. This Agreement is fully assignable by the Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and the Franchisor shall in such event be fully released from the same.

16. TERM AND EXPIRATION

16.1 Term. The term of this Agreement is for a period of three years from the date of this Agreement, unless sooner terminated as provided herein.

16.2 Continuation. If, for any reason, the Franchisee continues to operate the Franchise beyond the term of this Agreement or any subsequent renewal period, it shall be deemed to be on a month-to-month basis under the terms of this Agreement and subject to termination upon 30 days' notice or as required by law. If said holdover period exceeds 90 days, this Agreement is subject to immediate termination unless applicable law requires a longer period. Upon termination after any holdover period, the Franchisee and those in active concert with the Franchisee, including immediate family members, officers, directors, partners and managing agents, are subject to the terms of Articles 19 and 21 and Section 18.3 of this Agreement and all other applicable post-termination obligations contained in this Agreement.

16.3 Rights Upon Expiration. At the end of the initial term hereof the Franchisee shall have the option to renew its franchise rights for one additional term of three years or longer as specified in the then current form of Franchise Agreement, by acquiring successor franchise rights, if the Franchisor does not exercise its right not to offer a successor franchise in accordance with Section 16.5 below and if the Franchisee:

a. At least 30 days prior to expiration of the term, executes the form of Franchise Agreement then in use by the Franchisor;

b. Has been in "substantial compliance" with all provisions of this Agreement during the current term of the Agreement. "**Substantial compliance**" during the term shall mean, at a minimum, that the Franchisee has not received any written notification from the Franchisor of breach hereunder more than three times during the term hereof;

c. Executes a general release, in a form satisfactory to the Franchisor, of any and all claims against the Franchisor and its affiliates, and their respective officers, directors, employees and agents arising out of or relating to this Agreement;

d. Has met all training and certification requirements for acquiring a successor franchise as described in Section 6.3 of this Agreement; and

e. Has paid the successor franchise fee of $500.

16.4 Exercise of Option for Successor Franchise. The Franchisee may exercise its option for a successor franchise by giving written notice of such exercise to the Franchisor not later than 210 days prior to the scheduled expiration of this Agreement. The Franchisee's successor franchise rights shall become effective by signing the Franchise Agreement then currently being offered to new franchisees of the Franchisor.

16.5 Conditions of Refusal. The Franchisor shall not be obligated to offer the Franchisee a successor franchise upon the expiration of this Agreement if the Franchisee fails to comply with any of the above conditions of renewal. The Franchisor shall give the Franchisee notice of expiration at least 180 days prior to the expiration of the term (unless such refusal is due to the Franchisee's failure to comply with Section 16.3), and such notice shall set forth the reasons for such refusal to offer successor franchise rights. Upon the expiration of this Agreement, the Franchisee shall comply with the provisions of Section 17.3 below.

17. DEFAULT AND TERMINATION

17.1 Termination by the Franchisor - Effective Upon Notice. The Franchisor shall have the right, at its option, to terminate this Agreement and all rights granted the Franchisee hereunder, without affording the Franchisee any opportunity to cure any default (subject to any state laws to the contrary, where state law shall prevail), effective upon receipt of notice by the Franchisee, addressed as provided in Section 22.10, upon the occurrence of any of the following events:

a. **Abandonment**. If the Franchisee ceases to operate or otherwise abandons the NEUROSCULPTING Franchise for a period of time that indicates an intent by the Franchisee to discontinue operation of the Franchise, as determined in the reasonable discretion of the Franchisor, unless and only to the extent that full operation of the Franchise is suspended or terminated due to fire, flood, earthquake or other similar causes beyond the Franchisee's control and not related to the availability of funds to the Franchisee;

b. **Insolvency; Assignments**. If the Franchisee becomes insolvent or is adjudicated bankrupt; or any action is taken by the Franchisee, or by others against the Franchisee under any insolvency, bankruptcy or reorganization act, (this provision may not be enforceable under federal bankruptcy law, 11 U.S.C. §§ 101 et seq.), or if the Franchisee makes an assignment for the benefit of creditors, or a receiver is appointed by the Franchisee;

c. **Unsatisfied Judgments; Levy; Foreclosure**. If any material judgment (or several judgments which in the aggregate are material) is obtained against the Franchisee and remains unsatisfied

or of record for 30 days or longer (unless a supersedeas or other appeal bond has been filed); or if execution is levied against the Franchisee's business or real property and is not discharged within five days;

d. **Criminal Conviction**. If the Franchisee is convicted of a felony, a crime involving moral turpitude, or any crime or offense that is reasonably likely, in the sole opinion of the Franchisor, to materially and unfavorably affect the Licensed Methods, Marks, goodwill or reputation thereof;

e. **Failure to Make Payments**. If the Franchisee fails to pay any amounts due the Franchisor or affiliates, including any amounts which may be due for certification or as a result of any purchases by the Franchisee from or through the Franchisor or its affiliates, within 10 days after notice that such fees or amounts are overdue;

f. **Misuse of Marks**. If the Franchisee misuses or fails to follow the Franchisor's directions and guidelines concerning use of the Franchisor's Marks and fails to correct the misuse or failure within 10 days after notification from the Franchisor;

g. **Unauthorized Disclosure**. If the Franchisee intentionally or negligently discloses to any unauthorized person the contents of or any part of the Franchisor's Operations Manual or any other trade secrets or confidential information of the Franchisor;

h. **Repeated Noncompliance**. If the Franchisee has received two previous notices of default from the Franchisor and is again in default of this Agreement within a 12-month period, regardless of whether the previous defaults were cured by the Franchisee; or

i. **Unauthorized Transfer**. If the Franchisee transfers or attempts to transfer the franchise in a manner prohibited by the provisions of Article 15 above.

17.2 Termination by the Franchisor - Thirty Days' Notice. The Franchisor shall have the right to terminate this Agreement (subject to any state laws to the contrary, where state law shall prevail), effective upon 30 days' written notice to the Franchisee, if the Franchisee breaches any other provision of this Agreement and fails to cure the default during such 30-day period. In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the 30-day period. Defaults shall include, but not be limited to, the following:

a. **Failure to Maintain Standards**. The Franchisee fails to adhere to the specifications and standards established by the Franchisor as set forth herein or in the Operations Manual or otherwise communicated to the Franchisee;

b. **Deceptive Practices**. The Franchisee engages in any unauthorized business or practice or sells any unauthorized services under the Franchisor's Marks or under a name or mark which is confusingly similar to the Franchisor's Marks;

c. **Failure to Obtain Consent**. The Franchisee fails, refuses or neglects to obtain the Franchisor's prior written approval or consent as required by this Agreement;

d. **Failure to Comply with Manual**. The Franchisee fails or refuses to comply with the then-current requirements of the Operations Manual; or

e. **Breach of Related Agreement**. The Franchisee defaults under any other agreement material to the NEUROSCULPTING Franchise or any other agreement of any kind between the

Franchisor or its affiliates and the Franchisee and such default is not cured within the time specified in such other agreement.

Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within such 30-day period and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach during such 30-day period, the Franchisee shall be given an additional reasonable period of time, but not more than 90 days to cure the same, and this Agreement shall not automatically terminate without written notice from the Franchisor.

17.3 Obligations of Franchisee Upon Termination or Expiration. The Franchisee is obligated upon termination or expiration of this Agreement to immediately:

a. Pay to the Franchisor all amounts or accounts payable then owed to the Franchisor or its affiliates pursuant to this Agreement, or pursuant to any other agreement, whether written or oral, between the parties;

b. Cease to identify itself as a NEUROSCULPTING franchisee or publicly identify itself as a former franchisee or use any of the Franchisor's trade secrets, signs, symbols, devices, trade names, trademarks, or other materials;

c. Cease using any proprietary mark of the Franchisor or any mark in any way associated with the NEUROSCULPTING Marks and Licensed Methods;

d. Deliver to the Franchisor all signs, sign-faces, advertising materials, proprietary or customized software programs, proprietary materials, forms and other materials bearing any of the Marks or otherwise identified with the Franchisor and obtained by and in connection with this Agreement;

e. Deliver to the Franchisor the Operations Manual and all other information, documents and copies thereof which are proprietary to the Franchisor;

f. Promptly take such action as may be required to cancel all fictitious or assumed names or equivalent registrations relating to its use of any Marks which are under the exclusive control of the Franchisor or, at the option of the Franchisor, assign the same to the Franchisor;

g. If applicable, take such action as may be required to remove from the Internet all sites referring to the Franchisee's former Franchise or any of the Marks and to cancel or assign to the Franchisor, in the Franchisor's sole discretion, all rights to any domain names for any sites on the Internet that refer to the Franchisee's former NEUROSCULPTING Franchise or any of the Marks; and

h. Abide by all restrictive covenants set forth in Article 21 of this Agreement.

17.4 State and Federal Law. THE PARTIES ACKNOWLEDGE THAT IN THE EVENT THAT THE TERMS OF THIS AGREEMENT REGARDING TERMINATION OR EXPIRATION ARE INCONSISTENT WITH APPLICABLE STATE OR FEDERAL LAW, SUCH LAW SHALL GOVERN THE FRANCHISEE'S RIGHTS REGARDING TERMINATION OR EXPIRATION OF THIS AGREEMENT.

18. BUSINESS RELATIONSHIP

18.1 Independent Businesspersons. The parties agree that they each are independent businesspersons, their only relationship is by virtue of this Agreement and that no fiduciary relationship is

created hereunder. Neither party is liable or responsible for the other's debts or obligations, nor shall either party be obligated for any damages to any person or property directly or indirectly arising out of the operation of the other party's business authorized by or conducted pursuant to this Agreement. The Franchisor and the Franchisee agree that neither of them will hold themselves out to be the agent, employer or partner of the other and that neither of them has the authority to bind or incur liability on behalf of the other.

18.2 Payment of Third-Party Obligations. The Franchisor shall have no liability for the Franchisee's obligations to pay any third parties, including without limitation, any product vendors, or any sales, use, service, occupation, excise, gross receipts, income, property or other tax levied upon the Franchisee, the Franchisee's property, the NEUROSCULPTING Franchise or upon the Franchisor in connection with the sales made or business conducted by the Franchisee (except any taxes the Franchisor is required by law to collect from the Franchisee with respect to purchases from the Franchisor).

18.3 Indemnification. The Franchisee agrees to indemnify, defend and hold harmless the Franchisor, its subsidiaries and affiliates, and their respective shareholders, directors, officers, members, managers, employees, agents, successors and assignees, (the "**Indemnified Parties**") against, and to reimburse them for all claims, obligations and damages described in this Section 18.3, any and all third party obligations described in Section 18.2 and any and all claims and liabilities directly or indirectly arising out of the operation of the NEUROSCULPTING Franchise or provision of client instruction or arising out of the use of the Marks and Licensed Methods in any manner not in accordance with this Agreement. For purposes of this indemnification, "**claims**" shall mean and include all obligations, actual and consequential damages and costs reasonably incurred in the defense of any claim against the Indemnified Parties, including, without limitation, reasonable accountants', attorneys' and expert witness fees, costs of investigation and proof of facts, court costs, other litigation expenses and travel and living expenses. The Franchisor shall have the right to defend any such claim against it. This indemnity shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement.

19. RESTRICTIVE COVENANTS

19.1 Non-Competition During Term. The Franchisee acknowledges that, in addition to the license of the Marks hereunder, the Franchisor has also licensed commercially valuable information which comprises and is a part of the Licensed Methods, including without limitation, training, operations, marketing, advertising and related information and materials and that the value of this information derives not only from the time, effort and money which went into its compilation, but from the usage of the same by all the franchisees of the Franchisor using the Marks and Licensed Methods. The Franchisee therefore agrees that, other than the NEUROSCULPTING Franchise licensed herein or authorized by separate agreement with the Franchisor, neither the Franchisee nor any of the Franchisee's officers, directors, members, managers, shareholders or partners, nor any member of his or their immediate families, shall during the term of this Agreement:

a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a "Competitive Business" as defined below;

b. perform services as a director, officer, member, manager, employee, consultant, representative, meditation or mindfulness instructor, agent or otherwise for a Competitive Business; or

c. divert or attempt to divert any business related to, or any customer or account of the NEUROSCULPTING Franchise, the Franchisor's business or any other NEUROSCULPTING franchisee's business, by direct inducement or otherwise, or divert or attempt to divert the employment of

any employee of the Franchisor, its affiliate, Ripple Effect, LLC, or any other affiliates, to any Competitive Business by any direct inducement or otherwise.

The term "**Competitive Business**" as used in this Agreement shall mean any business operating, or any business granting franchises or licenses to others to operate a business deriving more than 10% of its gross receipts from meditation or mindfulness facilitation or instruction, but not including general yoga, fitness or exercise instruction. Notwithstanding the foregoing, the Franchisee shall not be prohibited from (i) owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding; or (ii) continuing to operate a previously established Competitive Business ("**Approved Business**") which the Franchisor has approved in Exhibit I attached hereto at the time this Agreement is executed.

19.2 Post-Termination Covenant Not to Compete. Upon termination or expiration of this Agreement for any reason, the Franchisee and its officers, directors, members, managers, shareholders, and/or partners agree that, for a period of two years commencing on the effective date of termination or expiration, or the date on which the Franchisee ceases to conduct business, whichever is later, neither Franchisee nor its officers, directors, shareholders, or partners shall have any direct or indirect interest (through a member of any immediate family of the Franchisee or its Owners or otherwise) as a disclosed or beneficial owner, investor, partner, member, manager, director, officer, employee, consultant, representative or agent or in any similar capacity in any Competitive Business, defined in Section 19.1 above, located or operating within the Operation State where the Franchisee operated its Franchise. The restrictions of this Section shall not be applicable to (i) the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding; or (ii) the operation of a previously established Competitive Business which the Franchisor has approved in writing at the time this Agreement is executed. The Franchisee and its officers, directors, members, managers, shareholders, or partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of the covenants made in this Section will not deprive them of their personal goodwill or ability to earn a living.

19.3 Confidentiality of Proprietary Information. The Franchisee and the Franchisor acknowledge that the distinctive business format, plans, methods, meditation and mindfulness instruction and facilitation techniques, software, data, processes, marketing systems, manuals, designs, operating procedures, trademarks, proprietary marks and information and know-how of the Franchisor which are developed and utilized in connection with the Licensed Methods are proprietary and confidential ("**Confidential Information**"). Such Confidential Information is unique, exclusive property and a trade secret of the Franchisor and has valuable goodwill associated with it. The Franchisee acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful and would cause irreparable injury and harm to the Franchisor. It is understood that Confidential Information is deemed to include, without limitation, meditation and mindfulness instruction techniques and methods, client lists, vendor lists, any and all information contained in the Operations Manual, and any information of whatever nature which gives the Franchisor and its affiliates an opportunity to obtain an advantage over its competitors who do not have access to, know or use such techniques, methods, lists, written materials or information. The Franchisee further acknowledges that the Franchisor has expended a great amount of effort and money in obtaining and developing the Confidential Information, that the Franchisor has taken numerous precautions to guard the secrecy of the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information and that any unauthorized disclosure of such Confidential Information shall cause irreparable harm to the Franchisor. Consequently, the Franchisee shall not at any time, publish, disclose, divulge or in any manner communicate to any person, firm, corporation, association, partnership or any other entity whatsoever or use, directly or indirectly, for its own benefit or for the benefit of any person, firm, corporation or other entity other than for the use of the

Franchisor or the Franchisee's NEUROSCULPTING Franchise, any of the Confidential Information of the Franchisor or its affiliates. The Franchisor and the Franchisee agree that the Confidential Information does not include information that is generally available to the public.

19.4 Confidentiality Agreement. The Franchisor reserves the right to require that the Franchisee cause each of its officers, directors, partners, shareholders, members, managers, employees and Principal Operator, and, if the Franchisee is an individual, immediate family members, to execute a Nondisclosure and Noncompetition Agreement containing the above restrictions, in a form approved by the Franchisor.

19.5 Non-Disparagement. The Franchisee agrees that it shall not take any action or make any statements to any third parties that would constitute a criticism, denigration or disparagement of the Franchisor or its Licensed Methods or would tend to be injurious to the reputation or goodwill of the Franchisor or its Marks, or which in any manner may interfere with the business affairs or business relations of the Franchisor.

19.6 Interpretation. All parties to this Agreement acknowledge that this Article has been fully negotiated and has been entered into freely. If any provision of this Article 19 shall be held to be invalid by any tribunal, the terms of said invalid provision shall be modified to the least possible extent so as to make the provision valid. This Article shall not be interpreted against either party as drafter.

20. INSURANCE

20.1 Insurance Coverage. The Franchisee shall procure from suppliers that may be designated by the Franchisor, maintain and provide evidence of (i) commercial general liability insurance for the Franchise and its operations, with a limit of not less than $1,000,000 per occurrence, $2,000,000 total combined single limit, or such greater limit as may be required by state law for non-bodily injury, sexual molestation and child abuse coverage; (ii) if applicable, unemployment and workers' compensation insurance with a broad form all-states endorsement coverage sufficient to meet the requirements of the law; and (iii) if not covered by general liability insurance, coverage for indemnity obligations under this Agreement. The Franchisor reserves the right to require that the Franchisee obtain and maintain, in addition to all other policies of insurance, employment practices insurance in such amounts as may be reasonable for a NEUROSCULPTING Franchise. All of the required policies of insurance shall name the Franchisor as an additional insured and shall provide for a 30-day advance written notice to the Franchisor of cancellation. The Franchisor shall have the right upon 60 days prior written notice to the Franchisee to revise the coverage limits and type of insurance described in this Section 20.1.

20.2 Proof of Insurance Coverage. Upon the Franchisor's request, the Franchisee will provide proof of insurance to the Franchisor prior to commencement of operation of its NEUROSCULPTING Franchise. This proof will show that the insurer has been authorized to inform the Franchisor in the event any policies lapse or are cancelled. Noncompliance with the insurance provisions set forth herein shall be deemed a material breach of this Agreement. In the event of any lapse in insurance coverage, in addition to all other remedies, the Franchisor shall have the right to demand that the Franchisee cease operations of the NEUROSCULPTING Franchise until coverage is reinstated.

21. DISPUTE RESOLUTION

21.1 Mediation. Except as provided in Section 21.2 with regard to bringing a civil action relating to the Marks or enforcement of a covenant not to compete and Section 21.3 in regard to injunctive relief, no party shall file a legal action seeking enforcement or any other legal remedy relating to or arising

under this Agreement until the dispute has been submitted to a non-binding mediation proceeding conducted in accordance with the procedures set forth below.

a. Either party may initiate a mediation proceeding (the "**Initiating Party**") by notifying the other party in writing (the "**Responding Party**"). The mediation shall be conducted in accordance with the American Arbitration Association's ("**AAA**") then current mediation rules, but need not be administered by the AAA unless the parties cannot agree upon the selection of a mediator within thirty days of the receipt of the written demand for mediation. If the parties cannot reach agreement upon the selection of a mediator, either party may commence the mediation process by filing a written demand for mediation with the AAA, with a copy to the other party. The notice shall describe with specificity the nature of the dispute and Initiating Party's claim for relief. Both parties will be obligated to engage in the mediation under the AAA's then current rules, except to the extent the rules conflict with this Agreement, in which case this Agreement shall control.

b. The mediation will be conducted by a single mediator with no past or present affiliation or conflict with the Franchisor, the Franchisee, or any other party to the mediation. The parties agree that the mediator shall be disqualified as a witness, expert, consultant or attorney in any pending or subsequent proceeding relating to the dispute which is the subject of the mediation.

c. In the event the parties cannot agree on a mediator and the AAA administers the mediation, the AAA shall provide the parties with a list of mediators willing to serve. If the parties do not agree upon a mediator, and so advise the AAA in writing, within 10 days of receipt of such list, the AAA shall appoint the mediator. The fees and expenses of the AAA, if applicable, and the mediator's fee, shall be shared equally by the parties. Each party shall bear its own attorneys' fees and other costs incurred in connection with the mediation irrespective of the outcome of the mediation or the mediator's evaluation of each party's case.

d. The mediation proceeding shall commence within 30 days after selection of the mediator. Regardless of whether the Franchisor or the Franchisee is the Initiating Party, the mediation shall be conducted at the Franchisor's principal offices, unless the Franchisor and the Franchisee agree upon a mutually acceptable alternative location or to mediate remotely.

e. At least 14 days before the first scheduled session of the mediation, the Initiating Party shall deliver to the mediator and to the other party a concise written summary of its position with respect to the matters in dispute and Initiating Party's claims for relief, and such other matters required by the mediator and at least 7 days before the first scheduled session of mediation, the Responding Party shall deliver to the mediator and to the other party a concise written summary of its position with respect to the matters in dispute and Responding Party's defenses or counterclaims, and such other matters required by the mediator.

f. The parties shall participate in good faith in the mediation with the intention of resolving the dispute, if at all possible. The parties recognize and agree, however, that the mediator's recommendations and decision shall not be binding on the parties unless otherwise agreed in writing.

g. During the mediation, the mediator may have joint and separate meetings with the parties and their counsel, at the mediator's discretion. The mediation proceeding shall continue until conclusion, which is deemed to occur when: (i) a written settlement is reached, (ii) the mediator concludes and informs the parties in writing that further efforts would not be useful, or (iii) the parties agree in writing that an impasse has been reached. Neither party may withdraw before the conclusion of the mediation proceeding.

h. The mediation proceeding will be treated as a compromise settlement negotiation. All offers, promises, conduct and statements, whether oral or written, made in the course of the mediation proceeding by any party or their agents, experts, counsel, employees or representatives, and by the mediator are confidential. Such offers, promises, conduct and statements may not be disclosed to any third party and are privileged and inadmissible for any purpose, including impeachment, under applicable laws or rules of evidence; provided, however, that evidence otherwise discoverable or admissible shall not be rendered not discoverable or inadmissible as a result of its use in the mediation. If a party informs the mediator that information is conveyed in confidence by the party to the mediator, the mediator will not disclose the information.

21.2 Governing Law/Consent to Venue and Jurisdiction; Jury Trial Waiver. Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement shall be interpreted under the laws of the state of Colorado, and any dispute between the parties shall be governed by and determined in accordance with the substantive laws of the state of Colorado, which laws shall prevail in the event of any conflict of law. The Franchisee and the Franchisor have negotiated regarding a forum in which to resolve any disputes which may arise between them and have agreed to select a forum in order to promote stability in their relationship. Therefore, if a claim is asserted in any legal proceeding involving the Franchisee, its officers, directors, shareholders, managers or partners (collectively, "**Franchisee Affiliates**") and the Franchisor, its officers, directors, managers or employees (collectively, "**Franchisor Affiliates**") the parties agree that the exclusive venue for disputes between them shall be in the state and federal courts of Colorado and each party waives any objection they may have to the personal jurisdiction of or venue in the state and federal courts of Colorado. THE FRANCHISOR, THE FRANCHISOR AFFILIATES, THE FRANCHISEE AND THE FRANCHISEE AFFILIATES EACH WAIVE THEIR RIGHTS TO A TRIAL BY JURY.

21.3 Injunctive Relief. Notwithstanding the above provision for mediation, the Franchisor and the Franchisee will each have the right in a proper case to obtain injunctive relief and any damages incidental thereto from a court of competent jurisdiction. The Franchisee agrees that the Franchisor may obtain such injunctive relief, without posting a bond or bonds in excess of a total of $1,000, but upon due notice, and the Franchisee's sole remedy in the event of the entry of such injunctive relief will be the dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by the Franchisee. Any such action will be brought as provided in Section 21.2 above and the prevailing party shall be entitled to its costs and attorneys' fees.

22. MISCELLANEOUS PROVISIONS

22.1 Modification. The Franchisor or the Franchisee may modify this Agreement only upon execution of a written agreement between the two parties. The Franchisee acknowledges that the Franchisor may modify its standards and specifications and operating and marketing techniques set forth in the Operations Manual unilaterally under any conditions and to the extent to which the Franchisor, in its sole discretion, deems necessary to protect, promote, or improve the Marks and the quality of the Licensed Methods, but under no circumstances will such modifications be made arbitrarily without such determination.

22.2 Entire Agreement. This Agreement, including all exhibits and addenda, contains the entire agreement between the parties and supersedes any and all prior agreements concerning the subject matter hereof. The Franchisee agrees and understands that the Franchisor shall not be liable or obligated for any oral representations or commitments made prior to the execution hereof or for claims of negligent or fraudulent misrepresentation and that no modifications of this Agreement shall be effective except those in writing and signed by both parties. The Franchisor does not authorize and will not be bound by any

representation of any nature other than those expressed in this Agreement and in the most recent franchise disclosure document provided to the Franchisee by the Franchisor or its representatives in connection with this Agreement. The Franchisee further acknowledges and agrees that no representations have been made to it by the Franchisor regarding projected sales volumes, market potential, revenues, profits of the Franchisee's NEUROSCULPTING Franchise, or operational assistance other than as stated in this Agreement or in the most recent franchise disclosure document provided to the Franchisee by the Franchisor or its representatives in connection herewith. Nothing in this or in any related agreement, however, is intended to disclaim the representations the Franchisor made in the franchise disclosure document that the Franchisor furnished to the Franchisee.

22.3 Delegation by the Franchisor. From time to time, the Franchisor shall have the right to delegate the performance of any portion or all of its obligations and duties hereunder to third parties, whether the same are agents of the Franchisor or independent contractors which the Franchisor has contracted with to provide such services. The Franchisee agrees in advance to any such delegation by the Franchisor of any portion or all of its obligations and duties hereunder.

22.4 Effective Date. This Agreement shall not be effective until accepted by the Franchisor as evidenced by dating and signing by an officer of the Franchisor. The effective date of this Agreement may be adjusted to an earlier date if the parties are signing it as a successor to an earlier franchise agreement in order to avoid giving the Franchisee a longer term under the successor franchise agreement if the term of the prior agreement was extended until the successor agreement became effective.

22.5 Review of Agreement. The Franchisee acknowledges that it had a copy of this Agreement in its possession for a period of time not less than 14 days or 10 business days, whichever is applicable, during which time the Franchisee has had the opportunity to submit the same for professional review and advice of the Franchisee's choosing prior to freely executing this Agreement.

22.6 Attorneys' Fees. In the event of any dispute between the parties to this Agreement, in addition to all other remedies, the non-prevailing party will pay the prevailing party all amounts due and all damages, costs and expenses, including reasonable attorneys' fees, incurred by the prevailing party in any legal action or other proceeding as a result of such dispute.

22.7 No Waiver. No waiver of any condition or covenant contained in this Agreement or failure to exercise a right or remedy by the Franchisor or the Franchisee shall be considered to imply or constitute a further waiver by the Franchisor or the Franchisee of the same or any other condition, covenant, right, or remedy.

22.8 No Right to Set Off. The Franchisee shall not be allowed to set off amounts owed to the Franchisor against any monies owed to the Franchisee, nor shall the Franchisee in any event withhold such amounts due to any alleged nonperformance by the Franchisor hereunder, which right of set off is hereby expressly waived by the Franchisee.

22.9 Invalidity. 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 eliminate the invalid element and, as so modified, such provision shall be deemed a part of this Agreement as though originally included. The remaining provisions of this Agreement shall not be affected by such modification.

22.10 Notices. All written notices required to be given under this Agreement shall be given in writing, by electronic mail, by certified mail, return receipt requested, or by an overnight delivery service providing documentation of receipt, at the address set forth in the preamble to this Agreement or at such other addresses as the Franchisor or the Franchisee may designate from time to time. Notices shall be

deemed delivered one business day after transmission by electronic mail; one business day after being placed in the hands of a commercial courier service for overnight delivery; or three business days after being deposited in the United States Mail, postage prepaid and addressed to the party to be notified at its most current principal business address of which the notifying party has been notified in writing.

22.11 Authorization to Communicate Electronically; Prompt Response Required. By executing this Agreement, the Franchisee authorizes the Franchisor and its affiliates and approved suppliers, to communicate with the Franchisee electronically, including via electronic mail or text message, and unless a written communication is required, to communicate with the Franchisee via telephone, notwithstanding whether any or all of the Franchisee's telephone numbers appear on a state or federal do-not-call registry. The Franchisee acknowledges and agrees that it is critical to the efficient and successful administration of the franchise relationship that the Franchisee promptly responds to all communications from the Franchisor. Accordingly, the Franchisee agrees to respond within five business days to each communication from the Franchisor.

22.12 Force Majeure. "**Force Majeure**" means an event that prevents a party to this Agreement from performing that is not the fault of or within the reasonable control of the party claiming Force Majeure. Force Majeure includes acts of god, fires, strikes, war, terrorism, riot, governmental laws or restrictions, or any other similar event or cause rendering performance of the contract impossible. Except with respect to payment obligations, neither party shall be deemed to be in breach of this Agreement if a party's failure to perform its obligations results from Force Majeure and any delay resulting from Force Majeure will extend performance accordingly or excuse performance in whole or in part as may be reasonable. Force Majeure does not include the Franchisee's financial inability to perform, inability to obtain financing, inability to obtain permits or licenses or any other similar events unique to the Franchisee or to general economic downturn or conditions. If the Franchisee is affected by an event of Force Majeure, it shall provide a prompt written request for relief to the Franchisor describing and setting forth the nature of the Force Majeure, an estimate as to its duration, and a plan for resuming full compliance with this Agreement. The Franchisor will have full discretion whether to grant or deny any request for relief. If the Franchisee fails to provide the required notice it shall be liable for failure to give such timely notice only to the extent of damage actually caused.

22.13 Electronic Signature. The parties hereby acknowledge and agree that electronic signatures, in such form and manner as the Franchisor may prescribe from time to time, shall be legal and binding and shall have the same full force and effect as if an original of this Agreement had been signed and delivered by hand. The Franchisor and the Franchisee both (i) intend to be bound by the signatures (whether original or electronic) on any document sent or signed electronically, (ii) are aware that the other party will rely on such signatures, and (iii) hereby waive any defenses to the enforcement of the terms of this Agreement based on the foregoing forms of signature.

22.14 Cumulative Rights. The rights and remedies of the Franchisor and the Franchisee hereunder are cumulative and no exercise or enforcement by the Franchisor or the Franchisee of any right or remedy hereunder shall preclude the exercise or enforcement by the Franchisor or the Franchisee of any other right or remedy hereunder which the Franchisor or the Franchisee is entitled by law to enforce.

22.15 Anti-Terrorism Representation. The Franchisee represents to the Franchisor that it and all persons or entities holding any legal or beneficial interest whatsoever in the Franchisee are not included in, owned by, controlled by, acting for or on behalf of, providing assistance, support, sponsorship, or services of any kind to, or otherwise associated with any of the persons or entities referred to or described in Executive Order 13224-Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism, as amended.

22.16 **Survival of Provisions**. Any provisions that by their terms extend beyond termination or expiration of this Agreement shall continue in full force and effect subsequent to and notwithstanding the termination or expiration of this Agreement.

22.17 **Acknowledgement**. BEFORE SIGNING THIS AGREEMENT, THE FRANCHISEE SHOULD READ IT CAREFULLY WITH THE ASSISTANCE OF LEGAL COUNSEL. THE FRANCHISEE ACKNOWLEDGES THAT:

(A) THE SUCCESS OF THE BUSINESS VENTURE CONTEMPLATED HEREIN INVOLVES SUBSTANTIAL RISKS AND DEPENDS UPON THE FRANCHISEE'S ABILITY AS AN INDEPENDENT BUSINESSPERSON AND ITS ACTIVE PARTICIPATION IN THE DAILY AFFAIRS OF THE BUSINESS, AND

(B) NO ASSURANCE OR WARRANTY, EXPRESS OR IMPLIED, HAS BEEN GIVEN AS TO THE POTENTIAL SUCCESS OF SUCH BUSINESS VENTURE OR THE EARNINGS LIKELY TO BE ACHIEVED, AND

(C) NO STATEMENT, REPRESENTATION OR OTHER ACT, EVENT OR COMMUNICATION, EXCEPT AS SET FORTH IN THIS DOCUMENT, AND IN ANY DISCLOSURE DOCUMENT SUPPLIED TO THE FRANCHISEE IS BINDING ON THE FRANCHISOR IN CONNECTION WITH THE SUBJECT MATTER OF THIS AGREEMENT.

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

NEUROSCULPTING INSTITUTE FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE

_____
(Print Name)

_____
Individually

Address:_____
City:_____
State:_____ Zip:_____

OR:

(if a corporation, LLC or partnership)

_____
Company Name

By:_____
Name:_____
Title:_____
Address:_____
City:_____
State:_____ Zip:_____

EXHIBIT I
TO FRANCHISE AGREEMENT

ADDENDUM TO NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT

1. Residency State. The Residency State described in Section 3.1 of the Agreement shall be:_____.

2. Operation State. The Operation State described in Section 3.1 of the Agreement shall be:_____.

3. Initial Franchise Fee. The Initial Franchise Fee, described in Section 4.1 of the Agreement, is $7,500.

4. Grand Opening Marketing Campaign. The agreed upon dollar amount for the grand opening marketing campaign pursuant to Section 11.6 of the Agreement shall be $_____and the amount owed to the Franchisor for marketing materials to be used in the grand opening marketing campaign is $_____.

5. Approved Business. If applicable, the Franchisor agrees that the Franchisee may continue to perform the following duties for the business hereafter described and this business will not be considered a "Competitive Business" defined in Section 19.1 of the Agreement, so long as only these duties are performed for the business named: _____

_____

Fully executed this____day of_____, 20__ .

NEUROSCULPTING INSTITUTE FRANCHISING, LLC

By:_____
Name:_____
Title:_____

FRANCHISEE

_____
(Print Name)

_____
Individually

Address:_____
City:_____
State:_____Zip:_____

OR:

(if a corporation, LLC or partnership)

_____
Company Name

By:_____
Name:_____
Title:_____
Address:_____
City:_____
State:_____Zip:_____

EXHIBIT II
TO FRANCHISE AGREEMENT

GUARANTY AND ASSUMPTION OF FRANCHISEE'S OBLIGATIONS

In consideration of, and as an inducement to, the execution of the above Franchise Agreement (the "**Agreement**") by NEUROSCULPTING INSTITUTE FRANCHISING, LLC (the "**Franchisor**"), each of the undersigned guarantors hereby personally and unconditionally:

Guarantees to the Franchisor and its successors and assigns, for the term of this Agreement, including renewals thereof, that the franchisee as that term is defined in the Agreement (the "**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement; and

Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Agreement.

6. Each of the undersigned waives the following:

7. Acceptance and notice of acceptance by the Franchisor of the foregoing undertaking;

8. Notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed;

9. Protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed;

10. Any right he/she/they may have to require that any action be brought against the Franchisee or any other person as a condition of liability; and

11. Any and all other notices and legal or equitable defenses to which he/she/they may be entitled.

Each of the undersigned consents and agrees that:

1. His/her/their direct and immediate liability under this guaranty shall be joint and several;

2. He/she/they shall render any payment or performance required under the Agreement upon demand if the Franchisee fails or refuses punctually to do so;

3. Such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against the Franchisee or any other person;

4. Such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to the Franchisee or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Agreement, including renewals thereof;

5. He/she/they shall be bound by the restrictive covenants and confidentiality provisions contained in Article 19 of the Agreement and the indemnification provision contained in Section 18.3 of the Agreement; and

6. The mediation, injunctive relief, governing law and jurisdiction provisions contained in Article 21 and the attorneys' fees provision contained in Section 22.6 of the Agreement shall govern this Guaranty and such provisions are incorporated into this Guaranty by this reference.

7. **THE UNDERSIGNED WAIVES ALL RIGHTS TO A TRIAL BY JURY**.

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

WITNESS	**GUARANTORS**
_____	_____
_____	_____
_____	_____
_____	_____

EXHIBIT III
TO FRANCHISE AGREEMENT

STATEMENT OF OWNERSHIP

Franchisee: _____

Trade Name (if different from above): _____

Form of Ownership
(Check One)

___ Individual ___ Partnership ___ Corporation ___ Limited Liability Company

If a Partnership, provide name and address of each partner showing percentage owned, whether active in management, and indicate the state in which the partnership was formed.

If a Limited Liability Company, provide name and address of each member and each manager showing percentage owned and indicate the state in which the Limited Liability Company was formed.

If a Corporation, give the state and date of incorporation, the names and addresses of each officer and director, and list the names and addresses of every shareholder showing what percentage of stock is owned by each.

_____

_____

_____

_____

_____

_____

The Franchisee acknowledges that this Statement of Ownership applies to the NEUROSCULPTING Franchise authorized under the Franchise Agreement.

Use additional sheets if necessary. Any and all changes to the above information must be reported to the Franchisor in writing.

_____ _____

Date Name

EXHIBIT C
(TO DISCLOSURE DOCUMENT)

NEUROSCULPTING INSTITUTE FRANCHISING, LLC
LIST OF FRANCHISEES
As of December 31, 2021

NAME	ADDRESS	TELEPHONE NO.
California		
1. Kathryn Patrick	4048 Madison Ave Culver City, CA 90232	706-832-7773
2. Natanya Sell	6140 Monterey Rd., #429 Los Angeles, CA 90042	805-801-8606
3. Joceyln King	P.O. Box 1065 Los Gatos, CA 95031	408-833-2787
4. Danielle Rachlin	3913 Stanford Dr. Oceanside, CA 92056	970-640-3789
5. Kiefer Josephs	2973 Candlelight Ln. Palm Springs, CA 92264	303-817-3935
Colorado		
6. Stefanie Rothert	11712 W. 75th Circle Arvada, CO 80005	303-880-9339
7. Kerstin Caldwell	12792 E. Villanova Dr Aurora, CO 80014	720-280-9824
8. Ariel Raddack-Krassner	4683 Lee Hill Drive Boulder, CO 80302	505-795-0818
9. Anthony Sosa	2890 Stanford Ave. Boulder, CO 80305	713-748-9623
10. Denise Iten	4500 19th St., Lot 308 Boulder, CO 80304	720-206-6383
11. Molly Campbell	992 S. 4th Ave Unit 100#247 Brighton, CO 80601	303-845-0403
12. Shari Ciolli	1515 Nokomis Dr. Colorado Springs, CO 80915	303-717-9236
13. Cyndi Morris	3426 Iroquois Trail Conifer, CO 80433	719-252-0079
14. Will Devine	11848 Black Hawk Dr. Conifer, CO 80433	303-265-1584
15. Susan Aplin	2660 Quitman St. Denver, CO 80212	303-819-3007
16. Lisa Saldana	600 S. Cherry St., Suite 315 Denver, CO 80246	720-203-9277
17. Kelley Seriano	1650 Wewatta St., #1305 Denver, CO 80202	720-375-4538
18. Richard Spiegle	600 S. Cherry St., Suite 315 Denver, CO 80246	303-204-8825
19. Michelle Weldon	1650 Wewatta St., #1116 Denver, CO 80202	303-807-4631

NAME	ADDRESS	TELEPHONE NO.
20. Chava Meller	323 Irving St. Denver, CO 80819	816-213-1865
21. Laurie Freedle	3111 S. Magnolia St. Denver, CO 80224	720-231-1063
22. Mara Willemin	2923 Delaware St. Denver, CO 80110	517-490-2594
23. Molly Wright	975 Lincoln St., Suite 202 Denver, CO 80203	312-560-1525
24. Joy Elizabeth Menet	2701 S. Grant St. Englewood, CO 80113	920-224-3092
25. Freyja May	1817 Orchard Place Fort Collins, CO 80521	970-624-9807
26. Jayme Margaret Hartwig	8904 E. Caley Way Greenwood Village, CO 80111	303-601-6016
27. Tamme Buckner	9969 Melbourne Place Highlands Ranch, CO 80130	303-335-5470
28. Lisa Marini	10381 Hyacinth St. Highlands Ranch, CO 80129	713-254-2101
29. Asiana Harper	1236 Upham St. Lakewood, CO 80214	303-842-1737
30. Cobiana Clark	312 Wright St., Unit 105 Lakewood, CO 80228	720-218-8539
31. Lynn Varone	2186 Silverheels Dr. Larkspur, CO 80118	303-345-5707
32. Andrea Floyd	156 Sunset St. Longmont, CO 80501	303-995-0249
33. Jeffrey Shacklett	8000 ½ CR 152 Salida, CO 81201	719-207-2892
34. Beth Blaskovich	2948 West End Dr. Steamboat Springs, CO 80407	720-934-8007
35. Teresita Hinojosa	No permanent address at this time	210-854-8481
Connecticut		
36. Kathleen Kelley (Zettergren)	28 Fairlawn Dr. Wallingford, CT 06492	203-215-0925
Florida		
37. Karen O'Brien	1622 Marina Lake Dr. Kissimmee, FL 34744	321-402-4041 407-343-5929
Idaho		
38. Steve Tanner	3800 E. Man O'War Dr. Nampa, ID 83686	305-444-3760
Illinois		
39. Jennifer Ellis-Schuetz	637 Elrvin Ave. State College, PA 16801	814-308-3989

NAME	ADDRESS	TELEPHONE NO.
Massachusetts		
40. Katie DiChiara	135 Essex St. Lynnfield, MA 01940	617-821-6650
New Jersey		
41. Elenice Oliveira	228 Van Buren St. Lyndhurst, NJ 07071	973-655-7961
42. Jody Domerstad	18B Hastings Avenue Rutherford, NJ 07070	973-768-6420
New Mexico		
43. Susan Keeley	6820 Napolean Rd., NE Rio Rancho, NM 87144	505-934-4522
New York		
44. Emily Huber	480 St. Marks Ave. #503, Brooklyn, NY 11207	646-259-1451
North Carolina		
45. Linda Gunter	5846 Erect Rd. Seagrove, NC 27341	336-879-8149
46. Sharon Meny	7942 Huron Dr. Wilmington, NC 28412	910-899-3124
North Dakota		
47. Chris Aman	200 E. Main St., #204 Bismarck, ND 58504	701-425-1254
Pennsylvania		
48. Donna Nielson	1088 Lorraine Dr. Garnet Valley, PA 19060	610-761-3583
49. Elisha Halprin	637 Elrvin Ave. State College, PA 16801	814-308-3989
Rhode Island		
50. Lisa Corneau	62 Blackington Dr. Chepachet, RI 02814	401-595-5360
Texas		
51. Karen Pennebaker	3435 Branard St. #202 Houston, TX 77027	713-666-6082
Virginia		
52. Beth Rose	1740 Bernstein Dr. Virginia Beach, VA 23454	757-284-6478
Washington		
53. Emily Geisler	13456 US 2 E. Wenatchee, WA 98802	720-382-8642
54. Vija Rogozina	5847 NE 75th St., #217 Seattle, WA 98115	303-887-5857
Wisconsin		
55. Sharon Thessin	6250 W. Armour Ave. Greenfield, WI 53220	414-688-3168
56. Theresa Falvey	927-A S. 8th St., Suite 306. Manitowoc, WI 54220	303-941-7981
57. Connie Woythal	859 Chaplin Ct. Plymouth, WI 53073	920-893-8000

NAME	ADDRESS	TELEPHONE NO.
United Kingdom		
58. Jo Britton	1 Marquess Way, Middleton, Manchester UK	447788446216

Following are franchisees who had signed a Franchise Agreement but whose business was not yet open as of December 31, 2021.

None.

EXHIBIT D
(TO DISCLOSURE DOCUMENT)

NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISED UNITS THAT HAVE CLOSED, TRANSFERRED, BEEN TERMINATED OR OTHERWISE LEFT THE SYSTEM DURING FISCAL YEAR 2021

The following Neurosculpting Institute Franchising, LLC franchised units have closed, transferred, terminated or otherwise left the system during fiscal year 2021. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

NAME	ADDRESS	TELEPHONE NO.
Colorado		
1. Amy Jacobs	8408 Devinney Court Arvada, CO 80005	540-239-1605
2. Mariah Elhert	125 S. Sherman St. Denver, CO 80209	720-775-7910
3. Travis Rumsey	3918 Woods Rd. Sedalia, CO 80135	303-669-2547
Indiana		
4. Justin Phillips	1100 W. 42nd St., Suite 345 Indianapolis, IN 46208	317-828-6883
Michigan		
5. Theresa Pearce	4990 Cascade Rd. Grand Rapids, MI 94546	616-881-3281

EXHIBIT E
(TO DISCLOSURE DOCUMENT)

FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS OF
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FOR THE YEARS ENDED DECEMBER 31, 2021, 2020 and 2019

Neurosculpting Institute Franchising, LLC

Financial Statements
For the Years Ended December 31, 2021, 2020 and 2019

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Neurosculpting Institute Franchising, LLC

Contents

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Notes to Financial Statements	6

Tel: 303-803-1120
Fax: 303-830-8130
www.bdo.com

303 East 17th Avenue, Suite 600
Denver, CO 80203

Independent Auditor's Report

Neurosculpting Institute Franchising, LLC
Denver, Colorado

Opinion

We have audited the financial statements of Neurosculpting Institute Franchising, LLC (the Company), which comprise the balance sheets as of December 31, 2021 and 2020, and the related statements of operations and member's deficit, and cash flows for the years ended December 31, 2021 and 2020, and the related notes to the financial statements.

In our opinion, the accompanying 2021 and 2020 financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Other Matter

The 2019 financial statements of the Company were audited by ACM LLP ("ACM"), whose partners and professional staff joined BDO USA, LLP as of August 1, 2020, and has subsequently ceased operations. ACM's report dated April 17, 2020 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

BDO USA, LLP, a Delaware limited liability partnership, is the U.S. member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

BDO is the brand name for the BDO network and for each of the BDO Member Firms.

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 GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

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

BDO USA, LLP

April 27, 2022

Neurosculpting Institute Franchising, LLC

Balance Sheets

December 31,	2021	2020	2019
Assets			
Current assets:			
Cash and cash equivalents	**$ 32,094**	$ 54,120	$ 15,868
Franchise fees receivable	**-**	6,010	19,510
Deferred franchise costs, current	**2,500**	2,500	-
Related party receivables	**875**	875	525
Total current assets	**35,469**	63,505	35,903
Deferred franchise costs, noncurrent	**1,548**	4,048	-
Total assets	**$ 37,017**	$ 67,553	$ 35,903
Liabilities			
Current liabilities:			
Accounts payable	**$ 2,700**	$ 5,114	$ 433
Related party loan	**10,203**	10,203	10,203
Deferred franchise revenue, current	**33,607**	49,097	38,260
Total current liabilities	**46,510**	64,414	48,896
Deferred franchise revenue, noncurrent	**12,116**	45,332	38,329
Total liabilities	**58,626**	109,746	87,225
Commitments and contingencies			
Member's deficit	**(21,609)**	(42,193)	(51,322)
Total liabilities and member's deficit	**$ 37,017**	$ 67,553	$ 35,903

See accompanying independent auditor's report and notes to financial statements.

Neurosculpting Institute Franchising, LLC

Statements of Operations and Member's Deficit

Year Ended December 31,	2021	2020	2019
Franchising income	**$ 49,329**	$ 50,160	$ 31,201
Operating expenses:			
Professional fees	**23,607**	26,708	23,330
Other expenses	**5,138**	14,323	11,590
Total operating expenses	**28,745**	41,031	34,920
Net income (loss)	**$ 20,584**	$ 9,129	$ (3,719)
Beginning member's deficit	**(42,193)**	(51,322)	(6,863)
Adoption of ASC 606 (Note 1)	-	-	(40,740)
Total member's deficit	**$ (21,609)**	$ (42,193)	$ (51,322)

See accompanying independent auditor's report and notes to financial statements.

Neurosculpting Institute Franchising, LLC

Statements of Cash Flows

Year Ended December 31,	2021	2020	2019
Cash flows from operating activities			
Net income (loss)	**$ 20,584**	$ 9,129	$ (3,719)
Bad debt expense	**1,633**	-	-
Changes in operating assets and liabilities:			
Franchise fees receivable	**-**	13,500	(4,335)
Related party receivables	**-**	(350)	(525)
Deferred franchise costs	**2,500**	(6,548)	-
Accounts payable	**(2,414)**	4,681	433
Deferred franchise revenue	**(44,329)**	17,840	13,799
Net cash (used in) provided by operating activities	**(22,026)**	38,252	5,653
Cash flows from financing activities			
Advances from related party loan, net of repayments	**-**	-	3,382
Net cash provided by financing activities	**-**	-	3,382
Net change in cash and cash equivalents	**(22,026)**	38,252	9,035
Cash and cash equivalents, at beginning of year	**54,120**	15,868	6,833
Cash and cash equivalents, at end of year	**$ 32,094**	$ 54,120	$ 15,868

See accompanying independent auditor's report and notes to financial statements.

1. Summary of Significant Accounting Policies

Description of Business

The Company was formed on January 20, 2016 in the State of Colorado, has one sole member, and shall continue until dissolution, termination or liquidation of the Company pursuant to the provisions of the Operating Agreement. The Company is a franchisor of meditation instruction and facilitation of a proprietary 5-step modality, as developed by its sole member, under the service mark Neurosculpting. The following table summarizes the number of outlets in operation for the periods presented:

	Franchises	Company Owned	Total
Total January 1, 2019	51	2	53
Opened	8	-	8
Non-renewals/ceased operations	(1)	-	(1)
Total December 31, 2019	58	2	60
Opened	11	-	11
Non-renewals/ceased operations	(8)	(1)	(9)
Total December 31, 2020	61	1	62
Opened	1	-	1
Non-renewals/ceased operations	(5)	-	(5)
Total December 31, 2021	**57**	**1**	**58**

As of December 31, 2021, one Neurosculpting Institute outlet is owned and/or operated by an affiliate of the Company.

Basis of Presentation

The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") as codified by the Financial Accounting Standards Board ("FASB") in its Accounting Standards Codifications ("ASC").

Cash and Cash Equivalents

The Company considers cash and temporary cash investments with original maturities of three months or less to be cash equivalents.

Related Party Receivables

Amounts receivable from the Company's sole member represent franchise fees paid by the franchisee directly to the sole member, not remitted to the Company as of December 31, 2021, 2020 or 2019.

Franchising Income

The source of income the Company generates consists of initial franchise fees, and/or fees from franchise renewals, where applicable. Ongoing royalties are not part of the terms and conditions of the franchise agreement, and therefore do not exist.

On January 1, 2019, the Company adopted Accounting Standards Update ("ASU") 2014-09, *Revenue from Contracts with Customers and all related amendments* ("ASC 606" or the "new revenue standard") to all contracts and elected the modified retrospective method. The cumulative effect of the change in accounting was recognized through accumulated deficit at the date of adoption. The comparative financial information presented has not been restated and continues to be reported under the accounting standards in effect for those periods ("legacy revenue standard").

The cumulative effect of the changes made to the balance sheet for the adoption of the new revenue standard as of January 1, 2019 was as follows:

	Balance as of December 31, 2018	Cumulative Effect of Adopting ASC 606	Balance as of January 1, 2019
Deferred revenue	$ 22,050	$ 40,740	$ 62,790
Member's deficit	$ (6,863)	$ (40,740)	$ (47,603)

Under the new revenue standard, the Company has determined that the services provided in exchange for the initial franchise fee and renewal are highly interrelated with the franchise right and are not distinct from the continuing rights or services offered during the term of the franchise agreement and should be treated as a single performance obligation. Therefore, such fees are recognized in revenue ratably over the term of the related franchise agreement or recognized upon the termination of the agreement between the Company and the franchisee. Currently, terms of the franchise agreements, including renewals, are three years from the date of execution.

Contract liabilities consist of deferred revenue resulting from initial and renewal franchise fees. The Company classifies these contract liabilities as "deferred franchise revenue" on the accompanying balance sheets. Revenue recognized in 2021 and 2020 that was included in deferred franchise revenue at the beginning of the year was $49,568 and $38,260, respectively.

Costs to obtain a contract, which comprise commissions, that are incremental and recoverable are capitalized and amortized ratably over the term of the franchise agreement. The Company classifies these contract assets as "deferred franchise costs" on the accompanying balance sheets.

Accounts Receivable

Accounts receivable represent amounts due from execution or renewal of franchise agreements whereby the Company has the right to collection over a specified time. The carrying amount of accounts receivable is reduced by a valuation reserve, if necessary, to reflect the Company's best estimate of amounts that may not be collected and receivables are written off in the period in which they are deemed uncollectible.

Concentration of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash accounts. The Company places its cash with a high credit quality financial institution. As of December 31, 2021, 2020 and 2019, the Company had no amounts on deposit with a financial institution in excess of the federally insured limits.

Income Taxes

The Company has elected to be treated as a limited liability company for income tax purposes. Accordingly, taxable income and losses of the Company are reported on the income tax returns of the Company's member and no provision for income taxes has been recorded in the accompanying balance sheet.

The Company follows the guidance of ASC 740, *Accounting for Uncertainty in Income Taxes* ("ASC 740"). ASC 740 prescribes a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. If taxing authorities were to disallow any tax positions taken by the Company, the additional income taxes, if any, would be imposed on the members rather than the Company.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as operating expense. No interest or penalties have been assessed to date. Tax years that remain subject to examination include 2018 and forward for state and federal tax reporting purposes.

Use of Estimates

The preparation of the Company's financial statements, in conformity with GAAP, requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the respective reporting period. Accordingly, actual results could differ from those estimates and such differences could be material.

2. Trademark Agreement

In April 2016, the Company entered into an agreement to license the Neurosculpting trademark, from its affiliate. Under this agreement, the Company has the right to use and license to franchisees the use of the Neurosculpting trademark for an initial ten-year term, which automatically renews for an additional ten years. This license can be terminated only on mutual agreement of the parties or following a notice of default and a cure period. In the event of a termination, the Company's rights and obligations under all Franchise Agreements are deemed to be assigned to the affiliate to provide continuity to franchisees. The agreement does not provide for a fee for license of the Neurosculpting trademark.

3. Related Party Loan

The sole member has advanced the Company a total of $10,203, which is unsecured, due on demand and non-interest bearing. During the years ended December 31, 2021, 2020 and 2019, the sole member advanced $0, $0 and $3,382 (net of repayments), respectively. As of December 31, 2021, 2020 and 2019, the outstanding balance was $10,203.

4. Subsequent Events

In accordance with ASC 855, Subsequent Events, the Company has evaluated subsequent events through April 27, 2022, which is the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

EXHIBIT F
(TO DISCLOSURE DOCUMENT)

OPERATIONS MANUAL
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EXHIBIT G
(TO DISCLOSURE DOCUMENT)

NONDISCLOSURE AND NONCOMPETITION AGREEMENT

This Nondisclosure and Noncompetition Agreement (the "**Agreement**") is made and entered into effective the _____ day of_____, 20___ by and between Neurosculpting Institute Franchising, LLC, a Colorado limited liability company ("**Company**"), located at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218, and _____ ("**Associate**"), who resides at_____.

RECITALS

A. Company offers franchises for the instruction and facilitation of a proprietary 5-step meditation methodology ("**NEUROSCULPTING Franchises**"). NEUROSCULPTING Franchises are established and operated under the trade name and service mark "NEUROSCULPTING" and other logos, trademarks, service marks and commercial symbols (collectively, the "**Marks**");

B. In addition to its proprietary 5-step meditation methodology, Company has developed related instruction and facilitation techniques, systems, and procedures; advertising, promotional, and marketing materials and methods; operational standards, specifications, and manuals; related software and data; and various other proprietary methods of doing business, as well as the Marks, related information, and know-how (collectively, "**Confidential Information**"), which may be further developed from time to time by Company;

C. Company and its affiliates have established substantial goodwill and an excellent reputation with respect to the quality of services available, which goodwill and reputation have been and will continue to be of major benefit to Company;

D. Associate is or will become involved with Company in the capacity of an officer, director, agent, management employee or as a beneficial owner of a NEUROSCULPTING Franchise ("**Franchised Business**") pursuant to the terms of a Franchise Agreement (the "**Franchise Agreement**") between Company and the party identified as the "**Franchisee**" at the end of this Agreement, or as an immediate family member of the Franchisee or a principal of or investor in the Franchisee and will become privileged as to certain Confidential Information; and

E. Associate and Company have reached an understanding with regard to nondisclosure by Associate of Confidential Information and with respect to noncompetition by Associate with Company.

NOW THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, Associate and Company, intending legally to be bound, agree as follows:

1. **Confidential Information**. Associate and Company acknowledge that the distinctive business format, instruction and facilitation techniques, systems, and procedures; advertising, promotional, and marketing materials and methods; operational standards, specifications, and manuals; related software and data; and various other proprietary methods of doing business, as well as the Marks, related information, and know-how of Company or its affiliates which are utilized in connection with the operation of NEUROSCULPTING Franchises are Company's Confidential Information. Such Confidential Information is unique, exclusive property and a trade secret of Company and has valuable

goodwill associated with it. Associate acknowledges that any unauthorized disclosure or use of the Confidential Information would be wrongful, expose Company trade secrets, and cause irreparable injury and harm to Company. Associate further acknowledges that Company has expended a great amount of effort and money in obtaining and developing the Confidential Information, that it would be very costly for competitors to acquire or duplicate the Confidential Information, and that any unauthorized disclosure of such Confidential Information shall cause irreparable harm to Company.

2. **Operations Manuals as Trade Secrets**. It is understood that Confidential Information is deemed to include, without limitation, the techniques and methods for the instruction and facilitation of our proprietary 5-step meditation methodology, any and all information contained in any operations manuals created by Company or its affiliates, and any information of whatever nature which gives Company or its affiliates an opportunity to obtain an advantage over their competitors who do not have access to, know or use such techniques, methods, written materials, or other Confidential Information, as the same are changed or supplemented from time to time.

3. **Nondisclosure of Confidential Information**. Except as otherwise required or permitted by the Franchise Agreement, Associate shall not at any time publish, disclose, divulge, or in any manner communicate to any person or entity whatsoever, or use, directly or indirectly, for its own benefit or for the benefit of any other person or entity other than the Company or the Franchised Business, any of the Confidential Information of Company or its affiliates.

4. **Noncompetition Covenant**. Associate hereby covenants and agrees that, during the term of the Franchise Agreement governing the establishment and operation of the Franchised Business, neither Associate nor any member of Associate's immediate family, shall:

a. have any direct or indirect controlling interest as a disclosed or beneficial owner in a Competitive Business;

b. perform services as a director, officer, manager, employee, consultant, representative, mediation or mindfulness instructor, agent, or similar position, for a Competitive Business; or

c. divert or attempt to divert any business related to, or any customer or account of the Franchised Business, Company's business or any other franchisee's NEUROSCULPTING Franchise, by direct inducement or otherwise, or divert or attempt to divert the employment of any employee of Company, any affiliates, or another franchisee licensed by Company, to any Competitive Business by any direct inducement or otherwise.

The term "**Competitive Business**" as used in this Agreement shall mean any business operating, or granting franchises or licenses to others to operate a business deriving more than 10% of its gross receipts from mediation or mindfulness facilitation or instruction, but not including general yoga, fitness or exercise instruction. Notwithstanding the foregoing, the Associate shall not be prohibited from: (i) owning securities in a Competitive Business if such securities are listed on a stock exchange or traded on the over-the-counter market and represent 5% or less of that class of securities issued and outstanding; or (ii) continuing to operate a previously established Competitive Business which Company has approved in writing at the time the Franchise Agreement is executed.

The term "**immediate family**" as used in this Agreement shall mean and include spouses, domestic partners, children, parents and siblings.

5. **Post-Termination Covenant Not to Compete**. Associate covenants and agrees that, for a period of two years commencing on the effective date of termination, transfer or expiration of the Franchise Agreement for the Franchised Business, neither Associate, nor any member of Associate's immediate family, shall have any direct or indirect interest as a disclosed or a beneficial owner, investor, partner, director, officer, manager, employee, consultant, representative or agent of any Competitive Business. The restrictions of this paragraph shall not be applicable to (a) the ownership of shares of a class of securities listed on a stock exchange or traded on the over-the-counter market that represent 5% or less of the number of shares of that class of securities issued and outstanding, or (b) the operation of a previously established Competitive Business which Company has approved in writing at the time the Franchise Agreement is executed. Associate and its officers, directors, shareholders, member, and partners expressly acknowledge that they possess skills and abilities of a general nature and have other opportunities for exploiting such skills. Consequently, enforcement of this covenant will not deprive them of their personal goodwill or ability to earn a living.

6. **Injunction**. Associate hereby acknowledges and agrees that in the event of any breach or threatened breach of this Agreement, Company shall be authorized and entitled to seek, from any court of competent jurisdiction, preliminary and permanent injunctive relief in addition to any other rights or remedies to which Company may be entitled. Associate agrees that Company may obtain such injunctive relief, without posting a bond or bonds totaling more than $500, but upon due notice, and Associate's sole remedy in the event of the entry of such injunctive relief shall be dissolution of such injunctive relief, if warranted, upon hearing duly had; provided, however, that all claims for damages by reason of the wrongful issuance of any such injunction are hereby expressly waived by Associate.

7. **Effect of Waiver**. The waiver by Associate or Company of a breach of any provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach thereof.

8. **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of Associate and Company and their respective heirs, executors, representatives, successors and assigns.

9. **Entire Agreement**. This instrument contains the entire agreement of Associate and Company relating to the matters set forth herein. It may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

10. **Governing Law**. This instrument shall be governed by and construed under the laws of the state of Colorado.

11. **Jurisdiction and Venue**. In the event of a breach or threatened breach by Associate of this Agreement, Associate hereby irrevocably submits to the jurisdiction of the state and federal courts of Colorado, and irrevocably agrees that venue for any action or proceeding shall be in the state and federal courts of Colorado. Both parties waive any objection to the jurisdiction of these courts or to venue in the state and federal courts of Colorado. Notwithstanding the foregoing, in the event that the laws of the state where the Associate resides prohibit the aforesaid designation of jurisdiction and venue, then such other state's laws shall control.

12. **Severability and Interpretation**. If any provision of this Agreement shall be held, declared or pronounced void, voidable, invalid, unenforceable or inoperative for any reason, by any court of competent jurisdiction, government authority or otherwise, such holding, declaration or pronouncement shall not affect adversely any other provisions of this Agreement which shall otherwise remain in full force and effect. If the restrictions concerning time, geography, affected persons or breadth of activity

restrictions contained in Sections 4 and 5 of this Agreement are held to be unenforceable under any applicable law, the arbiter of any dispute regarding this Agreement is hereby authorized to and shall make only such limited changes as are necessary to make the restrictions enforceable.

13. **Attorneys' Fees**. In any action at law or in equity to enforce any of the provisions or rights under this Agreement, the unsuccessful party in such litigation, as determined by the court in a final judgment or decree, shall pay the successful party or parties all costs, expenses and reasonable attorneys' fees incurred therein by such party or parties (including without limitation such costs, expenses and fees on any appeals), and if such successful party shall recover judgment in any such action or proceeding, such costs, expenses and attorneys' fees shall be included as part of such judgment.

IN WITNESS WHEREOF, the parties have signed this Agreement on the date first above written.

COMPANY:

NEUROSCULPTING INSTITUTE FRANCHISING, LLC

By:_____
Title:_____

ASSOCIATE:

_____
Print Name:_____

NAME OF FRANCHISEE:

_____

ASSOCIATE'S CAPACITY WITH FRANCHISED BUSINESS:

_____
_____

EXHIBIT H
(TO DISCLOSURE DOCUMENT)

RENEWAL AMENDMENT TO
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT

NEUROSCULPTING INSTITUTE FRANCHISING, LLC ("Franchisor") and _____ ("**Franchisee**") are signing a NEUROSCULPTING INSTITUTE FRANCHISING, LLC Franchise Agreement ("**Agreement**") contemporaneously herewith and desire to supplement and amend certain terms and conditions of such Agreement by this Renewal Amendment to NEUROSCULPTING INSTITUTE FRANCHISING, LLC Franchise Agreement ("**Amendment**"). Initial capitalized terms not otherwise defined herein shall have the same meanings as set forth in the Agreement. The parties therefore agree as follows:

1. **Initial Franchise Fee**. Section 4.1 is deleted in its entirety.

2. **Franchisor's Development Assistance**. Section 7.1 is deleted in its entirety.

3. **Initial Training Program**. Section 6.1 is deleted in its entirety.

4. **Length of Training Program**. Section 6.2 is deleted in its entirety.

5. **Renewal Terms**. Franchisee is required to upgrade or alter the services offered by Franchisee's NEUROSCULPTING Franchise to conform with Franchisor's current standards and specifications as follows:

_____

_____

_____

6. **Renewal Fee**. In accordance with Section 16.3.e, Franchisor acknowledges receipt of $500 from Franchisee in payment of the renewal fee.

7. **Renewal Criteria**. In accordance with Sections 6.3 and 16.3.d, Franchisor acknowledges that Franchisee has satisfied all training requirements for the renewal of the Franchise pursuant to Franchisor's current standards and specifications.

8. **Release**. Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs and personal representatives ("**Franchisee Affiliates**"), hereby fully and forever unconditionally releases and discharges the Franchisor and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers and insurers (collectively referred to as "**Franchisor Affiliates**") from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever ("**Released Claims**"), in law or in equity, whether known or unknown, which the Franchisee or the Franchisee Affiliates may now have against the Franchisor or Franchisor Affiliates or which may hereafter be discovered. Without limiting the foregoing, Released Claims includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to: (i) any relationship or transaction with the Franchisor or Franchisor

Affiliates, (ii) the Franchise Agreement or any related agreements, and (iii) the franchise relationship, from the beginning of time until the date of this Release.

[APPLIES ONLY IN CALIFORNIA] 7(a) Release of Unknown Claims and Waiver of California Law. Franchisee and Franchisee Affiliates acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."

Franchisee and Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that Franchisee and Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is Franchisee's and Franchisee Affiliates' intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and Franchisee Affiliates agree to defend, indemnify and hold harmless Franchisor and Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by Franchisee and Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 7(a) of this Amendment.

[APPLIES ONLY IN SOUTH DAKOTA] 7(b) Release of Unknown Claims and Waiver of South Dakota Law. Franchisee and Franchisee Affiliates acknowledge that they are aware and informed that the laws of South Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of this Amendment, such as South Dakota Codified Laws § 20-7-11, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

Franchisee and Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under § 20-7-11 of the South Dakota Codified Laws, and under any similar provisions of any other law (as may be applicable to this Agreement), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Amendment. In

connection with such waiver and relinquishment, with respect to the Released Claims, Franchisee and Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that Franchisee and Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Amendment, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. Franchisee and Franchisee Affiliates agree to defend, indemnify and hold harmless Franchisor and Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by Franchisee and Franchisee Affiliates (or any person or entity by, through, or on behalf of Franchisee) of any Released Claims, positions, defenses, or arguments contrary to this Section 7(b) of this Amendment.

9. **General**. This Amendment shall be construed and enforced in accordance with, and governed by, the laws of the State of Colorado. This Amendment embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings relating to the subject matter hereof, and this Amendment may not be modified or amended or any term hereof waived or discharged except in a writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. Nothing in this Amendment is intended to disclaim any representations made by Franchisor in the most recent franchise disclosure document provided by Franchisor or its representatives to Franchisee in connection with any renewal. The headings are for convenience and reference only and shall not limit or otherwise affect the meaning hereof. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. If any provision of this Amendment shall be held by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed modified to eliminate the invalid or unenforceable element and, as so modified, such provision shall be deemed a part of this Amendment as though originally included. The remaining provisions of this Amendment shall not be affected by such modification. All provisions of this Amendment are binding and shall inure to the benefit of the Parties and their respective delegatees, successors and assigns.

10. **Inconsistent Terms**. The terms and conditions of this Amendment are in addition to or in explanation of the existing terms and conditions of the Agreement and shall prevail over and supersede any inconsistent terms and conditions thereof.

(Signature page follows)

Fully executed this_____day of_____, 20___.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC

By: _____

Its: _____

FRANCHISEE:

_____

_____, Individually

AND:

Company Name (if applicable)

_____

By: _____

Title: _____

EXHIBIT I
(TO DISCLOSURE DOCUMENT)

PROMISSORY NOTE

$_____ _____, 20____

_____ ("**Maker**") promises to pay to the order of NEUROSCULPTING INSTITUTE FRANCHISING, LLC, a Colorado limited liability company, located at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218 ("**Holder**"), the sum of $_____with interest at 12% per annum, on the following terms and conditions:

1. Payments. This Note shall be payable in___ equal installments due and payable on the first day of each month beginning_____, 20_, and the final installment shall be due and payable on____, 20____. All payments shall be made by electronic funds transfer and Maker agrees to sign an Electronic Funds Transfer Authorization Agreement attached hereto as Exhibit A. Maker and Holder are parties to a Franchise Agreement dated as of even date herewith ("**Franchise Agreement**") which governs Maker's development and operation of a NEUROSCULPTING Franchise. This Note, and the amount payable hereunder, represents partial payment of the initial franchise fee due from Maker to Holder under the terms of the Franchise Agreement.

2. Place of Payment. This Note shall be payable at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218 or at such other place as the Holder may designate in writing.

3. Prepayment. Maker may prepay all or any part of this Note at any time and from time to time without penalty.

4. Waiver. Maker waives presentment for payment, protest and notice of protest and agrees that any extension of time of payment due under this Note shall not affect Maker's liability hereunder. No waiver by the Holder of this Note of any payment or right under this Note shall operate as a waiver of any other payment or right under this Note.

5. Default. If default occurs in the payment when due upon this Note, then the entire balance shall bear interest at a default rate of 18% per annum commencing on the due date, plus a $50 late fee will be immediately due and payable to Holder. In the event of default, the Holder shall be entitled to declare the entire unpaid balance immediately due and payable and shall be entitled to exercise any and all rights in the guaranty permitted in the event of a default. In addition, Holder may consider a default under this Note to be a default under the Franchise Agreement, and cause for termination of the Franchise Agreement.

6. Collection Costs. Maker agrees to pay all costs and expenses, including reasonable attorneys' fees and court costs, paid or incurred by the Holder in enforcing this Note in the event of default by Maker.

7. Due on Sale. If all or any part of Maker's NEUROSCULPTING Franchise, the assets thereof, Maker or the assets of Maker are sold or transferred by Maker in a manner prohibited under the Franchise Agreement, Holder may, at Holder's option, declare the entire amount due under this Note to be immediately due and payable.

8. **No Setoff.** This Note shall not be subject to any right of setoff claimed by Maker or any person assuming the obligations of Maker herein, which right of setoff is hereby expressly waived.

9. **Security.** This Note is secured by a Guaranty dated of even date herewith, attached hereto as Exhibit B.

10. **Governing Law.** This Note shall be governed as to validity, interpretation, construction, effect and in all other respects by the laws and decisions of the State of Colorado.

11. **Modification.** This Note may not be changed verbally, but only by an agreement in writing signed by the parties against whom enforcement of any waiver, change, modification or discharge is sought.

IN WITNESS WHEREOF, the undersigned has executed this Promissory Note this_____day of_____, 20____.

FRANCHISEE:

By: _____

Name:_____
Date: _____

EXHIBIT A TO PROMISSORY NOTE

ELECTRONIC FUNDS TRANSFERS AUTHORIZATION AGREEMENT

The undersigned depositor ("**Franchisee**") agrees to electronic funds transfer from Franchisee's account designated below to the designated account(s) of Neurosculpting Institute Franchising, LLC ("**NSIF**") for payments due under a promissory note made by Franchisee in favor of NSIF.

Franchisee authorizes and requests the financial institution (the "**Bank**") to accept the payment entries presented to the Bank by NSIF, and to deduct them from the Franchisee's account without responsibility for the correctness of these payments.

Franchisee's Name:_____

Franchisee's Address:_____

Contact Name:_____

Franchisee's Bank Account Information:_____

Bank Name:_____

Bank Address:_____

Attach a voided check to this form and NSIF will complete the following information for Franchisee:

Transit Routing Number:_____ Checking Account Number:_____

Franchisee agrees: (1) that this authorization will remain in effect for its NEUROSCULPTING Franchise throughout the duration of the promissory note, unless NSIF agrees to an earlier termination of the authorization; (2) not to revoke any authorization for funds transfer prior to the payment in full of the promissory note, without prior written consent of NSIF; (3) that the Bank cannot cancel this authorization without receiving written consent from NSIF; and (4) that termination of this authorization does not relieve Franchisee of its obligation to make payments to NSIF.

If Franchisee is an entity:

_____

By:_____
Title:_____
Date:_____

If Franchisee is one or more individuals:

_____
Signature

_____
Signature

EXHIBIT B TO PROMISSORY NOTE

GUARANTY AND ASSUMPTION OF MAKER'S OBLIGATIONS

In consideration of, and as an inducement to, Neurosculpting Institute Franchising, LLC ("**Franchisor**"), agreeing to take the Promissory Note dated_____, 20 (the "**Note**") as partial consideration for payment of an initial franchise fee, the undersigned Franchisee or, if the Franchisee is an entity, the undersigned owners of the Franchisee (each, a "**Guarantor**") hereby personally and unconditionally:

1. Guarantees to the Franchisor and its successors and assigns, for the term of the Note, including renewals thereof, that the Maker, as that term is defined in the Note ("**Maker**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Note; and

2. Agrees to be personally bound by, and personally liable for the breach of, each and every provision in the Note; and

3. Waives the following: (a) acceptance and notice of acceptance by the Franchisor of the foregoing undertaking; (b) notice of demand for payment of any indebtedness or nonperformance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or nonperformance of any obligations hereby guaranteed; (d) any right he/she/they may have to require that any action be brought against Maker or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which he/she/they may be entitled; and

4. Consents and agrees that: (a) his/her/their direct and immediate liability under this guaranty shall be joint and several; (b) he/she/they shall render any payment or performance required under the Note upon demand if Maker fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by the Franchisor of any remedies against Maker or any other person; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which the Franchisor may from time to time grant to Maker or to any other person, including without limitation the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this guaranty, which shall be continuing and irrevocable during the term of the Note, including renewals thereof.

IN WITNESS WHEREOF, each of the undersigned Guarantors has affixed his/her/their signature effective on the same day and year as the Note was executed.

WITNESS	**GUARANTOR(S)**
_____	_____
_____	_____
_____	_____

EXHIBIT J
(TO FRANCHISE DISCLOSURE DOCUMENT)

NEUROSCULPTING INSTITUTE FRANCHISING, LLC
CLOSING ACKNOWLEDGEMENT

A. The following are true and correct:

1. Yes ____ No ____ I had a face-to-face meeting with a franchise marketing representative.

If yes, the date of said meeting was: _____

2. _____, 20__. The date which I received the Franchise Disclosure Document about the Franchise.

3. _____, 20__. The date I received a fully completed copy (other than signatures) of the Franchise Agreement I later signed.

4. _____, 20__. The earliest date on which I signed the Franchise Agreement or any other binding document (not including the Receipt of Disclosure Document).

5. _____, 20__. The earliest date on which I delivered cash, check or consideration to the franchise marketing representative or any other person.

B. In order to ensure that your decision to purchase a NEUROSCULPTING franchise from Neurosculpting Institute Franchising, LLC ("**NSIF**") is based upon your own independent investigation and judgment, please complete and sign this Closing Acknowledgement. I confirm the following [please change, in handwriting, and initial any change necessary]:

1. I have not received any information, either verbal or written, regarding the sales, revenues, earnings, income or profits of NEUROSCULPTING Franchises ("**Franchises**") from any officer, employee, agent, or area sales representative of NSIF, except as set forth in Item 19 of NSIF's Disclosure Document.

2. I have not received any assurances, promises or predictions of how well my NEUROSCULPTING Franchise will perform financially from any officer, employee, agent, or area sales representative of NSIF, except as may be set forth in Item 19 of NSIF's Disclosure Document.

3. I have made my own independent determination that I have adequate working capital to develop, open, and operate my NEUROSCULPTING Franchise.

4. I am not relying on any promises of NSIF which are not contained in the NSIF franchise agreement.

5. I understand that my investment in a NEUROSCULPTING Franchise contains substantial business risks and that there is no guarantee that it will be profitable.

6. I have been advised by NSIF and its representatives to seek professional legal and financial advice in all matters concerning the purchase of my NEUROSCULPTING Franchise.

7. I acknowledge that the success of my NEUROSCULPTING Franchise depends in large part upon my ability as an independent businessperson and my active participation in the day-to-day operation of the Franchise.

8. The name(s) of the person(s) with whom I dealt in the purchase of my NEUROSCULPTING Franchise is/are_____. I acknowledge that I have listed this/these person(s) on the receipt page of the Franchise Disclosure Document and delivered the executed receipt page to NSIF.

Dated:_____, 20_____.

PROSPECTIVE FRANCHISEE

_____
Print Name

By:_____
Title:_____

EXHIBIT K
(TO FRANCHISE DISCLOSURE DOCUMENT)

ADDENDA TO FRANCHISE DISCLOSURE DOCUMENT
FOR CERTAIN STATES

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF CALIFORNIA

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 (www.neurosculptinginstitute.com) HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THIS WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION AND INNOVATION AT www.dfpi.ca.gov.

1. The following paragraph is added to the end of Item 3:

   Neither the Franchisor, any person or franchise broker 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.

2. The following paragraph is added to Item 5:

   The Commissioner of Financial Protection and Innovation of the State of California has determined that, based on our financial condition, we may not be able to fulfill our obligations to franchisees in the establishment of their Franchised Businesses. We have elected to assure financial capability by deferring the payment of all initial franchise fees owed to us until we have completed our initial obligations under the Franchise Agreement and the Franchised Business is open.

3. The following sentence is added to Item 10:

   The highest interest rate allowed in California is 10% annually.

4. The following paragraphs are hereby added at the end of Item 17:

   The California Business and Professions Code Section 20000 through 20043 provides you certain rights including (i) limitations on our ability to terminate a franchise except for good cause, (ii) restrictions on our ability to deny renewal of a franchise, (iii) circumstances under which we may be required to purchase certain inventory of a franchisee when a franchise is terminated or not renewed in violation of the statute, and (iv) provisions relating to arbitration. If the Franchise Agreement contains a provision that is inconsistent with the law, the law will control.

   The Franchise Agreement contains a covenant not to compete which extends beyond the termination of the Franchise. This provision may not be enforceable under California law.

The Franchise Agreement requires application of the laws of the State of Colorado. This provision may not be enforceable under California law.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF FINANCIAL PROTECTION AND INNOVATION BEFORE WE ASK YOU TO CONSIDER A MATERIAL MODIFICATION OF YOUR FRANCHISE AGREEMENT.

YOU MUST SIGN A GENERAL RELEASE OF CLAIMS IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA CORPORATIONS CODE §§31000 THROUGH 31516). BUSINESS AND PROFESSIONS CODE §20010 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE RELATIONS ACT (BUSINESS AND PROFESSIONS CODE §§20000 THROUGH 20043).

CALIFORNIA RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT
BETWEEN
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
AND _____

This California Rider to the Franchise Agreement by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated_____, 20_.

1. The following paragraph is added to Section 4.1:

   The Commissioner of Financial Protection and Innovation of the State of California has determined that, based on the Franchisor's financial condition, the Franchisor may not be able to fulfill its obligations to franchisees in the establishment of their Franchises. The Franchisor has elected to assure financial capability by deferring the payment of all initial franchise fees owed until the Franchisor has completed its initial obligations under the Franchise Agreement and the Franchisee's NEUROSCULPTING Franchise is open.

2. Sections 17.2.f, 17.2.g, and 17.2.i are all deleted and moved to Section 17.2.

3. The following subsections are added to Section 17.1:

   f. **Written Agreement**. The Franchisee and the Franchisor agree in a signed writing to terminate this Agreement.

   g. **Material Misrepresentations**. The Franchisor determines, in its sole discretion, that the Franchisee made any material misrepresentations relating to the acquisition of the NEUROSCULPTING Franchise.

   h. **Danger to Public Safety**. The Franchisor makes a reasonable determination that continued operation of the Business by the Franchisee will result in imminent danger to public health or safety.

4. The first two sentences of Section 17.2 are deleted in their entirety and the following is substituted in its place:

   17.2 **Termination by the Franchisor – Sixty Days' Notice**. The Franchisor shall have the right to terminate this Agreement, effective upon 60 days' written notice to the Franchisee, if the Franchisee fails to substantially comply with any other provision of this Agreement and fails to cure the default during such 60-day period. In that event, this Agreement will terminate without further notice to the Franchisee, effective upon expiration of the 60-day period.

5. The last sentence of Section 17.2 is deleted in its entirety and the following provision is substituted in its place:

   Notwithstanding the foregoing, if the breach is curable, but is of a nature which cannot be reasonably cured within 60 days, and the Franchisee has commenced and is continuing to make good faith efforts to cure the breach, the Franchisee shall be given an additional

period of time to cure the breach, but in no case more than 75 days following the Franchisor's notice of default, unless the Franchisee and the Franchisor execute a separate, written agreement to further extend the cure period.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this California Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	**FRANCHISEE** (Print Name)
By:	By:
Print Name:	Print Name:
Title:	Title:

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF ILLINOIS

Illinois law governs the Franchise Agreement.

Payment of Initial Franchise/Development Fees will be deferred until Franchisor has met its initial obligations to franchisee, and franchisee has commenced doing business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in Sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF ILLINOIS

This Rider to the Franchise Agreement by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated_____, 20_.

1. The following paragraph is added to Section 4.1:

The Illinois Attorney General's Office has determined that, based on the Franchisor's financial condition, the Franchisor may not be able to fulfill its obligations to franchisees in the establishment of their NEUROSCULPTING Franchises. The Franchisor has elected to assure financial capability by deferring the payment of all initial franchise fees owed until the Franchisor has completed its initial obligations under the Franchise Agreement and the Franchisee's NEUROSCULPTING Franchise is open.

2. Section 21.2 is deleted in its entirety and the following is substituted in its place:

Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, all matters regarding this Agreement shall be governed by Illinois law.

3. The second sentence of Section 22.2 is deleted.

4. In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Illinois Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	_____ **FRANCHISEE** (Print Name)
By:_____	By:_____
Title:_____	Title:_____

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF INDIANA

1. Indiana law prohibits us from establishing a company-owned Business within a reasonable area of your Franchised Business which would compete unfairly with you.

2. In Items 17.c. and 17.m., any releases you sign will not apply to any claims that may arise under the Indiana Franchise Disclosure Law and the Indiana Deceptive Practices Act.

3. Item 17.r. may not be enforceable under the Indiana Deceptive Practices Act.

4. Item 17.w. Indiana franchise laws apply even though Colorado law applies generally.

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF MARYLAND

1. The following statement is added to Item 5:

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.

2. The following provisions supersede anything to the contrary included in Item 17 and apply to all Franchises offered and sold to residents of the State of Maryland or to be operated in the State of Maryland:

The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A. §§ 101 et seq.).

Pursuant to Maryland law, the general release required as a condition of renewal and/or assignment/transfer shall not apply to any claims that may arise under the Maryland Franchise Registration and Disclosure Law.

You may bring any cause of action against us in any court of competent jurisdiction, including the state or federal courts of Maryland. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND

This Rider to the Franchise Agreement by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated _____, 20____.

1. The following statement is added to the end of Section 4.1. **Initial Franchise Fee**:

   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.

2. The following statement is added at the end of Section 16.3.c. **Rights Upon Expiration**:

   Provided, however, that the provision requiring the execution of a general release will not apply to any claims that may arise under the Maryland Franchise Registration and Disclosure Law.

3. The following statement is added at the end of Section 21.2. **Governing Law/Consent to Venue and Jurisdiction; Jury Trial Waiver**:

   The Franchisee may commence any cause of action against the Franchisor in any court of competent jurisdiction, including the state or federal courts of Maryland. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within three years after the grant of the franchise.

4. The following statement is added to the end of Sections 22.1. **Modification** and 22.14. **Acknowledgement**:

   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.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	_____ **FRANCHISEE** (Print Name)
By:_____	By:_____
Title:_____	Title:_____

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
CLOSING ACKNOWLEDGEMENT
FOR THE STATE OF MARYLAND

1. A new Section 9 shall be added as follows:

9. The representations made in this Closing Acknowledgement 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.

Dated:_____

PROSPECTIVE FRANCHISEE

_____
Print Name

By:_____
Title:_____

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
GENERAL RELEASE
FOR THE STATE OF MARYLAND

This Rider to the General Release by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated_____, 20____.

1. The following shall be added at the end of Recital C:

> ; provided however, that this Release shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law;

2. The following sentence is added to the end of Section 1:

> Notwithstanding the foregoing, this Release shall not apply to any liability incurred under the Maryland Franchise Registration and Disclosure Law.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Maryland Rider concurrently with the execution of the General Release on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	_____ **FRANCHISEE** (Print Name)
By:_____	By:_____
Title:_____	Title:_____

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR
THE STATE OF NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SERVICES OR 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 THIS FRANCHISE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE APPROPRIATE STATE OR PROVINCIAL AUTHORITY. THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE FRANCHISE DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is to be 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 civil action alleging: violation of a franchise, antifraud, or securities law; fraud; embezzlement; fraudulent conversion or misappropriation of property; or unfair or deceptive practices or comparable allegations.

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.

3. The following is added to the end of the "Summary" sections of Item 17(c), titled "**Requirements for franchisee to renew or extend**," and Item 17(m), entitled "**Conditions for franchisor approval of transfer**":

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687(4) and 687(5) be satisfied.

4. The following language replaces the "Summary" section of Item 17(d), entitled "**Termination by franchisee**": You may terminate the agreement on any grounds available by law.

5. The following is added to the end of the "Summary" sections of Item 17(v), entitled "**Choice of forum**", and Item 17(w), entitled "**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.

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NEW YORK

This Rider to the Franchise Agreement by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated_____, 20___.

1. The first sentence of Section 6.2 shall be deleted and the following inserted in its place:

   The initial training program will consist of up to 2 weeks of instruction and training at the Franchisor's headquarters.

2. The following sentence shall be added after the first sentence of Section 8.3:

   Any new or different requirement set forth in the Operations Manual shall not unreasonably increase the Franchisee's obligations or place an excessive burden on the Franchisee's operation of its NEUROSCULPTING Franchise.

3. The following shall be added at the end of Section 16.3.c:

   Provided however, that all rights enjoyed by the Franchisee and any causes of action arising in the Franchisee's 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 provision of GBL 687.4 and 687.5 be satisfied.

4. Section 15.2 is deleted and the following is inserted in its place:

   This Agreement is fully assignable by the Franchisor and shall inure to the benefit of any assignee or other legal successor in interest, and the Franchisor shall in such event be fully released from the same, provided no assignment shall be made except to an assignee who, in the Franchisor's good faith judgment, is willing and able to assume the Franchisor's obligations under this Agreement.

5. The following shall be added at the end of Section 17.1:

   The Franchisee may terminate the Agreement upon any grounds available by law.

6. After the first sentence of Section 18.3, the following sentence shall be added:

   However, the Franchisee shall not be required to indemnify the Franchisor for any liabilities which arose as a result of the Franchisor's breach of this Agreement or other civil wrongs committed by the Franchisor.

7. The following shall be added to Section 21.2:

   However, the foregoing choice of law shall not be considered a waiver of any right conferred upon the Franchisee by the provisions of Article 33 of the New York State General Business Law.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this New York Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	_____ **FRANCHISEE** (Print Name)
By:_____	By:_____
Title:_____	Title:_____

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
DISCLOSURE DOCUMENT
FOR THE STATE OF NORTH DAKOTA

1. The following statement is added to Item 5:

   Based upon the Franchisor's financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, all initial fees owed by franchisees shall be deferred until the Franchisor has completed its initial obligations under the Franchise Agreement and the Franchisee's NEUROSCULPTING Franchise is open.

2. The following statement is added at the end of Items 17(c), 17(i) and 17(m):

   (Any release executed in connection herewith shall not apply to any claims that may arise under the North Dakota Franchise Investment Law).

3. The following statement is added at the end of Item 17(r):

   Covenants not to compete such as those mentioned above are generally considered unenforceable in the state of North Dakota.

4. Item 17(v) is deleted in its entirety.

5. Item 17(w) is deleted in its entirety.

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF NORTH DAKOTA

This Rider to the Franchise Agreement by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated_____, 20__.

1. The following paragraph is added to Section 4.1:

   Based upon the Franchisor's financial condition, the North Dakota Securities Commissioner has required a financial assurance. Therefore, all initial fees owed by franchisees shall be deferred until the Franchisor has completed its initial obligations under the Franchise Agreement and the Franchisee's NEUROSCULPTING Franchise is open.

2. The following statement is added to the following sections: Section 17.3.h, Section 19.1; and Section 19.2:

   (Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota.)

3. Section 16.3.c is deleted in its entirety.

4. Section 21.2 is deleted in its entirety and the following is substituted in its place:

   Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, all matters regarding this Agreement arising out of the North Dakota Franchise Investment Law shall be governed thereby and all other matters regarding this Agreement shall be governed by the laws of the State of North Dakota.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this North Dakota Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	_____ **FRANCHISEE** (Print Name)
By:_____	By:_____
Title:_____	Title:_____

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF RHODE ISLAND

1. The following paragraph is added at the end of 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."

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF VIRGINIA

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.

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any 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.

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF VIRGINIA

This Rider to the Franchise Agreement by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated_____, 20_.

1. The following paragraph is added to Section 4.1:

The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Virginia Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	_____ **FRANCHISEE** (Print Name)
By:_____	By:_____
Title:_____	Title:_____

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WASHINGTON

1. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

2. The following statement is added to Item 5:

The Securities Administrator of the State of Washington has determined that, based on our financial condition, we may not be able to fulfill our obligations to you in the establishment of the Franchised Business. We have elected to assure financial capability by deferring the payment of

all initial fees owed to us until we have completed our initial obligations under the Franchise Agreement and the Franchised Business is open.

3. Item 17(d) is hereby deleted in its entirety and replaced with the following:

Provision	Section in Franchise Agreement	Summary
(d) Termination by franchisee	Section 17.1	You may terminate the Agreement upon any grounds available by law.

4. Item 17(q) is hereby deleted in its entirety and replaced with the following:

Provision	Section in Franchise Agreement	Summary
(q) Non-competition covenants during the term of the franchise	Section 19.1	No involvement in competing business and no diversion (subject to applicable state law).

5. Item 17(r) is hereby deleted in its entirety and replaced with the following:

Provision	Section in Franchise Agreement	Summary
(r) Non-competition covenants after the franchise is terminated or expires	Section 19.2	No competing business for 2 years (subject to applicable state law).

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WASHINGTON

This Rider to the Franchise Agreement by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated_____, 20_.

1. The following paragraph is added to Section 4.1:

> The Securities Administrator of the State of Washington has determined that, based on the Franchisor's financial condition, the Franchisor may not be able to fulfill its obligations to the Franchisee in the establishment of a NEUROSCLUPTING Franchise. The Franchisor has elected to assure financial capability by deferring the payment of all initial fees owed until the Franchisor has completed its initial obligations under the Franchise Agreement and the Franchisee's NEUROSCULPTING Franchise is open

2. The following statement shall be added at the end of Section 17.1:

> The Franchisee may terminate the Agreement upon any grounds available by law.

3. In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

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 provisions contained in the franchise agreement or elsewhere that conflict with these limitations are void and unenforceable in Washington.

RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Washington Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	_____ **FRANCHISEE** (Print Name)
By:_____ Title:_____	By:_____ Title:_____

ADDENDUM TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE DISCLOSURE DOCUMENT
FOR THE STATE OF WISCONSIN

REGISTRATION OF THIS FRANCHISE IN WISCONSIN DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

The conditions under which the Franchise Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

RIDER TO THE
NEUROSCULPTING INSTITUTE FRANCHISING, LLC
FRANCHISE AGREEMENT
FOR THE STATE OF WISCONSIN

This Rider to the Franchise Agreement by and between Neurosculpting Institute Franchising, LLC and Franchisee is dated_____, 20_____.

1. The following paragraph is added to Section 17.4:

The conditions under which this Agreement can be terminated or not renewed may be affected by the Wisconsin Fair Dealership Law, Wisconsin Statutes 1981-82, Title XIV-A, Chapter 135.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this Wisconsin Rider concurrently with the execution of the Franchise Agreement on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC	**FRANCHISEE** (Print Name)
By:_____	By:_____
Title:_____	Title:_____

EXHIBIT L
(TO DISCLOSURE DOCUMENT)

GENERAL RELEASE

THIS GENERAL RELEASE ("**Release**") is made effective as of the_____day of_____, 20_____ by _____ ("**Franchisee**") in favor of NEUROSCULPTING INSTITUTE FRANCHISING, LLC, a Colorado limited liability company ("**Franchisor**") (collectively referred to as "**Parties**").

A. The Parties have entered into that certain Franchise Agreement dated _____ ("**Franchise Agreement**") which governs the development and operation of a NEUROSCULPTING Franchise ("**NEUROSCULPTING Franchise**") (to the extent not otherwise defined herein, all initial-capitalized references shall have the same meaning as set forth in the Franchise Agreement);

B. The Franchisee desires to transfer the Franchise Agreement, the ownership of the Franchisee, or the NEUROSCULPTING Franchise or some or all of the assets of the NEUROSCULPTING Franchise;

OR

B. The Franchisee desires to enter into a successor agreement to the Franchise Agreement;

C. The Franchisor desires to consent to the Franchisee's request subject to the Franchisee's compliance with the terms and conditions set forth in the Franchise Agreement including, without limitation, the execution and delivery by the Franchisee to the Franchisor of this Release.

NOW, THEREFORE, in consideration of the foregoing, the mutual promises contained herein and other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties hereby agree as follows:

1. **Release**. The Franchisee, for itself and its affiliates, and their respective current and former successors, assigns, officers, shareholders, directors, members, managers, agents, heirs and personal representatives ("**Franchisee Affiliates**"), hereby fully and forever unconditionally releases and discharges the Franchisor and its affiliates, and their respective successors, assigns, agents, representatives, employees, officers, shareholders, directors, members, managers and insurers (collectively referred to as "**Franchisor Affiliates**") from any and all claims, demands, obligations, actions, liabilities and damages of every kind and nature whatsoever ("**Released Claims**"), in law or in equity, whether known or unknown, which the Franchisee or the Franchisee Affiliates may now have against the Franchisor or Franchisor Affiliates or which may hereafter be discovered. Without limiting the foregoing, Released Claims includes, but is not limited to, all claims, demands, obligations, actions, liabilities and damages, known or unknown, in any way arising from or relating to: (i) any relationship or transaction with the Franchisor or Franchisor Affiliates, (ii) the Franchise Agreement or any related agreements, and (iii) the franchise relationship, from the beginning of time until the date of this Release.

[**APPLIES ONLY IN CALIFORNIA**] 1.(a) Release of Unknown Claims and Waiver of California Law. The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of California may purport to limit or reduce the effect of a general release

with respect to claims not known or suspected by them at the time of execution of the Release, such as Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release which, if known by him, must have materially affected the settlement with the debtor."

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under Section 1542 of the Civil Code of the State of California, and under any similar provisions of any other law (as may be applicable to this Release), to the fullest extent that the Franchisee and the Franchisee Affiliates may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that they now know or believe to be true with respect to the subject matter of this Release, but that it is the Franchisee's and the Franchisee Affiliates' intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on their behalf) of any Released Claims, positions, defenses, or arguments contrary to this Section 1(a) of this Release.

[**APPLIES ONLY IN SOUTH DAKOTA**] 1.(b) Release of Unknown Claims and Waiver of South Dakota Law. The Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that the laws of South Dakota may purport to limit or reduce the effect of a general release with respect to claims not known or suspected by them at the time of execution of this Release, such as South Dakota Codified Laws § 20-7-11, which provides as follows:

> "A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

The Franchisee and the Franchisee Affiliates waive and relinquish every right or benefit which they have, or may have, under § 20-7-11 of the South Dakota Codified Laws, and under any similar provisions of any other law (as may be applicable to this Agreement), to the fullest extent that they may lawfully waive such right or benefit pertaining to the subject matter of this Release. In connection with such waiver and relinquishment, with respect to the Released Claims, the Franchisee and the Franchisee Affiliates acknowledge that they are aware and informed that they may hereafter discover facts in addition to or different from those that the Franchisee and the Franchisee Affiliates now know or believe to be true with respect to the subject matter of this Release, but that it is their intention to settle and release fully, and finally and forever, all Released Claims, disputes and differences, known or unknown, suspected or unsuspected, which now exist, may exist or heretofore existed, and in furtherance of such intention, the Release given herein shall be and remain in effect as a full and complete release, notwithstanding the discovery or existence of any such additional or different facts that would have affected the release of all Released Claims. The Franchisee and the Franchisee Affiliates agree to defend, indemnify and hold harmless the Franchisor and the Franchisor Affiliates from any and all Released Claims arising out of, directly

or indirectly, the assertion by the Franchisee and the Franchisee Affiliates (or any person or entity by, through, or on behalf of Releasor) of any Released Claims, positions, defenses, or arguments contrary to this Section 1.(b) of this Release.

2. **General**. This Release shall be construed and enforced in accordance with, and governed by, the laws of the State of Colorado. This Release embodies the entire agreement and understanding between the Parties and supersedes all prior agreements and understandings relating to the subject matter hereof, and this Release may not be modified or amended or any term hereof waived or discharged except in writing signed by the party against whom such amendment, modification, waiver or discharge is sought to be enforced. Nothing in this Release is intended to disclaim any representations made by the Franchisor in the most recent franchise disclosure document provided by the Franchisor or its representatives to the Franchisee in connection with any successor to the Franchise Agreement. The headings are for convenience in reference only and shall not limit or otherwise affect the meaning hereof. This Release may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. If any provision of this Release shall be held by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed modified to eliminate the invalid or unenforceable element and, as so modified, such provision shall be deemed a part of this Release as though originally included. The remaining provisions of this Release shall not be affected by such modification. All provisions of this Release are binding and shall inure to the benefit of the Parties and their respective delegatees, successors and assigns.

IN WITNESS WHEREOF, the Parties have caused this Release to be made effective on the day and year first above written.

NEUROSCULPTING INSTITUTE FRANCHISING, LLC

Date:_____ By: _____
Name:_____
Title: _____

FRANCHISEE:

Date: _____ _____
Individually

Date: _____ _____
Individually

AND
(if a corporation, limited liability company or partnership)

_____
Company Name

Date:_____ By: _____
Title: _____

State Effective Dates

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the states, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered or exempt from registration, as of the Effective Date stated below:

State	**Effective Date**
California	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	Exemption
New York	Pending
North Dakota	May 19, 2021
Rhode Island	August 6, 2020 as amended May 3, 2021
Virginia	May 5, 2021
Washington	June 22, 2021
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.

EXHIBIT M
(TO DISCLOSURE DOCUMENT)

RECEIPT
(Keep this copy for your records.)

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 Neurosculpting Institute Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires 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 Neurosculpting Institute Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the state agency listed on Exhibit A.

The franchisor is Neurosculpting Institute Franchising, LLC, located at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218, telephone: (303) 981-9743.

Issuance date: April 29, 2022.

The franchise seller for this offering is Lisa Wimberger located at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218, telephone (303) 981-9743.

Neurosculpting Institute Franchising, LLC authorizes the respective agents identified on Exhibit A to receive service of process for it in the particular state.

I received a Disclosure Document dated April 29, 2022 that included the following Exhibits:

A. List of State Agencies/Agents for Service of Process
B. Franchise Agreement
C. List of Franchisees
D. Franchisees Who Have Left the System
E. Financial Statements
F. Operations Manual Table of Contents
G. Nondisclosure and Noncompetition Agreement
H. Amendment to Franchise Agreement–Renewal
I. Promissory Note
J. Closing Acknowledgement
K. State Addenda and Riders to Disclosure Document
L. General Release
M. Receipt of Disclosure Document

Date:_____

_____
Signature of Prospective Franchisee

_____
Print Name

RECEIPT

(Return this copy to us)

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 Neurosculpting Institute Franchising, LLC offers you a franchise, it must provide this Disclosure Document to you 14 calendar days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale.

New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship.

Michigan requires 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 Neurosculpting Institute Franchising, LLC does not deliver this Disclosure Document on time or if it contains a false or misleading statement, or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington D.C. 20580 and the state agency listed on Exhibit A.

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Neurosculpting Institute Franchising, LLC authorizes the respective agents identified on Exhibit A to receive service of process for it in the particular state.

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I. Promissory Note
J. Closing Acknowledgement
K. State Addenda and Riders to Disclosure Document
L. General Release
M. Receipt of Disclosure Document

Date:_____

_____

Signature of Prospective Franchisee

_____

Print Name

You may return the signed receipt either by signing, dating and mailing it to Neurosculpting Institute Franchising, LLC, located at 1245 East Colfax Avenue, Suite 207, Denver, Colorado 80218, telephone (303) 981-9743, or by emailing a copy of the signed and dated receipt to Lisa Wimberger at lisa@neurosculptinginstitute.com.