FRANCHISE DISCLOSURE DOCUMENT

SEROTONIN ENTERPRISES LLC
a Florida limited liability company
7790 Wintergarden Vineland Rd., Suite 100
Windermere, FL 34786
Telephone: (833) SEROTON (737-6866)
E-mail: franchising@serotonincenters.com
Web: www.serotonincenters.com

The franchise offered is for the management system and operation of an anti-aging center that provides wellness services we authorize from time to time, including, cosmetic injectables, hormone replacement therapy, medical weight loss and vitamin IV infusions.

The total investment necessary to begin operation of a Serotonin business ranges from $905,284 to $1,820,879. This includes $75,390 to $76,385 that must be paid to franchisor or its affiliate(s). If you sign a Multi-Unit Development Agreement, the total investment necessary for three (3) Serotonin units is $1,161,284 to $2,176,879. This includes $181,390 to $182,385 that must be paid to franchisor or its affiliate(s). The total investment necessary for twenty (20) Serotonin units is $1,946,284 to $2,961,879. This includes $966,390 to $967,385 that must be paid to franchisor or its affiliate(s). You will pay an additional $45,000 for each unit after the 20th unit based on the fee schedule set forth in the Multi-Unit Development Agreement.

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 government agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient to you. To discuss the availability of disclosures in different formats, contact Eric Casaburi at Serotonin Enterprises LLC, 7790 Wintergarden Vineland Rd., Suite 100, Windermere, FL 34786, (833) 737-6866, franchising@serotonincenters.com.

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

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

Issuance Date: April 20, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 and Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor and at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit E includes financial statements. Review these statements carefully.
Is the franchise system stable, growing or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Serotonin 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 Serotonin franchisee?	Item 20 or Exhibit F lists current or 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 your franchise is losing money.

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

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

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

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

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

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

Some States Require Registration

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

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

Special Risks to Consider About *This* Franchise

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

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

3. **Mandatory Minimum Payments**. You must make minimum royalty or advertising fund payments, regardless of you sales levels. Your inability to make the payments, may result in termination of your franchise and loss of your investment.

4. **Turnover Rate**. In the last year, a high percentage of franchised outlets (more than 42%) were terminated. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.

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

(THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)

The state of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

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

(b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than thirty (30) days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 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.

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

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

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

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

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

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

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

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

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
P.O. Box 30755
Lansing, Michigan 48909
Telephone Number: (517) 335-7632

FRANCHISE DISCLOSURE DOCUMENT

TABLE OF CONTENTS

ITEM 1. THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES….1
ITEM 2. BUSINESS EXPERIENCE……... 6
ITEM 3. LITIGATION……7
ITEM 4. BANKRUPTCY…….7
ITEM 5. INITIAL FEES……...7
ITEM 6. OTHER FEES…….....9
ITEM 7. ESTIMATED INITIAL INVESTMENT…….…..... 20
ITEM 8. RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS…….……25
ITEM 9. FRANCHISEE'S OBLIGATIONS……...29
ITEM 10. FINANCING……..31
ITEM 11. FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING…….....31
ITEM 12. TERRITORY……..43
ITEM 13. TRADEMARKS……..45
ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION…….48
ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISED BUSINESS……49
ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL……50
ITEM 17. RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION……51
ITEM 18. PUBLIC FIGURES…….61
ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS……...61
ITEM 20. OUTLETS AND FRANCHISEE INFORMATION……...63
ITEM 21. FINANCIAL STATEMENTS…….66
ITEM 22. CONTRACTS…….66
ITEM 23. RECEIPT……67

EXHIBITS:

A. LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS
B. FRANCHISE AGREEMENT
   Schedule 1-Franchise Fee, Accepted Location and Territory
   Schedule 2-Nondisclosure and Non-Competition Agreement
   Schedule 3-Unlimited Guaranty and Assumption of Obligations

Schedule 4-Franchisor Lease Rider
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-General Release
Schedule 9-Sample Management Services Agreement
Schedule 10-Back Office Services Agreement
Schedule 11-Call Center Service Agreement

C. MULTI-UNIT DEVELOPMENT AGREEMENT
Attachment A-Certification by Developer
Attachment B-Guaranty
Attachment C-Transfer of a Franchise to a Corporation or Limited Liability Company
Attachment D-Minimum Performance Schedule
Attachment E-Development Area
Attachment F-State Addendum to Multi-Unit Development Agreement

D. OPERATIONS MANUAL TABLE OF CONTENTS
E. FINANCIAL STATEMENTS
F. LIST OF CURRENT AND FORMER FRANCHISEES
G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
H. STATE ADDENDA TO THE DISCLOSURE DOCUMENT
I. STATE EFFECTIVE DATES
J. RECEIPT

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

The franchisor is Serotonin Enterprises LLC. To simplify the language in this disclosure document (the "**Disclosure Document**"), Serotonin Enterprises LLC is referred to as "**Franchisor**," "**we**," "**us**," or "**our**" and the person who is considering the franchise is referred to as "**Franchisee**," "**you**," or "**your**." If you are a corporation, limited liability company, partnership or other legal entity, the word "**you**" or "**your**" will apply to your shareholders, members, partners, officers, managers and directors.

This Disclosure Document provides certain information about us and the terms on which we currently offer franchises. Prospective franchisees should make an independent investigation before doing so and should consult with their advisors, including an attorney and/or an accountant. All initially capitalized terms used but not defined in this Disclosure Document have the meanings ascribed to them in the Franchise Agreement and Multi-Unit Development Agreement ("**MUDA**").

The Franchisor, and Any Parents, Predecessors and Affiliates

We are a Florida limited liability company formed on January 27, 2021. We do business under the name "**Serotonin®**". Our principal business address is 7790 Wintergarden Vineland Rd., Suite 100, Windermere, FL 34786. We do not conduct business under any other name or mark. We have not engaged in any other line of business, have not offered franchises in any other line of business, and began offering franchises on July 11, 2021. We do not conduct a business of the type offered to you in this Disclosure Document.

We have a parent company, Longevity Brands, LLC ("**Longevity Brands**"). Longevity Brands is a Florida limited liability company formed on February 26, 2020, and maintains its principal place of business at 10225 Summer Meadow Way, Orlando, FL 32836. Longevity Brands does not engage in any other line of business and has not offered franchises in this line or any other line of business.

We have an affiliate, Ecko Enterprises, LLC, a Florida limited liability company with its principal place of business at 7790 Winter Garden Vineland Road, Suite 100, Windermere, FL 34786, which opened a Serotonin-branded anti-aging center in Orlando, Florida, in July 2021. Ecko Enterprises, LLC has not offered franchises in this line or any other line of business.

Our affiliate, Anti-Aging Holdings Orlando, LLC, a Florida limited liability company with its principal place of business at 10225 Summer Meadow Way, Orlando, FL 32836, serves as a Serotonin multi-unit developer. Anti-Aging Holdings Orlando, LLC a16.23nd has not offered franchises in this line or any other line of business.

Our affiliate, Practice Management Orlando, LLC, a Florida limited liability company, with its principal place of business at 10225 Summer Meadow Way, Orlando, FL 32836, serves as the manager of Anti-Aging Holdings Orlando, LLC. Practice Management Orlando, LLC do not operate a business of the like offered in this Disclosure Document and has not offered franchises in this line or any other line of business.

Our affiliate, AADP Enterprises LLC, Florida limited liability companies with its principal place of business at 10225 Summer Meadow Way, Orlando, FL 32836, operates a Serotonin unit in the Orlando, Florida, metro area. AADP Enterprises LLC has not offered franchises in this line or any other line of business.

Our affiliate, AAWP Enterprises, LLC, a Florida limited liability company with its principal place of business at 10225 Summer Meadow Way, Orlando, FL 32836, operates a Serotonin center located in Orlando, Florida, which opened in September 2023. AAWP Enterprises, LLC has not offered franchises in this line or any other line of business.

Our affiliate, AALM Enterprises LLC, a Florida limited liability company with its principal place of business at 10225 Summer Meadow Way, Orlando, FL 32836, owns a Serotonin center located in Orlando, Florida that is scheduled to open in 2026. AALM Enterprises LLC has not offered franchises in this line or any other line of business.

Our affiliate, Longevity Growth Systems LLC, a Florida limited liability company with its principal place of business at 10225 Summer Meadow Way, Orlando, FL 32836 serves as the supplier of the customer relationship management ("**CRM**") software. Longevity Growth Systems LLC has not offered franchises in this line or any other line of business and does not operate a business of the like offered in this Disclosure Document.

We have an affiliate, Serotonin Nutraceuticals, LLC, a Florida limited liability company, which serves as a supplier to our franchisees. Our other affiliate, Serotonin IP, LLC, holds the intellectual property that is licensed to us. These affiliates both have their principal places of business at 10225 Summer Meadow Way, Orlando, FL 32836. We and these affiliates are commonly owned. These affiliates do not engage in any other line of business, do not operate a business of the like offered in this Disclosure Document and have not offered franchises in this line or any other line of business.

We do not have any predecessors or other affiliates required to be included in this item except as provided above.

Agent for Service of Process

Our agent for service of process is listed in Exhibit A to this Disclosure Document.

The Franchise Offered

We offer to qualified persons the right to own and/or operate a Serotonin Center Facility (the "**Franchised Business**") under our standard form of franchise agreement (the "**Franchise Agreement**"). The Franchise Agreement is attached as Exhibit B. Depending on your qualifications and applicable local, state and federal laws and regulations that may govern your Franchised Business, we will license to you one of two basic business models as follows:

- **Serotonin Center Facility**. If you are a licensed medical professional or you are located in a state that permits individuals who are not licensed medical professionals to own and operate businesses offering Proprietary Services, you may set up a Serotonin Practice Entity and directly sign a Franchise Agreement to open and operate a Serotonin Center Facility.

- **Serotonin Center Management Business**. If the state and federal laws require medical practices, professional entities, and licensed professionals ("**Authorized Care Providers**") to own or operate your Serotonin Center Facility, we will license a management business to you that will provide management, marketing and other administrative functions to the Authorized Care Providers ("**Serotonin Facility and Management Services**") at a Serotonin Center Facility that may be directly operated and potentially owned by the Authorized Care Providers (the "**Serotonin Center Management Business**"). The Serotonin Center Management Business is only offered to franchisees who are not licensed medical professionals in jurisdictions that require this business structure. You will sign the Franchise Agreement for your Serotonin Center Management Business.

You must operate your Franchised Business according to our standards, specifications, techniques, and procedures that we designate for developing, operating, and managing a Serotonin Center Facility and a Serotonin Center Management Business, all of which we may periodically change, improve, and further develop. You must operate and manage your Franchised Business according to our standards and procedures, as set out in our confidential operation manuals (collectively, the "**Manual"**). We will lend you a copy of the Manual for the duration of the Franchise Agreement.

We also offer qualified persons the right to develop multiple Serotonin-branded businesses within a specific geographic area (the "**Development Area**") under our standard form MUDA. The MUDA is attached as Exhibit C. The MUDA requires you to open an agreed-upon number of Serotonin-branded businesses under a minimum performance schedule set out in the MUDA. In connection with the development of Serotonin-branded businesses under the MUDA, you must sign our then-current form of franchise agreement for each business you open which may materially differ from the current Franchise Agreement included with this Disclosure Document. Each franchise agreement grants you the right to own and/or operate a single Serotonin business at a location generally identified by trademarks and service marks as stated in Item 13 and such other trade names, trademarks, and logos as we may designate from time to time (collectively, the "**Marks**").

Your Franchised Business will offer anti-aging, medical spa and cosmetic services such as cosmetic injectables, hormone replacement therapy, vitamin IV infusion, blood testing, body contouring, aesthetic services, health coaching, weight loss, and related services and retail products that we may periodically change, discontinue, improve, modify and further develop at our option from time to time (collectively the "**Proprietary Services**"). The Proprietary Services are provided under the Serotonin name and Marks and such other trade names, trademarks, and logos as we may designate, modify and adopt from time-to-time. Your clients may purchase Proprietary Services individually or through our membership program which allows members to receive certain Proprietary Services or unlimited Proprietary Services each month depending on the membership type selected. The membership program is described in our Manual and is subject to change in our discretion.

Your Franchised Business operates using certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; standards and specifications for services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the "**System**").

Market and Competition

The market for anti-aging centers is developing and competitive. The target market for the Proprietary Services we offer includes the general adult public. You will compete with other providers of the Proprietary Services we offer, including franchised and non-franchised businesses, as well as hospitals and private medical practices. You will compete with other similar businesses on price, service, location, product quality, promotions and marketing programs. Anti-aging businesses are often affected by changes in consumer taste, developing products, fads, economic conditions, seasonal population fluctuation, and travel patterns. Your ability to compete will be largely determined by your involvement with the Franchised Business, your financial strength, your business management ability, general economic conditions, and the geographic area of your selected site.

Industry Specific Laws

Your Franchised Business will offer Proprietary Services that are generally subject to federal and state laws and regulations as well as local permitting and zoning requirements at the county or municipal level. These laws may include federal, state and local rules and regulations related to health and safety; flow of funds; state professional licensing board rules of medical and cosmetic professionals including medical doctors, physician assistants, nurse practitioners, registered nurses, aestheticians, and estheticians; licensing and requirements as to the ordering, supply, and administration of procedures and services, ownership and control; the relationship of providers and suppliers of health care services, on the one hand, and physicians and clinicians, on the other, including anti-kickback laws such as the Federal Medicare Anti-Kickback Statute and similar state laws; restrictions or prohibition on fee splitting; physician self-referral restrictions known as the Stark Law; privacy of client records (including the Health Insurance Portability and Accountability Act of 1996, or "**HIPAA**"); state ownership and control restrictions known generally as Corporate Practice of Medicine ("**CPOM**") regulations; patient inducement laws; laws pertaining to health studios and/or fitness centers which may be applicable to membership programs; use of medical devices; commercial bribery statutes; the Federal Travel Act; and advertising of medical services ("**Authorized Care Provider Regulations**"). Key aspects of the healthcare regulatory rules and regulations are outlined below for your reference; however, you must investigate and evaluate how all regulations and requirements specific to your geographic area, including but not limited to those listed above and below, apply and impact your operations:

- **Stark**. The federal physician self-referral prohibitions (42 U.S.C. § 1395nn, "**Stark**") prohibits a physician from referring program patients for the furnishing of designated health services ("**DHS**") to an entity with whom the physician (or an immediate family member) has a

financial relationship. Additionally, the entity may not present, or cause to be presented, a claim or bill to any individual, third party payor, or other entity, for DHS furnished pursuant to a prohibited referral. Financial relationships under Stark can be either direct or indirect ownership or a direct or indirect compensation arrangement.

- **Anti-Kickback**. The Federal Anti-Kickback regulations (42 U.S.C. §1320a-7b) may apply to your Franchised Business even though the services and products offered and provided by your Franchised Business are not reimbursed or paid for by a third-party payer. Federal Anti-Kickback prohibits any person from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate) directly or indirectly, overtly or covertly, in cash or in kind, to any person, in return for or to induce such person to do either of the following: (1) refer an individual to a person for the furnishing or arranging for the furnishing of an item or service for which payment may be made in whole or in part under Medicare, Medicaid, TRICARE or other Federal health care programs (as defined by 42 U.S.C. § 1320a-7b(f)); or (2) purchase, lease, order or arrange for or recommend the purchasing, leasing or ordering of any good, facility, service or item for which payment may be made in whole or in part under any Medicare, Medicaid, TRICARE or other Federal health care programs (as defined by 42 U.S.C. § 1320a-7b(f)). One of the most important safeguards is to ensure the compensation paid to all Authorized Care Providers at your Franchised Business is consistent with fair market value. States often develop their own anti-kickback provisions that are payor indifferent and therefore not restricted to only services provided to federal program patients.

- **State Disclosure Laws**. Many states require that physicians make a proper disclosure to their patients regarding their affiliation with a person or entity if they will receive, directly or indirectly, remuneration for securing or soliciting the patient.

- **CPOM Doctrine**. The CPOM doctrine will apply to your Franchised Business including if you are operating a Serotonin Center Management Business. CPOM was enacted to prevent financial and business interests from interfering with independent medical judgement. A state's CPOM doctrine can include a wide range of restrictions such as prohibiting a lay person or corporation from employing a physician to practice medicine and collecting the professional fees, restricting the ownership percentage of a practice that can be owned by a physician or non-physician provider such as a nurse practitioner, or lay person, and who can serve in management positions of a practice. Your jurisdiction's CPOM doctrine will largely determine whether you can own and operate a Serotonin Center Facility or must operate a Serotonin Center Management Business subject to a Management Services Agreement ("**MSA**"). The CPOM restrictions can affect the way flow of funds needs to occur within your franchise structure, especially if operating as a Serotonin Center Management Business, as funds need to follow a specific route from professionals to lay people. The flow of funds concerns can be addressed in the MSA. Under no circumstance shall a lay person (including you as an owner if unlicensed) administer, control, influence, or direct the supervision, administration, delivery or performance of medical or other services requiring an Authorized Care Provider. Your Franchised Business may employ a variety of Authorized Care Providers such as physicians, nurse practitioners, physician assistants, registered nurses, and/or aestheticians depending on

the CPOM restrictions. State regulations and oversight boards determine how much power and ability each license grants the holder regarding certain procedures. Varying power and practice scopes are granted to non-physician providers, like nurse practitioners, depending on the state the license is issued and services performed. State laws, medical boards, nursing boards, board of cosmetology and other regulatory agencies will need to be analyzed to determine what procedures and policies need to be implemented through the creation of standard operating procedures for the Franchised Business. Following the primary consultation of a patient, analysis will need to be conducted regarding which Authorized Care Providers can be delegated procedures and administer the treatment plan. States will vary on regulations.

- **HIPAA**. HIPAA laws, rules and regulations impose strict requirements as to safeguarding and maintaining the privacy of personal information and data collected and stored in medical records. You shall assume that the operation of your Franchised Business, and the offer, sale, and performance of the Proprietary Services are subject to HIPAA's stringent privacy requirements.

- **Advertising and Promotion**. There are extensive federal, state and local laws, rules and regulations that regulate the type of marketing that you may or may not make as to the products and services offered by your Franchised Business, the results that your customers may or may not achieve, and whether or not the Proprietary Services are authorized, cleared and/or approved by any government agency or authority, and the Authorized Care Provider(s) that may or may not be administering, supervising and/or performing the Proprietary Services.

ITEM 2
BUSINESS EXPERIENCE

CHIEF EXECUTIVE OFFICER: ERIC CASABURI

Eric Casaburi has served as our Chief Executive Officer since the date of our inception. Mr. Casaburi is the manager of Practice Management Orlando, LLC, which serves as the manager of Ecko Enterprises, LLC, in Orlando, Florida, which opened a Serotonin Center in Windermere, Florida in July 2021.

VICE PRESIDENT OF BUSINESS DEVELOPMENT: MATTHEW MAURIELLO

Matthew Mauriello has been our Vice President of Business Development since April 2023. Prior to his position with us, he was the Managing Member of Rhino Fitness Exchange, LLC, a business and consulting company focused on merger and acquisitions of franchise health clubs in Palm Beach Gardens, Florida, from January 2016 to March 2023.

CHIEF LEARNING OFFICER: WILLIAM "BILL" MURRAY

Bill Murray has been our Chief Learning Officer since February 2024. Prior to his position with us, Mr. Murray was the Director of Franchise Operations for 10 Fitness Inc. Franchising in Maumelle,

Arkansas from May 2022 to January 2024. From July 2019 to February 2022, Mr. Murray was the Vice President of Operations and Chief Operating Officer for SureFit, LLC, which operated 15 Anytime Fitness locations in Searcy, Arkansas.

CHIEF MARKETING OFFICER: KT REMUS

KT Remus has been our Chief Marketing Officer since November 2025. In addition to her position with us, Ms. Remus is also the owner of 4C Marketing, a consulting company in Tulsa, Oklahoma from April 2018 to present.

ITEM 3
LITIGATION

No litigation information 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

Initial Franchise Fee

For a single franchise, you must pay us a $59,000 initial franchise fee ("**Initial Franchise Fee**") in full at the time the Franchise Agreement is executed. The Initial Franchise Fee is fully earned upon receipt and is non-refundable.

Call Center Service Fee

You will commence paying the Call Center Service Fee when your pre-sales marketing drive begins which must start thirty (30) to sixty (60) days before the opening of your Franchised Business. You must pay our then-current Call Center Service Fee which is currently $995 per month with an initial cost of $1,990. The Call Center Service Fee is further described in Item 6 below, paid to us and is non-refundable.

Back Office Service Fee

You have the option to use our Approved Supplier for back office services including bookkeeping, payroll and monthly reporting services at your Franchised Business. If you opt into these services, you will be required to commence paying the then-current Back Office Service Fee one month prior to opening your Franchised Business. The current Back Office Service fee, if you opt into this service, is $995 per month at an initial cost of up to $995. The Back Office Service Fee is further defined in Item 6, paid to us and is non-refundable.

Technology Fee

You will pay us a monthly $1,900 technology fee for the costs associated with licensing designated software, programs, applications, and/or other platforms from us or our designee for your Franchised Business, including our Zenoti point-of-sale ("**POS**"), Zenoti Advanced Marketing Module, Zenoti HyperConnect, API from Zenoti, E-Prescribe from Zenoti, Health and Nutrition Coaching App, Franconnect software, CRM, the Serotonin App, the cost of two email addresses for your Franchised Business and HIPAA compliance for security and storage of your Franchised Business' email addresses (the "**Technology Fee**"). The Technology Fee will commence 30 days prior to opening and we estimate your initial investment for the Technology Fee is $7,600. The Technology Fee is non-refundable.

Lease Review Fee

You must pay us $1,800 to review your lease for purposes of protecting our interests which may be aligned with yours. This fee is described in more detail in Item 11. The Lease Review Fee is non-refundable.

Initial Nutraceuticals Supply Package

You must purchase the initial supply of the non-injectable oral vitamin supplements needed for your Franchised Business (the "**Initial Nutraceuticals Supply Package**") from our affiliate, Serotonin Nutraceuticals, LLC prior to opening your Franchised Business at a cost estimated at $5,000. The Initial Nutraceuticals Supply Package is nonrefundable.

Multi-Unit Development Agreement

We offer multi-unit development packages if you choose to purchase three (3) or more Serotonin franchises (each a "**Unit**"). You must pay us the "**Development Fee**" based upon the number of Units you agree to develop and operate at the time you sign the MUDA. The Development Fee is fully earned by us upon receipt and is non-refundable.

The Development Fee is determined based on the chart below:

Number of Units	Development Fee
3	$165,000
4	$220,000
5	$275,000
6	$315,000
7	$367,500
8	$420,000
9	$472,500
10	$520,500
11	$550,000

12	$600,000
13	$650,000
14	$700,000
15	$750,000
16	$760,000
17	$807,500
18	$855,000
19	$902,500
20	$950,000

Each additional Unit after 20 shall be an additional $45,000.

ITEM 6
OTHER FEES

Franchise Agreement

Fee	Amount	Due Date	Notes
Royalty Fee (Note 1)	7% of Gross Revenue or $2,500 whichever is greater	Payable on the 5th of each month	You must pay this fee directly to us. We reserve the right to change the manner and time to collect this fee.
Advertising Fund Contribution (Note 2)	2% of Gross Revenue Per Month	Payable on the 5th of each month	You must pay this fee to us. We may from time to time change the rate or rates required to be paid by you but the amount of such payment that is based on Gross Revenue will not exceed 3% of your Gross Revenue and no change in the rate will take effect unless we provide you with prior written notice.
Local Marketing (Note 3)	A minimum of $5,000 per month	As incurred	You pay this amount directly to our Approved Supplier, but you may be required to pay this amount to us if you do not meet your minimum spend requirements. This is the minimum amount that you must spend for your local marketing. We may require your expenditures to be used in cooperative advertising, if established, which will not be more than your local marketing requirement. If established, Franchisor

Fee	Amount	Due Date	Notes
			and franchisee Co-op members will have equal voting power.
Promotions	Varies	As incurred	You must offer such rebates, giveaways and other promotions, including customer surveys and mystery shopper programs as may be required by us.
Technology Fee (Note 4)	$1,900 per month	Payable by the 5th of each month	We reserve the right to collect the Technology Fee in the same manner and/or frequency as we collect Royalty Fees. We reserve the right to increase this fee upon notice to you. This fee commences at least 30 days before you open your Franchised Business.
Back Office Service Fee (Note 5)	$995 per month	Payable by the 5th of each month	You have the option to use our Approved Supplier for back office services including bookkeeping, payroll and monthly reporting services at your Franchised Business (the "**Back Office Service Fee**"). If you opt into this service, you will commence paying the Back Office Service Fee one month prior to opening your Franchised Business. You will pay this fee to us or our third-party designated vendor. At any point during the term of your Franchise Agreement, we can make this service mandatory. We may also increase the Back Office Service Fee with notice to you.
Call Center Service Fee (Note 6)	$995 per month	Payable by the 5th of each month	You are required to use our Approved Supplier for call center services at your Franchised Business, which will handle inbound and outbound internet initial leads and schedule appointments for those leads (the "**Call Center Service Fee**"). You will commence paying the Call Center Service Fee upon the commencement of your pre-sales marketing drive which must start 30 to 60 days before the opening of your Franchised Business. You will pay this fee to us or our third-party designee. We

Fee	Amount	Due Date	Notes
			may also increase the Call Center Service Fee with notice to you.
Audit Fee (Note 7)	$2,500 plus the amount of underpayment plus interest from the date such amount was due until it is received by Franchisor, paid at the rate of the lesser of 1.5% per month or the highest commercial contract interest rate allowed by law	Cost of the inspection – when billed; Underpayment and interest – immediately.	Due if the audit or any other inspection should reveal that any payments to us have been underpaid or for your failure to provide any required report. Further, you shall reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees).
Interest (Note 8)	The lesser of 1.5% per month or the highest commercial contract interest rate allowed by law	Amounts not received by us on the due date shall incur interest charges	Due on all overdue amounts owed to us.
Late Fee	$100 per occurrence	As incurred	Due on each occurrence that you fail to make a timely payment to us.
Insurance	You must reimburse our costs plus a 10% administrative fee	When billed	If you fail to obtain insurance, we may obtain insurance for you, and you must reimburse us. You will pay a 10% administrative fee to account for our costs in obtaining your insurance.

Fee	Amount	Due Date	Notes
Transfer Fee (Note 9)	50% of the then-current Initial Franchise Fee	At the time of transfer	You may not transfer your Franchised Business without our prior written consent. The Transfer Fee is due at the time of the transfer and is not refundable.
Additional Training and Assistance	Currently $500 per person per day (plus hotel, air fare, and other expenses incurred by our trainer) for each person attending	When training or assistance begins	This fee will be assessed for training a newly appointed Operating Principal and for training newly hired personnel; for refresher training courses; and for special assistance or training you need or request to be conducted. We may change this fee upon notice to you, but it will not increase to more than $1,000 per person per day.
Conference Fee	$500 per person (plus hotel, air fare, and other expenses)	Prior to the conference or at the time of training	We may hold an annual franchisee conference devoted to training and plans for the future of Serotonin which you will be required to attend. Additionally, you must pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses.
Renewal Fee (Note 10)	50% of the then-current Initial Franchise Fee	At the time of renewal	You must timely notify us of your desire to renew the Franchise Agreement. The Renewal Fee is due at the time of renewal and is not refundable.
Costs of Enforcement	All costs including reasonable attorney's fees	Upon demand	You are responsible for paying all costs (including attorneys' fees) incurred by us, our affiliates and their respective directors, officers, shareholders, agents, employees and other representatives if you fail to comply with or breach any provision in the Franchise Agreement among our other remedies.
Costs to Participate in Automatic Debit Plan	Varies	On demand	We require you to participate in an automatic bank account debit plan which may come with additional administrative costs to you.

Fee	Amount	Due Date	Notes
Management Fee (Note 11)	Our expenses plus an administrative fee of 15% of Gross Revenue	As incurred	Due when we (or a third party) manage your Franchised Business after your managing owner's death or disability, or after your default or abandonment.
Right to Remedy Default	Our expenses plus an administrative fee of 15%	Each month that it applies	If you fail to perform or observe any of the terms of your Franchise Agreement, we may take such steps as we consider necessary to attempt to remedy such default including: (i) performing any obligation of yours under the Franchise Agreement and (ii) making payments on your behalf.
Testing of Products or Approval of new Suppliers (Note 12)	All reasonable costs not to exceed $1,500 per review	When billed	This fee covers the costs of testing new products or inspecting new suppliers you propose to us.
Indemnification (Note 13)	Will vary	As incurred	You must reimburse us for all costs, attorney's fees and damages if we are held liable for claims from your operation of the Franchised Business, lease of the Serotonin Center Facility or a sale or transfer of the Franchised Business.
Liquidated Damages	Amount equal to the average Royalty Fees for the last 12 months (or shorter period, if your Franchised Business has been in operation less than 12 months), multiplied by: 36 or the number of	On demand	We may require you to pay us this amount in the event you terminate the Franchise Agreement without cause, or we terminate the Franchise Agreement for cause.

Fee	Amount	Due Date	Notes
	months remaining in the term, whichever is less		
Manual Replacement (Note 14)	$250	As incurred	Payable to us if you lose or destroy the Manual.
Maintenance and Refurbishing of Serotonin Center Facility (Note 15)	You are required to reimburse our expenses	As incurred	If, after we notify you, you do not undertake efforts to correct deficiencies in your location appearance, then we can undertake the repairs, and you must reimburse us. We may increase the Royalty Fee up to 10% of Gross Revenue if you are not compliant with our refurbishment requirements.
Insufficient Funds (Note 16)	$100	As incurred	Due if you have insufficient funds in your designated bank account to cover a payment, or if any other payment instrument you use is rejected for insufficient funds.
Mystery Shopper/Quality Assurance Deficiency Fee	Our then current fee charged by our Approved Supplier	As incurred	If we establish a mystery/secret shopper or other quality assurance program to assess the quality of the services you perform or the products you sell at your Franchised Business, you will be responsible for the cost to the Approved Supplier if the assessment reveals any deficiency in standards as required by the Manual. Our right to charge a fee for a deficiency in standards is in addition to our rights and remedies under the Franchise Agreement include default and termination.
Taxes	Amount of taxes	As incurred	You must reimburse us for any taxes we must pay due to the operation of your Franchised Business or due to payments made to us (excluding federal and state income taxes for the state in which we are then located).

NOTES

General: All fees expressed in percentages are calculated by multiplying the percentage stated by the total monthly Gross Revenue of your Franchised Business unless otherwise indicated. All fees due to us shall be payable to us by direct deposit from the franchisee's account or in another form or manner approved by us. All fees and expenses described in this chart are non-refundable. All fees are uniformly imposed, nonrefundable and are payable to us unless otherwise noted.

"**Gross Revenue**" means all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Franchised Business. Gross Revenue includes all revenues earned from the Proprietary Services offered at your Franchised Business, leasing space in your Franchised Business to subcontractors (if approved by us), usage income, and insurance proceeds you receive for loss or interruption of business due to a casualty or similar event at your Franchised Business. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds to customers.

We shall have direct access to your Computer System (defined below) which shall provide us up-to-date Gross Revenue information. However, if requested by us, you shall deliver to us electronically a signed and verified statement of Gross Revenue ("**Gross Revenue Report**") for any time period requested. Royalty Fees are due on the 5th of each month. All fees and other amounts due to us shall be paid through a designated bank account. You must allow us to debit your account through the Automated Clearing House ("**ACH**") system. The ACH form you are required to fill out is attached as Schedule 5 to the Franchise Agreement. You shall make deposits to the designated bank account sufficient to cover the amounts owed to us prior to the date such amounts are due. You shall not close your designated bank account without our written consent.

If your jurisdiction allows you to operate a Serotonin Center Facility through a Serotonin Practice Entity, your Gross Revenue will primarily be generated from the sale of Proprietary Services and products to customers of your Franchised Business. You must also hire your own attorney to independently, evaluate, review, and advise whether you may or may not engage directly in the operation and management of a Serotonin Center Facility based on your state's CPOM doctrine. If your Franchised Business operates as a Serotonin Center Management Business, your Gross Revenue for fee payment purposes to us and/or to third parties will be calculated in the same manner as a Serotonin Center Facility but will be funded by the Authorized Care Providers through your MSA to you (the MSO) for payment. Although your MSA must be approved by us and although we provide a sample MSA, you must independently evaluate, review, and ensure that your MSA complies with all applicable laws, rules and regulations by hiring an attorney.

Note 1. **Royalty Fee**: This fee is set at 7% of your Gross Revenue as calculated per calendar month or $2,500, whichever is greater, for the entire term of the Franchise Agreement and all subsequent terms. The Royalty Fee begins when you commence your pre-open marketing drive. We reserve the right to change the time and manner of payment of your Royalty Fee at any time upon written notice to you. Royalty Fees and all fees paid to us are non-refundable.

In the event your Franchised Business is located in a state that prohibits payment of our standard Royalty Fee based on a percentage of Gross Revenue as described above, then in our discretion we may (in the alternative) (a) increase your Royalty Fee, as applied to the permissible portion of your Gross Revenue that is not otherwise restricted or prohibited, to a rate/amount determined by us so that the net amount of the Royalty Fee paid to us shall not be less than the Royalty Fee we would have received had the federal, state, and/or local government agency, entity, law, rule and/or regulation not prohibited your payment of your Royalty Fee based on Gross Revenue related to a restricted activity; or (b) charge you a fixed fee royalty in accordance with the following royalty schedule (the "**Alternative Recurring Amount**"):

Calendar Month (Full or Partial) of Operation Following Earlier of Opening Date and Required Opening Deadline	**Monthly Alternate Recurring Amount due in that Calendar Month of Operation**
Months 0 to 6	$3,000 per month
Months 7 to 12	$7,000 per month
Months 13 to 24	$8,000 per month
Months 25 to 36	$11,000 per month
Months 37 to 48	$13,000 per month
Months 49 to 60	$14,000 per month
Months 61 to 72	$15,000 per month
Months 73+	$16,000 per month

During any applicable renewal term, the Alternative Recurring Amount shall be determined by us but shall not be less than the Alternative Recurring Amount applicable after month 72 and shall be subject to increase as we determine in our discretion. In the event of a transfer, the starting Alternative Recurring Amount shall be based upon the number of months the Franchised Business had been operating prior to the transfer.

Note 2. **Advertising Fund**: You must contribute 2% of Gross Revenue each month during the term of the Franchise Agreement and all subsequent terms (the "**Advertising Fund Contribution**"). The payment of the Advertising Fund Contribution is due on the 5th day of each month for the duration of your franchise term. We may raise, discontinue, or reduce your required contribution at our sole discretion by providing advanced written notice to you. You shall pay the Advertising Fund Contribution at the same time, and on the same terms, as the Royalty Fee described above. The Advertising Fund is defined and discussed in Item 11.

Note 3. **Local Marketing**: You are required to spend a minimum of $5,000 per month on local marketing during the term of the Franchise Agreement and all subsequent terms. You are required to use our Approved Vendor for your local marketing. We can require that you pay all of the local

marketing expenditures that we require to us or our affiliate. You will be required to submit an accounting of this expense to us upon request or, at minimum, on a monthly basis on the 5th of each month. If you fail to spend the amounts required, you shall be required to pay us the amount underpaid in local marketing to us which shall be applied to our Advertising Fund.

Note 4. **Technology Fee**: This fee begins when you commence your pre-open marketing drive or 30 days before you open your Franchised Business whichever is earlier, and it includes the fees associated with licensing designated software, programs, applications, and/or other platforms, including Zenoti POS, Zenoti Advanced Marketing Module, Zenoti HyperConnect, API from Zenoti, E-Prescribe from Zenoti, Health and Nutrition Coaching App, Franconnect software, CRM, the Serotonin App, the cost of two email addresses for your Franchised Business and HIPAA compliance for security and storage of your Franchised Business' email addresses. The Technology Fee may also be used, without limitation, for developing, researching, maintaining, implementing, modifying, and/or upgrading technology used in connection with the System as we deem appropriate in our sole discretion as well as membership applications, help desk fees for required software, user-based fees for an internal portal or benchmarking platform, website-related costs and expenses, social media templates, two email address per location (additional email addresses can be purchased for an additional fee), membership applications, membership program-related costs and expenses, and/or for any other technology-related expenses.

Note 5. **Back Office Service Fee**: If you choose to participate in the Back Office Services we offer, you will be required to pay us the Back Office Service Fee for services including bookkeeping, payroll and monthly reporting services at your Franchised Business. You will commence paying the Back Office Service Fee one month prior to opening your Franchised Business. You will pay the Back Office Service Fee to us or our third-party designee and will be required to sign the Back Office Services Agreement attached to the Franchise Agreement as Schedule 10. We may, at any point during the term of your Franchise Agreement, make the Back Office Service Fee mandatory or increase the Back Office Service Fee with notice to you. We reserve the right to change the amount, time and manner of payment of the Back Office Service Fee at any time upon written notice to you. Back Office Service Fees and all fees paid to us are non-refundable.

Note 6. **Call Center Service Fee**: You are required to pay us a Call Center Service Fee for call center services including handling inbound and outbound initial internet lead and scheduling appointments for those leads at your Franchised Business. You will commence paying the Call Center Service Fee upon the commencement of your pre-sales marketing drive which must start 30 to 60 days before the opening of your Franchised Business. You will pay the Call Center Service Fee to us or our third-party designee and will be required to sign the Call Center Service Agreement attached to the Franchise Agreement as Schedule 11. We may increase the Call Center Service Fee with notice to you. We reserve the right to change the amount, time and manner of payment of the Call Center Service Fee at any time upon written notice to you. Call Center Service Fees and all fees paid to us are non-refundable.

Note 7. **Audit Fee**: We will assess audit fees against you if you fail to provide us reports, supporting records, or any other information we require under the Franchise Agreement; or if you understate (or if we have reason to believe you understated) Gross Revenue or underpay any fees due to us including Royalty Fees and Advertising Fund Contributions. The total amount of the audit fees that you pay us will vary depending on the cost of the audit itself (for which you will be entirely liable), and whether

you have any unpaid Royalty Fees or Advertising Fund Contributions for which you may be penalized in accordance with the Franchise Agreement.

Note 8. **Interest**: Interest and late charges begin to accrue on all amounts not received after the due date without notice to you. In addition to any interest and late charges, you must also pay any damages, expenses, collection costs, and/or reasonable attorneys' fees we may incur when you do not make the required payments, provided no interest charged shall exceed the maximum legal rate of any local, national, or international authority having jurisdiction over your Franchised Business.

Note 9. **Transfer Fee**: The term "**transfer**" means any of the following: the sale of the assets of your Franchised Business; the sale, assignment, or conveyance of your stock, membership interest, membership units, or partnership units to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust.

Note 10. **Renewal Fee**: Renewal fees are due at the time of renewal of the Franchise Agreement.

Note 11. **Management Fee**: Management fees will only be charged when one of our employees, or a third party appointed by us, actively controls the day-to-day management of your Franchised Business. The total amount of Management fees that you owe will be determined by the number of days that it is necessary for us to manage your business.

Note 12. **Testing of Products or Approval of New Suppliers**: You will be required to obtain our written approval for most of the products, vendors, and/or suppliers of products, that you will use in the operation of your Franchised Business (as described in more detail in Item 8), and you will be charged an assessment fee for the examination of any product, vendor, or supplier submitted to us for approval. This fee is up to, but may not exceed $1,500, for any single product, vendor, or supplier you wish to offer, use, and/or substitute in your operation of your Franchised Business whether we give our approval or not. We may waive these fees at our sole and absolute discretion if the equipment, products, vendors and/or suppliers you select meet our requirements and are added to our approved list of equipment, products, vendors and/or suppliers for all franchise locations. We will make every effort to process our evaluation within three (3) months of your request.

Note 13. **Indemnification**: You must protect, defend, indemnify, and hold us harmless against any claims, lawsuits, damages or losses of any kind arising out of your operation of your Franchised Business. This indemnification includes claims related to the lease of the Franchised Business's premises, sale or transfer of your Franchised Business, any default under the Franchise Agreement, and for costs associated with defending claims that you used our Marks in an unauthorized or illegal manner including through your marketing efforts. You must pay for any and all damages, legal fees, enforcement or collection costs, and/or any other costs assessed against us in any proceeding related to your Franchised Business.

Note 14. **Manual**: We shall charge you this fee for the replacement of a lost or destroyed Manual.

Note 15. **Maintenance and Refurbishment**: We may charge you fees for any work we perform on your behalf to repair or otherwise improve the premises of your Franchised Business, including any such repairs or improvements made on our own initiative if you refuse to complete any requested

maintenance or refurbishment upon inspection. The total amount of fees that you pay us will vary depending on the labor and material costs, as well as any associated costs or losses we may incur due to your failure to maintain or refurbish the location in accordance with our requests. We may increase the Royalty Fee up to 10% of Gross Revenue if you are not compliant with our refurbishment requirements.

Note 16. **Insufficient Funds**: We require that all fees payable to us be paid through a designated bank account through ACH. If you have three (3) or more insufficient funds occurrences within a 12-month period, it will be grounds for default under the Franchise Agreement.

Multi-Unit Development Agreement

If you sign a MUDA, you should review both the above table of fees applicable to your Franchise Agreement as well as the following table of fees applicable to the MUDA:

Fee	Amount	Due Date	Notes
Transfer Fee	The greater of 75% of the then-current Initial Franchise Fee or $50,000	At the time of transfer	The transfer fee and all other fees paid to us are non-refundable.
Attorneys' fees and costs	Will vary	As incurred	Payable to us if we are forced to incur costs (including attorney's fees) if you fail to comply with or breach any provision in the MUDA among our other remedies
Indemnification	Will vary	As incurred	You must reimburse us if we incur any expense, including attorney's fees and other costs, or are held liable for claims arising out of your breach of the MUDA or the development and operation of your Franchised Businesses.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Initial Franchise Fee (Note 1)	$59,000	Lump sum	Upon signing your Franchise Agreement	Us
Leasehold Improvements (Note 2)	$250,000 - $680,000	As arranged	Before opening	Landlord, Vendors, Utility Providers
Furniture, Fixtures and Equipment (Note 3)	$50,000 - $61,000	As arranged	Before opening	Vendors
Rent (6 months) (Note 4)	$30,000 - $96,000	As arranged	As arranged	Landlord
Security Deposit (Note 5)	$5,000 - $16,000	As arranged	As arranged	Landlord
Signage (Note 6)	$25,000 - $38,000	As arranged	Before opening	Vendors
Services Equipment (Note 7)	$220,400 - $330,400	As arranged	Before opening	Vendors
Startup Supplies (Note 8)	$54,694 - $62,694	As arranged	Before Opening	Approved Vendors
Initial Nutraceuticals Supply Package (Note 9)	$5,000	As arranged	Before opening	Our Affiliate
Insurance Deposits and Premiums (6 months) (Note 10)	$7,300	As arranged	Before opening	Insurance Carriers
Business Licenses and Permits (Note 11)	$5,000 - $11,000	As arranged	According to statute or ordinance	Government Agencies
Professional Fees (Note 12)	$30,500 - $47,500	As arranged	As incurred	Your Accountant, Architect, Medical Director, Attorney and Other Professionals

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Training Expenses (Note 13)	$4,000 - $5,500	As arranged	Before opening	Hotel, Airlines, etc.
Lease Review Fee (Note 14)	$1,800	As incurred	Before we review your lease	Us
Call Center Service Fee (2 months)	$1,990	As incurred	Before opening	Us
Back Office Service Fee (1 month)	$0 - $995	As incurred	Before opening	Us
Grand Opening Marketing (Note 15)	$10,000	As incurred	Within 60 days after opening your Franchised Business	Marketing Vendors
Computers and Electronics	$20,000 - $25,100	As incurred	Before opening	Vendors
Technology Fee (Note 16)	$7,600	As incurred	30 days before opening	Us
Additional Funds for 6 months (Note 17)	$118,000 - $354,000	As arranged	As incurred	Employees, Vendors, Suppliers
Total Estimated Initial Investment (Note 18)	**$905,284 - $1,820,879**			

NOTES

Note 1. **Initial Franchise Fee**: You must pay us $59,000 if you purchase one Franchised Business. If you purchase the right to develop three or more, the Initial Franchise Fee shall be reduced based on the number of businesses purchased through the MUDA. You must pay the Initial Franchise Fee in full when you sign the Franchise Agreement. Initial Franchise Fees are non-refundable and fully earned when paid.

Note 2. **Leasehold Improvements**: You must improve the premises of your Franchised Business to our standards and specifications before you open for operation. These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and décor items which must be constructed according to our specifications. These costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the premises at the time you sign your lease, and may be much higher if you establish your Franchised Business in an area where special requirements of any kind (e.g., historical, architectural, or preservation requirements) will apply. You may receive a leasehold allowance covering a portion of the costs of constructing the leasehold improvements from the landlord. The figures in the chart are for the build-out of a "plain

vanilla shell" location for a space that is approximately 2,000 to 3,000 square feet in size. The low estimate assumes that you will receive a tenant improvement allowance that covers some of the improvements, whereas the high estimate does not. There are variables regarding potential sites that are likely to be site-specific and may impact the overall construction and/or operating costs, such as, for example, special permitting rules and regulations, special HVAC requirements, or site-specific design criteria. These situations are site-specific, and we cannot estimate the costs. You should evaluate those potential extra costs for any specific site that might be considered with a realtor or broker in your geographic region before you sign your lease.

Note 3. **Furniture, Fixtures and Equipment**: You will need to purchase fixtures, furnishings and small equipment to operate your Franchised Business. This estimate includes patient chairs, light fixtures, lobby furnishings and other décor and fixtures.

Note 4. **Rent**: You must lease or otherwise provide a suitable commercial space for the operation of your Franchised Business. The cost per square foot for leasing commercial space varies considerably depending upon the location and market conditions affecting commercial property. We estimate the cost of leasing commercial space per square foot to be between $30 and $64 plus NNN annually although this figure can be more than $70 in certain markets. The amounts in the chart reflect our estimate for your payment of rent for the first six (6) months from your rent commencement date. You should consult a real estate broker in your area to assess the typical leasing costs for your target market area.

Note 5. **Security Deposit**. You may be required to pay prepaid rent and/or a security deposit in connection with leasing space. Landlords will vary in the amount they charge for a security deposit. We have used a security deposit of one month's rent for the estimate.

Note 6. **Signage**: Signage includes the exterior storefront signs as well as interior signage package and branding elements. However, the specific location where your Franchised Business will be located may have different requirements and regulations dictating the size, layout and illumination of the exterior signage. You will be required to abide by these regulations, and as a result may experience higher or lower costs for your exterior signage.

Note 7. **Equipment for Proprietary Services**: You must purchase certain types of equipment for your Franchised Business that will be necessary to offer the authorized and required Proprietary Services and products including medical and non-medical equipment. The overall cost of the equipment will vary based upon the size of your Franchised Business and the number of client rooms you will have available. You may also pay additional costs for shipping the equipment which will vary based on equipment ordered and the location of your Franchised Business.

Note 8. **Startup Supplies**: You are required to purchase an opening inventory of goods and supplies from Approved Suppliers in order to offer the authorized and required Proprietary Services and products.

Note 9. **Initial Nutraceuticals Supply Package**: You will purchase the Initial Nutraceuticals Supply Package from our affiliate, Serotonin Nutraceuticals, LLC, prior to opening your Franchised Business at a cost estimated at $5,000. The Initial Nutraceuticals Supply Package is nonrefundable.

Note 10. **Insurance**: You must obtain certain insurance included in Item 8. Factors that may affect your cost of insurance include the size and location of your Franchised Business, the value of the leasehold improvements, the number of employees you have and other factors. The amounts you pay for insurance are typically non-refundable. You should inquire about the cancellation and refund policy of the insurance carrier or agent at or before the time of purchase.

Note 11. **Licenses and Permits**: You must obtain a general business license, if applicable in your state. Certain states may require that you file and post a bond if it is determined that your Franchised Business is a health club/spa. You may be required to obtain other licenses and permits applicable to the performance of Proprietary Services depending on applicable law in your state or municipality. See Item 1 for more details. You must consult your attorney regarding licensing and permitting requirements in your state or municipality.

Note 12. **Professional Fees**: You are required to hire an architect during the buildout of your Franchised Business, and you will incur cost unless you rent a space that the landlord covers the architecture cost. We strongly recommend that you hire your own attorney to help you evaluate this franchise offering, to identify the medical laws and regulations that may apply to your Franchised Business, to help you set up a business entity, to review and negotiate your lease, to investigate the laws governing medical facilities in your jurisdiction, and for whatever other purpose you deem appropriate. You may also need to hire a medical director for your Franchised Business depending on your credentials and jurisdiction.

Note 13. **Training**: The cost of initial training for up to three (3) people is included in the Initial Franchise Fee. However, you will be responsible for all travel and living expenses for you and anyone else required to attend training. If applicable, you will be responsible for your employees' wages while they are training. The costs will vary depending on the distance traveled, choice of accommodations and travel arrangements, and other related factors. We may conduct our training programs remotely/virtually so you may not incur these travel-related expenses if training is performed virtually. See Item 11 for more information on the training program we offer.

Note 14. **Lease Review Fee:** You must pay us to review your lease for purposes of protecting our interests which may be aligned with yours. See Item 11 for more details.

Note 15. **Grand Opening Marketing**: You may choose to spend more than the required amount. The Grand Opening Marketing Program must be conducted within the first 60 days after opening your Franchised Business. Your Grand Opening Marketing Program must include the promotional elements we require, and we must approve of your Grand Opening Marketing Program before it is conducted.

Note 16. **Technology Fee**: The Technology Fee will commence 30 days prior to opening and your estimated initial investment for the Technology Fee is for 30 days prior to opening and for the first three months after opening. The Technology Fee is non-refundable.

Note 17. **Additional Funds**: You will need additional capital to support on-going expenses, such as payroll and utilities, insurance, licenses, inventory, security, repairs and maintenance, and miscellaneous expenses. This estimate includes payroll costs for one manager and other employees but does not include a salary or draw for you or the Operating Principal. The estimate also includes pre-opening expenses such as organization expenses, and other service-related expenses. The estimate does not include Royalty Fee or Advertising Fund Contribution payments due to us. We have relied on the initial development costs of our affiliate's location in Windermere, Florida in estimating the additional funds estimate.

Note 18: In formulating these estimates, we have relied on the initial development costs of our affiliate's location in Windermere, Florida. All expenses paid to us or our affiliates are non-refundable. We will not finance any part of the initial investment.

YOUR ESTIMATED INITIAL INVESTMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

Type of Expenditure	Amount (Low-High Range)	Method of Payment	When Due	To Whom Payment is to Be Made
Development Fee (Note 1)	$165,000 for three Franchised Businesses - $950,000 for 20 Franchised Businesses	Lump sum	Upon signing your MUDA	Us
Total Investment for a single Franchised Business under the Franchise Agreement minus the Initial Franchise Fee (Note 2)	$846,284 - $1,761,879	*See Table Above*		
Additional Funds (Note 3)	$150,000 - $250,000	As arranged	Before opening	Landlord, Vendors, Utility Providers
Total Estimated Initial Investment (Note 4)	**$1,161,284 - $2,961,879**			

NOTES

Note 1. **Development Fee**: If you sign a MUDA, you will be required to pay us a Development Fee that will vary significantly depending on the number of Franchised Businesses we agree to sell to you. This estimate includes the Development Fee for the development of three (3) to 20 Franchised Businesses, but we may grant qualified developer candidates the right to develop more Franchised Businesses.

Note 2. **Total Investment for Single Franchised Business**: This is the estimated initial investment set forth above that is applicable to your initial Franchised Business minus the Initial Franchise Fee which is included in the Development Fee.

Note 3. **Additional Funds**: You may need funds for working capital to pursue your development obligations depending on the number of Franchised Businesses we agree to sell to you. This amount estimates the costs needed to begin looking for sites in the Development Area and for general business expenses and preparation after signing the Development Agreement.

Note 4. **Total Estimated Initial Investment for Developer**: In formulating these estimates, we have relied on the initial development costs of our affiliates. We do not offer any financing for your initial investment toward developing Franchised Businesses.

ITEM 8
RESTRICTIONS ON SOURCES OF SERVICES AND PRODUCTS

Approved Services and Products

Subject to applicable health laws, you must use in the operation of your Franchised Business, and in the offer and sale of the services and products we approve, only those techniques, procedures and supplies we specify. You must offer all, and only such, products and services as we approve from time to time. We may require that you, at your expense, enter into agreements with suppliers approved by us specifically for the offer, sale and performance of the Proprietary Services and related products at your Franchised Business. We may change any of our requirements periodically. All products and items must conform to those standards and specifications we may periodically establish.

You must obtain our written approval before making any changes to your Franchised Business and before modifications to or replacements of furniture, fixtures, equipment, computer hardware, proprietary software, generic software, products, signs or other items. All products and services to be sold, handled, or dispensed either by you or your Authorized Care Providers in your Franchised Business must be purchased from us, our affiliate(s) or Approved Suppliers to, among other thing, ensure uniformity in our System and to ensure that we have reviewed and approved any and all medical procedures being performed at your Franchised Business.

We make no express or implied warranties with respect to any products are services we recommend for your use. We may, at any time, change, delete, add to or modify any of our Proprietary Services or

products offered at your Franchised Business. These changes, deletions, additions or modifications may require additional expenditures by you.

Marketing and Promotional Materials; Items Bearing our Marks

You must purchase from us or our designated suppliers all marketing, advertising, and promotional materials, including business cards, stationery, brochures, flyers, postcards, posters, advertisement templates, and any other promotional or business marketing tools we use, or might use, as a part of the System. Any items, including all merchandise and any promotional items, which bear or include our Marks, must be purchased from us or our designated suppliers to ensure brand consistency within the System. It is solely your responsibility to ensure that any marketing of the Proprietary Services offered at your Franchised Business are compliant with the applicable laws government the advertisement of Proprietary Services in your jurisdiction.

Approved Suppliers

In addition to the above, we may require that you, at your expense, enter into agreements with suppliers approved by us ("**Approved Suppliers**"). We may designate Approved Suppliers from whom you will be required to purchase certain fixtures, furnishings, equipment, uniforms, supplies, marketing materials, forms, computer hardware, software, routers, and peripheral equipment and other products, supplies, services, and equipment, which you may or must use or sell at or through your Franchised Business. We may change Approved Suppliers from time to time. We will provide you with a current list of Approved Suppliers through updates to the Manual or other forms of communication. We may designate ourselves or our affiliates as Approved Suppliers for certain products and services, including the Proprietary Services. Currently, we are not an Approved Supplier but our affiliate, Serotonin Nutraceuticals, LLC, is an Approved Supplier of products to be purchased by you for sale at your Franchised Business including the sole supplier of non-injectable oral vitamin supplements and the Initial Nutraceutical Supply Package. Our affiliate, Longevity Growth Systems LLC is the exclusive supplier of the CRM software you will use at your Franchised Business. Our CEO, Eric Casaburi, owns an interest in both these affiliates.

If you would like to use any goods or services in establishing and operating your Franchised Business that we have not approved (for goods and services that must meet our standards, specifications or that require supplier approval), you must first send us sufficient information, specifications and samples for us to determine whether the goods or services comply with our standards and specifications or the supplier meets our Approved Supplier criteria. You must pay our expenses up to $1,500 to evaluate goods, services or suppliers regardless of whether we provide our approval or not. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers include: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; our existing relationships with competitive vendors; and experience, dependability and general reputation. We will notify you in our Manual or other written communications if we revoke approval of any supplier.

We may limit the number of Approved Suppliers with whom you may deal with for any reason, including suppliers that we have already designated as an exclusive source (which may be us or our

affiliates) for any particular item or service if we believe doing so is in the best interest of our franchise system. We will notify you if and when we no longer approve a previously Approved Supplier, product, or piece of equipment. A supplier must continually adhere to our standards and specifications to maintain its approval. We reserve the right to condition our approval of any proposed product or equipment on such terms we decide at our discretion, including your execution of a general release in our favor, your agreement to obtain additional related insurance and to attend additional training, and your agreement to participate in a test period. As discussed in Item 1, the CPOM doctrine restricts layperson-franchisees from dictating the medical equipment and supplies to be used in the operation of your Franchised Business.

Payment Processing Services

We require you to enter into a merchant services agreement with our designated supplier for payment processing and fund transfer services (i.e., ACH).

Insurance

You must maintain insurance that we determine is necessary or appropriate for liabilities caused by or occurring in connection with the development and operation of your Franchised Business, which must include the following minimum coverages:

- Commercial general liability insurance, which shall include us, and any entity in which we have an interest and any entity affiliated with us and each of our members, managers, shareholders, directors, officers, partners, employees, servants and agents as additional insureds, protecting against any and all claims for personal, bodily and/or property injury occurring in or about the premises of your Franchised Business and protecting against assumed or contractual liability under the Franchise Agreement with respect to the Franchised Business and your operations, including personal and advertising liability as well as products and completed operations coverage, with such policy to be placed with minimum limits of $1,000,000 combined single limit per occurrence; $2,000,000 general aggregate per location; and $300,000 for damage to leased property, provided, however, that at our election, such minimum limits may be periodically increased;
- Property Liability coverage covering all perils to personal property contained within and outside the premises of the Franchised Business. The amounts may vary based on coverage needed but must cover your business property and a minimum of $500,000;
- Workers' Compensation Coverage and such other insurance as may be required by statute or rule of the state or locality in which the Franchised Business is located in the amount of $1,000,000 per person, $1,000,000 in the aggregate and $1,000,000 for occupational disease;
- Employment Practices Liability insurance in the amount of at least $500,000 for each claim;
- Professional liability malpractice coverage in the minimum amount of at least $1,000,00 per claim and $3,000,000 annual aggregate;
- Cyber Liability coverage with limits of liability between $500,000 and $1,000,000;
- Business interruption and extra expense insurance for a minimum of six (6) months to cover net profits and continuing expenses, including Royalty Fees;

- Identity theft protection with a minimum of $5,000 expense limit;
- Umbrella liability coverage with minimum limits of $1,000,000 per occurrence and $2,000,000 general aggregate; and
- Any other insurance coverage that is required by the Manual or federal, state, or municipal law.

We have the right to establish and modify the minimum coverages required, and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. All such insurance policies must name us as additional insured, include any endorsements we may require and include a waiver of subrogation in favor of us and our affiliates, and each company's officers, directors, shareholders, partners, members, agents, representatives, independent contractors, servants, and employees.

We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of the Franchise Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums and reasonable expenses we incur in obtaining the insurance. Your failure to obtain and maintain insurance coverage at any time is a material default under the Franchise Agreement and could subject you to costs incurred by us and additional fees.

Revenue from Required Purchases

We may derive revenue or other material consideration from required purchases or leases by you. During the fiscal year ending December 31, 2025, our affiliate Serotonin Nutraceuticals, LLC derived $308,304 as a result of franchisee purchases. During the fiscal year ending December 31, 2025, our affiliate Longevity Growth Systems LLC derived $0 as a result of franchisee purchases as it was not yet supplying the CRM to franchisees. During the fiscal year ending December 31, 2025, we derived $314,725 as a result of franchisee purchases of technology fees and lease review fees which is approximately 8.27% of our total revenue of $3,804,574.

Required Purchases as a Proportion of Costs

We estimate that your required purchases and leases will range from 60% to 80% of your total initial investment (not including the Initial Franchise Fee) and from 60% to 70% of your ongoing purchases and leases in the operation of your Franchised Business.

Purchasing or Distribution Cooperatives

At this time, we do not have any purchasing or distribution cooperatives. We anticipate that we will negotiate purchase arrangements with suppliers for the benefit of our franchisees.

Purchase Arrangements

We do not provide you with any material benefits based on your purchase of particular products or services, or your use of designated or approved sources. We have negotiated and entered into purchase arrangements for the benefit of our franchisees with Allergan in which we have secured fixed discount pricing off the purchase of multiple Allergan products from the current listed retail prices offered to the general public. We and our affiliates will continue to negotiate and enter into purchase arrangements which may include discounted pricing, special terms, rebates or other incentives with suppliers for the benefit of us and our franchisees. We or an affiliate (including Serotonin Nutraceuticals, LLC) may make available to you the opportunity to participate from time to time in certain discounts, rebates, or other benefits in connection with Approved Suppliers, if you meet certain conditions such as supplier terms and conditions. We may retain such discounts, rebates, or other benefits for our own benefit. We may derive revenue as a result of your required purchases.

During the fiscal year ended December 31, 2025, we and our affiliates earned $312,195 from the required purchases made by franchisees from our Approved Suppliers which is 8.20% of our total revenue of $3,804,574. Except as described above, neither we nor our affiliates have derived any revenue or other material consideration as a result of franchisees' required purchases or leases.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

Franchisee Obligations	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
a. Site selection and acquisition/lease	2 and 5	3, 4, and 8	11 and 12
b. Pre-opening purchases/leases	5, 13, and 15	Not Applicable	7, 8, 11
c. Site development and other pre-opening requirements	2, 3, 5, 8, and 10	1, 3, and 4	11
d. Initial and ongoing training	8	Not Applicable	11
e. Opening	4, 5, 11, and 13	4	11

Franchisee Obligations	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
f. Fees	3, 4, 8, 10, 11, 12, 13, 15, 18, 21, 22, and 23	2	5, 6, 7, 8, and 11
g. Compliance with standards and policies/Manual	6, 7, 9, 10, and 13	Not Applicable	8, 11, 14, and 16
h. Trademarks and proprietary information	6, 7, and 9	Not Applicable	13 and 14
i. Restrictions on products/ services offered	6 and 13	Not Applicable	8 and 16
j. Warranty and customer service requirements	13	Not Applicable	16
k. Territorial development and sales quotas	2	4	12
l. Ongoing product/service purchases	13	Not Applicable	8 and 11
m. Maintenance, appearance & remodeling requirements	3, 10, and 13	Not Applicable	6
n. Insurance	15	Not Applicable	6, 7, and 8
o. Advertising	11	Not Applicable	6, 7, 8, and 11
p. Indemnification	21	14	6
q. Owner's participation/ management/staffing	8 and 13	7	15
r. Records and reports	12	Not Applicable	11

Franchisee Obligations	Section in Franchise Agreement	Section in MUDA	Disclosure Document Item
s. Inspections and Audits	6 and 12	Not Applicable	6, 11, and 13
t. Transfer	18, 19, and Schedule 8	11	6 and 17
u. Renewal	4 and Schedule 8	5	17
v. Post-termination obligations	17 and Schedule 2	10	17
w. Non-competition covenants	7 and 17, and Schedule 2	12	17
x. Dispute resolution	23, Schedule 2, and Schedule 3	19	17

ITEM 10
FINANCING

We do not offer direct or indirect financing. We do not guarantee your note, lease or obligations.

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

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

Pre-Opening Assistance

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

1. Provide an initial training program. This training does not include any professional licenses, certification, or other training you must possess and/or complete before you can operate the Franchised Business. (FA Sec. 8.1).

2. Provide assistance in ordering your initial inventory, equipment, signage and other required inventory as we deem necessary. We will provide you with assistance and guidance in establishing prices for products and services. We do not set a minimum or maximum price but we provide you with a recommended price range. (FA Sec. 8.2).

3. Provide to you opening assistance and guidance that we think is advisable, in our sole discretion, and as may be described in the Manual. (FA Sec. 8.2).

4. Loan to you one copy of the Manual or provide you with electronic access to our Manual. (FA Sec. 9.1).

5. Approve or disapprove the site you have selected. (FA Sec. 5.4).

6. Designate your Approved Territory. (FA Schedule 1).

7. Furnish prototypical plans and specifications for a Serotonin Center Facility. (FA Sec. 2.2.2).

8. Provide to you site selection assistance as we deem advisable including our site selection guidelines and design specifications. (FA Sec. 2.2.5).

9. Provide you with information regarding approved, required and preferred products, suppliers and Proprietary Services. (FA Sec. 13.1).

Continuing Obligations

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

1. Provide you periodic assistance in the marketing, management, assistance with key suppliers, and the operation of the Franchised Business at the times and in the manner that we determine necessary. We may periodically offer you the services of certain of our representatives, such as field representatives, and these representatives may periodically visit your Franchised Business and offer advice regarding your operations. (FA Sec. 14.1).

2. Provide additional training and ongoing training as we deem necessary in our sole discretion at such places and times as we deem proper. (FA Sec. 8.4).

3. Have the right to approve or disapprove all marketing and promotional materials that you propose to use. (FA Sec. 11.1.2).

4. Provide you with any modifications to the Manual as they are made available to franchisees. (FA Sec. 9.2).

5. Administer the Advertising Fund in the manner described in the Franchise Agreement. (FA Sec. 11.2).

6. Make periodic visits, which may be announced or unannounced, to your Franchised Business for the purpose of determining compliance with the requirements of the Franchise Agreement, for conducting quality assurance audits, and for any other purpose connected with the System only if we deem such necessary in our discretion. (FA Sec. 14.2).

7. Hold periodic conferences, as we deem necessary, to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. In the event that such conferences are held, we reserve the right to charge a fee for your attendance at the conference, and you must pay all

your travel and living expenses related to your attendance at the conference. We also reserve the right to charge you a penalty fee for failure to attend the conference. These conferences will be held at a location chosen by us. Attendance is mandatory. (FA Sec. 8.4).

Neither the Franchise Agreement, nor any other agreement, requires us to provide any other assistance or services to you during the operation of your Franchised Business.

Site Selection

You must locate, obtain and occupy the site for your Franchised Business (the "**Accepted Location**") on your own initiative and at your own expense. We do not generally own the sites of your Franchised Business and do not lease them to you. You are responsible for completing and submitting to us for review and approval, a Serotonin Site-Review Package containing the information and materials we designate regarding your proposed site. We will issue our approval or disapproval of your proposed site within 30 days after we receive a completed Serotonin Site-Review Package containing all of the information and materials we requested. We will consider the potential client base in the area when deciding whether to issue our approval. Other factors we consider include traffic patterns, visibility and parking. We may not withhold our approval unreasonably, but no site will be deemed approved unless we have approved it in writing. We will not be deemed to have withheld our approval unreasonably if the proposed site fails to meet our then-current standards and specifications, as we determine in our sole and absolute discretion. If we cannot approve a site for your Franchised Business within a reasonable time, as determined in our sole discretion, we may terminate your Franchise Agreement. We do not provide assistance conforming your Accepted Location to local ordinances and building codes, obtaining any required permits, constructing, remodeling, decorating and/or hiring and training your employees.

Neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria for Serotonin businesses nor the specific location of your Franchised Business will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Franchised Business. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Franchised Business at the site. Both you and your landlord shall execute the Franchisor Lease Rider that is attached as Schedule 4 to the Franchise Agreement. Under the Lease Rider, we will have the right, but not the obligation, to take possession of your Franchised Business if your Franchise Agreement or lease is terminated.

Lease Review

Once we have accepted your location, we (or our authorized representative) will review the lease for the sole purposes of protecting our interests, which may be aligned with your interest in signing the lease. We do not act as your legal counsel or representative in conducting this review and engaging the landlord in a negotiation. You must consult your own attorney for legal assistance with reviewing and negotiating the terms of your lease. You must pay us a non-refundable fee of $1,800 (the "**Lease Review Fee**"). The Lease Review Fee covers the costs of our review of your lease. You must pay a Lease Review Fee for each lease we (or our authorized representative) review. This fee is uniform and is not refundable under any circumstances. If you do not secure an Accepted Location and enter into

a binding lease agreement that has been approved by us for such location within eight (8) months of signing the Franchise Agreement, we may terminate the Franchise Agreement.

Design, Remodeling and Opening

Our mandatory and suggested specifications and layouts for your Franchised Business, including requirements for design, color scheme, image, interior layout, signs and equipment are included in our Manual. You are obligated, at your expense, to have an architect designated by us or that meets our current standards prepare all required construction plans based on our prototype designs in the Manual. We have the right to review and approve all plans and specifications to ensure that they meet our design specifications and requirements. We may inspect the premises of your Franchised Business prior to opening. You must construct, equip, and improve your Franchised Business in compliance with our current design standards, and trade dress. You must purchase and install, at your expense, all millwork and customized fixtures, furnishings, equipment, décor, and signs from our designated or approved third-party suppliers.

Pre-Opening Marketing and Opening

You must begin your pre-opening marketing drive at least 30 to 60 days prior to opening your Franchised Business, and you must open your Franchised Business no more than twelve (12) months after the effective date of your Franchise Agreement. We estimate that you will open your business within nine (9) to twelve (12) months after you sign a Franchise Agreement. The factors that may affect this time are the ability to obtain a location, financing or permits, local ordinances, weather conditions, shortages and delayed installation of equipment and fixtures.

You may not open your Franchised Business to the public until we issue a written approval authorizing your opening. We will not issue our approval, and you will be prohibited from opening your Franchised Business if (a) your Franchised Business has not been constructed and equipped in accordance with our standards and specifications, (b) you failed to successfully complete initial training, (c) in view of our management, we determine you and your employees are not prepared to open, or (d) you have not been given all the proper governmental approvals by the local authorities.

Local Marketing

You must spend a minimum of $5,000 per month with our Approved Supplier on local advertising, promotion and marketing of your Franchised Business. We reserve the right to change the Approved Supplier upon notice to you, which can be us or our affiliate. Local marketing expenditures will be directed towards local online, digital marketing and advertising mechanisms within the geographical area of your Franchised Business. You shall allocate to localize these monies toward print and direct mail and/or digital marketing (and related professional fees) utilizing the following advertising mediums: (i) pay per click advertising through Google; (ii) Facebook advertising campaigns; (iii) YouTube advertising campaigns; (iv) Instagram advertising campaigns; (v) e-mail marketing campaigns; (vi) other social media platforms; (vii) localized digital campaigns utilizing search engine optimization tools (SEO); and (viii) any additional local marketing initiatives. Local marketing expenditures are not included in your Advertising Fund Contribution and will be your sole cost and

expense. It is solely your responsibility to ensure that any marketing of the Proprietary Services offered at your Franchised Business is compliant with the applicable laws in your jurisdiction.

Certain criteria will apply to the local marketing that you conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. Local marketing must be compliant with all laws governing the advertising of medical services and products. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six (6) months, we prepared or already approved the plans or materials). Our approval does not mean that the advertising is legally compliant; only that the content is approved if the advertisement or marketing effort is allowed in your jurisdiction. If you email us with your request for approval, along with all needed information, we will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within ten (10) business days; but if we do not give our approval within fifteen (15) business days, we will have been deemed to disapprove the plans or materials. All copyrights in and to marketing, advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign the documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this provision.

We may periodically make available to you certain marketing materials for your use in local marketing and promotion, some of which must be purchased. As used in the Franchise Agreement, the term "**local marketing**" refers to only the direct costs of purchasing and producing marketing materials (such as camera-ready advertising and point of sale materials), marketing to referral partners, and your direct out-of-pocket expenses related to costs of marketing in your local market or area. Local marketing and promotions also include postage, shipping, telephone, and photocopying costs. Local marketing does not, however, include any of the following: (a) salaries, incentives or discounts offered to your employees, and your employees' expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts given to consumers.

We, our vendors or our affiliates, may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, point-of-purchase materials, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing. You acknowledge and agree that periodic marketing programs and promotions will, if and when we approve and adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in marketing programs and promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities.

You must participate in all advertising, promotional and marketing initiatives we may require. Without limitation, initiatives may include prize contests, special product and service offers and coupons. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

You acknowledge and agree that certain associations between you and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned or legal, may create an unwelcome, unfair, or unpopular association with, or an adverse effect on, our reputation and the good will associated with the Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that are, or which may be perceived by the public to be, taken in the name of, in connection or association with you, the Marks, us, and the System involving the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you may spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Franchised Business.

Advertising Fund

You shall pay us an amount equal to 2% of Gross Revenue as an Advertising Fund Contribution. We may from time to time change the rate or rates required to be paid by you as an Advertising Fund Contribution, provided that (a) the amount of such payment that is based on Gross Revenue will not exceed 3% of Gross Revenue, and (b) no change in the rate will take effect unless we give you at least three (3) month's prior written notice. We will maintain and administer the Advertising Fund as follows:

1. We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet, or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Advertising Fund and we are not required to spend any particular amount on advertising in your Approved Territory, as defined in Item 12.

2. We will use Advertising Fund Contributions for producing, maintaining, administering and directing consumer advertising (including but not limited to the cost of preparing and conducting television, radio, Internet, social media advertising, magazine, direct mail and newspaper advertising campaigns and other public relations activities including reputation management software; hosting an Internet web page of similar activities; net promoter score software; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees) on a national and/or regional level as we deem necessary or appropriate, in our sole discretion. We may use multiple sources for advertising including in-house and regional or national agencies. We will maintain your contributions in a separate account from our funds. We will not use Advertising Fund Contributions for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Advertising Fund. We will not use Advertising Fund Contributions for the direct solicitation of franchise sales. However, we may include a statement regarding the availability of information about the purchase of Serotonin franchises in advertising and other items produced or distributed using the Advertising Fund.

3. We shall attempt to use all contributions in the fiscal year they are made; however, if less than all monies in the Advertising Fund are spent in the fiscal year in which they accrue, the money will remain in the Advertising Fund to be spent in subsequent years. We will use any interest or other earnings of the Advertising Fund before we use current contributions. We intend for the Advertising Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the fund until all contributions and earnings have been used for advertising and promotional purposes, or we have returned your *pro rata* share. As of the fiscal year ending December 31, 2025, we collected $208,036 in Advertising Fund Contributions from franchisees and we spent $224,243 of which 33% was spent on production and 67% was spent on media placement. We contributed $64,890 as a loan to the Advertising Fund as of December 31, 2025 which was spent 100% on advertising placement and digital media to promote our brand.

4. The Advertising Fund is not audited. The Advertising Fund is not a trust and we assume no fiduciary duty in administering the fund. Upon your request, we will provide you, within 120 days of our fiscal year end, with a written statement for such fiscal period setting forth in brief detail the total amounts collected, and disbursements made by us in connection with the Advertising Fund. Locations owned by us or our affiliates contribute equally to the Advertising Fund.

5. Except for the salaries of marketing personnel employed by the Franchisor, we do not receive compensation for providing goods or services to the Advertising Fund.

6. The Advertising Fund is not and will not be our asset. Although the Advertising Fund is intended to be of perpetual duration, we maintain the right to terminate the Advertising Fund. The Advertising Fund will not be terminated, however, until all monies in the Advertising Fund have been expended for marketing purposes. If amounts are unspent in the Advertising Fund at fiscal year-end, those amounts are carried over by the Advertising Fund for expenditure in the following year. Except as described above, we are not obligated to advertise.

Internet Marketing

You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator (URL) serotonincenters.com that provides information about the System and about Serotonin. We may provide you with a page on our home page, where we will have contact information on your location. We retain the sole right to post content on our website and otherwise market on the Internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Serotonin website. You are not permitted to use a domain name containing Serotonin in an URL or on any Online Site.

We will have the right, but not the obligation, to provide you with one or more references or webpage(s), as we may periodically designate, within our Online Site. The term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, the web, webpages, microsites, social networking sites (e.g., Facebook, Twitter, LinkedIn, TikTok, YouTube, Instagram, etc.), blogs, vlogs, applications to be installed on mobile devices (for example, iOS or Android apps), and other applications. However, if we approve a separate Online Site for you (which we are not obligated to do), then each of the following provisions will apply: (1) you may neither establish nor use any Online Site without our prior written approval; (2) before establishing any Online Site, you must submit to us, for our prior written approval, a sample of the proposed Online Site, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), in the form and manner we may require; (3) you must not use or modify an Online Site without our prior written approval; (4) you must comply with the standards and specifications for Online Sites that we may periodically prescribe in the Manual or otherwise in writing; (5) if we require, you must establish hyperlinks to our Online Site and other Online Sites; and (6) we may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf.

Advertising Cooperative

We may, in our discretion, form local or regional marketing cooperatives covering your Approved Territory, as defined in Item 12 and the territory of at least one other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or regional marketing cooperative (the "**Co-op**"), then you must: join the Co-op; participate with other franchisees in the Co-op's marketing programs; and pay your share of the Co-op's marketing expense which will not be more than your local marketing requirement. Any payments you make for the Co-op's marketing will be applied towards your local marketing requirement but will not affect your obligation to make Advertising Fund Contributions under the Franchise Agreement. If the amount you contribute to a Co-op is less than the local marketing requirement, then you shall nevertheless spend the difference locally. The Co-op's marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the franchise advisory council, if established, or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the franchise advisory council or some other committee of franchisees. We do not currently have an advertising council composed of franchisees that advises us on advertising materials, but we may in the future. The Co-op will operate under written governing documents prepared by us or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op's expense, and made available to Co-op members upon request. Franchisor or our affiliate-owned units will not be required to contribute to the Co-op. We have the right, in our sole discretion, to modify, merge or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes.

Computer System

You must purchase and use any hardware and software programs we designate.

We require our franchisees to purchase a Computer System. You must meet our current requirements concerning the Computer System, including: (a) POS, data, audio, video (including managed video security surveillance), telephone, voice messaging, retrieval, and transmission systems for use at the Serotonin businesses, between or among other franchised businesses, and between and among your Franchised Business(es), and you, and us; (b) physical, electronic, and other security systems and measures; (c) printers and other peripheral devices; (d) archival back-up systems; (e) Internet access mode (such as the telecommunications connection) and speed; and (f) technology used to enhance and evaluate the customer experience (collectively, all of the above are referred to as the "**Computer System**"). It is solely your responsibility to ensure the installation and operation of the Computer System complies with applicable law, including without limitation privacy laws (e.g., HIPAA) related to customer protected health information (as defined under HIPAA or applicable state law) or other customer data. You must have Cyber Liability insurance to protect you and us from any data breach.

You must use your Computer System to (i) enter and track reservations and sales receipts, Proprietary Services purchased and performed, and customer information, (ii) update inventory of merchandise and products, (iii) enter and manage your customer and member contact information, (iv) generate sales reports and analysis relating to your Franchised Business, (v) maintain electronic health and medical records, (vi) conduct telehealth sessions, and (vii) provide other services relating to the operation of your Franchised Business. We have the right to develop or to designate: (a) computer software programs and accounting system software that you must use in connection with the Computer System ("**Required Software**"), which you must install; (b) updates, supplements, modifications, or enhancements to the Required Software, which you must install; (c) the tangible media upon which you must record data; and (d) the database file structure of your Computer System. As part of your Computer System, you will be required to use our SeroConnect software system which is an online portal/management system. We rely on suppliers to provide support for the hardware and software, and we may require that you enter into service contracts directly with the hardware and software suppliers and pay the suppliers directly for this support.

Neither we nor our affiliates nor any third party have any obligation to provide ongoing maintenance, repairs, upgrades, or updates to your Computer System. You must maintain your Computer System in good working order and must replace, update, or upgrade your hardware systems and Required Software as we may periodically require. There are no contractual limitations on the frequency and cost of these upgrades and updates. The initial cost of the Computer System is $20,000 to $25,100, and the estimated annual cost of optional or required maintenance, updating, upgrading, or support contracts to your Computer System is $500 to $1,500.

You must be able to access information that is available on the Internet and be able to send and receive email. We reserve the right to approve your email address or require you to use only the email address that we provide for your Franchised Business's business emails.

You must afford us unimpeded independent access to your Computer System in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data and

information from your Computer System in any manner we deem necessary or desirable. We have the right to require you to use one or more designated telephone vendors. If we so require, you must use our designated telephone vendors for the phone service to your Franchised Business. We may designate, and own, the telephone numbers for your Franchised Business.

There are no contractual limitations on our right to access information stored on your Computer System. Any client lists or information compiled or amassed through your Computer System or otherwise, will be our proprietary property. You may not sell or use client lists or information for any purpose other than in connection with the operation of your Franchised Business. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to your Franchised Business and any other operations taking place through your Franchised Business. We have developed a mobile application for our System (the "**Serotonin App**"). We may require you to enter into a separate license agreement related to the use of the Serotonin App. We may require you to promote the use of the Serotonin App in your Franchised Business or to provide content to be included in the Serotonin App. We may add, discontinue, or modify any mobile applications periodically in our sole discretion.

Training

Before opening your Franchised Business, you (or if you are an entity, your Operating Principal) your Manager, as defined in Item 15 (if you will employ a Manager), the Authorized Care Providers, and all opening employees and staff must attend and successfully complete, to our satisfaction, the initial training program we offer for Serotonin franchisees at our headquarters, at another location that we specify or virtually. We offer our training program periodically as needed but no less than once per quarter. You or your Operating Principal will attend training at least 90 days before opening your Franchised Business. Your employees will attend the four day in person training within 30 days of opening your Franchised Business. Your Franchised Business must at all times be under the active full-time management of either you, the Operating Principal or Manager and the Authorized Care Providers who have successfully completed (to our reasonable satisfaction) the protocols provided by our third-party vendor(s) to administer the Proprietary Services (the "**Protocols**"). If you, your Operating Principal, your Manager, your Authorized Care Providers and certain staff cannot complete the training program and Protocols to our satisfaction, we may terminate the Franchise Agreement. (FA Sec. 8).

If you (or your Operating Principal), your Manager or your Authorized Care Providers cease active management or employment at your Franchised Business, then any replacements must attend and successfully complete the basic management training program and Protocols (applicable only to Authorized Care Providers), to our reasonable satisfaction, as soon as it is practical to do so but, in all cases, the replacement shall successfully complete training within thirty (30) days. If one of your opening employees leave and you replace them, you may send a new employee to our training program. You must pay our then-current per diem training charges of $500 per person per day for additional training.

We may require that your Operating Principal, Managers, Authorized Care Providers and employees periodically attend additional courses, seminars, and other additional training programs including

refresher training. You will incur expenses in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance. You must pay our then-current per diem training charges of $500 per person per day for additional training.

The subjects covered in the initial training program are described below:

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Philosophy of Serotonin & Industry Analysis	1	0	Our Headquarters, Online or Your Location
Proprietary Services Provided to Serotonin Customers	8	2	Our Headquarters, Online or Your Location
Pre-Opening Procedures	4	0	Our Headquarters, Online or Your Location
People Development	2	0	Our Headquarters, Online or Your Location
Product and Service Knowledge	4	4	Our Headquarters, Online or Your Location
Marketing and Advertising	4	0	Our Headquarters, Online or Your Location
Sales Procedures	8	3	Our Headquarters, Online or Your Location
Daily Business Operations	2	2	Our Headquarters, Online or Your Location
Management Procedures	2	1	Our Headquarters, Online or Your Location
Using the Software	4	2	Our Headquarters, Online or Your Location
Inventory Management	2	1	Our Headquarters, Online or Your Location

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Client Service Standards	1	1	Our Headquarters, Online or Your Location
Client Membership Management	1	2	Our Headquarters, Online or Your Location
Cleaning and Maintenance	1	1	Our Headquarters, Online or Your Location
Goal Setting and KPIs	1	1	Our Headquarters, Online or Your Location
Reporting to Us	1	1	Our Headquarters, Online or Your Location
Health and Safety	1	1	Our Headquarters, Online or Your Location
Totals	**47 hours**	**22 hours**	

The amount of hours listed in the chart above are estimates only, and the number of hours we will spend training you will depend on your, your Manager, and your employees' experience in the industry, job history, business acumen, and other related factors. We reserve the right to perform the training program in-person, online or on-the-job at your location, or at any location we deem appropriate in our sole discretion. We may offer in classroom training via webinar, virtual, or other online or electronic method. The Initial Franchise Fee covers training for up to three (3) attendees. If you request additional attendees, each attendee shall pay the then-current fee (see Item 6). You will be responsible for all travel and living expenses for you and anyone else required to attend training.

All training will be conducted under the supervision of Bill Murray or his designee. Mr. Murray is identified in Item 2 as our Chief Learning Officer, has been with us since February 2024 and has over 20 years of experience in the fitness, health and wellness industries having previously served in similar roles for Anytime Fitness, 10 Fitness and Retro Fitness. The principal instructional materials will consist of the Manual. The Table of Contents of the Manual, along with number of pages devoted to each section, is included as Exhibit D to this Disclosure Document. The Manual contains a total of 165 pages.

ITEM 12
TERRITORY

Your Franchised Business will be located at a single site, which must meet our standards and specifications and must be approved by us in advance. We will designate your territory (the "**Approved Territory**") which will typically be based on the area that is within a three (3) mile "drivable distance" from your Accepted Location. The Approved Territory will be determined by us, in our sole discretion, using the mapping service, program and/or software selected by us, in our sole discretion, including, without limitation Google Maps. We reserve the right to grant you an Approved Territory of less than a three (3) mile "drivable distance" based on the demographics of the area in which you wish to open your Franchised Business.

We retain the right to conduct any business at any location, including: (a) the right to offer Serotonin franchises using our System and Marks to others for any site outside your Approved Territory regardless of how close the site is to your Accepted Location; (b) the right to sell, rent and distribute any services and products, directly or indirectly, and/or license others to sell and distribute any Proprietary Services and products, directly or indirectly, from any location or to any purchaser (including, but not limited to, sales made to purchasers in the Approved Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, on the Internet, and/or sales to delivery customers), except that we shall not do so from a Franchised Business located inside the Approved Territory; (c) the right to produce, license, distribute and market Proprietary Services and products and services bearing the Serotonin name or other marks, including vitamins, nutraceuticals, packaged items, books, retail items, food and beverage products, and apparel, among other things, at any location or any outlet, regardless of proximity to your Franchised Business, through any distribution channel, at wholesale or at retail, including by means of the Internet, mail order, direct mail advertising, delivery, and other distribution methods; (d) the right to develop, operate, and franchise others to operate, any business concept except a Serotonin business at any place, including within the Approved Territory, and use the Marks or any other trademarks owned, licensed, or developed by us or our affiliates in connection with those concepts, even if such concepts sell products and services that are similar to, the same as, or competitive with the Proprietary Services; (e) the right to approve or disapprove other franchisee's requests to purchase local marketing that penetrates your Approved Territory in our sole discretion; (f) the right to merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory; and/or (g) the right to operate a Serotonin-branded business at a trade show booth or similar "pop-up" location in your Approved Territory for up to twenty (20) days. We shall have the right to open Serotonin businesses at "**Non-Traditional Sites**" which include, without limitation, military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums.

Our reserved right authorizing us to sell branded products in your Approved Territory through other channels of distribution may affect your ability to sell those products. There are no restrictions on our right to solicit or accept orders from consumers inside your Approved Territory. Nothing in the Franchise Agreement prohibits us or our affiliates from selling Proprietary Services and other products

and services through alternative channels of distribution within your Approved Territory. We are not required to pay you any compensation for soliciting or accepting orders from inside your Approved Territory. Neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks that sell or distribute similar products or services to those that you will offer.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

You may not relocate your Franchised Business from the Accepted Location without our written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration any commitments we have given to other franchisees, licensees, landlords, and other parties relating to the proximity of a new Serotonin business to their establishment.

Except as expressly stated in this Item 12, we will not operate permanent outlets or grant franchises for a similar or competitive business within your Approved Territory, but we have the unlimited right to do so anywhere outside your Approved Territory. Neither we nor our affiliates are restricted from establishing other franchises or company-owned outlets, or other channels of distribution, selling or leasing similar products or services under a different trademark.

Under the MUDA, the area developer will receive a protected territory and neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Serotonin franchised businesses within the Development Area, except the franchises that are granted to an area developer pursuant to the MUDA and except as otherwise expressly provided in the MUDA. However, we have the right to terminate the protection if area developer is not in full compliance with all of the terms and conditions of the MUDA and all of the Franchise Agreements signed under it. Your territorial rights may or may not, in our discretion, include the right to develop Serotonin franchised business locations at any non-traditional sites. You are not granted any other option, right of first refusal or similar right to acquire additional Serotonin locations in your Development Area under the MUDA. To maintain your rights under the MUDA you must have open and in operation the cumulative number of Serotonin franchised businesses as stated on the Minimum Performance Schedule by the dates agreed upon in the Minimum Performance Schedule. Failure to do so will be grounds for termination of the MUDA. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control.

In the future, we and our affiliates may acquire or develop additional business concepts that use different trademarks, and those business concepts may also be located within your Approved Territory. We do not have a method to resolve conflicts between you and other franchisees of other systems we control involving territory, customers, or franchisor support. Except as disclosed above, neither we nor our affiliates currently plan to operate or franchise any business under any different trademarks or that sells or distributes similar goods or services to those that you will offer.

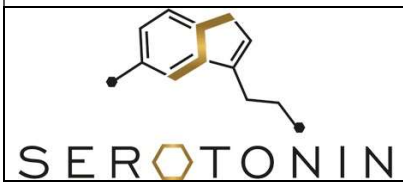
Except for the Approved Territory granted in your Franchise Agreement, we do not grant any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Serotonin

businesses, you must enter into a new Franchise Agreement and meet all our current requirements for franchisees. The Approved Territory described above will affect where you and other franchisees may solicit business. You may not offer anti-aging products or services outside your Approved Territory without our prior written consent. Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Approved Territory without prior written authorization from us, including Internet marketing, postcards, letters, fliers, e-mails, or other marketing communications. You may not make telemarketing calls to clients or prospective clients located outside your Approved Territory or advertise in print or other media where two-thirds or more of the media circulation base or broadcast area is located outside your Approved Territory.

You must adhere to the terms of the Franchise Agreement. If during the term of the Franchise Agreement, you are unable to promptly and properly service any of your customers, you must notify us. For any default of the Franchise Agreement, as an alternative to termination, we may, at our sole and absolute discretion, unilaterally modify or completely eliminate any rights that you may have with respect to the Approved Territory, effective ten (10) days after delivery of written notice to you. In addition, we may modify, or eliminate completely, the Approved Territory. We reserve all rights not specifically granted to you in this Item.

ITEM 13
TRADEMARKS

We grant you the right to operate your Franchised Business under the name "Serotonin". Our affiliate, Serotonin IP, LLC, has been assigned the following registration on the United States Patent and Trademark Office ("**USPTO**") Principal Register:

MARK	REG. NUMBER	REG. DATE	INTERNATIONAL CLASS OF GOODS
SEROTONIN	6564191	November 16, 2021	041, 044
	7043826	May 2, 2023	044
	7103933	July 11, 2023	044

Our affiliate intends to renew the registration and file all appropriate affidavits for this trademark at the times required by law. As of the date of issuance of this Disclosure Document, the following service mark is owned by Serotonin IP, LLC, and awaiting registration:

MARK	SERIAL NUMBER	FILING DATE	INTERNATIONAL CLASS OF GOODS
SEROTONIN NUTRACEUTICALS	99631117	February 3, 2026	044
Serotonin Active	99668643	February 24, 2026	041, 044
Serotonin Longevity Centers	99668636	February 24, 2026	041, 044
Serotonin Longevity & Performance	99668604	February 24, 2026	041, 044
SeroVitals360	99668632	February 24, 2026	044
SerotoninRX	99756428	April 10, 2026	044

We do not have a federal registration for these trademarks as of the date of this Disclosure Document. Therefore, these trademarks do not have as many legal benefits and rights as federally registered trademarks. If our right to use our trademarks is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or any court; or any pending infringement, opposition, or cancellation proceeding in which we unsuccessfully sought to prevent registration of a trademark in order to protect a trademark licensed by us. There is no pending material federal or state court litigation regarding our use or ownership rights in the Marks. We know of no infringing or prior superior uses that could materially affect the use of the Marks.

The trademarks listed above are owned by our affiliate, Serotonin IP, LLC. Pursuant to a license agreement between us and Serotonin IP, LLC, we have the exclusive right to license the use of the trademarks to others within the United States. The license granted to us by Serotonin IP, LLC is perpetual and can only be terminated if we misuse the trademarks or willfully allow our franchisees to misuse the trademarks. If the trademark license agreement is terminated or modified, you may have to change to an alternative trademark for your business which may increase your expenses. Other than the license agreement with Serotonin IP, LLC, there are no agreements that limit our right to use or license the use of the trademarks.

You do not receive any rights to the Marks other than the right to use them in the operation of your Franchised Business. You must follow our rules when you use the Marks. You must use the Marks as the sole trade identification of the Franchised Business. You cannot use any Mark or portion of any Mark as part of any business entity name. You may not use the Marks in connection with the sale of any unauthorized services or products, or in any other manner that we do not authorize in writing. You must obtain a fictitious or assumed name registration if required by your state or local law. Any unauthorized use of the Marks by you is a breach of the Franchise Agreement and an infringement of our rights in the Marks. You must not contest the validity or ownership of the Marks, including any Marks that we license to you after you sign the Franchise Agreement. You must not assist any other person in contesting the validity or ownership of the Marks.

You must immediately notify us in writing when you learn about any claim of infringement, unfair competition, or similar claims about the Marks. You must not communicate with any person other than us and our counsel regarding any infringements, challenges or claims unless you are legally required to do so; however, you may communicate with your own counsel at your own expense. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding involving a trademark licensed by us. The Franchise Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You must take any action that, in the opinion of our counsel, may be advisable to protect and maintain our interests in any proceeding or to otherwise protect and maintain our interests in the Marks.

We reserve the right to substitute different Marks for use in identifying the System and the businesses operating as part of the System if our currently owned Marks no longer can be used, or if we determine, exercising our right to do so, that substitution of different Marks will be beneficial to the System. In such cases, you must implement and use such different Marks at your cost and in the manner we require. If we require, you must modify or discontinue the use of any Mark and use other trademarks or service marks we designate. We have no obligation to reimburse you for modifying or discontinuing the use of a Mark or for substituting another trademark or service mark for a discontinued Mark. If

we adopt and use new or modified Marks, you must add or replace equipment, supplies and fixtures, and you must make other modifications we designate as necessary to adapt your Franchised Business for the new or modified Marks. We do not reimburse you for any loss of goodwill associated with a modified or discontinued Mark.

If we undertake the defense or prosecution of any litigation concerning the Marks, you must sign any documents and agree to do the things as may, in our counsel's opinion, be necessary to carry out such defense or prosecution, such as becoming a nominal party to any legal action. Except to the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, we agree to reimburse you for your out-of-pocket costs in doing these things, except that you will bear the salary costs of your employees, and we will bear the costs of any judgment or settlement. To the extent that the litigation is the result of your use of the Marks in a manner inconsistent with the terms of the Franchise Agreement, you must reimburse us for the cost of the litigation, including attorneys' fees, as well as the cost of any judgment or settlement.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents that are material to the franchise. We claim common law copyright protection in the Manual, our website, our marketing materials, the Serotonin App, training manuals or videos, and other copyrightable items that are part of the System. While we claim copyrights in these and similar items, we have not registered these copyrights with the United States Register of Copyrights, but we reserve the right to register these copyrights in the future. You may use these items only as we specify while operating the Franchised Business and you must stop using them if we direct you to do so.

We know of no effective determinations of the U.S. Copyright Office or any court regarding any of our copyrighted materials. Our right to use or license copyrighted items is not materially limited by any agreement or known infringing use.

We have developed certain trade secrets and other confidential information, including methods of business management, sales and promotion techniques, and know-how, knowledge of, and experience in, operating a Franchised Business. We will provide our trade secrets and other confidential information to you during training, in the Manual and as a result of the assistance we furnish you during the term of the Franchise Agreement. You may only use the trade secrets and other confidential information for the purpose of operating your Franchised Business. You may only disclose trade secrets and/or other confidential information to employees who must have access to it to operate your Franchised Business. You are responsible for enforcing the confidentiality provisions as to your employees.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your managers, executives, employees, agents, independent contractors, consultants and staff are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the

Nondisclosure and Non-Competition Agreement attached as Schedule 2 to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

All ideas, concepts, techniques or materials concerning your Franchised Business and/or the System, whether or not protectable intellectual property and whether created by or for you or your owners or employees, must be promptly disclosed to us and will be deemed our sole and exclusive property and a part of the System that we may choose to adopt and/or disclose to other franchisees, and you agree to assign to us all right, title and interest in any intellectual property so developed without additional compensation to you. Likewise, we will disclose to you the concepts and developments of other franchisees that we make part of the System. You must also assist us in obtaining intellectual property rights in any concept or development if requested.

Your use of the Manual, trade secrets or other confidential information in an unauthorized manner is a default of the Franchise Agreement that may result in automatic termination of the Franchise Agreement. Further information about termination of the Franchise Agreement following a default is included in Item 17.

You must comply with our System standards, other directions from us, and all applicable laws and regulations, including HIPAA, regarding the organizational, physical, administrative and technical measures and security procedures to safeguard the confidentiality and security of client information on your Computer System or otherwise in your possession or control and, in any case, employ reasonable means to safeguard the confidentiality and security of Client Information. "**Client Information**" means names, contact information, financial information and other personal identifiable information of or relating to your Franchised Business's clients and prospective clients. If there is a suspected or actual breach of security or unauthorized access involving your Client Information, you must notify us immediately after becoming aware of the occurrence and specify the extent to which Client Information was compromised or disclosed.

We and our affiliates will, through the Computer System or otherwise, have access to Client Information. We and our affiliates may use Client Information in our and their business activities. When the Franchise Agreement expires or terminates, we and our affiliates may make all disclosures and use the Client Information in any manner that we or they deem necessary or appropriate. You must secure from your clients, prospective clients and others, all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Client Information to us and our affiliates, and for us and our affiliates to use that Client Information, in the manner that the Franchise Agreement contemplates.

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

If you are a corporation, partnership or LLC, you must have an individual owner serve as your "**Operating Principal**". The Operating Principal must supervise the non-medical operation of your Franchised Business and must own at least 5% of the voting and ownership interests in the franchisee entity. You must inform us in writing whether the Operating Principal will assume full-time

responsibility for the daily supervision and operation of your Franchised Business that is not within the purview of your Medical Director or your Authorized Care Providers. If the Operating Principal will not supervise your Franchised Business on a full-time and daily basis, you must employ a full-time manager (a "**Manager**") with qualifications reasonably acceptable to us, who will assume responsibility for the daily administrative operation of your Franchised Business.

You must, at all times, retain and exercise direct management and decision-making control over all aspects of the Franchised Business. Your personal supervision is not required if the day-to-day operation of your Franchised Business is performed by a Manager who has successfully completed our required training program and has, at our sole discretion, the appropriate experience and training. If you do not personally supervise the operation of your Franchised Business, you and your Operating Principal still must attend and satisfactorily complete training. You, your Operating Principal or your Manager must devote full time and best efforts to the operation of your Franchised Business. You are not restricted as to whom you may hire as a Manager, except that your Manager must be approved by us.

Certain individuals with access to trade secrets or other confidential information, including your shareholders (and members of their immediate families and households), officers, directors, partners, members, if you are a corporation, limited liability company or other business entity, and your Manager, executives, employees, agents, independent contractors, consultants and staff are required to sign nondisclosure and non-competition agreements in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2 to the Franchise Agreement. We will be a third-party beneficiary with the right to enforce those agreements.

If you are a corporation or other business entity, anyone who owns a 5% or greater interest in the entity must personally guarantee the performance of all of your obligations under the Franchise Agreement and agree to be personally liable for your breach of the Franchise Agreement by signing the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3 to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer and sell the services and products we specify, including the Proprietary Services described above, which definition may be expanded periodically in our discretion. We have the right to add or delete services, products, or merchandise, including the Proprietary Services, and you must do the same upon notice from us. There are no limits in our right to do so. You may not sell any services or products that we have not authorized, and you must discontinue offering any services or products that we may disapprove of even if the services or products were previously approved. We may take action, including terminating your Franchise Agreement, if you purchase or sell unapproved products or make purchases from unapproved suppliers. There are no limits regarding the customers to whom you may sell goods and services. Periodically, we may allow certain services or products that are not otherwise authorized for general use as a part of the System to be offered locally or regionally based on factors, including test marketing, your qualifications, and regional or local differences. There are no limits on our right to do so.

You are required to retain the services of Authorized Care Providers approved and licensed in your state to administer certain Proprietary Services. Depending on the regulations applicable in your Approved Territory (see Item 1), certain of the Proprietary Services may be deemed "medical services" and, in such case, may be offered, administered and/or provided only by or through the supervision of Authorized Care Providers. In all such cases, you will act solely in the capacity of an administrative management services provider to the medical professionals at your Franchised Business. We may, but are not obligated to, provide you with the services of a pre-approved Authorized Care Provider. You are solely responsible for complying with applicable laws in your jurisdiction.

You will not, without our approval, offer any products or services (including promotional items) not authorized by us. Your Franchised Business may not be used for any purpose, other than the operation of a Serotonin franchised business, in compliance with the Franchise Agreement. As a Serotonin franchisee, you will operate your Franchised Business at all times in two separate and concurrent capacities depending on whether the services being provided constitute medical services subject to the Authorized Care Provider Regulations. You will either (i) provide all services that are not medical in nature, or (ii) provide non-clinical administrative management services to the Authorized Care Providers that are responsible for delivering or performing these Proprietary Services. See Item 1 for more details on applicable regulations. In order to provide the above-referenced administrative management services, you and/or your Management Services Organization ("**MSO**") may be required enter into the MSA with the Authorized Care Provider(s) in a form similar to the draft MSA attached Schedule 9 to the Franchise Agreement if your state CPOM requires an MSA. It is solely your responsibility to understand and comply with the health and medical laws in your jurisdiction.

ITEM 17
RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists certain important provisions of the franchise and related agreements. You should read these provisions in the agreement attached to this Disclosure Document.

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
a. Length of Franchise Term	FA: 4.1 MUDA: 5 and 6	The initial term of the Franchise Agreement is 10 years.
b. Renewal or Extension of Term	FA: 4.2 MUDA: 5	You have the right to renew the Franchise Agreement for an additional two (2) terms of five (5) years each. You must pay the renewal fee equal to 50% of the then-current Initial Franchise Fee. If you do not meet the conditions, we may refuse to

		renew or extend the terms of your Franchise Agreement.
c. Requirements for Franchisee to Renew or Extend	FA: 4.2 MUDA: N/A	You may renew the Franchise Agreement if you: have fully complied with the provisions of the Franchise Agreement; have made capital expenditures as necessary to maintain uniformity with the System; have satisfied all monetary obligations owed to us or any of our affiliates; are not in default of any provision of the Franchise Agreement or any other agreement between you and us or our affiliates or suppliers; have given timely written notice of your intent to operate a successor franchise to us not earlier than twelve (12) months but no later than six (6) months prior to the end of the term of the Franchise Agreement; sign a current Franchise Agreement, which may have materially different terms and conditions than your original Franchise Agreement; comply with current qualifications and agree to comply with any training requirements; sign a general release in a form the same as or similar to the General Release attached as Schedule 8 to the Franchise Agreement and pay a renewal fee of 50% of the then-current Initial Franchise Fee.
d. Termination by you	FA: 16.1 MUDA: N/A	You may not terminate the Franchise Agreement or the MUDA.
e. Termination by Franchisor without Cause	FA: N/A MUDA: N/A	
f. Termination by Franchisor with Cause	FA: 16.2 MUDA: 9	We may terminate the Franchise Agreement and MUDA only if

		you default. If we terminate the Franchise Agreement or MUDA following a default, your interests in both will terminate.
g. "Cause" Defined – Curable Defaults	FA: 16.2.2 MUDA: 9	If a default arises from your failure to comply with a mandatory specification in the Franchise Agreement or Manual, you can avoid termination of the Franchise Agreement if you cure the default within 30 days of receiving our notice of default, except for the defaults that require cure in a shorter time and non-curable defaults. If a default arises from your failure to maintain insurance, you can avoid termination of the Franchise Agreement if you cure the default within 3 days of receiving our notice of your failure to maintain insurance. If a default arises from your failure to make payments due to us, you can avoid termination of the Franchise Agreement if you cure the default within 5 days of receiving our notice of default. If a default arises from a default under your lease for your Franchised Business, you can avoid termination of the Franchise Agreement if you cure the default within 10 days. If we terminate the Franchise Agreement resulting from a default, your interest in the franchise will terminate.
h. "Cause" Defined – Non-Curable Defaults	FA: 16.2.1 MUDA: 9	We have the right to terminate the Franchise Agreement and MUDA without giving you an opportunity to cure if you: fail to timely establish, equip, and commence operations of your Franchised Business pursuant to

		Section 5; fail to satisfactorily complete our training program or if your Operating Principal or Manager fail to satisfactorily complete our training program pursuant to Section 8; fail to obtain and maintain all required medical and non-medical professional licenses, permits, and certifications to operate your Franchised Business; make any material misrepresentation or omission during the pre-sale process and/or in your application to obtain a Serotonin franchise from us or otherwise to us in the course of entering into the Franchise Agreement; are convicted of or plead no contest to a felony or other crime or offense; fail to refrain from activities, behavior, or conduct likely to adversely affect the reputation of us, you or your Franchised Business after a 5-day written notice to cure; disclose, duplicate, or otherwise use in an unauthorized manner any portion of the Manual, trade secrets, trademarks, our trade name Serotonin, or any Confidential Information; fail to have any holder of a legal or beneficial interest in your Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of the Franchisee entity, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-

		Competition Agreement attached as Schedule 2, upon execution of the Franchise Agreement or prior to each such person's affiliation with you; surrender or transfer control of the operation of your Franchised Business without our approval; fail to maintain your Franchised Business under the primary supervision of your Operating Principal or approved Manager during the one hundred eighty (180) days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in the Franchisee entity pursuant to Section 18.6; submit to us at any time during the term of the Franchise Agreement any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by more than 2% for any accounting period and you are unable to demonstrate that such understatements resulted from inadvertent error; become insolvent, meaning unable to pay bills as they become due in the ordinary course of business or if a receiver of your property or any part thereof is appointed by a court or if you make a general assignment for the benefit of your creditors or if a final judgment remains unsatisfied of record for thirty (30) days or longer (unless supersede as bond is filed) or if execution is levied against your business or property or if a suit to foreclose any lien or mortgage against your Franchised Business, and/or the

		equipment is instituted against you and not dismissed within thirty (30) days; misuse or make an unauthorized use of any of the Marks or commit any other act which impairs the goodwill associated with any of the Marks; fail to submit reports or other information or supporting records when due, to pay any Royalty Fee, Advertising Fund Contribution, amounts due for purchases from us or any of our affiliates, or other payment when due to us or any affiliate within five (5) days of a written notice to you; violate any medical, health or safety law, ordinance or regulation, or operate your Franchised Business in a manner that presents a health or safety hazard to your customers, employees, or the public; engage in any activity exclusively reserved to us; fail to comply with any applicable medical law or regulation governing the operation of your Franchised Business; breach the Franchise Agreement three (3) times in a 12-month period and/or fail three (3) times in a 12-month period to comply with mandatory specifications, customer service standards, or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured; default under any other agreement between us (or any of our affiliates) and you, such that we or our affiliates, as the case may be, have the right to terminate such agreement or such agreement automatically

		terminates; perform any competing Proprietary Services in any geographic location outside of the Approved Territory, whether or not such geographic location falls within another franchisee's territory or the territory of any other affiliated business; fail to refer business opportunities or offers received by third parties, if such business opportunities or offers would take place in any geographic location which falls under the territory of other Serotonin franchisees, our affiliated business(es), or which are directly controlled by us; if any governmental office overseeing your business determines you violated any state or federal law or if, during the investigation, we determine in our sole discretion that you violated any of the subsections in Section 16.2.1.
i. Franchisee's Obligations on Termination/Non-Renewal	FA: 17.1 MUDA: 10	If the Franchise Agreement is terminated or not renewed, you must: stop operating the Franchised Business; stop using any trade secrets, Confidential Information, the System and the Marks; cancel or assign to us any assumed names; pay all sums owed to us (and our affiliates and suppliers) including damages and costs incurred in enforcing the Franchise Agreement; return the Manual, trade secrets and all other Confidential Information; assign your telephone and facsimile numbers to us; comply with the covenants not to compete and any other surviving

		provisions of the Franchise Agreement.
j. Assignment of Contract by Franchisor	FA: 18.1 MUDA: 11.12	There are no restrictions on our right to assign our interest in the Franchise Agreement.
k. "Transfer" by Franchisee – Definition	FA: 18.2 MUDA: 11	"Transfer" includes transfer of an interest in the franchise, the Franchise Agreement, the MUDA or the Franchised Business's assets.
l. Franchisor's Approval of Transfer by Franchisee	FA: 18.2 MUDA: 11	You may not transfer your interest in the MUDA or the Franchise Agreement without our prior written consent.
m. Conditions for Franchisor Approval of Transfer	FA: 18.2 MUDA: 11	We will consent to a transfer of the Franchise Agreement if: we have not exercised our right of first refusal; all obligations owed to us (and our affiliates and suppliers) are paid; you and the transferee have signed a general release in a form the same as or similar to the General Release attached as Schedule 8 to the Franchise Agreement; the prospective transferee meets our business and financial standards; the transferee and all persons owning any interest in the transferee sign the then current Franchise Agreement; you provide us with a copy of all contracts and agreements related to the transfer; you or the transferee pay us a Transfer Fee of 50% of the then-current Initial Franchise Fee; the transferee or the owners of transferee have agreed to be personally bound by all provisions of the Franchise Agreement; you have agreed to guarantee performance by the transferee, if requested by us; the transferee has obtained all

		necessary consents and approvals of third parties; you or all of your equity owners have signed a non-competition agreement; and the transferee has agreed that its Operating Principal will complete the initial training program before assuming management of the Franchised Business. The MUDA transfer fee is 75% of the Initial Franchise Fee or $50,000 whichever is greater.
n. Franchisor's Right of First Refusal to Acquire Franchisee's Franchised Business	FA: 19 MUDA: 11.7	We may match an offer for your Franchised Business or an ownership interest you propose to sell.
o. Franchisor's Option to Purchase Franchisee's Franchised Business	FA: 17.4 MUDA: 11	Except as described in (n) above, we do not have the right to purchase your Franchised Business; however, during the 30-day period after the termination or expiration of the Franchise Agreement, we have the right to purchase any assets of the Franchised Business at the depreciated value calculated on a declining basis of accounting at the rate of 20% per annum or your cost (at our option), less any sums of money owed by you to us and less any sums of money necessary to upgrade and renovate the Accepted Location to meet our then-current standards for a Serotonin business and less any sums necessary to acquire clear title to the lease or sublease interest.
p. Death or disability of Franchisee	FA: 18.6 MUDA: Section 11	After the death or incapacity of an owner of the franchise, his or her representative must transfer, subject to the terms of the Franchise Agreement, the individual's interest in the

		franchise within 180 days of death or incapacity or we may terminate.
q. Non-Competition Covenants During the Term of the Franchise	FA: 7.3 and 7.4 MUDA: 12	You may not have an interest in a Competing Business during the term of your Franchise Agreement and MUDA. We have the right to require you, your owners (and members of their families and households) and your officers, directors, executives, managers, professional staff, and employees, agents, consultants, and independent contractors to execute a nondisclosure and non-competition agreement. You shall provide us with copies of all nondisclosure and non-competition agreements signed pursuant to this Section. We shall be a third-party beneficiary with the right to enforce covenants contained in such agreements.
r. Non-Competition Covenants After the Franchise is Terminated or Expires	FA: 17.2 MUDA: 12	For 2 years after the termination or expiration of the Franchise Agreement and MUDA, you may not offer competitive business services or sell products offered by Serotonin or similar to the products offered by your Franchised Business within 10 miles of your Franchised Business or any other Serotonin business or affiliate-owned business in existence at the time of termination or expiration; or soliciting or influencing any of our customers, employees, or business associates to compete with us or terminate their relationship with us or any of our franchisees.

s. Modification of the Agreement	FA: 9.2, 22.7, 22.8 MUDA: 18	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/Merger Clause	FA: 22.7 MUDA: 18	Only the terms of the Franchise Agreement and MUDA are binding (subject to state law). Any representations or promises outside of the Disclosure Document, MUDA and/or Franchise Agreement are not enforceable.
u. Dispute Resolution by Arbitration or Mediation	FA: 23.9 MUDA: 19	You must mediate and arbitrate claims against us.
v. Choice of Forum	FA: 23.2 MUDA: 18	Any litigation or arbitration must be pursued in Orange County, Florida (subject to applicable state law).
w. Choice of Law	FA: 23.1 MUDA: 18	Except as to claims governed by federal law, Florida law applies (subject to applicable state law).

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchise.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

The financial performance representation appearing below is derived from the actual historic performance of our affiliate-owned Serotonin centers (the "**Affiliate-Owned Reporting Centers**")

and our franchised-owed Serotonin centers (the "**Franchised-Owned Reporting Centers**") that have been open and operating for at least 12 months as of December 31, 2025. The Affiliate-Owned Reporting Centers are substantially similar to the Serotonin centers offered in this Disclosure Document. There are no operational characteristics that differ from the Affiliate-Owned Reporting Centers from the franchised businesses offered in this Disclosure Document.

Table I below represents the Gross Revenue[2] for the Affiliate-Owned Reporting Centers for 2021, 2022, 2023, 2024 and 2025.

TABLE I

	Year Opened	2021 Gross Revenue[2]	2022 Gross Revenue[2]	2023 Gross Revenue[2]	2024 Gross Revenue[2]	2025 Gross Revenue[2]
Windermere[3]	2021	$461,094[3]	$1,620,830	$2,066,576	$1,883,879	$1,841,335
Winter Park[4]	2023	N/A	N/A	N/A	$536,854	$808,832
Doctor Philips[5]	2024	N/A	N/A	N/A	$499,288	$861,789

Table II below represents the Gross Revenue[2] for the Franchised-Owned Reporting Centers for 2024 and 2025.

TABLE II

	Year Opened	2024 Gross Revenue	2025 Gross Revenue
Colts Neck[6]	2023	$1,015,054	$1,372,629
Greenhills[7]	2023	$268,349	$587,892
Springfield[8]	2024	$141,024	$705,900

NOTES

1. **Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

2. "Gross Revenue" represents the actual gross revenue from the sale of services and products at the Affiliate-Owned Reporting Centers and Franchised-Owned Reporting Centers during the respective period.

3. The Affiliate-Owned Reporting Center located in Windermere, Florida did not open until July 2021 and the Gross Revenue for 2021 is from the opening date through December 31, 2021.

4. The Affiliate-Owned Reporting Center located in Winter Park, Florida did not open until September 2023.

5. The Affiliate-Owned Reporting Center located in Doctor Philips, Florida did not open until April 2024.

6. The Franchised-Owned Center located in Colts Neck, New Jersey opened in May 2023.

7. The Franchised-Owned Center located in Greenhills, Tennessee opened in November 2023.

8. The Franchised-Owned Center located in Springfield, Missouri opened in September 2024.

9. The financial information used to prepare this Item 19 financial performance representation was based upon profit and loss information.

10. Written substantiation of all financial information presented in this financial performance representation will be made available to you upon reasonable written request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Eric Casaburi, 7790 Wintergarden Vineland Rd., Suite 100, Windermere, FL 34786, franchising@serotonincenters.com, (833) SEROTON (737-6866), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2023 TO 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	0	2	+2
	2024	2	6	+4
	2025	6	8	+2
Company-Owned*	2023	1	2	+1
	2024	2	3	+1
	2025	3	3	0
Total Outlets	**2023**	**1**	**4**	**+3**
	2024	**4**	**9**	**+5**
	2025	**9**	**11**	**+2**

* The Company-Owned outlets are owned by our affiliates.

TABLE 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR YEARS 2023 TO 2025

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	**2023**	**0**
	2024	**0**
	2025	**0**

TABLE 3
STATUS OF FRANCHISED OUTLETS
FOR YEARS 2023 TO 2025

Col. 1 State	Col. 2 Year	Col. 3 Outlets at the Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
Connecticut	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Florida	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
	2025	2	1	3	0	0	0	0
Massachussets	2023	0	0	0	0	0	0	0
	2024	0	1	1	0	0	0	0
	2025	0	0	0	0	0	0	0
Missouri	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
	2025	1	1	0	0	0	0	2
New Jersey	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	1	0	0	0	0	2
South Carolina	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1

Col. 1 State	Col. 2 Year	Col. 3 Outlets at the Start of Year	Col. 4 Outlets Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations - Other Reasons	Col. 9 Outlets at End of the Year
Tennessee	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Virginia	2023	0	0	0	0	0	0	0
	2024	0	2	1	0	0	0	1
	2025	1	1	2	0	0	0	0
Total	**2023**	**0**	**2**	**0**	**0**	**0**	**0**	**2**
	2024	**2**	**6**	**2**	**0**	**0**	**0**	**6**
	2025	**6**	**7**	**5**	**0**	**0**	**0**	**8**

TABLE 4
STATUS OF COMPANY-OWNED OUTLETS
FOR YEARS 2023 TO 2025

Column 1 State	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets Opened	Column 5 Outlets Reacquired from Franchisees	Column 6 Outlets Closed	Column 7 Outlets sold to Franchisees	Column 8 Outlets at End of the year
Florida	2023	1	1	0	0	0	2
	2024	2	1	0	0	0	3
	2025	3	0	0	0	0	3
Total	**2023**	**1**	**1**	**0**	**0**	**0**	**2**
	2024	**2**	**1**	**0**	**0**	**0**	**3**
	2025	**3**	**0**	**0**	**0**	**0**	**3**

TABLE 5
PROJECTED OPENINGS AS OF DECEMBER 31, 2025

Column 1 State	Column 2 Franchise Agreements Signed But Outlets Not Opened	Column 3 Projected New Franchised Outlets in the Next Fiscal Year	Column 4 Projected New Company-Owned Outlets in the Next Fiscal Year
Arkansas	0	1	0
California	1	1	0
Florida	0	0	1
Illinois	1	0	0
New Jersey	1	1	0
Texas	0	2	0
Total	**3**	**5**	**1**

Exhibit F includes a list of the names of all current franchisees and the address and telephone number of each of their outlets. Exhibit F also contains a list of the names, city and state, and current business telephone number, or if unknown, the last known home telephone number of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during our most recently completed fiscal year or who have not communicated with us within 10 weeks of the Issuance Date of this Disclosure Document. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

During the last three (3) fiscal years, no current or former franchisees have signed confidentiality clauses that limit them from discussing with you their experiences as a franchisee in our franchise system. There are no trademark-specific franchisee organizations associated with the franchise system being offered.

ITEM 21
FINANCIAL STATEMENTS

Attached as Exhibit E is our audited financial statement as of December 31, 2023, December 31, 2024 and December 31, 2025 dated April 20, 2026. Our fiscal year end is December 31st.

ITEM 22
CONTRACTS

The following contracts are attached to this Disclosure Document:

Exhibit B – FRANCHISE AGREEMENT
Schedule 1-Franchise Fee, Accepted Location and Territory
Schedule 2-Nondisclosure and Non-Competition
Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-Franchisor Lease Rider
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-General Release
Schedule 9-Sample Management Services Agreement
Schedule 10-Back Office Services Agreement
Schedule 11-Call Center Service Agreement
Exhibit C – MULTI-UNIT DEVELOPMENT AGREEMENT
Exhibit G – FRANCHISEE DISCLOSURE QUESTIONNAIRE

ITEM 23
RECEIPT

You will find two copies of a receipt in Exhibit J at the end of the Disclosure Document. One receipt must be signed, dated and delivered to us. The other receipt should be retained for your records.

EXHIBIT A TO THE DISCLOSURE DOCUMENT
LIST OF STATE ADMINISTRATORS/AGENTS FOR SERVICE OF PROCESS

Our registered agent in the State of Florida is: Eric Casaburi, 10225 Summer Meadow Way, Orlando, FL 32836. We intend to register this Disclosure Document as a "franchise" in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
California	Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677	Commissioner of the Department of Financial Protection & Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013 (213) 576-7500 Toll Free: (866) 275-2677
Connecticut	Banking Commissioner Department of Banking Securities and Business Investments Division 260 Constitution Plaza Hartford, CT 061031800 (860) 240-8299	
Hawaii	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722	Commissioner of Securities of the State of Hawaii Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 205 Honolulu, Hawaii 96813 (808) 586-2722
Illinois	Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Indiana	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681
Maryland	Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
Michigan	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567	Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 335-7567
Minnesota	Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	Commissioner of Commerce Minnesota Department of Commerce 85 7th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600
New York	New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21st Floor New York, New York 10005 (212) 416-8222	New York Secretary of State 99 Washington Avenue Albany, New York 12231-0001 (518) 473-2492
North Dakota	North Dakota Insurance & Securities Department 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910	North Dakota Insurance Commissioner 600 East Boulevard Avenue Bismarck, North Dakota 58505-0510 (701) 328-2910

STATE	STATE REGULATORY AGENCY	AGENT TO RECEIVE PROCESS IN STATE, IF DIFFERENT THAN THE STATE REGULATORY AGENCY
Rhode Island	Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527	Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
South Dakota	Division of Insurance Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563	Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, Suite 104 Pierre, South Dakota 57501 (605) 773-3563
Virginia	State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051	Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
Washington	Department of Financial Institutions Securities Division P.O. Box 41200 Olympia, WA 98504-1200 (360) 902-8760	Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760
Wisconsin	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139	Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139

EXHIBIT B TO THE DISCLOSURE DOCUMENT

SEROTONIN ENTERPRISES, LLC
FRANCHISE AGREEMENT

SEROTONIN ENTERPRISES, LLC
FRANCHISE AGREEMENT

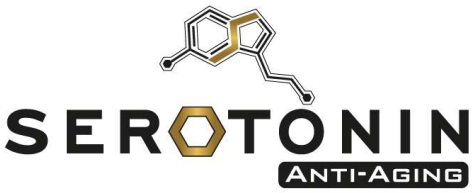


TABLE OF CONTENTS

1. DEFINITIONS……3
2. GRANT OF FRANCHISE; ACCEPTED LOCATION……..6
3. FEES……...10
4. TERM AND RENEWAL……...15
5. FRANCHISED BUSINESS……....16
6. MARKS……...18
7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION……20
8. TRAINING AND ASSISTANCE……..23
9. OPERATIONS MANUAL……24
10. FRANCHISE SYSTEM……..25
11. ADVERTISING AND PROMOTIONAL ACTIVITIES……..26
12. ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS……...31
13. STANDARDS OF OPERATION……..34
14. FRANCHISOR'S RIGHTS……..……38
15. INSURANCE……39
16. DEFAULT AND TERMINATION……...41
17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION……45
18. TRANSFERABILITY OF INTEREST……...49
19. RIGHT OF FIRST REFUSAL……53
20. BENEFICIAL OWNERS OF FRANCHISEE…….…...53
21. RELATIONSHIP AND INDEMNIFICATION……....54
22. GENERAL CONDITIONS AND PROVISIONS……55
23. DISPUTE RESOLUTION……59
24. ACKNOWLEDGMENTS……..64

Schedule 1-Franchise Fee, Accepted Location and Territory
Schedule 2-Nondisclosure and Non-Competition Agreement
Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-Franchisor Lease Rider
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-General Release
Schedule 9-Sample Management Services Agreement
Schedule 10-Back Office Services Agreement
Schedule 11-Call Center Service Agreement

SEROTONIN ENTERPRISES, LLC
FRANCHISE AGREEMENT

This Franchise Agreement (this "**Agreement**") is made and entered on _____ (the "**Effective Date**") by and between:

- Serotonin Enterprises, LLC., a Florida limited liability company having its principal place of business at 7790 Wintergarden Vineland Rd., Suite 100, Windermere, FL 34786 ("**Franchisor**," "**we**," "**us**," or "**our**"); and

- _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ ("**Franchisee**," "**you**," or '**your**").

RECITALS

A. We have developed our own distinctive and proprietary systems for operating retail medical spa outlet centers under the trade name "**Serotonin®**" that provide to the general public anti-aging services and products such as cosmetic injectables, hormone replacement therapy, vitamin IV infusion, blood testing, body contouring, aesthetic services, health coaching, weight loss, and other wellness products and services all of which we may periodically change, discontinue, improve, modify and further develop at our option from time to time (collectively the "**Proprietary Services**").

B. The distinguishing characteristics of a Serotonin franchised business includes among other things: business processes, technologies, trade secrets, customer lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; branding elements; standards, specifications and sources for services, products, supplies, appearance, operations and management control; safety standards; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs; all of which we may periodically change, discontinue, improve, modify and further develop at our option from time to time (the "**System**").

C. The System relates to and includes the development and operation of Serotonin centers, that depending on Franchisee's qualifications and applicable local, state and federal laws and regulations involve either the development and ownership of a Serotonin Center Facility (defined below) or the development and ownership of a Serotonin Center Management Business (defined below). The franchise offering through the Disclosure Document that is governed by this Agreement shall be referred to as the "**Franchised Business**" herein.

D. You have been advised that, among other things, the Proprietary Services and the Serotonin Center Management Services (defined below), involve products, services and activities of a nature and type that require the administration, supervision, management, and oversight of Authorized Care Providers, including licensed medical professionals and health care providers and that your ownership and the types of activity that your Franchised Business may engage in is subject to and

requires compliance with significant federal, state and local rules and regulations related to the practice of medicine and other licensing requirements.

E. You have been advised that, prior to signing this Agreement and prior to developing your Franchised Business, you should retain your own independent legal counsel to advise you as to all applicable Authorized Care Provider Regulations, whether or not you may own a Serotonin Center Facility or instead must operate a Serotonin Center Management Business and, if applicable, the types of activities that either business model may or may not engage in.

F. We identify the System by means of our proprietary marks. Our proprietary marks include the trade name "Serotonin" and our logos, service marks, trademarks, emblems, and indicia of origin, as well as other trade names, service marks, and trademarks that we may use in connection with the System (all of these are referred to herein as our "**Marks**"). We continue to develop, use, and control the use of our Marks in order to identify for the public the source of services and products marketed under those marks and under the System, and to represent the System's high standards of quality, appearance, and service.

G. We are in the business of developing and awarding franchise rights to third party franchisees, such as you, to develop and operate a Serotonin Center Facility or a Serotonin Center Management Business. You have asked to obtain a franchise from us. By entering into this Agreement, you understand and acknowledge (a) the importance of our high standards of quality, appearance, and service and the necessity of operating your Franchised Business under this Agreement in conformity with our standards and specifications; (b) that you received our current Franchise Disclosure Document and its exhibits, including this Agreement (the "**Disclosure Document**") at least fourteen (14) calendar days before you signed this Agreement or made a payment to us in connection with the franchise sale; (c) that you have carefully reviewed the Disclosure Document and had enough time, if you wanted, to consult with a lawyer, accountant or other professional advisor; (d) that you had the opportunity to ask us and our employees, agents, or representatives all appropriate questions and those questions have been answered to your satisfaction; (e) that, if you chose not use a professional advisor, you represent you are satisfied relying on your own education, experience, and skill to evaluate the Disclosure Document and this Agreement; (f) that you have reached the age of majority, you have the legal capacity to enter into this Agreement and independently operate your Franchised Business, you are not violating any other agreement by entering into or performing under this Agreement, and you are not listed or "blocked" in connection with, and are not in violation of any anti-terrorism law, regulation, or executive order; (g) that no employee, agent or representative of ours made any oral, written or visual representation or projection to you of actual or potential sales, earnings or net or gross profits, costs involved in operating a Serotonin business, or the likelihood of success that is not in the Disclosure Document or that is contrary to, or different from, the information in the Disclosure Document; (h) that you understand the risks of owning your Franchised Business and you are able to accept such risks; (i) that you understand the success of your Franchised Business will depend primarily on your own efforts and abilities and those of your employees; (j) that our approval of the location for your Franchised Business does not guarantee your success; and (k) that other factors beyond our or your control will affect your Franchised Business's success including competition, demographic patterns, consumer trends, economic and market conditions, government policies, labor costs, lease terms and other factors which may be difficult to anticipate, assess or even identify.

In recognition of all of the details noted above, the parties have chosen to enter into this Agreement, taking into account all of the promises and commitments that they are each making to one another in this contract, and for other good and valuable consideration (the sufficiency and receipt of which they hereby acknowledge) and they agree as follows:

1. DEFINITIONS

While certain terms may be defined in the body of this Agreement, the following words and terms have the following meanings for your ease of reference:

"**Affiliate**" means any business entity that is under our control and with common ownership as us;

"**Agreement**" means this agreement entitled "Serotonin Enterprises, LLC Franchise Agreement" and all instruments supplemental hereto or in amendment hereof;

"**Authorized Care Providers**" means those licensed individuals, professional corporations and other individuals and entities that, under applicable federal, state and local rules and regulations are trained, authorized and permitted to perform, offer, provide, oversee, and manage the delivery and performance of those Proprietary Services that such individual and/or corporate entity performs, offers, provides, oversees, and/or manages at the Franchised Business and/or on behalf of the Franchised Business;

"**Authorized Care Provider Regulation**" means all applicable federal, state and local rules and regulations that relate to the ownership and operation of your Franchised Business, the Proprietary Services, the Serotonin Center Management Services, the Management Services Agreement ("**MSA**"), and the operation of your Franchised Business including, but not limited to, laws related to actions that an Authorized Care Provider may or may not engage in regarding ownership, diagnosis, treatment, supervision, delegation, flow of funds and the actions that you may or may not engage in. Without limitation to the foregoing, Authorized Care Provider Regulation shall include all health law regulations and rules including, but not limited to, to health privacy laws such as the Health Insurance Portability and Accountability Act of 1996, the Stark laws, anti-kickback laws, state disclosure laws, the corporate practice of medicine ("**CPOM**") doctrine, and advertising and promotion laws of medical-related services;

"**Competitive Business**" means any business that offers the same or similar products and services as your Franchised Business under any service system or any business that offers medical spa, health and wellness services and products or any business in which Trade Secrets and Confidential Information could be used to the disadvantage of us, any affiliate or our other franchisees but does not include (a) any business operated by you under a Franchise Agreement with us, or (b) any business operated by a publicly-held entity in which you own less than a 5% legal or beneficial interest;

"Computer System" has the meaning given to such term in 12.5.1;

"**Confidential Information**" means technical and non-technical information used in or related to the operation of your Franchised Business and not commonly known by or available to the public, including, without limitation, Trade Secrets (defined below), methods and products, customer or client

services techniques and other techniques and methodologies not generally known to the industry or public, client lists, Proprietary Services, the Manual, and any other information identified or labeled as confidential when delivered by us but shall not include any information that: (a) is now or subsequently becomes generally available to the public through no fault of you; (b) you can demonstrate it was rightfully in your possession, without obligation of nondisclosure, pursuant to this Agreement; (c) is independently developed without the use of any Confidential Information; or (d) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information;

"Default Rate" has the meaning given to such term in 3.5.1;

"**Effective Date**" means the date on which we and you fully execute this Agreement, thereby commencing its effectiveness and term;

"**Franchise**" means the right granted to you by us to use the System and the Marks;

"**Franchisor Indemnities**" has the meaning given to such term in Section 21.3;

"**Gross Revenue**" means all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with your Franchised Business. Gross Revenue includes all revenues earned from the Proprietary Services offered at your Franchised Business, leasing space on your premises to subcontractors (if approved by us and the landlord), usage income, and insurance proceeds you receive for loss or interruption of business due to a casualty or similar event at your Franchised Business. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds to customers;

"**Gross Revenue Reports**" has the meaning give to such term in Sections 3.2.3 and 12.2;

"**Incapacity**" means the inability of you, or any holder of a legal or beneficial interest in you, to operate or oversee the operation of your Franchised Business on a regular basis by reason of any continuing physical, mental or emotional condition, chemical dependency or other limitation;

"**Initial Franchise Fee**" has the meaning given to such term in 3.1;

"**Internet**" means any local or global interactive communications media that is now available, or that may become available, including sites and domain names on the World Wide Web and social media websites and applications;

"Management Fee" has the meaning given to such term in 3.10;

"Manager" means the individual who is approved by us that will run the day-to-day operation of your Franchised Business;

"**Manual**" means the Serotonin Operations Manual, whether in paper or electronic form, and any other items as may be provided, added to, changed, modified or otherwise revised by us from time to

time that contain or describe the standards, methods, procedures and specifications of the System, including other operations, administration and managers' manuals and all books, computer programs, password-protected portions of an Internet site, pamphlets, memoranda and other publications prepared by, or on behalf of, us;

"**Marks**" means the service mark "Serotonin" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as we may designate to be used in connection with your Franchised Business;

"**Operating Principal**" means the person who you designate in Schedule 6 if you are a corporate entity that must devote full time and best efforts to the development and operation of your Franchised Business and must have at least 5% ownership of the Franchisee entity and full authority to bind you regarding all operational decisions about your Franchised Business;

"Protocols" has the meaning given to such term in 8.1.2;

"**Royalty Fee**" has the meaning given to such term in Section 3.2;

"**Serotonin Practice Entity**" means a business that operates at a Serotonin Center Facility from which the Proprietary Services, under the Marks, are offered and provided to customers in accordance with the terms of this Agreement and the requirements of the System.

"**Serotonin Center Facility**" means the fixed commercial facility including, the fixtures and improvements, from which a Serotonin Practice Entity is established, operated and managed.

"**Serotonin Center Management Services**" means those services authorized by us as set forth in the Manual including and relating to (a) the development and maintenance of a Serotonin Center Facility in accordance with the terms of this Franchise Agreement; (b) services involving the subleasing and/or license of a Serotonin Center Facility to Authorized Care Providers subject to a MSA; (c) administration and management services related to a Serotonin Practice Entity which do not violate Authorized Care Provider Regulations or other applicable laws, rules or regulations; (d) all services and/or products that we authorize; and (e) all other services and products that we, in our reasonable business judgment, may supplement and modify from time-to-time. Notwithstanding anything contained herein to the contrary, to the extent that Authorized Care Provider Regulations prohibit and/or otherwise restrict our determination as to the required Serotonin Center Management Services, the foregoing definition shall be interpreted to provide us with the fullest discretion and ability to specify and designate the Serotonin Center Management Services without violating the Authorized Care Provider Regulations. At all times, you are responsible for ensuring that you are in compliance with Authorized Care Provider Regulations and all other applicable laws, rules, and regulations in your jurisdiction;

"**Serotonin Center Management Business**" means the management business licensed to you that will provide Serotonin Facility and Management Services to the Authorized Care Providers at a Serotonin Center Facility that may be directly operated and potentially owned by the Authorized Care Providers;

"**System**" means the uniform standards, methods, procedures and specifications developed by us and as may be added to, changed, modified, withdrawn or otherwise revised by us for the operation of your Franchised Business;

"Technology Fee" has the meaning given to such term in 3.11; and

"**Trade Secrets**" means information in any form (including, but not limited to, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the operation of your Franchised Business that is not commonly known by or available to the public and that information: (a) derives economic value, actual or potential, from not being generally known to, and not being readily ascertained by proper means by, other persons who can obtain economic value from its disclosure or use; and (b) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

2. GRANT OF FRANCHISE; ACCEPTED LOCATION

2.1 Grant

Subject to the terms and conditions set forth in this Agreement, we grant you the right, and you accept and undertake the obligation:

2.1.1 to operate one Franchised Business under the System;

2.1.2 to use the Marks and the System, but only in connection with your Franchised Business (recognizing that we may periodically change, improve and further develop the Marks and the System); and

2.1.3 to do so only at or from a location referred to herein as the "**Accepted Location**" and within the "**Approved Territory**" identified and defined in Section 2.2, Section 2.4 and Schedule 1 attached hereto.

2.2 Accepted Location

2.2.1 *Accepted Location Defined.* The street address or geographical description of the area for your Franchised Business is specified in Schedule 1 attached to this Agreement and is referred to herein as the "**Accepted Location**."

2.2.2 *Retail Space.* You must locate, obtain and occupy the site for your Franchised Business on your own initiative and at your own expense. You must operate your Franchised Business from retail space of approximately 2,000 to 3,000 square feet. We will furnish you with prototypical plans and design specifications for your Serotonin Center Facility.

2.2.3 *Reservation of Rights to Approve Location.* We have the absolute right to grant or withhold approval of the Accepted Location under this Section 2.2. You understand,

acknowledge, and agree that our review and approval of your proposed location, under this Section 2.2 does not constitute our assurance, representation, or warranty of any kind that your Franchised Business will be profitable or successful.

2.2.4 *Restriction on Relocation.* You may not relocate your Franchised Business from the Accepted Location without our written consent. Any proposed relocation will be subject to our review of the proposed new site under our then-current standards for site selection, and we will also have the right to take into consideration any commitments we have given to other franchisees, licensees, landlords, and other parties relating to the proximity of a new Serotonin business to their establishment.

2.2.5 *Site Review Package.* You are responsible for completing and submitting to us for review and approval, a Serotonin Site-Review Package containing the information and materials we designate regarding your proposed site. We will issue our approval or disapproval of your proposed site within 30 days after we receive a completed Serotonin Site-Review Package containing all of the information and materials we requested. We may not withhold our approval unreasonably. We will not be deemed to have withheld our approval unreasonably if the proposed site fails to meet our then-current standards and specifications, as we determine in our discretion.

2.2.6 *Lease Review Fee.* If, after your submission of the Serotonin Site-Review Package, we issue an approval of your proposed site, you must submit a site approval form along with a copy of the proposed lease for the approved site before you sign the lease. You must pay us $1,800 as administrative fees for our review of your lease to ensure that the lease meets our criteria. If we do not approve the proposed lease for the site, the site will be deemed disapproved, and you will not be permitted to open your Franchised Business at that location.

2.2.7 *Time Limit to Sign Lease.* If you do not secure an Accepted Location and enter into a binding lease agreement that has been approved by us for such location within eight (8) months of signing this Agreement, we may terminate this Agreement.

2.2.8 *Pre-Open Marketing.* You must begin your pre-opening marketing drive at least 30 to 60 days prior to opening your Franchised Business.

2.2.9 *Time Limit to Commence Operation.* You must open your Franchised Business no more than twelve (12) months after the Effective Date of this Agreement. You may not open your Franchised Business to the public until we issue a written approval authorizing your opening. We will not issue our approval, and you will be prohibited from opening your Franchised Business until you obtain our written approval, if (a) your Franchised Business has not been constructed and equipped in accordance with our standards and specifications, (b) you failed to successfully complete initial training, (c) in view of our management, we determine you and your employees are not prepared to open, (d) your Franchised Business has not been given all the proper governmental approvals by the local authorities, or (e) any of the conditions in Section 5.3 have not been met.

2.3 Sub-Franchising/Third Parties

2.3.1 *Restriction on Sublicensing.* You shall not sublicense the use of the System or Marks to any person or entity.

2.3.2 *Restriction on Granting Rights to Third Parties.* Except as permitted in Section 18, you shall not grant any person or entity the right to perform any part of your rights or obligations licensed hereunder.

2.4 Approved Territory

2.4.1 *Territory Defined.* Your Franchised Business will be located at a single site, which must meet our standards and specifications and must be approved by us in advance. You shall be prohibited from operating a franchise, conducting business or soliciting customers outside of the Approved Territory without our prior written consent. We will designate your Approved Territory in Schedule 1 after your Accepted Location is approved by us.

2.4.2 *Your Rights and Our Rights.* During the initial term and all renewal terms of this Agreement, and provided that you are in full compliance with this Agreement and all other agreements between you and us, we shall not own or operate, or grant anyone else the right to own or operate, a Serotonin franchised business within the Approved Territory identified in Schedule 1 which may be modified and finalized after you sign this Agreement. You understand that is the limit of your rights.

2.4.3 *Territory Size.* We reserve the right to grant each franchisee an Approved Territory on a case-by-case basis in order to account for the unique features of each geographic marketplace; however, typically, your Approved Territory will be based on the area that is within a three (3) mile "drivable distance" from your Accepted Location. The three (3) mile drivable distance will be determined by us, in our sole discretion, using the mapping service, program and/or software selected by us, in our sole discretion, including, without limitation Google Maps. We may grant you an Approved Territory of less than a three (3) mile "drivable distance" based on the population density and demographics of the area in which you wish to open your Franchised Business. We reserve the right to demarcate the exact bounds of your Approved Territory once a primary location is chosen and approved, and such Approved Territory shall not be altered.

2.4.4 *Activity Restricted to Your Territory.* You may not offer or sell anti-aging products or services outside your Approved Territory without our prior written consent. Except in conjunction with approved advertising promotions, you may not directly market or solicit business outside your Approved Territory without prior written authorization from us, including ad and Internet marketing. You may not distribute postcards, letters, fliers, e-mails, or other marketing communications outside your Approved Territory, make telemarketing calls to clients located outside your Approved Territory,

or advertise in print or other media where two-thirds or more of the media circulation base or broadcast area is located outside your Approved Territory.

2.4.5 *No Right of First Refusal.* Except for the Approved Territory granted in this Agreement, we do not grant you any rights of first refusal to obtain additional franchise rights. If you wish to develop additional Serotonin businesses, you must enter into a new Franchise Agreement and meet all our current requirements for franchisees.

2.4.6 *Your Compliance.* You shall have the right to the benefits of the Approved Territory as long as you adhere to the terms of this Agreement. If you default on your obligations under this Agreement, as an alternative to termination, we may, at our sole and absolute discretion, unilaterally modify or completely eliminate any rights that you may have with respect to the Approved Territory, effective ten (10) days after delivery of written notice to you and your failure to cure the default if the default is curable and charge you an administrative fee of 15% of Gross Revenue.

2.4.7 *Reservation of Rights.* You understand and acknowledge that any rights not expressly granted to you with respect to your Approved Territory are reserved to us. We retain the right to conduct any business at any location, including: (a) the right to offer Serotonin franchises using our System and Marks to others for any site outside your Approved Territory regardless of how close the site is to your Accepted Location; (b) the right to sell, rent and distribute any services and products, directly or indirectly, and/or license others to sell and distribute any Proprietary Services and products, directly or indirectly, from any location or to any purchaser (including, but not limited to, sales made to purchasers in the Approved Territory through retail establishments, mail order, independent distributors, wholesale distribution, phone order, on the Internet, and/or sales to delivery customers), except that we shall not do so from a Franchised Business located inside the Approved Territory; (c) the right to produce, license, distribute and market Proprietary Services and other products and services bearing the Serotonin name or other marks, including vitamins, nutraceuticals, packaged items, books, retail items, food and beverage products, and apparel, among other things, at any location or any outlet, regardless of proximity to your Franchised Business, through any distribution channel, at wholesale or at retail, including by means of the Internet, mail order, direct mail advertising, delivery, and other distribution methods; (d) the right to develop, operate, and franchise others to operate, any business concept except a Serotonin-branded business at any place, including within the Approved Territory, and use the Marks or any other trademarks owned, licensed, or developed by us or our affiliates in connection with those concepts, even if such concepts sell products and services that are similar to, the same as, or competitive with the Proprietary Services you offer; (e) the right to approve or disapprove other franchisee's requests to purchase local marketing that penetrates your Approved Territory in our sole discretion; (f) the right to merge with, acquire or be acquired by any business of any kind under other systems and/or other marks, which business may offer, sell, operate or distribute and/or license others to offer, sell, operate and distribute goods and services through franchised or non-franchised businesses, at wholesale or retail, within and outside the Approved Territory; and/or

(g) the right to operate a Serotonin-branded business at a trade show booth or similar "pop-up" location in your Approved Territory for up to twenty (20) days. We shall have the right to open Serotonin businesses at "**Non-Traditional Sites**" which include, without limitation, military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums.

3. FEES

3.1 Initial Franchise Fee

You shall pay us the fee set forth in Schedule 1 upon execution of this Agreement. You acknowledge and agree that the Initial Franchise Fee is fully-earned by us when paid and is not refundable under any circumstances.

3.2 Royalty Fee

3.2.1 *Royalty Fee Payment*. You agree to pay us a continuing fee equal to 7% of Gross Revenue or $2,500, whichever is greater, (the "**Royalty Fee**") for the right to use the System and the Marks.

3.2.2 *Royalty Fee Payment Date*. The Royalty Fee shall be paid to us by you on the 5th of each month for the prior month. The Royalty Fee begins when you commence your pre-open marketing drive as required by Section 2.2.8 which is at least 30 to 60 days prior to opening your Franchised Business. We reserve the right to change the time and manner of payment at any time upon written notice to you.

3.2.3 *Gross Revenue Report*. Upon our request, you shall provide us with a Gross Revenue Report, as required by Section 12.2, for the months requested.

3.2.4 *Alternative Recurring Amount*. In the event your Franchised Business is located in a state that prohibits payment of our standard Royalty Fee based on a percentage of Gross Revenue as described above, then in our discretion we may (in the alternative to Section 3.2.1 above) (a) increase your Royalty Fee, as applied to the permissible portion of your Gross Revenue that is not otherwise restricted or prohibited, to a rate/amount determined by us so that the net amount of the Royalty Fee paid to us shall not be less than the Royalty Fee we would have received had the federal, state, and/or local government agency, entity, law, rule and/or regulation not prohibited your payment of your Royalty Fee based on Gross Revenue related to a restricted activity; or (b) charge you a fixed fee royalty in accordance with the following royalty schedule (the "**Alternative Recurring Amount**"):

Calendar Month (Full or Partial) of Operation Following Earlier of Opening Date and Required Opening Deadline	Monthly Alternate Recurring Amount due in that Calendar Month of Operation
Months 0 to 6	$3,000 per month
Months 7 to 12	$7,000 per month
Months 13 to 24	$8,000 per month
Months 25 to 36	$11,000 per month
Months 37 to 48	$13,000 per month
Months 49 to 60	$14,000 per month
Months 61 to 72	$15,000 per month
Months 73+	$16,000 per month

3.2.5 *Alternative Recurring Amount During Transfer or Renewal.* During any applicable renewal term, the Alternative Recurring Amount shall be determined by us but shall not be less than the Alternative Recurring Amount applicable after month 72 and shall be subject to increase as we determine in our discretion. In the event of a transfer, the starting Alternative Recurring Amount shall be based upon the number of months the Franchised Business had been operating prior to the transfer.

3.3 Taxes, Permits and Indebtedness

3.3.1 *Payment of Taxes.* You agree to promptly pay when due all taxes levied or assessed, including, without limitation, unemployment and sales taxes, and all accounts and other indebtedness of every kind that you incur in the conduct of your Franchised Business. You agree to pay us an amount equal to any sales tax, gross receipts tax, or similar tax imposed on us with respect to any payments that you make to us as required under this Agreement within 30 days, unless the tax is credited against income tax that we otherwise pay to a state or federal authority. If any taxes, fees, or assessments are imposed on Royalty Fee payments, for example, by reason of us acting as a franchisor or licensing the Marks under this Agreement, you shall reimburse us the amount those taxes, fees, or assessments within 30 days after receipt of our invoice.

3.3.2 *Payment of Vendors.* You agree to promptly pay when due all trade creditors and vendors (including any that are affiliated with us) that supply goods or services to you and/or your Franchised Business. Your failure to pay vendors and suppliers shall be grounds for default and/or termination.

3.3.3 *Compliance with Law*. You must comply with all state and local laws and regulations regarding the management of a medical office. You must also make sure that your relationship with the physicians complies with all laws and regulations, and that the physicians secure and maintain in force all required licenses, permits and certificates relating to the operation of your Franchised Business. Each state has medical, nursing, physician assistant, cosmetology, naturopathic, chiropractic and/or other boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. Applicable laws and regulations generally include requirements for medical providers to hold state licenses and registrations to work as (as applicable) physicians, nurse practitioners, advanced practice registered nurses, and physician assistants in the state where your Franchised Business is located, and to hold required certifications by, or registrations in, any applicable professional association or registry. If we grant you the right to operate a Serotonin franchised business, we are not engaging in the practice of medicine, nursing or any other profession that requires specialized training or certification, and you must not engage in the practice of medicine, nursing, or any other profession that requires specialized training or certification. This Agreement shall and does not interfere, affect or limit the independent exercise of medical judgment by the Authorized Care Providers, including physicians and their medical staff. Your Franchised Business will be subject to laws, regulations and ordinances that are applicable to businesses generally. You must obtain and maintain any permits, licenses, and certifications necessary for the operation of your Franchised Business. Your failure to comply with all applicable laws shall be grounds for default and/or termination.

3.3.4 *Notice of Violations and Actions*. You agree to notify us in writing immediately after: (a) you receive notice of any investigation by a government entity, any complaint or notice from the state or federal department of financial services, the commencement of any action, suit, or proceeding, and of the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental instrumentality, (b) the occurrence of any accident or injury which may adversely affect the operation of your Franchised Business or your financial condition, or give rise to liability or a claim against either party to this Agreement, or (c) the discovery of any facts that may give rise to a professional liability claim against either party to this Agreement.

3.4 Electronic Transfer of Funds

All fees and other amounts due to us or advanced by us shall be paid to us through a designated bank account. You must allow us to debit your account through the Automated Clearing House (ACH) system. The ACH form you are required to fill out is attached as Schedule 5 to this Agreement. You shall make deposits in the designated bank account sufficient to cover amounts owed to us prior to the date such amounts are due. You shall not close your designated bank account without our written consent.

3.5 Interest, Late Fees and Failure to Comply

3.5.1 *Interest and Default Rate.* All amounts due to us and other amounts not received by us within five (5) days after the due date shall incur interest at the rate of 1.5% per month (the "**Default Rate**") from the date payment is due to the date payment is received by us.

3.5.2 *Late Fees.* In addition to the interest fee referenced above, you will pay us a $100 late fee for each occurrence of a payment not received by us on or before its due date. This Section does not constitute an agreement by us to accept any payments after the due date or a commitment by us to extend credit to or otherwise finance you.

3.5.3 *Failure to Comply.* You shall pay us for all costs incurred by us in the collection of any unpaid and past due amounts, including reasonable accounting and legal fees. You shall also reimburse us on demand for all costs and expenses incurred by us (including without limitation, our costs of re-training your personnel, legal and accounting costs and the costs and expenses of our personnel) to enforce compliance of your monetary and non-monetary obligations under this Agreement. You shall reimburse us for such costs and expenses through the ACH system.

3.6 Application of Payments

Notwithstanding any designation by you, we shall have the right to apply any payments by you to any past due indebtedness owed to us or our affiliates in any proportion or priority.

3.7 Operations Manual Replacement Fee

You agree to pay us $250 if you lose or destroy the Manual.

3.8 Maintenance and Refurbishing of Business

We may charge you certain maintenance and refurbishment fees for any work we perform on your behalf to repair or otherwise improve your Franchised Business, including any such repairs or improvements made on our own initiative if you refuse to complete any requested maintenance or refurbishment. The total amount of the maintenance and refurbishment fees that you pay us will vary depending on the labor and material costs of any such maintenance and refurbishing, as well as any associated costs or losses we may incur due to your failure to maintain or refurbish the location in accordance with our requests. If, after we notify you, and you do not undertake efforts to correct deficiencies in the appearance of your Franchised Business, we can undertake the repairs, and you must reimburse us.

3.9 Insufficient Funds Fee

You agree to pay to us $100 if any payment you owe to us or one of our affiliates is rejected due to insufficient funds in your designated bank account, or if any other payment instrument you use is rejected for insufficient funds.

3.10 Management Fee

If we agree to take over your business upon default or abandonment, you agree to pay our expenses plus an administrative fee of 15% of Gross Revenue above the other fees due to us (the "**Management Fee**"). The Management Fee will only be charged when we, one of our employees, or a third party appointed by us, actively control(s) the day-to-day management of your Franchised Business. The Management Fee shall be paid at the same time as Royalty Fees and all other fees due to us. We have no obligation to you to manage your business upon default or abandonment but we reserve this right in our sole discretion.

3.11 Technology Fee

You agree to pay us our then-current fee per month to create and maintain any technology services provided by us, our affiliates or any third-party (the "**Technology Fee**"). The Technology Fee is currently $1,900. The Technology Fee shall begin when you commence your pre-open marketing drive or 30 days before you open your Franchised Business, whichever is earlier, and shall include the costs associated with licensing designated software, programs, applications, and/or other platforms, Zenoti POS, Zenoti Advanced Marketing Module, Zenoti HyperConnect, API from Zenoti, E-Prescribe from Zenoti, Health and Nutrition Coaching App, Franconnect software, the CRM, the Serotonin App, the cost of two email addresses for your Franchised Business and HIPAA compliance for security and storage of your Franchised Business' email addresses. This fee may also be used, without limitation, for developing, researching, maintaining, implementing, modifying, and/or upgrading technology used in connection with the System as we deem appropriate in our sole discretion as well as membership applications, help desk fees for required software, user-based fees for an internal portal or benchmarking platform, website-related costs and expenses, social media templates, two email addresses per location (additional email addresses can be purchased for an additional fee), membership applications, membership program related costs and expenses, and/or for any other technology-related expenses.

3.12 Conference Fee

We may hold an annual franchisee conference devoted to training and plans for the future of Serotonin which you will be required to attend. You shall pay $500 per person for our conference. Additionally, you must pay for your representatives' salaries and benefits, and for their travel, lodging, and meal expenses.

3.13 Back Office Service Fee

You have the option to use our Approved Supplier for back office services at your Franchised Business. If you opt into this service, you will pay us or our third party designee $995 per month for the back office services including bookkeeping, payroll and monthly reporting services at your Franchised Business ("**Back Office Service Fee**"). You will pay the Back Office Service Fee to us by the 5th of each month commencing one month prior to opening your Franchised Business. You will pay the Back Office Service Fee to us, or our third-party designee and you will be required to sign the Back Office Services Agreement attached to this Agreement as Schedule 10. We may make this service

mandatory at any point during the term of this Agreement. We may increase the Back Office Service Fee with notice to you. We reserve the right to change the amount, time and manner of payment of the Back Office Service Fee at any time upon written notice to you. Back Office Service Fees and all fees paid to us are non-refundable.

3.14 Call Center Service Fee

You are required to pay us $995 per month for call center services including handling inbound and outbound initial internet lead and scheduling appointments for those leads at your Franchised Business (the "**Call Center Service Fee**"). You will commence paying the Call Center Service Fee upon the commencement of your pre-sales marketing drive which must start 30 to 60 days before the opening of your Franchised Business. You will pay the Call Center Service Fee to us or our third-party designee and will be required to sign the Call Center Service Agreement attached to this Agreement as Schedule 11. We may increase the Call Center Service Fee with notice to you. We reserve the right to change the amount, time and manner of payment of the Call Center Service Fee at any time upon written notice to you. Call Center Service Fees and all fees paid to us are non-refundable.

3.15 Mystery Shopper/Quality Assurance Deficiency Fee

If we establish a mystery/secret shopper or other quality assurance program to access the quality of the services you perform or the products you sell at your Franchised Business, you will be responsible for the cost to the Approved Supplier if the assessment reveals any deficiency in standards as required by the Manual. Our right to charge a fee for a deficiency in standards is in addition to our rights and remedies under this Agreement including default and termination.

3.16 Initial Nutraceuticals Supply Package

You must purchase the initial supply of the non-injectable oral vitamin supplements needed for your Franchised Business (the "**Initial Nutraceuticals Supply Package**") from our affiliate, Serotonin Nutraceuticals, LLC prior to opening your Franchised Business at a cost estimated at $5,000. You will purchase additional nutraceutical supplies from our affiliate throughout the term of this Agreement. The Initial Nutraceuticals Supply Package and all nutraceutical products are non-refundable.

4. TERM AND RENEWAL

4.1 Initial Term

The term of this Agreement starts on the Effective Date and, unless this Agreement is earlier terminated in accordance with its provisions, will expire ten (10) years from the Effective Date.

4.2 Renewal Terms

You will have the right to renew your rights to operate your Franchised Business for two (2) additional successor terms of five (5) years, so long as you have satisfied all of the conditions specified below before each such renewal:

4.2.1 You have, during the entire term of this Agreement, fully complied with the provisions of this Agreement;

4.2.2 You have, at your expense, made such capital expenditures as were necessary to maintain uniformity with any Franchisor-required System modifications such that your Franchised Business reflects our then-current standards and specifications;

4.2.3 You have satisfied all monetary obligations owed by you to us (or any affiliate or supplier), and have timely met these obligations throughout the term of this Agreement;

4.2.4 You are not in default of any provision of this Agreement or any other agreement between us or between you and our affiliates or suppliers, landlord and vendors;

4.2.5 You have given written notice of your intent to operate a successor franchise to us not earlier than twelve (12) months but no later than six (6) months prior to the end of the term of this Agreement;

4.2.6 You have executed our then-current form of franchise agreement, which franchise agreement shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement by requiring, among other things, a different percentage Royalty Fee or Advertising Fund Contribution;

4.2.7 You have complied with our then-current qualifications for a new franchisee and have agreed to comply with any training requirements;

4.2.8 You have executed a general release, in a form the same as or similar to the General Release attached as Schedule 8, of any and all claims against us, any affiliate, and against our and our affiliates' officers, directors, shareholders, managers, members, partners, owners, employees and agents, except to the extent prohibited by the laws of the state where your Franchised Business is located; and

4.2.9 You have paid the renewal fee of 50% of the then-current Initial Franchise Fee.

5. FRANCHISED BUSINESS

5.1 Operation of Your Franchised Business

You shall operate your Franchised Business within the Approved Territory from the Accepted Location. You shall manage and administer your Franchised Business from the Accepted Location and shall maintain and store your books and records at the Accepted Location.

5.2 Pre-Sales and Time to Open

You must begin your pre-opening marketing drive within 30 to 60 days of opening your Franchised Business. You shall have twelve (12) months after the Effective Date to develop and open your

Franchised Business. If you fail to meet this requirement, we shall have the right to terminate this Agreement and retain all fees paid to us or our affiliate by you. You shall comply with all conditions set forth in Section 5.3 below and be prepared to open and continuously operate your Franchised Business. Time is of the essence.

5.3 Opening

Before opening your Franchised Business and commencing business, you must:

5.3.1 fulfill all of your obligations pursuant to the other provisions of this Section 5;

5.3.2 furnish us with copies of all insurance policies required by this Agreement, or such other evidence of insurance coverage and payment of premiums as we may request;

5.3.3 must attend and successfully complete, to our satisfaction, the initial training program (which may include an online component) we offer for Serotonin franchisees at our headquarters or another location that we specify;

5.3.4 possess all required state, county, city, and local professional licenses and certifications;

5.3.5 obtain all necessary state, county, city, and local permits and licenses, including any zoning permits needed to operate a medical spa facility at your Accepted Location;

5.3.6 pay in full all amounts due to us, our affiliates and any third-party vendors;

5.3.7 provide us with a copy of any agreements necessary to operate a medical spa facility in your jurisdiction including, but not limited to, the MSA (in substantially the same form provided in Schedule 9 attached hereto) or a Medical Director Agreement in a form that complies with applicable law; and

5.3.8 obtain our written permission and approval of an opening date.

5.4 Site Approval and Failure to Open

5.4.1 *Our Approval.* You acknowledge that neither our acceptance of the premises for your Accepted Location nor any information communicated to you regarding our standard site selection criteria, nor the specific location of the premises will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Franchised Business. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise for a Franchised Business at the site. Upon our approval of the site for your Accepted Location, the parties shall memorialize their mutual agreement that the approved site is the Accepted Location in Schedule 1.

5.4.2 *Time to Open and Rights Upon Termination for Failure to Open.* You must begin your pre-opening marketing drive within 30 to 60 days of opening your Franchised Business, and you must open your Franchised Business no more than twelve (12) months after

the effective date of your Franchise Agreement. If this Agreement is terminated because you fail to open or fail to comply with the time limitations to open, we shall retain the entire Initial Franchise Fee paid by you among our other rights. The parties agree that the Initial Franchise Fee shall be retained in consideration of the services provided, time expended, work performed, and other efforts of us up to the date of your failure to timely commence operations of your Franchised Business and shall not be construed as nor considered to be a penalty.

6. MARKS

6.1 Ownership

Your right to use the Marks is derived solely from this Agreement, is non-exclusive and is limited to the conduct of business by you pursuant to, and in compliance with, this Agreement and all applicable standards, specifications and operating procedures prescribed from time to time by us. Any unauthorized use of the Marks by you is a breach of this Agreement and an infringement of our rights in and to the Marks. Your use of the Marks, and any goodwill created thereby, shall inure solely to our benefit. You shall not at any time acquire an ownership interest in the Marks by virtue of any use it may make of the Marks. This Agreement does not confer any goodwill, title or interest in the Marks to you. You shall not, at any time during the term of this Agreement or after its termination or expiration, contest the validity or ownership of any of the Marks or assist any other person in contesting the validity or ownership of any of the Marks.

6.2 Limitations on Use

6.2.1 *Business Entity Name.* You shall not use the name Serotonin or a portion of any Mark as part of your business entity name.

6.2.2 *Unauthorized Service.* You shall not use Serotonin or any of our Marks in connection with the sale of any unauthorized medical service or product or in any other manner not expressly authorized in writing by us. This is a material term of the Agreement and shall constitute grounds for immediate termination.

6.2.3 *Fictitious Name.* You shall obtain such fictitious or assumed name registrations as may be required under applicable law to do business as a Serotonin and shall immediately cancel the fictitious name upon termination or expiration of this Agreement.

6.2.4 *Trademark Registration.* You shall not register or seek to register as a trademark or service mark, either with the United States Patent and Trademark Office or any state or foreign country, the name Serotonin, any of the Marks used in conjunction with your Franchised Business or a trademark or service mark that is confusingly similar to any Mark licensed to you.

6.2.5 *Public Notification.* You shall include on your letterhead, forms, business cards and at your Serotonin Center physical location, a prominent notice stating that your Franchised Business is an "Independently Owned and Operated Serotonin Franchise".

6.2.6 *Limited Permission to Use the Marks.* The permission to use the name Serotonin and our other Marks granted to you under this Agreement does not constitute a warranty of the absence of any third-party senior or superior use claims in and to the Marks. We shall have no liability to you for any senior users that may claim rights to the Marks. You shall amend any business entity name at our request and at your expense.

6.3 Notification of Infringements and Claims

You shall immediately notify us in writing of any infringement, claim of infringement, unfair competition, or challenge to your use of any of the Marks or claim by any person of any rights in any of the Marks. You shall not communicate with any person other than us and our counsel in connection with any such infringement, challenge, or claim. We are not required to take affirmative action when notified of these uses or claims. We have the sole right to control any administrative or judicial proceeding arising out of any infringement, challenge, or claim involving a trademark licensed by us. This Agreement does not require us to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving a trademark licensed by us to you or if the proceeding is resolved unfavorable to you. You shall execute any and all instruments and documents, render such assistance, and do such acts and things as may, in the opinion of us or our counsel, be necessary or advisable to protect and maintain our interests in any such litigation or other proceeding or to otherwise protect and maintain our interest in the Marks.

6.4 Indemnification for Use of Marks

We may but we are not required to participate in your defense or indemnify you for expenses or damages if you are a party to an administrative or judicial proceeding involving the use of our Marks. At our option, we or our designee may defend and control the defense of any proceeding arising directly from your use of any Mark.

6.5 Discontinuance of Use

If we deem it necessary for you to modify or discontinue use of any of the Marks, and/or use additional or substitute trade names, trademarks, service marks or other commercial symbols, you shall comply with our directions within ten (10) business days after notice to you by us and subject to the limitations in Section 10.2. We shall not be required to reimburse you for your expenses in modifying or discontinuing the use of a Mark or any loss of goodwill associated with any modified or discontinued Mark or for any expenditures made by you to promote a modified or substitute Mark.

6.6 Right to Inspect

To preserve the validity and integrity of the Marks and any copyrighted materials licensed hereunder, and to ensure that you are properly employing the Marks in the operation of your Franchised Business, we reserve the right to inspect your Franchised Business at any time without advanced notice. You shall comply with all reasonable requests for information and documentation during these inspections and shall give us access to speak directly to your employees and medical professionals about the operation of your Franchised Business.

6.7 Franchisor's Sole Right to Domain Name

You shall not advertise on the Internet using, or establish, create or operate an Internet site or website using a domain name or uniform resource locator containing, the Marks or the word "Serotonin" or any variation thereof without our written approval. We are the sole owner of a right, title and interest in and to such domain names. We may grant you a sub-page on our website for purposes of providing the public with contact information for your Franchised Business and other content in our discretion.

7. TRADE SECRETS AND OTHER CONFIDENTIAL INFORMATION

7.1 Confidentiality of Trade Secrets and Other Confidential Information

You acknowledge that we are disclosing Trade Secrets and other Confidential Information to you during the training program, through the Manual, and as a result of guidance furnished to you during the term of this Agreement. You shall not acquire any interest in the Trade Secrets or other Confidential Information, other than the right to use it in the development and operation of your Franchised Business and in performing your duties during the term of this Agreement. You acknowledge that the use or duplication of the Trade Secrets or other Confidential Information in any other business venture would constitute an unfair method of competition. You acknowledge that the Trade Secrets and other Confidential Information are proprietary and are disclosed to you solely on the condition that you (and all holders of a legal or beneficial interest in Franchisee and all officers, directors, executives, managers and members of the professional staff of Franchisee): (a) shall not use the Trade Secrets or other Confidential Information in any other business or capacity; (b) shall maintain the absolute confidentiality of the Trade Secrets and other Confidential Information during and after the term of this Agreement; (c) shall not make any unauthorized copies of any portion of the Trade Secrets or other Confidential Information disclosed in written or other tangible form; and (d) shall adopt and implement all reasonable procedures prescribed from time to time by us to prevent unauthorized use or disclosure of the Trade Secrets and other Confidential Information. You shall enforce this Section as to your employees, agents and representatives including by requiring them to sign the Nondisclosure and Non-Competition Agreement attached as Schedule 2 and shall be liable to us for any unauthorized disclosure or use of Trade Secrets or other Confidential Information by any of them.

7.2 Additional Developments

All ideas, concepts, techniques or materials concerning the System or developed, in whole or in part, using Trade Secrets or other Confidential Information, whether or not protectable intellectual property and whether created by or for you or your owners or employees, shall be promptly disclosed to us and shall be deemed the sole and exclusive property of ours and our works made-for-hire, and no compensation shall be due to you or your owners or employees therefore, and you hereby agree to assign to us all right, title and interest in any intellectual property so developed. We have the right to incorporate such items into the System. To the extent any item does not qualify as a "work made-for-hire," you shall assign, and by this Agreement, do assign, ownership of that item, and all related rights

to that item, to us and shall sign any assignment or other document as we request to assist us in obtaining or preserving intellectual property rights in the item. We shall disclose to you the concepts and developments of other franchisees that are made part of the System. As we may reasonably request, you shall take all actions to assist our efforts to obtain or maintain intellectual property rights in any item or process related to the System, whether developed by us or not.

7.3 Exclusive Relationship

You acknowledge that we would be unable to protect the Trade Secrets and other Confidential Information against unauthorized use or disclosure and would be unable to encourage a free exchange of ideas and information among Serotonin franchisees if owners of Serotonin businesses and members of their immediate families or households were permitted to hold an interest in or perform services for any Competitive Business. Therefore, you and any holder of a legal or beneficial interest in the Franchisee entity (or any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff of the Franchisee entity, either directly or indirectly, for themselves, or through, on behalf of or in conjunction with any person, partnership, corporation, limited liability company or other business entity, shall not:

7.3.1 divert or attempt to divert any business or customer of your Franchised Business to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Marks or the System;

7.3.2 at any time during the term of this Agreement, own, maintain, engage in, be employed by, perform services for or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with a Competitive Business;

7.3.3 at any time within a two-year period following termination or expiration of this Agreement, own, maintain, engage in, be employed by, perform services for or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement with a Competitive Business at the Accepted Location or within a 10-mile radius of your Franchised Business or any Serotonin franchise or affiliate-owned Serotonin business as set forth in Section 17;

7.3.4 call on, solicit, accept business from, or take away any customers or prospective customers of your Franchised Business or of us or our affiliates for the benefit of any person or entity outside the System. The term "**Prospective Customer(s)**" includes any person or entity that received a quote for medical spa and anti-aging services from your Franchised Business, or any person or entity whose information was provided to your Franchised Business, at any time during the six-month period preceding the termination, expiration, non-renewal or transfer of the Agreement; or

7.3.5 call on, solicit, accept business from, or take away for the benefit of yourself or any other person or entity, any prospective customers or customers of your Franchised Business or of us or our affiliates, that you worked with or serviced in any capacity or

that you received any confidential or proprietary information about, regarding the Proprietary Services similar to those provided by your Franchised Business, for a continuous period of two (2) years after the nonrenewal, expiration or termination of this Agreement.

7.4 Nondisclosure and Non-Competition Agreements with Certain Individuals

We have the right to require any holder of a legal or beneficial interest in the Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of the Franchisee entity to execute a Nondisclosure and Non-Competition Agreement, in a form the same as or similar to Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee. Upon our request, you shall provide us with copies of all Nondisclosure and Non-Competition Agreements signed pursuant to this Section. Such agreements shall remain on file at your Accepted Location and are subject to audit or review as otherwise set forth herein. We shall be a third-party beneficiary with the right to enforce the covenants contained in such agreements.

7.5 Client Information

We and our affiliates shall, through the Computer System or otherwise, have access to Client Information. We and our affiliates may use Client Information in our and their business activities. When the Franchise Agreement expires or terminates, we and our affiliates may make all disclosures and use the Client Information in any manner that we or they deem necessary or appropriate. You must secure from your clients, prospective clients and others, all consents and authorizations, and provide them all disclosures, that applicable law requires to transmit the Client Information to us and our affiliates, and for us and our affiliates to use that Client Information, in the manner that the Franchise Agreement contemplates. "**Client Information**" means names, contact information, financial information and other personal identifiable information of or relating to your Franchised Business's clients and prospective clients. If there is a suspected or actual breach of security or unauthorized access involving your Client Information, you must notify us immediately after becoming aware of the occurrence and specify the extent to which Client Information was compromised or disclosed.

7.6 Reasonableness of Restrictions

You acknowledge that the restrictive covenants contained in this Section are essential elements of this Agreement, and that without their inclusion we would not have entered into this Agreement. You acknowledge that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of us, the System and the Marks and you waive any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable.

8. TRAINING AND ASSISTANCE

8.1 Initial Training

8.1.1 *Who Must Attend Training*. Before opening your Franchised Business, you (or if you are an entity, your Operating Principal) and your Manager (if you will employ a Manager) must attend and successfully complete, to our satisfaction, the initial training program (which may include an online component) we offer for Serotonin franchisees at our headquarters or another location that we specify.

8.1.2 *Protocols*. Your Franchised Business must at all times be under the active full-time management of either you, the Operating Principal or Manager and the Authorized Care Providers who have successfully completed (to our satisfaction) the protocols provided by our third-party vendor(s) to administer the Proprietary Services including the Hormone and IV training (the "**Protocols**"). If you, your Operating Principal, your Manager or your Authorized Care Providers cannot complete the training program and Protocols to our satisfaction, we may terminate this Agreement.

8.1.3 *Qualified Replacement Training*. If you (or your Operating Principal), your Manager or your Authorized Care Providers cease active management or employment at your Franchised Business, then any replacements must attend and successfully complete the basic management training program and Protocols (applicable only to Authorized Care Providers), to our reasonable satisfaction, as soon as it is practical to do so but, in all cases, the replacement shall successfully complete training within thirty (30) days. You must pay our then-current per diem training charges (currently $500 per person per day) for additional training.

8.2 Opening Assistance

Prior to opening of your Franchised Business, we will provide to you general guidance that we think is advisable, in our sole discretion, and as may be described in the Manual. We will provide you with assistance and guidance in establishing prices for products and services. We do not set a minimum or maximum price but we provide you with a recommended price range.

8.3 Failure to Complete Initial Training Program

You are required to complete the initial training program before commencing operation of your Franchised Business. If we determine that you are unable to satisfactorily complete the training program described above, we have the right to terminate this Agreement. If this Agreement is terminated pursuant to this Section 8.3, we shall have no obligation to return any of the Initial Franchise Fee. If you are a business entity and the Operating Principal fails to complete the initial training program to our reasonable satisfaction, you may be permitted to select a substitute Operating Principal who must complete the initial training to our satisfaction. You will be required to pay us our then-current rates for additional training or $500 per person per day per trainee (plus hotel, air fare and other expenses incurred by us and our trainers).

8.4 Ongoing Training

We may require that your Operating Principal, Managers, Authorized Care Providers and employees periodically attend additional courses, seminars, and other training programs. You will also bear all other expenses incurred in attending training, such as the costs of transportation, lodging, meals, wages, and worker's compensation insurance. We may hold periodic training and conferences, as we deem necessary, to discuss sales techniques, personnel training, bookkeeping, accounting, inventory control, performance standards, advertising programs and merchandising procedures. In the event that such training and/or conferences are held, we reserve the right to charge a fee for your attendance at the conference, and you must pay all your travel and living expenses related to your attendance at the conference. You are solely responsible for ensuring that your management staff and employees are adequately trained.

9. OPERATIONS MANUAL

9.1 Loan by Franchisor

While this Agreement is in effect, we shall lend to you one (1) copy of the Manual or grant you access to an electronic copy of the Manual. Except in the case of a conflict with applicable laws or regulations, you shall conduct your Franchised Business in strict accordance with the provisions set forth in the Manual. The Manual may consist of one (1) or more separate manuals and other materials as designated by us and may be in written or electronic form. The Manual shall, at all times, remain our sole property and shall promptly be returned to us upon expiration or termination of this Agreement.

9.2 Revisions

We have the right to add to or otherwise modify the Manual from time to time to reflect changes in the specifications, standards, operating procedures and rules we prescribe. We may make such additions or modifications without prior notice to you. You shall immediately, upon notice, adopt any such changes and shall ensure that your copy of the Manual is up-to-date at all times. If a dispute as to the contents of the Manual arises, the terms of the master copy of the Manual maintained by us at our headquarters shall be controlling.

9.3 Confidentiality

The Manual contains Trade Secrets and other Confidential Information of ours, and its contents shall be kept confidential by you during the term of this Agreement and subsequent to the expiration, non-renewal or termination of this Agreement. You shall at all times ensure that your copy of the Manual is available at your Franchised Business in a current and up-to-date manner. If the Manual is in paper form or stored on computer-readable media, you shall maintain the Manual in a secure manner at the Accepted Location; if the Manual is in electronic form, you shall maintain the Manual in a password-protected file. You shall only grant authorized personnel, as defined in the Manual, access to the Manual or any key, combination, or passwords needed for access to the Manual. You shall not disclose, duplicate, or otherwise use any portion of the Manual in an unauthorized manner.

10. FRANCHISE SYSTEM

10.1 Uniformity

Except in the case of a conflict with applicable laws or regulations, you shall strictly comply and shall cause your Franchised Business and your employees to strictly comply, with all requirements, specifications, standards, operating procedures and rules set forth in this Agreement, the Manual or other communications supplied to you by us. Consistent with the goals of the System, you shall be responsible for the day-to-day operation of your Franchised Business. In case of a conflict between the Manual, this Agreement or other communications supplied to you on the one hand, and applicable laws or regulation, you shall request a variance, and we shall grant an automatic variance for the purpose of compliance with such laws or regulations. You acknowledge the mandatory specifications, standards and operating procedures are not for the purpose of exercising control of over the day-to-day operation of your Franchised Business.

10.2 Modification of System

You acknowledge and understand that, from time to time, we may introduce, as part of the System, other methods, technology or Proprietary Services and products which require certain System modifications including, without limitation, the adoption and use of modified or substitute Marks, new computer hardware and software, new equipment, new technology or signage. You agree to make all required upgrades and modifications at your expense as may be required by us.

10.3 Refurbishment of your Serotonin Center Facility

Upon our request, you shall correct any deficiencies in your Franchised Business's appearance or set-up and you must refurbish and/or update the Accepted Location to current System standards. You shall, at your sole cost and expense, modernize, redecorate, and upgrade your Franchised Business in accordance with our then-current design standards. The obligations described in this Section are exclusive of the obligations described in Section 10.2.

10.4 Variance

We have the right to vary standards or specifications for any franchisee based upon that particular franchisee's qualifications, the peculiarities of the particular site or circumstances, the demographics of the trade area, business potential, existing business practices or any other condition which we deem to be of importance to the successful operation of any particular Serotonin business. We shall not be required to disclose or grant you a like or similar variance hereunder.

10.5 Unapproved Products and Services

You acknowledge that the offer or sale of any unapproved products or services at the Franchised Business constitutes a material breach of this Agreement and good cause for termination of this Agreement. You authorize us to cure any default under this Section on your behalf by removing and disposing of any unapproved products and unapproved equipment and other materials from your Franchised Business. Any dispute between you and us as to whether any item, service, or equipment

is approved will be governed by the official lists we maintain at our principal place of business. You hereby grant us all of your right, title, and interests in and to any unapproved products and equipment at the Franchised Business and waive any claims you may have against us arising from the removal and disposal of any unapproved products and unapproved equipment and other materials. You acknowledge that we have the right to physically remove any unapproved products and equipment from your Franchised Business, and to dispose of them in any way we desire, without any compensation or liability to you.

11. ADVERTISING AND PROMOTIONAL ACTIVITIES

11.1 Local Marketing

11.1.1 *Local Marketing Requirement.* You must spend a minimum of $5,000 per month with our Approved Supplier on local advertising, promotion and marketing of your Franchised Business. We reserve the right to change the Approved Supplier upon notice to you, which can be us or our affiliate. Local marketing expenditures will be directed towards local online, digital marketing and advertising mechanisms within the geographical area of your Franchised Business. You shall allocate these monies toward print and direct mail and/or digital marketing (and related professional fees and costs) utilizing the following advertising mediums: (i) pay per click advertising through Google; (ii) Facebook advertising campaigns; (iii) YouTube advertising campaigns; (iv) Instagram advertising campaigns; (v) e-mail marketing campaigns; (vi) other social media platforms; (vii) localized digital campaigns utilizing search engine optimization tools (SEO), and (viii) any additional local marketing initiatives. Local marketing expenditures are not included in your Advertising Fund Contribution and are your sole cost and expense. You must spend an additional $10,000 in advertising within the first 60 days of opening your Franchised Business as part of our Grand Opening Marketing Program.

11.1.2 *Franchisor's Control and Approval.* We shall have sole control over creative concepts, materials, and media used in local marketing programs, and the placement and allocation thereof. We do not warrant that any particular franchisee will benefit directly or pro rata from expenditures by its local marketing program. We do not warrant the success or effectiveness of any particular advertising/marketing program. We shall have the right to approve or disapprove all marketing and promotional materials that you propose to use.

11.1.3 *Local Marketing Criteria*. Certain criteria will apply to the local marketing that you conduct. All of your local marketing must be professional and dignified, must conform to our standards and requirements, and must be conducted in the media, type, and format that we have approved. You may not use any marketing or promotional plans that we have not approved in writing. You must submit to us samples of all proposed plans and materials (unless, within the previous six (6) months, we prepared or already approved the plans or materials). If you email us with your request for approval, along with all needed information, we will ordinarily provide you with our response (whether approval or disapproval) to the proposed plans or materials within ten (10) business

days; but if we do not give our approval within fifteen (15) business days, we will have been deemed to disapprove the plans or materials.

11.1.4 *Our Sole Property*. All copyrights in and to marketing, advertising and promotional materials you develop (or that are developed for you) will become our sole property. You must sign any documents (and, if necessary, require your independent contractors to sign the documents) that we deem reasonably necessary to implement this provision. We may periodically make available to you certain marketing materials for your use in local marketing and promotion, some of which must be purchased.

11.1.5 *Local Marketing Defined*. As used in this Agreement, the term "**local marketing**" refers to only the direct costs of purchasing and producing marketing materials (such as camera-ready advertising and point of sale materials), marketing to referral partners, and your direct out-of-pocket expenses related to costs of marketing in your local market or area. Local marketing and promotions also include postage, shipping, telephone, and photocopying costs. "**Marketing**" does not, however, include any of the following: (a) salaries, incentives or discounts offered to your employees, and your employees' expenses; (b) charitable, political, or other contributions or donations; and (c) the value of discounts given to consumers.

11.1.6 *Materials Available for Purchase*. We, our vendors or our affiliates, may periodically make available to you for purchase marketing plans and promotional materials, merchandising materials, sales aids, point-of-purchase materials, special promotions, community relations programs, and similar marketing and promotional materials for use in local marketing.

11.1.7 *Periodic Marketing Programs*. You acknowledge and agree that periodic marketing programs and promotions will, if and when we approve and adopt them, be an integral part of the System. Accordingly, you agree to honor and participate (at your expense) in marketing programs and promotions that we establish and/or that other franchisees sponsor, so long as they do not violate regulations and laws of appropriate governmental authorities. You must participate in all advertising, promotional and marketing initiatives we may require. Without limitation, initiatives may include prize contests, special product and service offers and coupons. Advertising, promotional and marketing initiatives may be conducted internationally, nationally, regionally and locally and may vary from region to region or locality to locality; all other franchisees using the System shall not necessarily be required to participate in the initiatives in which you must participate. You must also participate in the launch of any new products we may require, and you must honor all coupons, gift certificates and other promotional offers authorized by us including without limitation, you must honor all coupons, certificates and promotional offers presented to you.

11.1.8 *Considerations as to Charitable Efforts*. You acknowledge and agree that certain associations between you and/or the Franchised Business, on the one hand, and certain political, religious, cultural or other types of groups, organizations, causes, or activities, on the other, however well-intentioned and/or legal, may create an

unwelcome, unfair, or unpopular association with, and/or an adverse effect on, our reputation and/or the good will associated with the Marks. Accordingly, you agree that you will not, without our prior written consent, take any actions that involve the donation of any money, products, services, goods, or other items to, any charitable, political or religious organization, group, or activity.

11.1.9 *Additional Marketing Expenditure Encouraged*. You understand and acknowledge that the required contributions and expenditures are minimum requirements only, and that you may spend additional funds for local marketing and promotion, which will focus on disseminating marketing directly related to your Franchised Business. If you fail to make the required local marketing expenditures you must pay the balance due to us to be applied to our Advertising Fund.

11.2 Advertising Fund

During the term of this Agreement, you will contribute to the System-wide marketing, advertising, and promotion fund (the "**Advertising Fund**"). You shall pay us an amount equal to 2% of Gross Revenue as an Advertising Fund Contribution which shall commence when you start paying Royalty Fees. We may from time to time change the rate or rates required to be paid by you as an Advertising Fund Contribution, provided that (a) the amount of such payment that is based on Gross Revenue will not exceed 3% of Gross Revenue, and (b) no change in the rate will take effect unless we give you at least three (3) month's prior written notice. We will maintain and administer the Advertising Fund as follows:

11.2.1 We will control the creative concepts and the materials and media to be used, and we will determine the placement and allocation of advertisements. We may use print, television, radio, Internet, or other media for advertisements and promotions. We do not guarantee that any particular franchisee will benefit directly or in proportion to their contribution from the placement of advertising by the Advertising Fund;

11.2.2 We will use Advertising Fund Contributions for producing, maintaining, administering and directing consumer advertising (including but not limited to the cost of preparing and conducting television, radio, Internet, social media advertising, magazine, direct mail and newspaper advertising campaigns and other public relations activities including reputation management software; hosting an Internet web page of similar activities; net promoter score software; employing advertising agencies to assist therein; providing promotional brochures; conducting market research; and providing other marketing materials to franchisees). We will maintain your contributions in a separate account from our funds. We will not use Advertising Fund Contributions for any of our general operating expenses, except for our reasonable administrative costs and overhead related to the administration of the Advertising Fund. We will not use Advertising Fund Contributions for the direct solicitation of franchise sales. However, we may include a statement regarding the availability of information about the purchase of Serotonin franchises in advertising and other items produced or distributed using the Advertising Fund;

11.2.3 We shall attempt to use all the contributions in the fiscal year they are made; however, if less than all monies in the Advertising Fund are spent in the fiscal year in which they accrue, the money will remain in the Advertising Fund to be spent in subsequent years. We will use any interest or other earnings of the Advertising Fund before we use current contributions. We intend for the Advertising Fund to be perpetual, but we have the right to terminate it if necessary. We will not terminate the fund until all contributions and earnings have been used for advertising and promotional purposes, or we have returned your *pro rata* share;

11.2.4 The Advertising Fund is not audited. The Advertising Fund is not a trust, and we assume no fiduciary duty in administering the fund. Upon your request, we will provide you, within 120 days of our fiscal year end, with a written statement for such fiscal period setting forth in brief detail the total amounts collected, and disbursements made by us in connection with the Advertising Fund. Locations owned by us or our affiliates contribute equally to the Advertising Fund;

11.2.5 Except for salaries of marketing personnel employed by the Franchisor, we do not receive compensation for providing goods or services to the Advertising Fund; and

11.2.6 The Advertising Fund is not and will not be our asset. Although the Advertising Fund is intended to be of perpetual duration, we maintain the right to terminate the Advertising Fund. The Advertising Fund will not be terminated, however, until all monies in the Advertising Fund have been expended for marketing purposes. If amounts are unspent in the Advertising Fund at fiscal year-end, those amounts are carried over by the Advertising Fund for expenditure in the following year.

11.3 Internet Marketing

11.3.1 *Restrictions on Internet.* You are restricted from establishing a presence on, or marketing on the Internet without our written consent. We have an Internet website at the uniform resource locator (URL) serotonincenters.com that provides information about the System and about Serotonin. We may provide you with a page on our home page, where we will have contact information on your location. We retain the sole right to post content on our website and otherwise market on the Internet, including the use of other websites, domain names, social media accounts, URLs, keywords, linking, search engines (and SEO techniques), banner ads, meta-tags, marketing, e-commerce and co-branding arrangements. You may be requested to provide content for our Internet marketing efforts, and you must follow our intranet and Internet usage rules, policies and requirements. We retain the sole right to use the Marks on the Internet, including on websites, as domain names, directory addresses, search terms and meta-tags, social media pages and in connection with linking, marketing, co-branding and other arrangements. We retain the sole right to approve any linking to, or other use of, the Serotonin website. You are not permitted to use a domain name containing Serotonin in the URL.

11.3.2 *Our Online Site*. We will have the right, but not the obligation, to provide you with one or more references or webpage(s), as we may periodically designate, within our Online Site. The term "**Online Site**" means one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including, but not limited to, the Internet, the web, webpages, microsites, social networking sites (e.g., Facebook, Twitter, LinkedIn, YouTube, Instagram, etc.), blogs, vlogs, applications to be installed on mobile devices (for example, iOS or Android apps), and other applications. However, if we approve a separate Online Site for you (which we are not obligated to do), then each of the following provisions will apply: (1) you may neither establish nor use any Online Site without our prior written approval; (2) before establishing any Online Site, you must submit to us, for our prior written approval, a sample of the proposed Online Site, including its domain name, format, visible content (including, without limitation, proposed screen shots), and non-visible content (including meta tags), in the form and manner we may require; (3) you must not modify an Online Site without our prior written approval; (4) you must comply with the standards and specifications for Online Sites that we may periodically prescribe in the Manual or otherwise in writing; (5) if we require, you must establish hyperlinks to our Online Site and other Online Sites; and (6) we may require you to make us the sole administrator (or co-administrator) of any social networking pages that you maintain or that are maintained on your behalf.

11.4 Grand Opening Marketing Program

You must spend $10,000 on local advertising, promotion, and other marketing activities with vendors that we specify or approve in connection with your grand opening. Such amount shall be spent within the first 60 days after opening your Franchised Business. You must submit to us proof of these expenditures within 120 days after your Franchised Business first opens for business. This requirement is in addition to your Local Marketing Requirement and the expenditures towards your grand opening do not count towards the Local Marketing Requirement.

11.5 Cooperative Marketing

We may, in our discretion, form local or regional marketing cooperatives covering your Approved Territory and the territory of at least one other franchisee for the purpose of developing and implementing local or regional marketing programs, or we may approve of the formation of such a marketing cooperative by our franchisees. If we require you to join a local or regional marketing cooperative (the "**Co-op**"), then you must: join the Co-op; participate with other franchisees in the Co-op's marketing programs; and pay your share of the Co-op's marketing expense. Any payments you make for the Co-op's marketing will be applied towards your Local Marketing Requirement but will not affect your obligation to make Advertising Fund Contributions under this Agreement. If the amount you contribute to a Co-op is less than the Local Marketing Requirement, then you shall nevertheless spend the difference locally. The Co-op's marketing expenses will be allocated among its members based on the number of participating franchisees or on some other reasonable basis as may be determined by the franchise advisory council or us. We or our designee will be responsible for administering the Co-op; however, we may delegate this authority to the franchise advisory council or some other committee of franchisees. The Co-op will operate under written governing documents

prepared by us or our designee, which will be made available to you upon reasonable request. An accounting of the operation of the Co-op will be prepared annually by the Co-op, at the Co-op's expense, and made available to Co-op members upon request. We have the right, in our sole discretion, to modify, merge or dissolve any Co-op upon written notice to its members; however, a Co-op will not be dissolved until all of the money in the Co-op has been spent for marketing purposes.

11.6 Gift Cards

You must, at your expense, participate in, and comply with the requirements of our gift cards, loyalty programs that we implement from time to time. You may not issue or offer any benefit, gift certificate, gift card, stored value card, customer loyalty or retention program without our prior written approval.

12. ACCOUNTING, RECORDS, AND REPORTING OBLIGATIONS

12.1 Records

During the term of this Agreement, you shall maintain full, complete, and accurate books, records and accounts in compliance with all HIPAA and CPOM regulations as well as any applicable state laws governing patient records. You shall utilize the accounting software QuickBooks (or other Franchisor approved accounting software) to manage your books. You shall retain during the term of this Agreement, and for three (3) years thereafter, all books and records related to your Franchised Business including, without limitation, purchase orders, invoices, payroll records, sales tax records, state and federal tax returns, bank statements, cancelled checks, deposit receipts, cash receipts and disbursement journals, general ledgers, and any other financial records designated by us or required by law. By signing this Agreement, you grant us unlimited access to the accounting software and Computer System for any legitimate reason in our discretion or business purpose.

12.2 Gross Revenue Reports

You shall maintain an accurate record of Gross Revenue and, upon our request, shall deliver to us electronically a signed and verified statement of Gross Revenue.

12.3 Financial Statements

You shall supply to us on or before the fifteenth (15th) day of each month, a balance sheet and income statement for the preceding month. You shall, at your expense, submit to us within ninety (90) days after the end of each calendar year, an income statement, profit and loss statement, and balance sheet for the calendar year just ended. If required by us, such financial statements shall be reviewed or audited by a certified public accountant. We have the right to require you to provide us with access with your accounting software or other accounting records. You shall submit to us such other periodic financial reports in the manner and at the time specified in the Manual or otherwise requested by us in writing.

12.4 Other Reports

You shall submit to us copies of all state sales tax returns that are required to be filed with the appropriate governmental agency and such other records as we may reasonably request from time to time or as specified in the Manual. We shall have the right to release financial and operational information relating to your Franchised Business to our lenders or prospective lenders. You shall certify as true and correct all reports to be submitted pursuant to this Agreement.

12.5 Computer Equipment; Required Software; Our Access; Telephone Numbers

12.5.1 *Computer System.* You must meet our current requirements concerning the Computer System, including: (a) POS, data, audio, video (including managed video security surveillance), telephone, voice messaging, retrieval, and transmission systems for use at the Serotonin businesses, between or among other franchised businesses, and between and among your Franchised Business(es), and you, and us; (b) physical, electronic, and other security systems and measures; (c) printers and other peripheral devices; (d) archival back-up systems; (e) internet access mode (such as the telecommunications connection) and speed; and (f) technology used to enhance and evaluate the customer experience (collectively, all of the above are referred to as the "**Computer System**"). It is solely your responsibility to ensure the installation and operation of the Computer System complies with applicable law, including without limitation privacy laws (e.g., HIPAA) related to customer protected health information (as defined under HIPAA or applicable state law) or other customer data. You must have Cyber Liability insurance to protect you and us from any data breach.

12.5.2 *Required Equipment and Software.* You shall purchase, install, and use computer equipment consisting of hardware and software in accordance with our specifications in the Manual. As part of your Computer System, you will be required to use our SeroConnect software system which is an online portal/management system. We may periodically require you to upgrade and update the hardware and software used in connection with the Computer System. There are no contractual limitations on the frequency and cost of these upgrades and updates. We reserve the right to approve your email address or require you to use only an email address that we provide for your Franchised Business's business emails.

12.5.3 *Franchisor Access.* We shall have full access to all of your Computer System, POS system and data and all related information by means of direct access, either in person or by telephone, modem, or Internet to permit us to verify your compliance with your obligations under this Agreement. You must afford us unimpeded independent access to your Computer System in the manner, form, and at the times we may request. We will have the right at any time to retrieve and use this data and information from your Computer System in any manner we deem necessary or desirable. We have the right to review your business operations, in person, by mail, or electronically, and to inspect your operations and obtain your paper and electronic business records related to your Franchised Business and any other operations taking place through your Franchised

Business. There are no contractual limitations on our right to access the information stored on your Computer System.

12.5.4 *Telephone.* We have the right to require you to use one or more designated telephone vendors. We may designate, and own, the telephone numbers for your Franchised Business.

12.5.5 *Serotonin App.* We have developed a mobile application for our System (the "**Serotonin App**"). We may require you to enter into a separate license agreement related to the use of the Serotonin App. We may require you to promote the use of the Serotonin App in your Franchised Business or to provide content to be included in the Serotonin App. We may add, discontinue, or modify any mobile applications periodically in our sole discretion.

12.5.6 *Email and Internet.* You must be able to access information that is available on the Internet and be able to send and receive email.

12.5.7 *Client Lists.* Any client lists or information compiled or amassed through your Computer System, point-of-sale system or otherwise, will be our proprietary property. You may not sell or use client lists or information for any purpose other than in connection with the operation of your Franchised Business.

12.5.8 *POS System.* You shall purchase, use and maintain the point-of-sale system ("**POS System**") that we prescribe for your Franchised Business. We may periodically modify the standards for the POS System and/or change the POS System and, if so, you will be required to pay the costs of any such modification or change upon 30 days' notice from the Franchisor. Your POS System must be connected to the Internet at all times, and we shall have independent access to the POS System and information therein at all times subject to applicable law. You may be required to periodically update, upgrade or replace your POS System. You are responsible for ensuring that your POS System is compliant with applicable law in your jurisdiction.

12.6 Right to Inspect

We have the right, during normal business hours without notice, to examine, copy, and audit your books, records, and tax returns. If the audit or any other inspection should reveal that any payments to us have been underpaid, then you shall immediately pay us the amount of the underpayment plus interest from the date such amount was due until paid at the rate of 1.5% per month (or the rate legally allowed by the law of the state where you are located, whichever is lower). You shall, in addition, reimburse us for any and all costs and expenses connected with the inspection (including, without limitation, travel expenses and reasonable accounting and attorneys' fees). The foregoing remedies shall be in addition to any other remedies we may have.

12.7 Release of Records

At our request, you shall release or authorize and direct third party(ies), including accounting and legal professionals, to release to us copies of all accounting and financial records arising from or relating to the operation of your Franchised Business including, but not limited to, records evidencing sales, profits, losses, income, tax liabilities, tax payments, revenues, expenses, and any correspondence, notes, memoranda, audits, business records, or internal accounts within said third parties' possession, custody or control, and to continue to release such records to us on a monthly basis for the length of the unexpired term of this Agreement or until such time as we withdraw our request. You shall execute all documents necessary to facilitate the release of records referenced herein to us.

13. STANDARDS OF OPERATION

13.1 Authorized Services, Products and Suppliers

13.1.1 *Generally.* You shall not conduct any business or sell any service or products at your Franchised Business other than the services and products approved by the Franchisor. We have the right to require you to purchase products and services from designated or approved suppliers ("**Approved Suppliers**") as well as enter into service agreements with approved vendors. We have the right to add, eliminate, modify, and substitute any services and products offered at your Franchised Business or the designated suppliers for your Franchised Business in our sole discretion. We may designate an Approved Supplier from whom you will be required to purchase certain fixtures, furnishings, equipment, supplies, marketing materials, computer hardware and software, or any other component of your Franchised Business which you may or must use or sell at or through your Franchised Business. We may designate certain Approved Supplier or license certain products that you must use or implement in your Franchised Business. We may change Approved Suppliers from time to time. We will provide you with a current list of Approved Suppliers through updates to the Manual or other forms of communication. We may designate ourselves or our affiliates as Approved Suppliers for certain or all of the products and services offered at your Franchised Business.

13.1.2 *Reputation and Goodwill.* You acknowledge that the reputation and goodwill of the System is based in large part on offering high quality services and products to your customers. Accordingly, you, your staff, and your Authorized Care Providers shall provide the Proprietary Services with the greatest diligence and care and comply with our specifications and quality standards. You shall not offer for sale, sell or provide through your Franchised Business or from the Franchised Business any products or services that we have not approved. Furthermore, you must offer for sale all Proprietary Services and products currently offered by us or which will be offered by us in the future.

13.1.3 *Suppliers.* Notwithstanding anything contrary in this Agreement, we have the right to review from time to time our approval of suppliers. We may revoke our approval of any item, service or supplier at any time by notifying the supplier, without notice to

you. You shall, at your own expense, promptly cease using, selling or providing any items and services disapproved by us. The cost to review a new product or service as proposed by you shall not exceed $1,500 per product or service. We will decide within a reasonable time (usually 30 days) after receiving the required information whether you may purchase or lease the goods or services from the supplier. Our criteria for approving or revoking approval of suppliers include: the supplier's ability to provide sufficient quantity of goods; quality of goods or services at competitive prices; production and delivery capability; our existing relationships with competitive vendors; and experience, dependability and general reputation. We notify you in our Manual or other written communications if we revoke approval of any supplier.

13.1.4 *Variance Rights.* We have the right to designate certain products and services, not otherwise authorized for general use as part of the System, to be offered locally or regionally based upon such factors as we determine including, but not limited to, franchisee qualifications, test marketing and regional or local differences. We have the right to give our consent to one (1) or more franchisees to provide certain services not authorized for general use as part of the System. Such consent will be based upon the factors set forth in Section 10.4 and shall not create any rights in you to provide the same products or services.

13.1.5 *Supplier Benefits.* We have the right to retain volume rebates, markups and other benefits from suppliers, including our affiliates, or in connection with the furnishing of suppliers. You shall have no entitlement to or interest in any such benefits.

13.2 Appearance and Condition of your Franchised Business

You shall maintain your Franchised Business, including the signage, décor and branding elements in a condition we approve and shall repair or replace the signage, décor and branding elements as necessary to comply with our specifications and any applicable laws or regulations. The expense of such maintenance shall be borne by you and shall be in addition to any required System modifications, as described in Section 10.2.

13.3 Ownership and Management

You must, at all times, retain and exercise direct management control over all aspects of your Franchised Business except in jurisdictions which prohibit your management over medical services offered. You agree that your Medical Director and/or Authorized Care Providers will be in control and supervise the medical offerings at your Franchised Business as set forth in Section 13.13 below. Your personal supervision is not required if the day-to-day operation of your Franchised Business is performed by an approved Manager who has successfully completed our required training program and has, at our sole discretion, the appropriate experience and training. Even if you do not plan to personally supervise the operation of your Franchised Business on a daily basis, you and your Operating Principal still must attend and satisfactorily complete training. You, your Operating Principal or your Manager must devote full time and best efforts to the operation of your Franchised Business. You are not restricted as to whom you may hire as a Manager, except that your Manager must be competent, conscientious, substance-free, fully trained and must meet all of our requirements.

Your Manager must be approved by us. You and/or your Manager will recruit, hire, train, terminate, and supervise all non-medical employees, set pay rates, and pay all wages and related amounts, including any employment benefits, unemployment insurance, withholding taxes or other sums. We are not an employer, co-employer or joint employer with you of your management staff or other employees. You are solely responsible for all employment matters, decisions and relationships.

13.4 Days of Operation

You shall keep your Franchised Business open for business during normal business hours on the days specified in the Manual subject to your lease requirements.

13.5 Contributions and Donations

In order to protect the Marks, you must obtain our prior written consent before making any contributions or donations of items, services or funds to any non-profit organization on behalf of your Franchised Business. We may withhold any such consent in our sole and absolute discretion.

13.6 Licenses, Permits and Regulations (Medical and Non-Medical)

You shall secure and maintain in force all required operational and professional licenses, permits and certificates necessary for the operation of your Franchised Business, including all zoning and local permits necessary to operate your Franchised Business at your Accepted Location, and shall operate your Franchised Business in full compliance with all applicable laws, ordinances and regulations. We make no representation to you with regard to any legal requirements that you must satisfy or comply with in connection with the operation of your Franchised Business. YOU SHALL BE SOLELY RESPONSIBLE FOR INVESTIGATING AND COMPLY WITH ALL LAWS, ORDINANCES, AND MEDICAL OR NON-MEDICAL REGULATIONS with regard to the operation of your Franchised Business.

13.7 Notification of Proceedings

You shall notify us in writing of the commencement of any action, suit or proceeding involving you, your owners, or your Franchised Business, and of the issuance of any order, writ, injunction, judgment, award or decree which may affect the operation or financial condition of your Franchised Business immediately but not more than three (3) days after notice of such commencement or issuance. You shall deliver to us immediately but not more than three (3) days after your receipt thereof, a copy of any inspection report, warning, certificate or rating by any governmental agency relating to any health or safety law, rule or regulation that reflects your failure to meet and maintain the highest applicable rating or your noncompliance or less than full compliance with any applicable law, rule or regulation.

13.8 Compliance with Good Business Practices and Medical Laws

You acknowledge that the quality of customer service, and every detail of appearance and demeanor of you and your employees, is material to this Agreement and the relationship created and licenses granted hereby. Accordingly, you shall endeavor to maintain high standards of quality and service in the operation of your Franchised Business, including operating in strict compliance with all applicable

rules and regulations. You shall at all times give prompt, courteous and efficient service to customers of your Franchised Business. You shall in all dealings with your customers, vendors and the general public, adhere to the highest standards of honesty, fair dealing and ethical conduct. If we deem that you did not fairly handle a customer complaint or that you have operated outside of applicable rules and regulations, we have the right to intervene and satisfy the customer. We have the right to terminate this Agreement for a material violation of this Section that negatively impacts the goodwill in the Serotonin brand. You shall reimburse us for all costs and expenses (including attorneys' fees) incurred by us in servicing a customer of your Franchised Business or responding to negative publicity pursuant to this Section. You, if you are a medical professional, and/or your medical staff will provide professional services to patients in compliance at all times with ethical standards, laws and regulations applying to the medical profession and in compliance with any agreements between your Franchised Business and any third parties. You will also ensure, with the assistance of Manager, that any medical professional or contractor associated with your Franchised Business has all required licenses, credentials, approvals, and other certifications to perform the duties and services for your Franchised Business. In the event that any disciplinary actions or medical malpractice actions are initiated or threatened against you, your Franchised Business, or any of your independent contractors, you must immediately inform us of the action and the underlying facts and circumstances. You will carry out a program to monitor quality of medical care. You will take steps necessary to resolve any utilization review or quality assurance issues that may arise in connection with the operation of your Franchised Business.

13.9 Attire

You shall abide by all dress code requirements stated in the Manual or upon our notification to you.

13.10 Credit Cards

You shall, at your expense, lease or purchase the necessary equipment and/or software through approved vendors and shall have arrangements in place with Visa, MasterCard, American Express and such other credit card issuers as we may designate, from time to time, to enable your Franchised Business to accept such methods of payment from your customers.

13.11 Email

You shall, at all times and at your expense, maintain a Serotonin email address and account for communicating with us and your customers. The Technology Fee set forth in Section 3.11 includes two email address for your Franchised Business. Additional email addresses can be purchased for an additional fee. In sending emails from your Serotonin email address, you shall identify yourself as an independent owner and operator of the Franchisee entity doing business as Serotonin. You shall refrain from giving out titles to employees and your staff that causes confusion to the public as to the ownership of the Franchisor and as to our and your franchise relationship.

13.12 Best Efforts

You shall use your best efforts to promote and increase the number of clients and recognition of Proprietary Services and products offered through your Franchised Business. You shall require all of

your employees, officers, agents and representatives to make a good faith effort to enhance the sales of all Proprietary Services and products provided as part of the System.

13.13 Authorized Care Providers and Medical Directors

If Franchisee is developing and operating a Serotonin Center Management Business, your Serotonin Practice Entity will need to be operated by one or more physicians or Authorized Care Providers licensed to provide medical spa services in the state in which your Franchised Business is located. Depending on your state's CPOM, your Franchised Business entity may be required to operate as a Management Services Organization ("**MSO**") and it will provide the Serotonin Center Management Services to the Authorized Care Providers pursuant to the MSA entered into between the parties. We provide you with a sample MSA attached as Schedule 9 to this Agreement. The MSA shall be in effect at all times during the operation of your Franchised Business. Your MSA must be prepared, reviewed, and confirmed by your independent legal counsel as being complaint with all Authorized Care Provider Regulations, and such MSA must be approved by us. In certain jurisdictions, you may be able to operate a Serotonin Center Facility with a Medical Director Agreement which also must be prepared by your independent legal counsel and approved by us. If you are a licensed physician, you may operate your Franchised Business under your license in compliance with the terms of this Agreement.

14. FRANCHISOR'S RIGHTS

14.1 General Advice and Guidance

We may periodically general guidance to you by telephone and/or electronic correspondence, with respect to operating your Franchised Business as we deem necessary in our sole discretion.

14.2 Periodic Visits

We and our representative may, in our sole discretion, make periodic visits, which may be announced or unannounced, to your Franchised Business. During the visit, we may monitor and observe the conduct of the Franchisee, the Operating Principal, and the employees of your Franchised Business for the purposes of determining compliance with the requirements of this Agreement, for conducting quality assurance audits which may include customer surveys, and for any other purpose connected with the System. Such right shall also include, without limitation, the ability to confer with your employees and customers and to observe the manner in which you are selling products and dealing with customers. You shall, in all cases, facilitate our exercise of our rights under this Section. Our representatives who visit, monitor or review your Franchised Business may prepare, for the benefit of both you and us, written reports detailing any successes, problems or concerns discovered during any such visit and outlining any required or suggested changes or improvements in the operations of your Franchised Business. By signing this Agreement, you agree to implement any required changes or improvements as required by us with time being of the essence.

15. INSURANCE

15.1 Types and Amounts of Coverage

15.1.1 *Insurance Coverage Required*. Before starting any activities or operations under this Agreement, you agree to procure and maintain in full force and effect during the term of this Agreement, at your expense, at least the following insurance policy or policies in connection with your Franchised Business:

15.1.1.1 Commercial general liability insurance, including us, and any entity in which we have an interest and any entity affiliated with us and each of our members, managers, shareholders, directors, officers, partners, employees, servants and agents as additional insureds protecting against any and all claims for personal, bodily and/or property injury occurring in or about the premises of the Franchised Business and protecting against assumed or contractual liability under this Agreement with respect to your Franchised Business and your operations, including personal and advertising liability as well as products and completed operations coverage, with such policy to be placed with minimum limits of $1,000,000 combined single limit per occurrence; $2,000,000 general aggregate per location; and $300,000 for damage to leased property, provided, however, that at our election, such minimum limits may be periodically increased;

15.1.1.2 Property Liability coverage covering all perils to personal property contained within and outside the premises of your Franchised Business. The amounts may vary based on coverage needed but must cover your business property and a minimum of $500,000;

15.1.1.3 Workers' Compensation Coverage and such other insurance as may be required by statute or rule of the state or locality in which your Franchised Business is located in the amount of $1,000,000 per person, $1,000,000 in the aggregate and $1,000,000 for occupational disease;

15.1.1.4 Employment Practices Liability insurance in the amount of at least $500,000 for each claim;

15.1.1.5 Professional liability malpractice coverage in the minimum amount of at least $1,000,000 per claim and $3,000,000 annual aggregate;

15.1.1.6 Cyber Liability coverage with limits of liability between $500,000 and $1,000,000;

15.1.1.7 Business interruption and extra expense insurance for a minimum of six (6) months to cover net profits and continuing expenses, including Royalty Fees;

15.1.1.8 Identity theft protection with a minimum of $5,000 expense limit;

15.1.1.9 Umbrella liability coverage with minimum limits of $1,000,000 per occurrence and $2,000,000 general aggregate; and

15.1.1.10 Any other insurance coverage that is required by the Manual or federal, state, or municipal law.

15.1.2 *Insurance Advice.* You shall seek advice from your professional and business advisors and a licensed insurance agent and procure such other types of coverage and amounts of coverage in accordance with the advice received and as required by law.

15.2 Future Increases

We have the right to establish and modify the minimum coverage required, and require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. In addition to naming us as additional insured, you must include any endorsements we may require (including an "alternate employer endorsement" under Employer's Liability policy even though we are not your employer) and include a waiver of subrogation in favor of us and our affiliates, and each of our and our affiliates' officers, directors, shareholders, partners, members, agents, attorneys, representatives, independent contractors, servants, and employees.

15.3 Carrier Standards

The insurance policies you procure must be written by an insurance company or companies we have approved, having at all times a rating of at least "A" in the most recent Key Rating Guide published by the A.M. Best Company (or another rating that we reasonably designate if A.M. Best Company no longer publishes the Key Rating Guide) and licensed and admitted to do business in the state in which your Franchised Business is located, and must include, at a minimum (except that we may reasonably specify additional coverages and higher policy limits for all franchisees periodically in the Manual or otherwise in writing to reflect inflation, identification of new risks, changes in the law or standards of liability, higher damage awards and other relevant changes in circumstances).

15.4 Evidence of Coverage

Your obligation to obtain and maintain the insurance policies shall not be limited in any way by reason of any insurance which may be maintained by us, nor shall your performance of this obligation relieve you of liability under the indemnity provisions set forth in Section 21.3. Upon issuance of a policy and renewal of said policy, you shall provide us with certificates of insurance showing compliance with the foregoing requirements immediately but no later than fifteen (15) days from your receipt of such certificates. Such certificates shall state that said policy or policies shall not be canceled or altered without at least thirty (30) days' prior written notice to us and shall reflect proof of payment of premiums.

15.5 Failure to Maintain Coverage

We do not derive revenue as a result of your purchase of insurance. If you fail to purchase and maintain any required insurance coverage or furnish satisfactory evidence of coverage to us, in addition to our other remedies (including without limitation declaring you in default of this Agreement), we may, but are not obligated to, purchase the insurance coverage for you. If we do purchase insurance on your behalf, you must pay us on our demand the amount of any premiums plus an additional 10% administrative fee to cover expenses we incur in obtaining the insurance. The failure to maintain insurance coverage at any time is a material default under this Agreement.

16. DEFAULT AND TERMINATION

16.1 Termination by Franchisee

Under no circumstances may Franchisee terminate this Agreement.

16.2 Termination by Franchisor

16.2.1 We have the right to terminate this Agreement, upon notice to you and without any opportunity to cure, if you:

16.2.1.1 fail to timely establish, equip, and commence operations of your Franchised Business pursuant to Section 5;

16.2.1.2 fail to satisfactorily complete our training program or if your Operating Principal or Manager fail to satisfactorily complete our training program pursuant to Section 8;

16.2.1.3 fail to obtain and maintain all required medical and non-medical professional licenses, permits, and certifications to operate your Franchised Business;

16.2.1.4 make any material misrepresentation or omission during the pre-sale process and/or in your application to obtain a Serotonin franchise from us or otherwise to us in the course of entering into this Agreement;

16.2.1.5 are convicted of or plead no contest to a felony or other crime or offense;

16.2.1.6 fail to refrain from activities, behavior, or conduct likely to adversely affect the reputation of us, you or your Franchised Business after a 5-day written notice to cure;

16.2.1.7 disclose, duplicate, or otherwise use in an unauthorized manner any portion of the Manual, Trade Secrets, trademarks, our trade name Serotonin, or any Confidential Information;

16.2.1.8 fail to have any holder of a legal or beneficial interest in your Franchisee entity (and any member of their immediate families or households), and any officer, director, executive, manager or member of the professional staff and all employees of the Franchisee entity, execute a nondisclosure and non-competition agreement, in a form the same as or similar to the Nondisclosure and Non-Competition Agreement attached as Schedule 2, upon execution of this Agreement or prior to each such person's affiliation with Franchisee or fails to provide us with copies of all nondisclosure and non-competition agreements signed pursuant to Section 7.4 if requested by us;

16.2.1.9 abandon, fail, or refuse to actively operate your Franchised Business for three (3) or more consecutive days (unless your Franchised Business has not been operational for a purpose approved by us), or, if first approved by us, fail to promptly relocate your Franchised Business or any other event rendering your premises unusable;

16.2.1.10 surrender or transfer control of the operation of your Franchised Business without our approval, make or attempt to make an unauthorized direct or indirect assignment of your Franchised Business, or your assets, or an ownership interest in the Franchisee entity, or if you fail or refuse to assign your Franchised Business or the interest in the Franchisee entity of a deceased or incapacitated owner thereof as herein required;

16.2.1.11 fail to maintain your Franchised Business under the primary supervision of your Operating Principal or approved Manager during the 180 days following the death or Incapacity of Franchisee or any holder of a legal or beneficial interest in the Franchisee entity pursuant to Section 18.6;

16.2.1.12 submit to us at any time during the term of this Agreement any reports or other data, information or supporting records that understate any Royalty Fee or any other fees owed to us by more than 2% for any accounting period and you are unable to demonstrate that such understatements resulted from inadvertent error;

16.2.1.13 become insolvent, meaning unable to pay bills as they become due in the ordinary course of business or if a receiver of your property or any part thereof is appointed by a court or if you make a general assignment for the benefit of your creditors or if a final judgment remains unsatisfied of record for 30 days or longer (unless supersede as bond is filed) or if execution is levied against your business or property or if a suit to foreclose any lien or mortgage against your Franchised Business, and/or the equipment is instituted against you and not dismissed within 30 days;

16.2.1.14 misuse or make an unauthorized use of any of the Marks or commit any other act which impairs the goodwill associated with any of the Marks;

16.2.1.15 fail to submit reports or other information or supporting records when due, to pay any Royalty Fee, Advertising Fund Contribution, amounts due for purchases from us or any of our affiliates, or other payment when due to us or any affiliate within five (5) days of a written notice to you;

16.2.1.16 violate any medical, health or safety law, ordinance or regulation, or operate your Franchised Business in a manner that presents a health or safety hazard to your customers, employees, or the public;

16.2.1.17 engage in any activity exclusively reserved to us;

16.2.1.18 fail to comply with any applicable medical law or regulation governing the operation of your Franchised Business;

16.2.1.19 breach this Agreement three (3) times in a 12-month period and/or fail three (3) times in a 12-month period to comply with mandatory specifications, customer service standards, or operating procedures prescribed in the Manual, whether or not previous breaches or failures are cured;

16.2.1.20 default under any other agreement between us (or any of our affiliates) and you, such that we or our affiliates, as the case may be, have the right to terminate such agreement or such agreement automatically terminates;

16.2.1.21 perform any competing Proprietary Services in any geographic location outside of the Approved Territory, whether or not such geographic location falls within another franchisee's territory or the territory of any other Franchisor-controlled business;

16.2.1.22 fail to refer business opportunities or offers received by third parties, if such business opportunities or offers would take place in any geographic location which falls under the territory of other franchisees, our affiliated business(es), or which are directly controlled by us;

16.2.1.23 if any governmental office overseeing your business determines you violated any state or federal law or if, during the investigation, we determine in our sole discretion that you violated any of the subsections in Section 16.2.1;

16.2.1.24 if there is a bad customer review (two-stars or less) online with respect to your Franchised Business in any 12-month period that are not addressed to the satisfaction of the customer or satisfaction of Franchisor; and

16.2.1.25 if you fail to cure a default or notice of eviction issued by your landlord within the time allowed for by the landlord and, as a result, lose your rights to occupy your leasehold premises for any reason.

16.2.2 Except as otherwise provided in Section 16.2.1, we have the right to terminate this Agreement for the following breaches and defaults by giving notice of such termination stating the nature of the default; provided, however, that you may avoid termination by curing such default or failure (or by providing proof acceptable to us that you have made all reasonable efforts to cure such default or failure and shall continue to make all reasonable efforts to cure until a cure is effected if such default or failure cannot reasonably be cured before the effective date of the termination) within the specified period:

16.2.2.1 within three (3) days of receiving notice of your failure to maintain insurance as specified in Section 15 of this Agreement ;

16.2.2.2 within five (5) days of receiving notice of your failure to pay any amounts due to us, one of our affiliates or an Approved Supplier; or

16.2.2.3 within thirty (30) days of receiving notice of any other default by you or upon your failure to comply with any mandatory specification, standard, or operating procedure prescribed in the Manual or otherwise prescribed in writing.

16.2.2.4 within ten (10) days if you default under your lease agreement for your Franchised Business and fail to cure the default within the time provided by the landlord.

16.2.3 For any default of this Agreement which triggers our ability to terminate, we may as an alternative to termination, at our sole and absolute discretion:

16.2.3.1 modify or completely eliminate any rights you may have with respect to the Approved Territory effectively immediately or on a new effective date in our sole discretion; or

16.2.3.2 automatically and permanently transfer your clients to an existing Serotonin franchisee or one or more of our affiliates.

16.3 Reinstatement and Extension

If provisions of this Agreement provide for periods of notice less than those required by applicable law, or provide for termination, cancellation or non-renewal other than in accordance with applicable law, we may reinstate or extend the term of this Agreement for the purpose of complying with applicable law by submitting a written notice to you without waiving any of our rights under this Agreement.

16.4 Right of Franchisor to Discontinue Services to Franchisee

If you are in breach of any obligation under this Agreement, and we deliver to you a notice of default or termination, we have the right to suspend our performance of any of our obligations under this Agreement until such time as you correct the breach.

16.5 Right of Franchisor to Operate Your Franchised Business

Following the delivery of a notice of default or termination, if necessary, in our discretion, we shall have the right, but not the obligation, to assume the operation of your Franchised Business until such time as you correct the breach if applicable. We charge a Management Fee as set forth in Section 3.10.

17. RIGHTS AND DUTIES UPON EXPIRATION OR TERMINATION

17.1 Actions to be Taken

Except as otherwise provided herein, upon termination, non-renewal or expiration, this Agreement and all rights granted hereunder to you shall terminate and you shall:

17.1.1 immediately cease to operate your Franchised Business and shall not thereafter, directly or indirectly, represent to the public or hold yourself out as a present or former Serotonin franchisee;

17.1.2 cease to use the Trade Secrets or other Confidential Information, the System and the Marks, including, without limitation, all slogans, symbols, logos, advertising materials, stationery, forms, and any other items which display or are associated with the Marks;

17.1.3 take such action as may be necessary to cancel or assign to us, at our option, any assumed name or equivalent registration filed with state, city, or county authorities which contains the name "Serotonin" or any other Mark, and you shall furnish us with evidence satisfactory to us of compliance with this obligation within thirty (30) days after termination or expiration of this Agreement;

17.1.4 pay all sums owing to us and any of our affiliates. In the event of termination for any default, such sums shall include, but not be limited to, all damages, costs, and expenses, including reasonable attorneys' fees, with respect to litigation, arbitration, appellate, or bankruptcy proceedings, unpaid Royalty Fees, loss of future Royalty Fee payments incurred by us as a result of any early termination of this Agreement, and any other amounts due to us or any affiliate;

17.1.5 pay to us all costs and expenses, including reasonable attorneys' fees, incurred by us subsequent to the termination or expiration of your Franchised Business in obtaining injunctive or other relief for the enforcement of any provisions of this Agreement as set forth in Section 22.4;

17.1.6 immediately return to us the Manual, Trade Secrets, and all other Confidential Information, including records, files, instructions, brochures, agreements, and any other materials relating to the operation of your Franchised Business (all of which are acknowledged to be our property);

17.1.7 assign all telephone listings and numbers for your Franchised Business to us and shall notify the telephone company and all listing agencies of the termination or expiration of your right to use any telephone numbers or facsimile numbers associated with the Marks in any regular, classified or other telephone directory listing and shall authorize transfer of same;

17.1.8 if applicable, assign to us any interest which you have in any lease or sublease for your Franchised Business by executing the Franchisor Lease Rider attached as Schedule 4 upon our request. In the event that we do not elect to exercise our option to acquire such lease or sublease, you shall make such modifications or alterations to the Accepted Location immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of said Accepted Location from that of other Serotonin businesses, and shall make such specific additional changes thereto as we may reasonably request for that purpose. In the event you fail or refuse to comply with these requirements, we shall have the right to enter upon the Accepted Location without being guilty of trespass or any other tort for the purpose of making or causing to be made such changes as may be required, at your expense, which expense you agree to pay upon demand;

17.1.9 if this Agreement is terminated by us for any reason, we shall be entitled, as stipulated liquidated damages and not as a penalty and solely to compensate us for lost Royalty Fees for the period after termination of this Agreement, to a sum equal to the average Royalty Fees earned (even if not paid) per month over the twelve (12) month period preceding the date of termination (or, if the Franchised Business was not open throughout such twelve (12) month period, then the average Royalty Fees earned per month for the period in which your Franchised Business was open), multiplied by thirty-six (36) or the number of months remaining in the then-current term of this Agreement, whichever is less ("**Liquidated Damages**"). In the event a default of this Agreement by you caused the Royalty Fees earned to substantially decline during the period to be used to calculate average Royalty Fees earned, then we may use any other reasonable time period or method to calculate Liquidated Damages;

17.1.10 execute any legal document that may be necessary to effectuate the termination of this Agreement and shall furnish to us, within thirty (30) days after the date of termination, written evidence satisfactory to us of your compliance with the foregoing obligations;

17.1.11 comply with all applicable covenants that, by their nature, survive expiration or termination of this Agreement, including those discussing confidentiality, non-competition, and non-solicitation, in this Agreement;

17.1.12 transfer any interests in existing client contracts to us or our designee; and

17.1.13 comply with all other applicable provisions of this Agreement.

17.2 Post-Termination Covenant Not to Compete

17.2.1 *Franchisee Acknowledgement.* You acknowledge that the restrictive covenants contained in this Section and in Section 7 are fair and reasonable and are justifiably required for purposes including, but not limited to, the following:

17.2.1.1 to protect the Trade Secrets and other Confidential Information of Franchisor;

17.2.1.2 to induce us to grant a Franchised Business to you; and

17.2.1.3 to protect us against our substantial costs in training you and your officers, directors, executives, and professional staff.

17.2.2 *In-Term and Post-Termination Non-Compete and Non-Solicit Agreement.* Except as otherwise approved in writing by us neither you, nor any holder of a legal or beneficial interest in Franchisee, nor any officer, director, executive, manager or member of the professional staff of Franchisee or any of their immediate family, shall, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, during the term of this Agreement and for a period of two (2) years after the expiration or termination of this Agreement, regardless of the cause of termination, either directly or indirectly:

17.2.2.1 own, maintain, engage in, be employed by or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, offer services or products (including identical or similar products offered by your Franchised Business) to or have any interest in or involvement with a Competitive Business located or operating (a) at or within a 10-mile radius of your Franchised Business, or (b) within a 10-mile radius of any other Serotonin business in existence at the time of termination or expiration, or (c) any other business owned or operated by us in existence at the time of termination or expiration;

17.2.2.2 solicit business from customers of your former Franchised Business;

17.2.2.3 contact or communicate with any of your suppliers or vendors for any purpose related to a Competitive Business;

17.2.2.4 solicit any of our employees, or any other Serotonin franchisee for any competitive purpose, or knowingly solicit or induce such an employee or franchisee to violate any confidentiality, non-competition or franchise agreement; or

17.2.2.5 refrain from any activity set forth in Section 7.3.

17.3 Unfair Competition

If you operate any other business during and after the term of this Agreement that is not in violation of the in-term and post-term covenants, you shall not use any reproduction, counterfeit, copy or colorable imitation of the Marks, either in connection with such other business or the promotion thereof, that is likely to cause confusion, mistake or deception, or that is likely to dilute our rights in the Marks. You shall not utilize any designation of origin, description or representation that falsely suggests or represents an association or connection with us. This Section is not intended as an approval of your right to operate other businesses and in no way is it intended to contradict Sections 7.3, 17, 17.1 or 17.2. You shall make such modifications or alterations to your Franchised Business (including changing telephone and facsimile numbers) immediately upon termination or expiration of this Agreement as may be necessary to prevent any association between us or the System and any business subsequently operated by you or others at your Franchised Business. You shall make such specific additional changes to your Franchised Business as we may reasonably request for that purpose including, without limitation, removal of all physical and structural features identifying or distinctive to the System. If you fail or refuse to comply with the requirements of this Section, we have the right to enter upon your Franchised Business for the purpose of making or causing to be made such changes as may be required, at the expense of Franchisee, which expense you shall pay upon demand.

17.4 Franchisor's Option to Purchase Certain Business Assets

We have the right (but not the obligation), for a period of thirty (30) days after termination or expiration of this Agreement, to purchase any or all assets of your Franchised Business including equipment, supplies and other inventory or equipment at the depreciated value calculated on a declining basis of accounting at the rate of 20% per annum or your cost (at our option), less any sums of money owed by you to us and less any sums of money necessary to upgrade and renovate the Accepted Location to meet our then-current standards for a Serotonin business and less any sums necessary to acquire clear title to the lease or sublease interest. In the event that we are unable to agree on the value of said items, an independent appraiser shall be appointed by us to determine the value of the items based on the declining basis of accounting metric set forth in this Section. The determination of said appraiser shall be final and binding upon the parties. You shall pay the costs and expenses associated with the appointment of an independent appraiser.

17.5 Survival of Certain Provisions

All obligations of you and us, which expressly or by their nature survive the expiration or termination of this Agreement, shall continue in full force and effect subsequent to and notwithstanding their expiration or termination and until satisfied or by their nature expire.

18. TRANSFERABILITY OF INTEREST

18.1 Transfer by Franchisor

This Agreement and all rights and duties hereunder are fully transferable in whole or in part by us and such rights will inure to the benefit of any person or entity to whom transferred. Nothing contained in this Agreement shall require us to remain in the medical spa and wellness business or to offer the same products or services, whether or not bearing our Marks, in the event that we exercise our rights under this Agreement to assign our rights in this Agreement.

18.2 Transfer by Franchisee to a Third Party

Your rights and duties as set forth in this Agreement, and the franchise herein granted, are personal to you (or your owners), and we have entered into this Agreement in reliance upon your personal or collective skill and financial ability. Accordingly, neither you nor any holder of a legal or beneficial interest in Franchisee may sell, assign, convey, give away, pledge, mortgage, sublicense or otherwise transfer, whether by operation of law or otherwise, any interest in this Agreement, your Franchised Business granted hereby, the assets of your Franchised Business or any part or all of the ownership interest in you without our prior written approval. The term "**transfer**" means any of the following: the sale of the assets of your Franchised Business; the sale, assignment, or conveyance of your stock, membership interest, membership units, or partnership units of your franchise to any third party; or the placement of your assets, stock, membership interest, partnership units, or membership units of your business into a business trust. Any purported transfer without such approval shall be null and void and shall constitute a material breach of this Agreement. If you are in compliance with this Agreement, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.2.1 you have complied with the requirements set forth in Section 19;

18.2.2 all obligations owed to us, our subsidiaries, our affiliates, suppliers, and all other outstanding obligations relating to your Franchised Business, are fully paid and satisfied;

18.2.3 you (and any transferring owners, if you are a business entity) have executed a general release, in a form the same as or similar to the General Release attached as Schedule 8, of any and all claims against us, including our officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), including, without limitation, claims arising under federal, state or local laws, rules or ordinances, and any other matters incident to the termination of this Agreement or to the transfer of your interest herein or to the transfer of your ownership of all or any part of your Franchised Business; provided, however, that if a general release is prohibited, you shall give the maximum release allowed by law;

18.2.4 the prospective transferee has satisfied us that it meets our management, business and financial standards, and otherwise possesses the character and capabilities, including

business reputation and credit rating, as we may require to demonstrate ability to own and operate your Franchised Business;

18.2.5 the transferee and, if we require, all persons owning any interest in the transferee, have executed the then-current franchise agreement for new franchisees, which may be substantially different from this Agreement, including different Royalty Fee and Advertising Fund Contribution rates and other material provisions, and the franchise agreement then executed shall be for the term specified in such agreement;

18.2.6 the transferee has executed a general release, in a form the same as or similar to the General Release attached as Schedule 8, of any and all claims against us and our officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), with respect to any representations regarding the franchise or the business conducted pursuant thereto or any other matter that may have been made to the transferee by Franchisee;

18.2.7 you have provided us with a complete copy of all contracts and agreements and related documentation between you and the prospective transferee relating to the intended sale or transfer of the franchise;

18.2.8 you have paid to us a fee in the amount equal to 50% of the then-current Initial Franchise Fee;

18.2.9 the transferee, or all holders of a legal or beneficial interest in the transferee, has agreed to be personally bound jointly and severally by all provisions of this Agreement for the remainder of its term by executing a personal guaranty in such form as prepared by us;

18.2.10 you have agreed to be bound to the obligations of the new franchise agreement and to guarantee the full performance thereof by the transferee, if required by us;

18.2.11 the transferee has obtained all necessary consents and approvals by third parties and all applicable federal, state and local laws, rules, ordinances and requirements applicable to the transfer have been complied with or satisfied;

18.2.12 you have, and if you are an entity, all of the holders of a legal and beneficial interest in Franchisee have executed and delivered to us a nondisclosure and non-competition agreement in a form satisfactory to us and in substance the same as the nondisclosure and non-competition covenants contained in Sections 7 and 17; and

18.2.13 the transferee agrees that its Operating Principal and Manager (if applicable) shall complete, to our satisfaction, a training program in substance similar to our initial training program prior to assuming the management of the day-to-day operation of your Franchised Business.

18.3 Transfer to a Controlled Entity

18.3.1 *Controlled Entity*. If you wish to transfer this Agreement or any interest herein to a corporation, limited liability company or other legal entity which shall be entirely owned by you ("**Controlled Entity**"), which Controlled Entity is being formed for the financial planning, tax or other convenience of Franchisee, our consent to such transfer shall be conditioned upon the satisfaction of the following requirements:

18.3.1.1 the Controlled Entity is newly organized, and its charter or articles of formation provides that its activities are confined exclusively to the operation of your Franchised Business;

18.3.1.2 Franchisee or all holders of a legal or beneficial interest in Franchisee own all of the equity and voting power of the outstanding stock or other capital interest in the Controlled Entity;

18.3.1.3 all obligations of you to us or any affiliate are fully paid and satisfied; provided, however, that neither you nor the Controlled Entity shall be required to pay a transfer fee as required pursuant to Section 18.2.8;

18.3.1.4 the Controlled Entity has entered into a written agreement with us expressly assuming the obligations of this Agreement and all other agreements relating to the operation of your Franchised Business. If the consent of any other party to any such other agreement is required, you have obtained such written consent and provided the same to us prior to consent by us;

18.3.1.5 all holders of a legal or beneficial interest in the Controlled Entity have entered into an agreement with us jointly and severally guaranteeing the full payment of the Controlled Entity's obligations to us and the performance by the Controlled Entity of all the obligations of this Agreement;

18.3.1.6 each stock certificate or other ownership interest certificate of the Controlled Entity has conspicuously endorsed upon the face thereof a statement in a form satisfactory to us that it is held subject to, and that further assignment or transfer thereof is subject to, all restrictions imposed upon transfers and assignments by this Agreement; and

18.3.1.7 copies of the Controlled Entity's articles of incorporation or organization, bylaws, operating agreement, federal tax identification number, and other governing regulations or documents, including resolutions of the board of directors authorizing entry into this Agreement, have been promptly furnished to us. Any amendment to any such documents shall also be furnished to us immediately upon adoption.

18.3.2 *Term of Transferred Franchise.* The term of the transferred franchise shall be the unexpired term of this Agreement, including all renewal rights, subject to any and all conditions applicable to such renewal rights.

18.3.3 *No Waiver.* We consent to a transfer of any interest in this Agreement, or of any ownership interest in your Franchised Business, shall not constitute a waiver of any claims we may have against the transferor or the transferee, nor shall it be deemed a waiver of our right to demand compliance with the terms of this Agreement.

18.4 Franchisor's Disclosure to Transferee

We have the right, without liability of any kind or nature whatsoever to you, to make available for inspection by any intended transferee of your Franchised Business all or any part of our records relating to this Agreement, your Franchised Business or to the history of the relationship of the parties hereto. You hereby specifically consent to such disclosure by us and shall release and hold us harmless from and against any claim, loss or injury resulting from an inspection of our records relating to your Franchised Business by an intended transferee identified by you.

18.5 For-Sale Advertising

You shall not, without our prior written consent, place in, on or upon the area of your Franchised Business, or in any communication media, including the Internet, any form of advertising relating to the sale of your Franchised Business.

18.6 Transfer by Death or Incapacity

Upon the death or incapacity of Franchisee (if Franchisee is an individual) or any holder of a legal or beneficial interest in Franchisee (if Franchisee is a business entity), the appropriate representative of such person (whether administrator, personal representative or trustee) shall, within a reasonable time not exceeding one hundred eighty (180) days following such event, transfer such individual's interest in your Franchised Business or in Franchisee to a third party approved by us. Such transfers, including transfers by will or inheritance, shall be subject to the conditions for assignments and transfers contained in this Agreement. During such one hundred eighty (180) day period, your Franchised Business must remain at all times under the primary management of an operator who otherwise meets our management qualifications. Following such a death or incapacity of such person, if necessary in our discretion, we shall have the right, but not the obligation, to assume operation of your Franchised Business until the deceased or incapacitated owner's interest is transferred to a third party approved by us. We shall be given access to your Franchised Business, even if located within our principal residence, and shall not be held liable for trespass or any related tort. We may charge a management fee as stated in Section 16.5 for the period in which we operate your Franchised Business, and we shall be entitled to reimbursement of any expenses we incur that are not paid out of the operating cash flow of your Franchised Business.

19. RIGHT OF FIRST REFUSAL

19.1 Submission of Offer

If you, or any of your owners, propose to sell or otherwise transfer (including a transfer by death or incapacity pursuant to Section 18.6) your Franchised Business (or any of its assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in your Franchised Business granted hereunder, you shall obtain and deliver a bona fide, executed written offer or proposal to purchase, along with all pertinent documents including any contract or due diligence materials, to us, except with regards to a sale or transfer to a family member. The offer must apply only to an approved sale of the assets or interests listed above and may not include any other property or rights of Franchisee or any of your owners.

19.2 Franchisor's Right to Purchase

We shall, for thirty (30) days from the date of delivery of all such documents, have the right, exercisable by written notice to you, to purchase the offered assets or interest for the price and on the same terms and conditions contained in such offer communicated to you. We have the right to substitute cash for the fair market value of any form of payment proposed in such offer. Our credit shall be deemed at least equal to the credit of any proposed buyer. After providing notice to you of our intent to exercise this right of first refusal, we shall have up to sixty (60) days to close the purchase. We shall be entitled to receive from you all customary representations and warranties given by you as the seller of the assets or such ownership interest or, at our election, such representations and warranties contained in the proposal.

19.3 Non-Exercise of Right of First Refusal

If we do not exercise our right of first refusal within thirty (30) days from the date of delivery of all such documents, the offer or proposal may be accepted by you, subject to our prior written approval as required by Section 18.2. Should the sale fail to close within one hundred twenty (120) days after the offer is delivered to us, our right of first refusal shall renew and be implemented in accordance with this Section.

19.4 Sales or Transfers to Family Excepted

If you propose to sell or otherwise transfer your Franchised Business (or any of your assets outside of the normal course of business), any ownership interest in Franchisee or any ownership interest in your Franchised Business granted hereunder to a member of Franchisee's (or your owners') family, then the terms and conditions of this Section shall be inapplicable. Nothing in this Section 19.4 shall be construed to relieve you from full compliance with the terms and conditions of Section 18.2 prior to a sale or transfer to family pursuant to this Section.

20. BENEFICIAL OWNERS OF FRANCHISEE

You represent, and we enter into this Agreement with you in reliance upon such representation, that the individual(s) identified in Schedule 6 of this Agreement is/are the sole

holder(s) of a legal or beneficial interest (in the stated percentages) of the Franchisee entity. All holders of a legal or beneficial interest in the Franchisee entity of 5% or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3 in his or her individual capacity. You shall update Schedule 6 to reflect the accurate ownership of Franchisee at all times during the term of this Agreement.

21. RELATIONSHIP AND INDEMNIFICATION

21.1 Relationship

This Agreement is purely a contractual relationship between the parties and does not appoint or make you an agent, legal representative, joint-venturer, partner, employee, servant, or independent contractor of Franchisor for any purpose whatsoever. You may not represent or imply to third parties that you are an agent of Franchisor, and you are in no way authorized to make any contract, agreement, warranty, or representation on behalf of Franchisor, or to create any obligation, express or implied, on our behalf. During the term of this Agreement, and any extension or renewal hereof, you shall hold yourself out to the public only as a franchisee and an owner and operator of your Franchised Business pursuant to a franchise license granted by us. You shall take such affirmative action as may be necessary to do so including, without limitation, exhibiting a notice of that fact in a conspicuous place on all forms, stationery or other written materials, the content of which we have the right to specify. You shall also conspicuously identify yourself as the independent owner of your business in all business communications, such as email signatures, and on any documents, materials or information released by you. You shall ensure all employees, vendors and contractors receive actual notice of the correct legal name of their employer or the party with whom they have contracted, which is Franchisee and not Franchisor. Under no circumstances shall we be liable for any act, omission, contract, debt, nor any other obligation of you. We shall in no way be responsible for any injuries to persons or property resulting from the operation of your Franchised Business. Any third-party contractors and vendors retained by you to convert or construct the premises are independent contractors of you alone.

21.2 Standard of Care

This Agreement does not establish a fiduciary relationship between the parties. Unless otherwise specifically provided in this Agreement with respect to certain issues, whenever this Agreement requires you to obtain our written consent or permits you to take any action or refrain from taking any action, we are free to act in our own self-interest without any obligation to act reasonably, to consider the impact on you or to act subject to any other standard of care limiting our right, except as may be provided by statute or regulation.

21.3 Indemnification

You shall hold harmless and indemnify us, our affiliates, all holders of a legal or beneficial interest in Franchisor and all officers, directors, executives, managers, members, partners, owners, employees, agents, successors and assigns (collectively "**Franchisor Indemnities**") from and against all losses, damages, fines, costs, expenses or liability (including reasonable attorneys' fees and all other costs of litigation) incurred in connection with any action, suit, demand, claim, investigation or proceeding, or

any settlement thereof, which arises from or is based upon your (a) ownership or operation of your Franchised Business; (b) violation, breach or asserted violation or breach of any federal, state or local law, regulation or rule; (c) breach of any representation, warranty, covenant, or provision of this Agreement or any other agreement between you and us (or an affiliate); (d) defamation, libel or slander of us or the System; (e) acts, errors or omissions committed or incurred in connection with your Franchised Business; (f) acts, errors or omissions committed or occurring in connection with the sale or transfer of this Agreement, the assets of your Franchised Business or any ownership interest in you or the use or occupancy of your Franchised Business; (g) infringement or misuse of a third party's trademark, patent, copyright or other intellectual property; or (h) infringement, violation or alleged infringement or violation of any Mark, patent or copyright or any misuse of the Trade Secrets or other Confidential Information. The obligations of this Section shall expressly survive the termination of this Agreement.

21.4 Right to Retain Counsel

You shall give us immediate notice of any such action, suit, demand, claim, investigation, or proceeding that may give rise to a claim for indemnification by a Franchisor Indemnity. We have the right to retain counsel of our own choosing in connection with any such action, suit, demand, claim, investigation or proceeding. In order to protect persons, property, our reputation or the goodwill of others, we have the right to, at any time without notice, take such remedial or corrective actions as it deems expedient with respect to any action, suit, demand, claim, investigation or proceeding if, in our sole judgment, there are grounds to believe any of the acts or circumstances listed above have occurred. If our exercise of our rights under this Section causes any of your insurers to refuse to pay a third-party claim, all cause of action and legal remedies you might have against such insurer shall automatically be assigned to us without the need for any further action on either party's part. Under no circumstances shall we be required or obligated to seek coverage from third parties or otherwise mitigate losses in order to maintain a claim against you. The failure to pursue such remedy or mitigate such loss shall in no way reduce the amounts recoverable by us from you.

22. GENERAL CONDITIONS AND PROVISIONS

22.1 No Waiver

No failure of ours to exercise any power reserved to it hereunder, or to insist upon strict compliance by you with any obligation or condition hereunder, and no custom nor practice of the parties in variance with the terms hereof, shall constitute a waiver of our right to demand exact compliance with the terms of this Agreement. Waiver by us of any particular default by you shall not be binding unless in writing and executed by us and shall not affect nor impair our right with respect to any subsequent default of the same or of a different nature. Subsequent acceptance by us of any payment(s) due shall not be deemed to be a waiver by us of any preceding breach by you of any terms, covenants or conditions of this Agreement.

22.2 Injunctive Relief

As any breach by you of any of the restrictions contained in Sections 6, 7, and 17 would result in irreparable injury to us, and as the damages arising out of any such breach would be difficult to

ascertain, in addition to all other remedies provided by law or in equity, we shall be entitled to seek injunctive relief (whether a restraining order, a preliminary injunction or a permanent injunction) against any such breach, whether actual or contemplated, without the necessity of posting security or bond and you shall be responsible for our reasonable attorneys' fees incurred in pursuing the same. Our right to seek injunctive relief will not affect the parties' waiver of jury trial and the arbitration requirements set forth herein. Our rights herein shall include pursuing injunctive relief through arbitration or in a state or federal court in our discretion.

22.3 Notices

All notices required or permitted under this Agreement shall be in writing and shall be deemed received: (a) at the time delivered by hand to the recipient party (or to an officer, director or partner of the recipient party); (b) on the next business day after transmission by facsimile or other reasonably reliable electronic communication system; (c) two (2) business days after being sent via guaranteed overnight delivery by a commercial courier service; or (d) five (5) business days after being sent by Registered Mail, return receipt requested. Either party may change their address by a written notice sent in accordance with this Section 22.3. All notices, payments and reports required by this Agreement shall be sent to us at the following address, or at such other address as we may provide:

Serotonin Enterprises, LLC
7790 Wintergarden Vineland Rd., Suite 100
Windermere, FL 34786

With a copy to:

The Franchise Firm LLP
433 Plaza Real Suite 275
Boca Raton, FL 33432

All notices to Franchisee shall be sent to the address set forth on Page 1 of this Agreement.

22.4 Cost of Enforcement or Defense

You agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, arbitration fees, discovery costs, and all other related expenses) that we incur before expiration and termination to enforce or defend any provision in this Agreement including your non-payment of fees due to us and/or non-compliance of any System standard. You further agree to pay us all damages, costs and expenses (including without limitation reasonable attorneys' fees, arbitration fees, discovery costs, and all other related expenses) that we incur after the termination or expiration of the franchise granted under this Agreement in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this Agreement (including without limitation Sections 9 and 17 above); and/or (b) successfully defending a claim from you that we misrepresented the terms of this Agreement, fraudulently induced you to sign this Agreement, that the provisions of this Agreement are not fair, were not properly entered into, and/or that the terms of this Agreement (as it may be amended by its terms) do not exclusively govern the parties' relationship. If we are required to enforce or defend this Agreement or any claim arising out of the franchise relationship in a judicial or arbitration proceeding,

we shall be entitled to reimbursement of our costs, including reasonable accounting and attorneys' fees, in connection with such proceeding if we are deemed the prevailing party or if you bring an action and voluntarily dismiss it.

22.5 Unlimited Guaranty and Assumption of Obligations

All holders of a legal or beneficial interest in the Franchisee entity of 5% or greater shall be required to execute, as of the date of this Agreement, the Unlimited Guaranty and Assumption of Obligations attached as Schedule 3, through which such holders agree to assume and discharge all of your obligations under this Agreement and to be personally liable hereunder for all of the same.

22.6 Approvals

Whenever this Agreement requires the prior approval or consent of us, you shall make a timely written request to us for such approval and, except as otherwise provided herein, any approval or consent granted shall be effective only if in writing. We make no warranties or guarantees upon which you may rely, and assumes no liability or obligation to you or any third party to which it would not otherwise be subject, by providing any waiver, approval, advice, consent or services to you in connection with this Agreement, or by reason of any neglect, delay or denial of any request for approval.

22.7 Entire Agreement

This Agreement, its schedules and the documents referred to herein shall be construed together and constitute the entire, full, and complete agreement between us and you concerning the subject matter hereof and shall supersede all prior agreements. You agree that no representation, oral or otherwise, has induced you to execute this Agreement, and there are no representations (other than those within our Disclosure Document), inducements, promises or agreements, oral or otherwise, between the parties not embodied herein, which are of any force or effect with respect to the matters set forth in or contemplated by this Agreement or otherwise. No amendment, change or variance from this Agreement shall be binding on either party unless executed in writing by both parties. Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the representations made in the Disclosure Document.

22.8 Severability and Modification

Except as noted below, each paragraph, part, term, and provision of this Agreement shall be considered severable. If any paragraph, part, term, or provision herein is ruled to be unenforceable, unreasonable, or invalid, such ruling shall not impair the operation of or affect the remaining portions, paragraphs, parts, terms and provisions of this Agreement, and the latter shall continue to be given full force and effect and bind the parties; and such unenforceable, unreasonable, or invalid paragraphs, parts, terms or provisions shall be deemed not part of this Agreement. If we determine that a finding of invalidity adversely affects the basic consideration of this Agreement, we have the right to, at our option, terminate this Agreement. Notwithstanding the above, each of the covenants contained in Sections 7 and 17 shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of any such covenant is held to be unenforceable, unreasonable, or

invalid, then it shall be amended to provide for limitations on disclosure of Trade Secrets or other Confidential Information or on competition to the maximum extent provided or permitted by law.

22.9 Construction

All captions and headings herein are intended solely for the convenience of the parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

22.10 Force Majeure

Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation, pandemic or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement. During any applicable force majeure event, you shall be required to pay Royalty Fees and all fees due to us timely unless otherwise notified in writing by us.

22.11 Timing

Time is of the essence. Except as set forth in Section 22.10, failure to perform any act within the time required or permitted by this Agreement shall be a material breach.

22.12 Withholding Payments

You shall not, for any reason, withhold payment of any Royalty Fees or other amounts due to us or one of our affiliates or suppliers. You shall not withhold or offset any amounts, damages or other monies allegedly due to you against any amounts due to us. No endorsement or statement on any payment for less than the full amount due to us will be construed as an acknowledgment of payment in full, or an accord and satisfaction, and we have the right to accept and cash any such payment without prejudice to our right to recover the full amount due, or pursue any other remedy provided in this Agreement or by law. We have the right to apply any payments made by you against any of your past due indebtedness as we deem appropriate. We shall set off sums we might owe to you against any unpaid debts owed by you to us.

22.13 Further Assurances

Each party to this Agreement will execute and deliver such further instruments, contracts, forms or other documents, and will perform such further acts, as may be necessary or desirable to perform or complete any term, covenant or obligation contained in this Agreement.

22.14 Third Party Beneficiaries

Anything to the contrary notwithstanding, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisor or Franchisee, and their respective

successors and assigns as may be contemplated by this Agreement, any rights or remedies under this Agreement.

22.15 Multiple Originals

Both parties will execute multiple copies of this Agreement, and each executed copy will be deemed an original.

23. DISPUTE RESOLUTION

23.1 Choice of Law

This Agreement is effective upon its acceptance in Florida by our authorized officer. Except to the extent this Agreement or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, Florida law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties. However, no laws regulating the sale of franchises or governing the relationship between franchisor and franchisee shall apply unless the jurisdictional requirements of such laws are met independently of this paragraph. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

23.2 Jurisdiction and Venue

Franchisee and Franchisor each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Orange County, Florida, for any claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties, except those required to be submitted to arbitration, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

23.3 Jury Waiver

IN ANY TRIAL BETWEEN ANY OF THE PARTIES AS TO ANY CLAIMS, YOU AND WE AGREE TO WAIVE OUR RIGHTS TO A JURY TRIAL AND INSTEAD HAVE SUCH ACTION TRIED BY A JUDGE.

23.4 Class Action Waiver

YOU AGREE TO BRING ANY CLAIMS, IF AT ALL, INDIVIDUALLY AND YOU SHALL NOT JOIN SUCH CLAIM WITH CLAIMS OF ANY OTHER PERSON OR ENTITY NOR SHALL YOU BRING, JOIN OR PARTICIPATE IN A CLASS OR COLLECTIVE ACTION AGAINST US WITH OTHER FRANCHISEES OR OTHER PERSONS OR ENTITIES.

23.5 Limitation of Damages

FRANCHISEE WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT OR CLAIM FOR ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE FRANCHISOR AND AGREES THAT IF THERE IS A DISPUTE, FRANCHISEE WILL BE LIMITED TO THE RECOVERY OF ACTUAL DAMAGES SUSTAINED BY IT WHICH SHALL NOT EXCEED AND SHALL BE LIMITED TO THE REFUND OF FRANCHISEE'S INITIAL FRANCHISE FEE AND ROYALTY FEES PAID. FRANCHISEE WAIVES AND DISCLAIMS ANY RIGHT TO CONSEQUENTIAL DAMAGES IN ANY ACTION OR CLAIM AGAINST FRANCHISOR CONCERNING THIS AGREEMENT OR ANY RELATED AGREEMENT.

23.6 Limitation of Actions

FRANCHISEE AGREES TO BRING ANY CLAIMS AGAINST FRANCHISOR, IF AT ALL, WITHIN ONE (1) YEAR OF THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIMS OR ONE (1) YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, AND THAT ANY ACTION NOT BROUGHT WITHIN THIS PERIOD SHALL BE BARRED AS A CLAIM, COUNTERCLAIM, DEFENSE, OR SET-OFF EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS AGREEMENT IN ANY WAY.

23.7 Prior Notice of Claims

As a condition precedent to commencing an action for any legal claim brought by you, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages and serve as a condition precedent to filing an arbitration against us.

23.8 Internal Dispute Resolution

As a mandatory condition precedent prior to you taking any legal or other action against us, or our owners, officer and directors, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us ninety (90) days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

23.9 Mediation and Arbitration

23.9.1 *Mediation.* With the exception of any controversy or claim relating to the ownership or improper use of our Marks or Confidential Information, and except for equitable claims and claims of non-payment by us against you under this Agreement or any other

agreement between us, the parties agree to submit any claim, controversy or dispute between or involving us or any of our affiliates (and our and their respective shareholders, officers, directors, agents, representatives and/or employees) and you (and your agents, representatives and/or employees, as applicable) arising out of or related to: (a) this Agreement or any other agreement between us and you or our and your respective affiliates; (b) our relationship with you; (c) the validity of this Agreement or any other agreement between you and us or our and your respective affiliates; or (d) any System standard, to non-binding mediation at a place that we designate within twenty-five (25) miles of where our principal office is located at the time of the demand for mediation is made in Orange County, Florida. The mediation shall be conducted by either a mutually agreed-upon mediator or, failing such agreement within a reasonable period of time (not to exceed 15 days) after either party has notified the other of their desire to seek mediation, by the American Arbitration Association ("**AAA**") in accordance with its Commercial Mediation Procedures. Absent agreement to the contrary, the mediator shall be experienced in the mediation of disputes between franchisors and franchisees. You and we agree that any statements made by either you or us in any such mediation proceeding will not be admissible in any subsequent arbitration or legal proceeding or otherwise disclosed by either you or us to any third party who, except to the extent a third party is a participant in the mediation proceeding. Each party will bear its own costs and expenses of conducting the mediation and share equally the costs of any third parties who are required to participate. However, the parties must immediately and contemporaneously submit the dispute for non-binding mediation. If the parties are unable to resolve the claim, controversy or dispute within ninety (90) days after the mediator has been chosen, then, unless such time period is extended by the written agreement of the parties, either party may bring a legal proceeding under this Section. The mediation provisions of this Agreement are intended to benefit and bind certain third-party non-signatories, and all of your and our owners and affiliates. Any mediation proceeding conducted pursuant to this sub-section and any settlement or agreement arising therefrom shall be kept confidential between the parties, except for any settlement disclosure we are legally required to make within a franchise disclosure document. The parties intend for any mediation proceeding to be both private and confidential. Any third parties who are required to participate in a mediation proceeding must be bound by the same confidentiality obligations as the parties.

23.9.2 *Arbitration*. EXCEPT FOR ACTIONS BROUGHT BY US AGAINST YOU FOR NON-PAYMENT OF FEES OR ROYALTIES UNDER THIS AGREEMENT OR ACTIONS BY US FOR INJUNCTIVE RELIEF, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, IF NOT RESOLVED BY THE INTERNAL DISPUTE RESOLUTION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED BY ARBITRATION IN ORANGE COUNTY, FLORIDA, OR WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED BY THE AAA. THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION.

THE FLORIDA-BASED ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES AGREE THEY WILL ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS AGREEMENT. THE PARTY AGAINST WHOM THE ARBITRATORS RENDER A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD. THE PARTIES AGREE AND INTEND THAT AN ARBITRATION WILL BE KEPT BOTH PRIVATE AND CONFIDENTIAL BETWEEN THEM. AT THE OUTSET OF ANY ARBITRATION, THE PARTIES WILL SEEK THE ENTRY OF A PROTECTIVE ORDER FROM THE ARBITRATOR, PROTECTING ALL PLEADINGS, MOTIONS, EXHIBITS, DEPOSITION TRANSCRIPTS, DISCOVERY REQUESTS AND RESPONSES, DOCUMENTS, AWARDS, ORDERS, DECISIONS AND REPORTS FROM DISCLOSURE BY THE PARTIES, THE ARBITRATOR, AND ANY NON-PARTY WITNESSES OR OTHER PARTICIPANTS. ADDITIONALLY, ANY FINAL AWARD SHALL REITERATE SUCH ORDER OF PROTECTION, EXCEPT FOR THE TERMS OF AN AWARD WHICH WE ARE LEGALLY REQUIRED TO DISCLOSE IN A FRANCHISE DISCLOSURE DOCUMENT, OR DISCLOSURES IN CONNECTION WITH JUDICIAL PROCEEDINGS ANCILLARY TO THE ARBITRATION, SUCH AS A JUDICIAL CHALLENGE TO, OR ENFORCEMENT OF, AN AWARD, AND UNLESS OTHERWISE REQUIRED BY LAW.

23.10 Waiver of Bond

You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

23.11 Arbitration Fees

If we are the substantially prevailing party in arbitration, you agree to reimburse our costs and attorney fees, as well as the arbitration costs and fees incurred in pursuing or defending the claims against you

or us including all mediation and investigation costs and expenses. In any arbitration filed by you where we have no substantive counterclaim against you, you are required to advance and pay all fees to the AAA and the arbitrator.

23.12 Third Party Beneficiaries

Our officers, directors, members, shareholders, agents, and employees are express third-party beneficiaries of the terms of the dispute resolution provisions contained herein.

23.13 Release of Prior Claims

By executing this Agreement, you, individually and on behalf of your heirs, legal representatives, successors and assigns, and each assignee of this Agreement by accepting assignment of the same, forever releases and discharges Franchisor and our officers, directors, employees, agents and servants, including our subsidiary and affiliated corporations, their respective officers, directors, employees, agents and servants, from any and all claims relating to or arising under this Agreement or any other agreement between the parties executed prior to the date of this Agreement including, but not limited to, any and all claims, whether presently known or unknown, suspected or unsuspected, arising under the franchise, securities or antitrust laws of the United States or of any state or territory thereof.

23.14 No Personal Liability

You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications that may be ruled to be binding in a court of law will be our sole responsibility and none of our agents, representatives, nor any individuals associated with our franchise company will be personally liable to you for any reason. This is an important part of this Agreement. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

24. ACKNOWLEDGMENTS

24.1 Receipt of this Agreement and the Franchise Disclosure Document

You represent and acknowledge that you have received this Agreement and Disclosure Document at least 14 calendar days prior to the date on which this Agreement was executed. **Initial: [ ]**

24.2 True and Accurate Information

You represent that all information set forth in any and all applications, financial statements, and submissions to us is true, complete, and accurate in all respects, and you acknowledge that we are relying upon the truthfulness, completeness, and accuracy of such information. **Initial: [ ]**

24.3 No Violation of Other Agreements

You represent that your execution of this Agreement will not violate any other agreement or commitment to which you or any holder of a legal or beneficial interest in the Franchisee entity is a party. **Initial: [ ]**

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

SEROTONIN ENTERPRISES, LLC

Signature: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE

Franchisee Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

SCHEDULE 1 TO THE FRANCHISE AGREEMENT
FRANCHISE FEE, ACCEPTED LOCATION AND TERRITORY

INITIAL FRANCHISE FEE: $_____

ACCEPTED LOCATION AND TERRITORY

The Accepted Location under this Agreement will be:

_____

If the Accepted Location has not yet been selected and approved, the geographic area within which you will select the site for your Franchised Business is [subject to change in our discretion]:

_____

The Approved Territory under this Agreement (if applicable) will be:

____ mile drivable distance around Accepted Location distance using the mapping service, program and/or software selected by us, in our sole discretion, including, without limitation Google Maps as determined by us in our sole discretion once your Accepted Location is approved

☐ Check if map is attached.

SEROTONIN ENTERPRISES, LLC

Signature: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE

Franchisee Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

SCHEDULE 2 TO THE FRANCHISE AGREEMENT
NONDISCLOSURE AND NON-COMPETITION AGREEMENT

This Non-Disclosure and Non-Competition Agreement (this "**Agreement**") is made as of the ____ day of _____, 20____, is by and between _____("**Franchisee**," "**we**," "**us**," or "**our**") and _____("**Individual**," "**you**," or "**your**").

W I T N E S E T H:

WHEREAS, Franchisee is a party to that certain Franchise Agreement dated _____, 20__ ("**Franchise Agreement**") by and between Franchisee and the Franchisor, Serotonin Enterprises, LLC ("**Company**"); and

WHEREAS, Franchisee desires Individual to have access to and review certain Trade Secrets and other Confidential Information, which are more particularly described below; and

WHEREAS, Franchisee is required by the Franchise Agreement to have Individual execute this Agreement prior to providing Individual access to said Trade Secrets and other Confidential Information; and

WHEREAS, Individual understands the necessity of not disclosing any such information to any other party or using such information to compete against Company, Franchisee or any other franchisee of Company in any business (i) offers the same or similar medical spa, wellness and/or cosmetic services and products as a Serotonin business under any service system (ii) in which Trade Secrets and other Confidential Information (as defined below) could be used to the disadvantage of Franchisee, or Company, any affiliate of Company or Company's other franchisees (hereinafter, "**Competitive Business**"); provided, however, that the term "**Competitive Business**" shall not apply to any business operated by Franchisee under a Franchise Agreement with Company.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Trade Secrets and Confidential Information

1.1 Individual understands Franchisee possesses and will possess Trade Secrets and other Confidential Information that are important to its business.

1.2 For the purposes of this Agreement, a "**Trade Secret**" is information in any form (including, but not limited to, materials and techniques, technical or non-technical data, formulas, patterns, compilations, programs, devices, methods, techniques, drawings, processes, financial data, financial plans, product plans, passwords, lists of actual or potential customers or suppliers) related to or used in the Serotonin business that is not commonly known by or available to the public and that information: (i) derives economic value, actual or potential, from not being generally known to, and

not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use; and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.

1.3 For the purposes of this Agreement "**Confidential Information**" means technical and non-technical information used in or related to Serotonin businesses that is not commonly known by or available to the public, including, without limitation, Trade Secrets and information contained in the Operations Manual and training guides and materials. In addition, any other information identified as confidential when delivered by Franchisee shall be deemed Confidential Information. Confidential Information shall not include, however, any information that: (i) is now or subsequently becomes generally available to the public through no fault of Individual; (ii) Individual can demonstrate was rightfully in its possession, without obligation of nondisclosure, prior to disclosure pursuant to this Agreement; (iii) is independently developed without the use of any Confidential Information; or (iv) is rightfully obtained from a third party who has the right, without obligation of nondisclosure, to transfer or disclose such information.

1.4 Any information expressly designated by Company or Franchisee as "**Trade Secrets**" or "**Confidential Information**" shall be deemed such for all purposes of this Agreement, but the absence of designation shall not relieve Individual of his or her obligations hereunder in respect of information otherwise constituting Trade Secrets or Confidential Information. Individual understands Franchisee's providing of access to the Trade Secrets and other Confidential Information creates a relationship of confidence and trust between Individual and Franchisee with respect to the Trade Secrets and other Confidential Information.

2. Confidentiality/Non-Disclosure

2.1 Individual shall not communicate or divulge to (or use for the benefit of) any other person, firm, association, or corporation, with the sole exception of Franchisee, now or at any time in the future, any Trade Secrets or other Confidential Information. At all times from the date of this Agreement, Individual must take all steps reasonably necessary and/or requested by Franchisee to ensure that the Confidential Information and Trade Secrets are kept confidential pursuant to the terms of this Agreement. Individual must comply with all applicable policies, procedures and practices that Franchisee has established and may establish from time to time with regard to the Confidential Information and Trade Secrets.

2.2 Individual's obligations under paragraph 2(a) of this Agreement shall continue in effect after termination of Individual's relationship with Franchisee, regardless of the reason or reasons for termination, and whether such termination is voluntary or involuntary, and Franchisee is entitled to communicate Individual's obligations under this Agreement to any future customer or employer to the extent deemed necessary by Franchisee for protection of its rights hereunder and regardless of whether Individual

or any of its affiliates or assigns becomes an investor, partner, joint venturer, broker, distributor or the like in a Serotonin business.

3. Non-Competition

3.1 During the term of Individual's relationship with Franchisee and for a period of two (2) years after the expiration or termination of Individual's relationship with Franchisee, regardless of the cause of expiration or termination, Individual shall not, directly or indirectly, divert or attempt to divert any business or customer of Franchisee or the Company or any licensed Serotonin location to any Competitive Business, by direct or indirect inducement or otherwise, or do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Company's service mark "Serotonin" and such other trade names, trademarks, service marks, trade dress, designs, graphics, logos, emblems, insignia, fascia, slogans, drawings and other commercial symbols as the Company designates to be used in connection with Serotonin or the Company's uniform standards, methods, procedures and specifications for the establishment and operation of a Serotonin business.

3.2 During the term of Individual's relationship with Franchisee, Individual shall not, directly or indirectly, develop, own, manage, operate, be employed by or have any interest in a Competitive Business or offer Competitive Business services without the express written consent of Franchisee and the Company.

3.3 For a period of two (2) years after the term of Individual's relationship with Franchisee, regardless of the cause of termination, Individual shall not, directly or indirectly, develop, own, manage, operate, be employee by or have any interest in a Competitive Business or offer Competitive Business services anywhere within a 10-mile radius of any Serotonin business location without the express written consent of Franchisee and the Company.

3.4 At no time shall Individual, directly or indirectly, solicit or otherwise attempt to induce or influence any employee or other business associate of Franchisee, Company or any other Serotonin business to violate a non-disclosure or non-competition agreement to which such employee or business associate is a party.

4. Reasonableness of Restrictions

Individual acknowledges that each of the terms set forth herein, including the restrictive covenants, is fair and reasonable and is reasonably required for the protection of Franchisee, Company, and Company's Trade Secrets and other Confidential Information, the Company's business system, network of franchises and trade and service marks, and Individual waives any right to challenge these restrictions as being overly broad, unreasonable or otherwise unenforceable. If, however, a court of competent jurisdiction determines that any such restriction is unreasonable or unenforceable, then Individual shall submit to the reduction of any such activity, time period or geographic restriction necessary to enable the court to enforce such restrictions to the fullest extent permitted under

applicable law. It is the desire and intent of the parties that the provisions of this Agreement shall be enforced to the fullest extent permissible under the laws and public policies applied in any jurisdiction where enforcement is sought.

5. Relief for Breaches of Confidentiality, Non-Solicitation, and Non-Competition

Individual further acknowledges that an actual or threatened violation of the covenants contained in this Agreement will cause Franchisee and Company immediate and irreparable harm, damage and injury that cannot be fully compensated for by an award of damages or other remedies at law. Accordingly, Franchisee and/or Company shall be entitled, as a matter of right, to an injunction from any court of competent jurisdiction restraining any further violation by Individual of this Agreement without any requirement to show any actual damage or to post any bond or other security. Such right to an injunction shall be cumulative and in addition to, and not in limitation of, any other rights and remedies that Franchisee and Company may have at law or in equity.

6. Dispute Resolution

6.1 **Choice of Law.** Except as to claims governed by federal law, Florida law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("**Claims**").

6.2 **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to our corporate headquarters in Orange County, Florida.

6.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

6.4 **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

6.5 **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

6.6 **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

6.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

6.8 **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 6(g) above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

6.9 **Mediation and Arbitration.** Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("**AAA**") and split any AAA and mediator fees equally. If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county of our headquarters in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

6.10 **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

6.11 **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims.

7. Miscellaneous

7.1 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Individual and Franchisee. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

7.2 This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Individual and shall inure to the benefit of Franchisee, its subsidiaries, successors and assigns. Company is an intended third-party beneficiary of this Agreement with the independent right to enforce the confidentiality and non-competition provisions contained herein.

7.3 The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

7.4 In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

7.5 This Agreement may be modified or amended only by a written instrument duly executed by Individual, Franchisee and Company.

7.6 The existence of any claim or cause of action Individual might have against Franchisee or Company will not constitute a defense to the enforcement by Franchisee or Company of this Agreement.

INDIVIDUAL CERTIFIES THAT HE OR SHE HAS READ THIS AGREEMENT CAREFULLY AND UNDERSTANDS AND ACCEPTS THE OBLIGATIONS THAT IT IMPOSES WITHOUT RESERVATION. NO PROMISES OR REPRESENTATIONS HAVE BEEN MADE TO SUCH PERSON TO INDUCE THE SIGNING OF THIS AGREEMENT.

THE PARTIES ACKNOWLEDGE THAT THE COMPANY IS A THIRD-PARTY BENEFICIARY TO THIS AGREEMENT AND THAT THE COMPANY SHALL BE ENTITLED TO ENFORCE THIS AGREEMENT WITHOUT THE COOPERATION OF THE FRANCHISEE. INDIVIDUAL AND FRANCHISEE AGREE THAT THIS AGREEMENT CANNOT BE MODIFIED OR AMENDED WITHOUT THE WRITTEN CONSENT OF THE COMPANY.

IN WITNESS WHEREOF, Franchisee has hereunto caused this Agreement to be executed by its duly authorized officer, and Individual has executed this Agreement, all being done in duplicate originals with one (1) original being delivered to each party as of the day and year first above written.

FRANCHISEE:

By: _____

Its: _____

INDIVIDUAL:

Signature: _____

Name Printed: _____

SCHEDULE 3 TO THE FRANCHISE AGREEMENT
UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS

THIS UNLIMITED GUARANTY AND ASSUMPTION OF OBLIGATIONS is given on _____ by _____.

In consideration of, and as an inducement to, the execution of that certain Franchise Agreement dated _____ herewith ("**Franchise Agreement**") by Serotonin Enterprises, LLC ("**Franchisor**"), each of the undersigned hereby personally and unconditionally guarantees to Franchisor and its successors and assigns, for the term of the Agreement and thereafter as provided in the Agreement, that _____("**Franchisee**") shall punctually pay and perform each and every undertaking, agreement and covenant set forth in the Agreement. Each of the undersigned shall be personally bound by, and personally liable for, Franchisee's (a) financial and operational obligations under the Franchise Agreement (and Multi-Unit Development Agreement ("**MUDA**") if applicable) and (b) breach of any provision in the Franchise Agreement (and MUDA if applicable), including those relating to monetary obligations, operational obligations, and obligations to take or refrain from taking specific actions or engaging in specific activities, such as those contemplated by Sections 6, 7, and 17 of the Franchise Agreement. Each of the undersigned waives: (a) acceptance and notice of acceptance by Franchisor of the foregoing undertakings; (b) notice of demand for payment of any indebtedness or non-performance of any obligations hereby guaranteed; (c) protest and notice of default to any party with respect to the indebtedness or non-performance of any obligations hereby guaranteed; (d) any right it may have to require that an action be brought against Franchisee (or Developer) or any other person as a condition of liability; and (e) any and all other notices and legal or equitable defenses to which it may be entitled.

Each of the undersigned consents and agrees that: (a) the undersigned's direct and immediate liability under this Guaranty shall be joint and several; (b) the undersigned shall render any payment or performance required under the Franchise Agreement (or MUDA if applicable) upon demand if Franchisee (or Developer) fails or refuses punctually to do so; (c) such liability shall not be contingent or conditioned upon pursuit by Franchisor of any remedies against Franchisee or any other person or entity; and (d) such liability shall not be diminished, relieved or otherwise affected by any extension of time, credit or other indulgence which Franchisor may from time to time grant to Franchisee or to any other person including, without limitation, the acceptance of any partial payment or performance, or the compromise or release of any claims, none of which shall in any way modify or amend this Guaranty, which shall be continuing and irrevocable during the term of the Franchise Agreement.

This Guaranty represents the entire agreement and understanding of these parties concerning the subject matter hereof, and supersedes all other prior agreements, understandings, negotiations and discussions, representations, warranties, commitments, proposals, offers and contracts concerning the subject matter hereof, whether oral or written.

Successors and Assigns; Death of Guarantor. This Guaranty shall be binding upon Guarantor and his or her heirs, executors, administrators, successors and assigns and shall inure to the benefit of Franchisor and its successors, endorsees, transferees and assigns. Without limiting any other provision hereof, Guarantor expressly agrees that Guarantor's death shall not serve as a revocation of or

otherwise affect the guaranty made hereunder and that Guarantor's estate and heirs shall continue to be liable hereunder with respect to any Guaranteed Obligations created or arising after Guarantor's death.

The validity, interpretation and enforcement of this Guaranty and any dispute arising out of the relationship between Guarantor and Franchisor, whether in contract, tort, equity or otherwise, shall be governed by the internal laws of the State of Florida (without giving effect to principles of conflicts of law).

This Guaranty shall apply in equal force to any MUDA signed by Guarantor or an affiliated entity owned by Guarantor in conjunction with the Franchise Agreement and/or MUDA. Specifically, Guarantor shall render any payment or performance required under the MUDA upon demand if the Developer fails or refuses punctually to do so.

Dispute Resolution. You agree to be bound by the Dispute Resolution provisions found in Section 23 of any Franchise Agreement between the Franchisor and Franchisee as if set forth herein and as being equally applicable to this Guaranty and the dealings of the parties hereunder. Specifically, Guarantor agrees to arbitrate any and all Claims against the Franchisor in Orange County, Florida, and that Orange County, Florida is the sole and exclusive jurisdiction and venue for any such Claims, Franchisor may have against you for non-payment of amounts due and owing to the Franchisor or to obtain an injunction against Guarantor for breaches of the Franchise Agreement.

IN WITNESS WHEREOF, this Guaranty has been entered into the day and year first before written.

PERSONAL GUARANTOR	**PERSONAL GUARANTOR**
_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
HOME ADDRESS	HOME ADDRESS
_____	_____
_____	_____
_____	_____
TELEPHONE NO.: _____	TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____%	PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____ %

SCHEDULE 4
FRANCHISOR LEASE RIDER

FRANCHISOR'S RIDER TO LEASE

THIS RIDER TO LEASE ("**Rider**") is made as of _____, by and among _____ ("**Landlord**"), _____ ("**Tenant**") and Serotonin Enterprises, LLC, a Florida Limited Liability Company, with its principal offices at 7790 Winter Garden Vineland Road, Suite 100, Windermere, Florida 34786 ("**Franchisor**").

This Rider supplements and forms a part of that certain lease between Landlord and Tenant, dated _____ (the "**Lease**"; any and all references to the Lease shall be deemed to include this Rider) for the leased premises located at _____ (the "**Leased Premises**"). This Rider is entered into in connection with Franchisor's grant of a franchise to Tenant to operate a franchised business at the Leased Premises, and is intended to provide Tenant the right to assign the Lease to Franchisor and to provide Franchisor the opportunity to preserve the Leased Premises as a wellness center operated under Franchisor's brand in the event of any termination of the Lease or any franchise agreement between Franchisor and Tenant. Landlord agrees that Franchisor will have the right, but not the obligation, to assume the Lease on the terms, covenants and conditions hereinafter set forth. All capitalized terms used herein, but not defined herein, shall have the same meanings as set forth in the Lease.

ARTICLE - I DEFAULT BY TENANT UNDER THE LEASE

SECTION 1.01. Landlord will send Franchisor copies of all written notices of default that it gives to Tenant at the same time Landlord gives such written notices to Tenant.

SECTION 1.02. If Tenant fails to cure a Tenant default under the Lease after the giving of any required default notice and passage of any applicable cure period, then Landlord shall so notify Franchisor and Franchisor or any or to a parent, subsidiary or affiliate of Franchisor (a "**Franchisor Party**") will have the right and the option (but not the obligation), by giving written notice to Landlord within five (5) business days after receipt of Landlord's notice that Tenant is in default under the Lease and has failed to cure the default within the applicable cure period set forth in the Lease, to (a) cure any such default on behalf of Tenant, or (b) request Landlord consent to the assumption of the Lease provided that Franchisor or such Franchisor Party cures all existing defaults of Tenant under the Lease and assumes in writing the obligations of Tenant under the Lease.

ARTICLE - II TERMINATION OF TENANT'S FRANCHISE AGREEMENT

In the event of the termination of Tenant's franchise agreement for the Leased Premises as a result of Tenant's breach thereof, Franchisor shall have the right to request Landlord consent to the assumption of the Lease by giving written notice to Landlord and Tenant of its election to so succeed to Tenant's interest under the Lease, within five (5) business days after the date of the termination of such franchise agreement, provided that Franchisor cures all existing defaults of Tenant under the Lease and assumes in writing the obligations of Tenant under the Lease. A party, whether Franchisor or any

Franchisor Party, that assumes the Lease pursuant to Section 1.02(b) above or this Article II is sometimes referred to herein as an "**Assuming Franchisor Party**".

ARTICLE - III OBTAINING POSSESSION OF THE LEASED PREMISES

Landlord will, at no cost or expense to Landlord, cooperate and reasonably assist with any Assuming Franchisor Party in gaining possession of the Leased Premises if such Assuming Franchisor Party has delivered to Landlord a fully executed assumption of the Lease pursuant to Section 1.02(b) above or Article II above.

ARTICLE - IV ADDITIONAL PROVISIONS

SECTION 4.01. Tenant shall remain liable to Landlord for all of its obligations under the Lease, notwithstanding any assignment of the Lease to an Assuming Franchisor Party. Such Assuming Franchisor Party shall be entitled to recover from Tenant all amounts it pays to Landlord to cure Tenant's defaults under the Lease, including interest and reasonable collection costs.

SECTION 4.02. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, unless otherwise agreed to in writing, such Assuming Franchisor Party will pay, perform and be bound by all of the duties and obligations of the Lease applicable to Tenant that accrue after such assumption, except that such Assuming Franchisor Party shall not be required to assume or be bound by the terms of any amendment to the Lease executed by Tenant without obtaining Franchisor's prior written approval, which approval shall not be unreasonably withheld by Franchisor.

SECTION 4.03. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, Franchisor or such Franchisor Party will not be subject to any provision of the Lease that requires the Tenant to (a) continuously operate a business in the Leased Premises during the fifteen (15) days immediately following the date on which the Assuming Franchisor Party executes the assumption of the Lease if the Leased Premises is closed for remodeling or while Franchisor or the applicable Franchisor Party is seeking to obtain and train a new employees to operate a franchised business in the Leased Premises, or (b) make any payment to Landlord for any excess rent or other consideration that is greater than the rent and other charges payable under the Lease.

SECTION 4.04. After an Assuming Franchisor Party assumes Tenant's interest in the Lease, such Assuming Franchisor Party may, with Landlord's consent, which shall not be unreasonably withheld, conditioned or delayed, sublet or assign the Leased Premises to a franchisee of Franchisor who meets Franchisor's financial qualifications and operational requirements (a "**Replacement Franchisee**"). In the event of such a sublease or assignment, Franchisor shall deliver to Landlord (a) a copy of such Replacement Franchisee's application for the franchise, including but not limited to personal and financial information that Landlord customarily requires from all of its tenants, (b) as applicable, a copy of the sublease or a copy of the assumption agreement pursuant to which such Replacement Franchisee assumes the Lease and agrees to observe the terms, conditions and agreements on the part of tenant to be performed under the Lease (a "**Replacement Franchisee Assumption Agreement**") and (c) a Rider To Lease in the same form as this Rider, to be executed among Landlord, Franchisor and the applicable Replacement Franchisee (a "**New Rider**").

SECTION 4.05. If the Lease is terminated and the Franchisor does not exercise its option to assume the Lease, Tenant agrees, upon receipt of written demand from Franchisor to promptly remove signs decor and other items which Franchisor reasonably requests to be removed as being distinctive and indicative of Franchisor's trademarks and trade dress. Franchisor may enter upon the Leased Premises without being guilty of trespass or tort to effect such de-identification if Tenant fails to do so within (10) days after receipt of written demand from Franchisor, provided, however, Franchisor shall promptly, at its sole cost and expense, repair, to Landlord's reasonable satisfaction, all damage caused to the Leased Premises and the Franchised Business in connection with such de-identification of the Leased Premises. Tenant shall pay Franchisor for its reasonable costs and expenses in effecting de-identification. Franchisor shall defend, indemnify and hold Landlord harmless from and against any claims arising from Franchisor's de-identification of the Leased Premises.

SECTION 4.06. BY EXECUTING THIS RIDER, FRANCHISOR DOES NOT HEREBY ASSUME ANY LIABILITY WITH RESPECT TO THE LEASED PREMISES OR ANY OBLIGATION AS TENANT UNDER THE LEASE, UNLESS AND UNTIL FRANCHISOR EXPRESSLY ASSUMES SUCH LIABILITY AND/OR OBLIGATION AS HEREIN ABOVE DESCRIBED.

SECTION 4.07. All notices hereunder shall be delivered by certified mail or nationally recognized overnight courier to the addresses described in the Lease or to such other addresses as any party hereto may, by written notice, instruct that notices be given. In the case of Franchisor, notices shall be sent to Serotonin Enterprises, LLC, 7790 Winter Garden Vineland Road, Suite 100, Windermere, Florida 34786, until further notice.

SECTION 4.08. Landlord and Tenant agree that each of them shall provide written notice to Franchisor in the event of any change in their respective addresses. Franchisor shall provide written notice to Landlord and Tenant in the event of any change in Franchisor's address.

LANDLORD:	**TENANT:**
By: _____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

FRANCHISOR:

SEROTONIN ENTERPRISES, LLC

By: _____

Name: _____

Title: _____

Date: _____

SCHEDULE 5 TO THE FRANCHISE AGREEMENT
ACH PAYMENT AGREEMENT

FRANCHISEE NAME: _____

AUTHORIZATION AGREEMENT FOR ACH Payments

(I/we) do hereby authorize Serotonin Enterprises, LLC, hereinafter named the "**Franchisor**", to initiate (debit or credit) entries to (my/our) (Checking Account / Savings Account) as indicated and named below as the depository financial institution, hereafter named FINANCIAL INSTITUTION pursuant to the terms of the Franchise Agreement by and between us and the Franchisor.

(I/we) acknowledge that the origination of ACH transactions to my (my/our) account must comply with the provisions of U.S. law. Furthermore, if any such debit(s) should be returned NSF, (I/we) authorize the Franchisor to collect such debit(s) by electronic debit and subsequently collect a returned debit NSF fee of $100.00 per occurrence by electronic debit from my account identified below. In the event all funds and interests are not received by Franchisor within five (5) days from presentment and intended withdrawal from our account by Franchisor, then we will be deemed in default of the Franchise Agreement. We further agree to pay all reasonable costs of collection including but not limited to reasonable attorney's fees and court costs incurred by Franchisor. I am a duly authorized check signer on the financial institution account identified below, and authorize all of the above as evidenced by my signature below.

CHECK (ACH) INFORMATION ROUTING NUMBER: _____
ACCOUNT NUMBER: _____
DEPOSITORY NAME: _____
BRANCH: _____
CITY: _____ STATE: _____ZIP: _____

COMPANY NAME: _____
FIRST NAME/LAST NAME: _____
BILLING ADDRESS: _____
CITY_____STATE_____ZIP_____
PHONE NUMBER: _____
CUSTOMER NUMBER: _____
SIGNATURE ON FILE: _____
PHONE OR EMAIL APPROVAL AUTHORIZATION NUMBER: _____

FRANCHISEE:

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

SCHEDULE 6 TO THE FRANCHISE AGREEMENT
HOLDERS OF LEGAL OR BENEFICIAL INTEREST
IN FRANCHISEE; OPERATING PRINCIPAL

Operating Principal(s):

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Holders of Legal or Beneficial Interest:

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

Name: _____
Position/Title: _____
Home Address: _____
_____
_____
Telephone No.: _____
E-mail address: _____
Percentage of ownership: ____%

FRANCHISEE:

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

SCHEDULE 7 TO THE FRANCHISE AGREEMENT
STATE ADDENDA TO THE FRANCHISE AGREEMENT

CALIFORNIA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

Section 3.1 of the Franchise Agreement is amended to including the following paragraph:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Section 16.2 is deleted and in its place are substituted the following:

16.2.1 Termination by Us Without Right to Cure. We may terminate this Agreement without notice and the opportunity to cure for any of the following reasons:

(a) The franchisee or the business to which the franchise relates has been judicially determined to be insolvent, all or a substantial part of the assets thereof are assigned to or for the benefit of any creditor, or the franchisee admits his or her inability to pay his or her debts as they come due;

(b) The franchisee abandons the franchise by failing to operate the business for five consecutive days during which the franchisee is required to operate the business under the terms of the franchise, or any shorter period after which it is not unreasonable under the facts and circumstances for the franchisor to conclude that the franchisee does not intend to continue to operate the franchise, unless such failure to operate is due to fire, flood, earthquake, or other similar causes beyond the franchisee's control;

(c) The franchisor and franchisee agree in writing to terminate the franchise;

(d) The franchisee makes any material misrepresentations relating to the acquisition of the franchise business or the franchisee engages in conduct which reflects materially and unfavorably upon the operation and reputation of the franchise business or system;

(e) The franchisee fails, for a period of 10 days after notification of noncompliance, to comply with any federal, state, or local law or regulation, including, but not limited to, all health, safety, building, and labor laws or regulations applicable to the operation of the franchise;

(f) The franchisee, after curing any failure in accordance with Section 16.2.2 engages in the same noncompliance whether or not such noncompliance is corrected after notice;

(g) The franchisee breaches the franchise agreement three or more times in a 12-month period, whether or not corrected after notice;

(h) The franchised business or business premises of the franchise are seized, taken over, or foreclosed by a government official in the exercise of his or her duties, or seized, taken over, or foreclosed by a creditor, lienholder, or lessor, provided that a final judgment against the franchisee remains unsatisfied for 30 days (unless a supersedeas or other appeal bond has been filed); or a levy of execution has been made upon the license granted by the franchise agreement or upon any property used in the franchised business, and it is not discharged within five days of such levy;

(i) The franchisee is convicted of a felony or any other criminal misconduct which is relevant to the operation of the franchise;

(j) The franchisee fails to pay any franchise fees or other amounts due to the franchisor or its affiliate within five days after receiving written notice that such fees are overdue; or

(k) The franchisor makes a reasonable determination that continued operation of the franchise by the franchisee will result in an imminent danger to public health or safety.

> **16.2.2 Termination by Us with Opportunity to Cure**. We may terminate this Agreement, after sending you notice and a 60-day opportunity to cure, for any other breach of this Agreement.

No statement, questionnaire, or acknowledgement signed or agreed to by franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

HAWAII ADDENDUM
TO THE FRANCHISE AGREEMENT

Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business.

No statement, questionnaire, or acknowledgement signed or agreed to by franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

ILLINOIS ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Illinois law governs the Franchise Agreement.

2. 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.

3. Franchisee rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

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.

5. Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business. The Illinois Attorney General Office has imposed this deferral requirement due to Franchisor's financial condition.

6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:

By:_____

Date:_____

SEROTONIN ENTERPRISES, LLC

By:_____

Date:_____

MARYLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

2. A general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

4. 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.

5. Based on 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 Franchisor completes its pre-opening obligations under the Franchise Agreement.

6. Termination upon bankruptcy of the franchisee may not be enforceable under 11 U.S.C. Section 101 *et. seq.*

7. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

MINNESOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

  Also, a court will determine if a bond is required.

Any Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

NORTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. You are not required to sign a general release upon renewal of the franchise agreement.

2. The franchise agreement is amended to also provide as follows:

   "Covenants not to compete are generally considered unenforceable in the State of North Dakota."

3. Any requirement in the Franchise Agreement that requires you to pay all costs and expenses incurred by us in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

4. Section 3.1 of the Franchise Agreement shall be amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees and franchisee has commenced operations of its Franchised Business.

5. Section 17 of the Franchise Agreement is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

6. Section 23 of the Franchise Agreement is modified and amended to provide that all arbitration or mediation required under the Franchise Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

7. Section 23 of the Franchise Agreement is modified and amended to provide that franchisees are not required to consent to the jurisdiction of courts outside of North Dakota.

8. Section 23 of the Franchise Agreement is modified and amended, specifically the provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language: "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

9. Section 23 of the Franchise Agreement is modified and amended to provide that North Dakota law governs any cause of action arising out of the Franchise Agreement.

10. Section 23 of the Franchise Agreement shall be modified to state that the statute of limitations under North Dakota law shall apply.

11. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the relation relationship shall have the effect of (i)

waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

RHODE ISLAND ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the franchise agreement contains any provisions that conflict with the Rhode Island Franchise Investment Act, the provisions of this Addendum shall prevail to the extent of such conflict.

2. Any provision in the franchise agreement restricting jurisdiction or venue to a forum outside of Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

3. Any provision in the franchise agreement requiring the application of the laws of a state other than Rhode Island is void with respect to a claim otherwise enforceable under the Rhode Island Franchise Investment Act.

4. The Rhode Island Franchise Investment Act stipulates that you cannot release or waive any rights granted under this Act. Any provision of this franchise agreement, which constitutes a waiver of rights granted under the Act, is superseded.

5. You agree to bring any claim against us, including our present and former employees and agents, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association.

FRANCHISEE: **SEROTONIN ENTERPRISES, LLC**

By:_____ By:_____

Date:_____ Date:_____

SOUTH DAKOTA ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. The Franchise Agreement is clarified to also indicate that 50% of the initial franchise fee and 50% of royalties are deemed paid for the use of our Marks and 50% are deemed paid for our training, support, and franchise system.

2. Section 3.1 of the Franchise Agreement is amended to state the following: The South Dakota Securities Regulation Office is requiring us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement and franchisees open for business.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

VIRGINIA ADDENDUM
TO THE FRANCHISE AGREEMENT

Section 3.1 to the Franchise Agreement is amended to add the following:

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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the relation relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

WASHINGTON ADDENDUM
TO THE FRANCHISE AGREEMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a

franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

WISCONSIN ADDENDUM
TO THE FRANCHISE AGREEMENT

If any of the terms of the Franchise Agreement are inconsistent with the terms below, the terms below control.

1. If the Franchise Agreement contains any provision that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

2. The Franchise Agreement is amended to also include the following language:

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

FRANCHISEE:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

SCHEDULE 8 TO THE FRANCHISE AGREEMENT
GENERAL RELEASE

THIS GENERAL RELEASE is made and given on this ____ day of _____, 20____ by _____, ("**RELEASOR**") an individual/corporation/ limited liability company/partnership with a principal address of _____, in consideration of:

_____ the execution by Serotonin Enterprises, LLC, a Florida limited liability company ("**RELEASEE**"), of a successor Franchise Agreement or other renewal documents renewing the franchise (the "**Franchise**") granted to RELEASOR by RELEASEE pursuant to that certain Franchise Agreement (the "**Franchise Agreement**") between RELEASOR and RELEASEE; or

_____ RELEASEE'S consent to RELEASOR'S assignment of its rights and duties under the Franchise Agreement; or

_____ RELEASEE'S consent to RELEASOR'S assumption of rights and duties under the Franchise Agreement;

and other good and valuable consideration, the adequacy of which is hereby acknowledged, and accordingly RELEASOR hereby releases and discharges RELEASEE, RELEASEE's officers, directors, shareholders, managers, members, partners, owners, employees and agents (in their corporate and individual capacities), and RELEASEE's successors and assigns, from any and all causes of action, suits, debts, damages, judgments, executions, claims and demands whatsoever, in law or in equity, that RELEASOR and RELEASOR's heirs, executors, administrators, successors and assigns had, now have or may have, upon or by reason of any matter, cause or thing whatsoever from the beginning of the world to the date of this RELEASE arising out of or related to the Franchise or the Franchise Agreement, including, without limitation, claims arising under federal, state and local laws, rules and ordinances. This General Release shall not be amended or modified unless such amendment or modification is in writing and is signed by RELEASOR and RELEASEE.

IN WITNESS WHEREOF, RELEASOR has executed this General Release as of the date first above written.

RELEASOR: _____
(type/print name)
By: _____

Name: _____

Title: _____
(or, if an individual)
Signed: _____

Name: _____

SCHEDULE 9 TO THE FRANCHISE AGREEMENT
SAMPLE MANAGEMENT SERVICES AGREEMENT

MANAGEMENT SERVICES AGREEMENT

BETWEEN

[SAMPLE MSO ENTITY, LLC]
("MANAGER")

AND

[SAMPLE MEDICAL ENTITY, PLLC]
("PRACTICE")

SAMPLE

MANAGEMENT SERVICES AGREEMENT

The Parties enter into this Agreement to be effective as of the Effective Date. Capitalized terms used, but not otherwise defined in the main body of this Agreement, are defined in Appendix A, which is attached and incorporated by reference.

Recitals

A. Manager is organized to engage in the business of managing and administering medical practices, and providing support services to medical practices.

B. Practice is engaged in the practice of medicine rendering Professional Services and is owned solely by a physician holding a valid license to practice medicine in the State of _____. All of Practice's medical employees and independent contractors hold valid licenses to practice medicine in the State of _____.

C. In order to enable its medical employees and independent contractors to focus their efforts and time on the practice of medicine and the delivery of medical services to the public, Practice has requested, and Manager has agreed to provide certain services pursuant to this Agreement.

Based upon the recitals and the mutual covenants in this Agreement, the Parties agree as follows:

Article 1

Management Services

1.01. **Engagement and Authority of Manager.** During the Term, Practice engages and appoints Manager as the exclusive manager to provide comprehensive management, administrative and other related services to Practice, by and through employees and independent contractors retained by Manager. Manager will provide service through officers of Manager and secretarial, accounting, financial, clerical, and technical support personnel. Manager is granted the authority necessary to manage the non-medical business aspects of Practice, as required under this Agreement. Subject to Practice's oversight and ultimate authority, Manager is expressly authorized to take any actions that Manager, in the exercise of reasonable discretion, deems appropriate to fulfill its obligations under this Agreement and meet the day-to-day requirements of Practice. Manager will have the right at all times to have access to Practice facilities for the purposes of performing its responsibilities under this Agreement, or for any reasonable purpose. Manager agrees to furnish to Practice management services as described on Appendix B of this Agreement, which is attached and incorporated by reference. Upon written request by Practice, additional services may be added to Manager's responsibilities and reflected in the execution by both Parties of an addendum or amendment covering such services and the additional fees for such services.

SAMPLE

1.02. **Revenue and Other Accounts.** All receipts and monies arising from Practice operations will be received by Manager on behalf of Practice and Manager will, in the name of Practice, deposit all amounts in the Revenue Account.

1.03. **Business Associate Agreement.** As required by the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**"), with the execution of this Agreement the Parties agree to the provisions of the Business Associate Agreement, which is attached as Appendix C and incorporated by reference

1.04. **Medical Records.** Subject to Practice's oversight and ultimate authority and subject to strict compliance with the requirements of HIPAA and state law, Practice appoints Manager to be responsible for maintenance, storage, retention, and custody of medical records of Practice.

Article 2

Conduct of Medical Practice and Practice Obligations

2.01. **Practice of Medicine.** The professional relationship between Practice Professionals and their patients will be solely between the Practice Professionals and their patients. Manager will not interfere with the exercise of medical judgment or in the care or treatment of patients. Further, Manager will not interfere with, control, direct, or supervise Practice, or any employee or independent contractor of Practice, in connection with the provision of Professional Services. Notwithstanding any provision to the contrary, this Agreement is not intended to (1) constitute the use of a medical license or the practice of medicine by anyone other than a licensed physician; (2) aid Manager or any other unlicensed Person to practice medicine; or (3) create any other arrangements in violation of _____ law. If Manager is unable to perform any service required of Manager under this Agreement because it is deemed to constitute the practice of medicine by applicable authorities, Manager will deliver notice to Practice. Manager and Practice specifically acknowledge the following:

(a) **Clinical Services.** Although Manager will provide support services to Practice, Practice will remain entirely independent of Manager as to the diagnosis and treatment of patients and all other medical, professional and ethical affairs of Practice. Practice accepts the full responsibility to these patients for the nature and character of all Professional Services rendered.

(b) **Professional Fees.** Upon request, Manager will provide research and analysis regarding fees for Professional Services rendered by Practice's Practice Professionals.

(c) **Approval Authority over Provision of Medical Services.** The Practice will have approval authority over (1) hiring and firing of clinical personnel, (2) choice of modalities and medical services offered through the operations, (3) banking (subject to day-to-day operational delegations to Manager), (4) choice of medical equipment, and (5) content of any advertising subject to the _____ Administrative Code.

SAMPLE

2.02. **Professional Services.** Practice will provide Professional Services to patients in compliance at all times with ethical standards, laws and regulations applying to the medical profession and in compliance with any agreements between Practice and any third parties. Practice will also ensure, with the assistance of Manager, that any Practice Professional or contractor associated with Practice has all required licenses, credentials, approvals, and other certifications to perform the duties and services for Practice. In the event that any disciplinary actions or medical malpractice actions are initiated or threatened against any Practice Professional or contractor, Practice will immediately inform Manager of the action and the underlying facts and circumstances. Practice will carry out a program to monitor quality of medical care with Manager's administrative assistance. Practice, in cooperation with Manager, will take steps necessary to resolve any utilization review or quality assurance issues that may arise in connection with the operation of Practice.

2.03. **Employment or Contracting of Practice Professionals.** Practice will have final authority for the hiring, supervision, evaluation and termination of its Practice Professionals (in consultation with Manager). Manager will consult with and assist Practice in identifying, pre-qualifying, and recruiting new Practice Professionals. Manager will assist Practice in the credentialing of its Practice Professionals.

2.04. **Professional Insurance Eligibility.** The Parties will cooperate in obtaining and retaining professional liability insurance at commercially reasonable rates. Practice will coordinate with Manager and participate in risk management programs in conjunction with insurers.

2.05. **Powers of Attorney.** Practice appoints Manager for the Term to be its true and lawful attorney-in-fact for all purposes in connection with the provision of management services in this Agreement. Practice will require all Practice Professionals to execute and deliver to Manager powers of attorney, satisfactory in form and substance to Manager, appointing Manager as attorney-in-fact for each of the purposes set forth in this Agreement. The powers of attorney will immediately terminate upon termination of this Agreement, except with respect to Practice's billings for Professional Services rendered prior to termination of this Agreement. With respect to such billings, the powers of attorney will terminate 12 months after the termination of this Agreement. A form of the power of attorney is attached as Appendix D, which is incorporated by reference.

2.06. **Medical Facilities.** Practice acknowledges the importance of Manager's access to Practice's facilities to provide services under this Agreement. Accordingly, Practice agrees that if Practice prevents or otherwise terminates Manager's access to Practice's facilities during the Term (other than Manager's fraud or knowing and intentional misappropriation of Practice's funds as finally judicially adjudicated by a court of competent jurisdiction), Manager may immediately terminate this Agreement, cease providing all services to Practice, and terminate any other agreements between the Parties.

2.07. **Practice's Authority to Bind Manager.** Practice does not have the right to commit Manager to any obligations or liabilities. Any obligation incurred by Practice is the sole

SAMPLE

responsibility of Practice, and Practice will indemnify Manager against any related Claims or Losses.

2.08. **Meetings.** During the initial 12 months of the Term, Practice and Manager will schedule monthly meetings to discuss administrative, financial and medical issues related to the Practice Location. At least one representative of each Party shall attend such meetings. Following the first anniversary of the Effective Date of this Agreement and through the remainder of the Term, the Parties will continue to meet on a regular basis which in no event will be less than quarterly (such monthly and quarterly meetings, as applicable, are "**Regular Meetings**"). If, in addition to the Regular Meetings, either Party will request an additional meeting with the other Party ("**Requesting Party**"), the Requesting Party must send the other Party a written request ("**Special Meeting Request**") not less than five days prior to the date on which the meeting is requested, with the Special Meeting Request specifying the date, time, place and purpose for which the meeting is called. The other Party will make commercially reasonable efforts to accommodate the Special Meeting Request.

Article 3

Compensation

3.01. **Management Fee.** As a condition precedent to Manager's obligations under this Agreement, Practice will pay Manager the Management Fee. The Parties agree that the Management Fee is being paid to Manager in consideration of the substantial commitment made by Manager under this Agreement and that such fees are fair and reasonable given the commitments and risks taken by Manager and consistent with fair market value. The Management Fee is not a share in Practice's fees for medical services. Rather, it is the Parties' negotiated agreement, having considered the business risks taken by the parties and the various compensation formulas, as to the reasonable fair market value of support and services furnished by Manager under this Agreement.

3.02. **Payment of Management Fee.** To the extent funds are available in the Revenue Account (and subject to the priorities set forth in Section 3.06 below), Manager will pay on Practice's behalf, the Management Fee by the 5th day of each month. Unpaid Management Fees will be booked as accounts receivable for Manager and accounts payable for Practice. Unpaid Management Fees will be paid when there are sufficient funds in the Revenue Account (and subject to the priorities set forth in Section 3.06 below).

3.03. **Practice Expenses.** Commencing on the Effective Date and to the extent funds are available in the Revenue Account or Practice otherwise makes funds available, Manager will pay on Practice's behalf, all unpaid Practice Expenses in a timely manner within the limits of business prudence. To the extent funds are unavailable in the Revenue account, Manager may either pay Practice Expenses or provide an Advance to the Practice pursuant to 3.04 below. Practice will reimburse and indemnify Manager for all Practice Expenses as follows:

SAMPLE

(a) **General.** All Practice Expenses that have been paid by Manager will be reimbursed by Practice no later than 30 days following the month in which such Practice Expenses were paid by Manager if sufficient funds are in the Revenue Account to make such payment; if payment would cause the Revenue Account to have insufficient funds, Manager will treat the unreimbursed payment as an Advance to Practice pursuant to Section 3.04 below.

(b) **Non-Cash Expenses.** All non-cash Practice Expenses (e.g., depreciation and amortization) will be determined monthly in accordance with GAAP and paid contemporaneously with the payment of the Management Fee.

3.04. **Payment of Advances.**

(a) **Advances.** If there are insufficient funds in the Revenue Account to pay any Practice Expenses or other amounts owed by Practice, Manager may, in its sole discretion, advance funds on behalf of Practice from time to time ("**Advance(s)**"). Practice expressly grants Manager the authority to make any Advances during the Term without any notice provided by Manager or any further request made by Practice. Manager, however, has no obligation to make any Advance to Practice. Notwithstanding anything to the contrary in this Agreement, all Advances are due and payable upon demand to Practice by Manager. Further, any outstanding Advance plus interest unpaid at the date of termination of this Agreement is due and payable immediately at such date.

(b) **Interest.** Advances will bear interest from the date disbursed by Manager until repaid, at the Interest Rate, compounded daily. Interest on such outstanding amounts will be computed on the basis of a 365- or 366-day year, as the case may be, and for the actual number of days elapsed. Practice promises to pay Manager the sum of all Advances made to Practice and all other amounts due and owing to Manager under this Agreement, plus interest accrued at the Interest Rate on such amounts according to the terms of this Article 3.

3.05. **Practice Professional Compensation.** To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06 below), Manager will pay, on behalf of Practice when due, all Practice Professional Compensation.

3.06. **Payment Priority.** Each month Manager will apply funds that are in the Revenue Account in the following priorities:

(a) To Practice Professional Compensation;

(b) To all Practice Expenses;

(c) To repay Manager for Advances by Manager;

(d) To reimburse Manager for Practice Expenses paid by Manager;

(e) To accrued and unpaid Management Fees;

SAMPLE

(f) To the Management Fee; and

(g) As mutually determined and agreed upon.

In the event that either Party directs or diverts funds from the Revenue Account other than in accordance with the Payment Priority as stated above, such action will constitute a material breach of the Agreement, giving the non-breaching Party the right to terminate the agreement pursuant to Section 6.02(a) or 6.03(a) below. The breaching party will also be obligated to return the funds to the Revenue Account to be disbursed pursuant to Section 3.06 by Manager.

Article 4

Representations and Warranties

4.01. **Manager.** Manager represents and warrants the following to Practice:

(a) **Entity Organization.** Manager is duly formed, validly existing and in good standing under the laws of the State of _____.

(b) **Authorization.** The execution, delivery and performance by it of this Agreement is within its power and has been duly authorized. The execution of this Agreement does not and will not violate (1) any provision of applicable law or regulation, (2) its certificate of formation or other comparable organizational documents, or (3) any agreement, judgment, injunction, order, decree or other instrument to which Manager is a party or by which Manager or any of its properties is bound.

4.02. **Practice.** Practice represents, warrants, and covenants the following to Manager:

(a) **Entity Organization.** Practice will be duly formed, validly existing and in good standing under the laws of the State of _____.

(b) **Authorization.** The execution, delivery and performance by it of this Agreement is within its power and has been duly authorized. The execution of this Agreement does not and will not violate (1) any provision of applicable law or regulation, (2) its certificate of formation or other comparable organizational documents, or (3) any agreement, judgment, injunction, order, decree or other instrument to which Practice is a party or by which Practice or any of its properties is bound.

(c) **Licensed to Practice Medicine.** All Practice Physicians have, and will maintain during the Term, a current and unrestricted license to practice medicine in the State of _____.

(d) **Compliance with Law.** Practice is in compliance with and will continue to be in compliance with and obey all Federal, State, and local laws, regulations and ordinances relating to its business, Manager's obligations, and the Professional Services which Practice provides.

SAMPLE

(e) **Cooperation.** Practice and each Practice Professional will cooperate with Manager and its employees as reasonably requested in the completion of any forms necessary for third party reimbursement for physician or non-physician services.

(f) **Provision of Services.** As a continuing condition of this Agreement, Practice and each Practice Professional will comply with and provide services in accordance with the laws of the State of _____ and the United States.

(g) **Patient Records.** Practice will use its best efforts to assure that each Practice Professional maintains accurate and complete patient medical records.

Article 5

Protective Covenants

5.01. **Confidentiality.** Practice acknowledges that Manager, in connection with its business, has developed and will develop certain Confidential Information and Proprietary Information. During the Term, Manager will provide Practice and/or Practice will otherwise be exposed to Confidential Information and Proprietary Information regarding Manager's business activities. Practice acknowledges it will receive such Proprietary Information and agrees not to use, and Practice will ensure its Practice Professionals, employees, independent contractors, and agents do not use, any such Proprietary Information during the Term, except in furtherance of Practice's obligations under this Agreement. Further, Practice will not, and Practice will ensure its Practice Professionals, employees, independent contractors, and agents do not, directly or indirectly disclose, reveal, or use for the benefit of themselves or others, any Confidential Information or Proprietary Information of Manager without the prior written consent of Manager. Practice agrees that following the termination of this Agreement Practice will neither take nor retain any Confidential Information or Proprietary Information without the prior written consent of Manager.

Article 6

Term and Termination

6.01. **Term.** Performance of obligations set forth in this Agreement will commence on the Effective Date and continue for the Term. This Agreement will automatically renew upon the expiration of the Initial Term and any subsequent Terms for additional one year Terms unless either Party provides the other Party with notice of its intent to not renew this Agreement at least 60 days, but not more than 90 days, prior to the expiration of the then current Term.

6.02. **Termination by Practice.** Practice may terminate this Agreement prior to the expiration of the Term only as follows:

(a) **Material Breach.** Practice may terminate this Agreement immediately upon notice if (1) Manager breaches a material provision of this Agreement (other than as provided

SAMPLE

in (2) below), and such breach is not cured within 30 days after notice specifically stating the nature of such breach has been given to Manager by Practice (provided such breach is not attributable to acts or omissions of Practice); or (2) Manager wrongfully fails to remit the payments due as provided in Article 3 of this Agreement (i.e., there are sufficient funds in the Revenue Account and Manager intentionally or negligently fails to perform as required under this Agreement) and such failure to remit will continue for a period of 30 days after notice to Manager.

(b) **Without Cause.** Practice may terminate this Agreement without cause upon at least 90 days prior written notice to Manager.

6.03. **Termination by Manager.** Manager may terminate this Agreement prior to expiration of the Term only as follows:

(a) **Material Breach.** Manager may terminate this Agreement immediately upon notice if (1) Practice breaches a material provision of this Agreement (other than as provided in (2) below), and such breach is not cured within 30 days after notice specifically stating the nature of such breach has been given to Practice by Manager (which breach is not attributable to acts or omissions of Manager); or (2) Practice fails to timely pay amounts due to Manager under this Agreement 30 days after notice has been given to Practice by Manager.

(b) **Suspension.** Manager may suspend performance under this Agreement if Practice is unable to pay, states its intent that it will not pay, or Manager reasonably believes Practice will not pay amounts due to Manager under this Agreement.

(c) **Without Cause.** Manager may terminate this Agreement without cause upon at least 90 days prior written notice to Practice.

6.04. **Legislative, Regulatory or Administrative Change.** If there is a change in the law, the adoption of new legislation, or a change in any third party reimbursed system, any of which materially and adversely affects the manner in which either Party may perform or be compensated for its services under this Agreement, the Parties will immediately enter into a new service arrangement or basis for compensation for the services furnished pursuant to this Agreement that complies with the law and that approximates as closely as possible the economic terms of the Parties under this Agreement prior to the change. If good faith negotiations cannot resolve the matter within 30 days, this Agreement may be terminated by either Party upon notice.

6.05. **Insolvency.** A Party may immediately terminate this Agreement upon notice if the other Party: (a) becomes insolvent, or makes a transfer in fraud of creditors, or makes an assignment for the benefit of creditors, or admits in writing its inability to pay its debts as they become due; (b) generally is not paying its debts as such debts become due; (c) has a receiver, trustee or custodian appointed for, or take possession of, all or substantially all of its assets, either in a proceeding brought by it or in a proceeding brought against it and such appointment is not discharged or such possession is not terminated within 60 days or it consents to or acquiesces in such appointment or possession; or (d) files a petition for relief under present or future federal or state insolvency, bankruptcy, or similar laws or an involuntary petition for relief is filed against it under any such laws and such involuntary petition is not dismissed within 60 days after filing, or

SAMPLE

an order for relief naming it is entered under any such law, or any composition, rearrangement, extension, reorganization or other relief of debtors now or later existing is requested or consented to by it.

6.06. **Effect on Termination.** Subject to any rights or remedies an aggrieved Party may have under this Agreement or at law, if this Agreement is terminated under Section 6.02 or 6.03, the Management Fee and Advances will be calculated through the effective date of termination. Management Fee and Advances will be paid as follows and pursuant to payment priority in 3.06.

(a) **Management Fee.** To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06), Manager will pay, on behalf of Practice, the accrued and unpaid Management Fees on the date of termination. To the extent that revenue is received by Practice after the date of termination, such revenue will be applied towards the outstanding Management Fees using the payment priority in 3.06. Otherwise, Practice will not be obligated to pay any accrued and unpaid Management Fees to Manager following termination of this Agreement.

(b) **Advances.** To the extent funds are available in the Revenue Account or Practice otherwise makes funds available (and subject to the priorities set forth in Section 3.06), Manager will pay, on behalf of Practice, Advances on the date of termination. To the extent that revenue is received by Practice after the date of termination, such revenue will be applied towards the outstanding Advances using the payment priority in 3.06. Otherwise, Practice will not be obligated to pay any Advances to Manager following termination of this Agreement.

Article 7

Indemnification & Insurance

7.01. **Indemnification by Manager.** To the extent not covered by insurance, Manager will indemnify, defend, and hold Manager Indemnitees harmless from any third party Claims and Losses resulting from (a) Manager's breach of any of Manager's representations, warranties, or covenants made under this Agreement; and (b) any negligent, reckless or intentional acts or omissions of Manager, or its employees, independent contractors, or agents related to the provision of services under this Agreement.

7.02. **Indemnification by Practice.** To the extent not covered by insurance, Practice will indemnify, defend, and hold Practice Indemnitees harmless from any third party Claims and Losses resulting from (a) Practice's breach of any of Practice's representations, warranties, covenants, or agreements made under this Agreement; (b) Practice's (including all Practice Professionals) practice of medicine, including any violation of any law, rule, regulation or contractual obligation by Practice or Practice Professionals; and (c) any negligent, reckless, or intentional acts or omissions of Practice, or its Practice Professionals, employees, independent contractors, or agents related to the operation of its practice.

SAMPLE

7.03. **Defense of Third-Party Claims.** The Indemnitee will give the Indemnitor written notice of any Claim of which defense is sought. However, failure to provide such notice will not relieve the Indemnitor from its obligations under this Agreement, except to the extent the Indemnitor is materially prejudiced as a direct result of such failure. If any such proceeding is brought against an Indemnitee, the Indemnitor will be required to assume the defense of such proceeding, except as otherwise set forth below, using legal counsel acceptable to the Indemnitee in its reasonable discretion. The Indemnitee will cooperate with the Indemnitor at the Indemnitor's expense in connection with the defense and settlement of the Claim. The Indemnitor may not settle any indemnified Claim in a manner that adversely affects the Indemnitee without its prior written consent, which will not be unreasonably withheld or delayed. Further, the Indemnitee may participate in the defense of the Claim through counsel of its own choosing at its own cost and expense. If the Indemnitor fails promptly to assume the defense and employ counsel reasonably satisfactory to Indemnitee, or the Indemnitee has been advised by counsel that there exist actual or potential conflicting interests between the Indemnitor or the Indemnitor's counsel and Indemnitee, the Indemnitee may employ separate counsel to represent Indemnitee. The Indemnitor agrees to pay the fees of separate counsel as incurred. The Indemnitor's obligations under this Article 7 are in addition to any rights that any Indemnitee may have at common law or otherwise.

7.04. **Right to Control Defense.** If the Indemnitee gives notice to the Indemnitor that, in its good faith judgment, Claim(s) made against it could have a non-monetary material adverse effect on the Indemnitee, the Indemnitee will have the right to control (at the Indemnitor's expense and with counsel reasonably satisfactory to the Indemnitor) the defense (but not with respect to the Indemnitor). If an Indemnitee elects to control the defense under this section, the Indemnitee will not consent to the entry of a judgment or enter into a settlement that would require the Indemnitor to pay any amounts under this Section 7.04 without the prior written consent of the Indemnitor, which will not to be unreasonably withheld, conditioned, or delayed.

7.05. **Indemnification Payment.** Indemnitor will pay any Losses awarded by final judgement or agreed upon by settlement to the Indemnitee that are attributable to the Claims. Payment to the Indemnitee will be made within 30 days of a final determination of monies owed.

7.06. **Insurance.** The Parties will maintain insurance as required by law with reasonable policy limits. In addition, Practice will require each of its Practice Professionals to secure and maintain, at each Practice Professional's own expense professional liability insurance in a minimum amount not less than the amount determined reasonable by Manager. Unless covered by an "occurrence" malpractice policy, Practice will cause each Practice Professional to enter into an agreement with Practice that upon termination of such relationship with Practice, for any reason, tail insurance coverage will be purchased by the individual. The Practice Professional and Practice will enforce the provisions relating to the tail insurance coverage or, alternatively, provide tail coverage at the expense of Practice.

SAMPLE

Article 8

Regulatory Compliance

8.01. **Compliance with Laws and Regulations.** Each Party represents and warrants that, to the best of its knowledge and understanding, all obligations pertaining to and benefits derived under this Agreement are in full compliance with applicable state law, including all regulations pertaining to the corporate practice of medicine.

Article 9

Additional Provisions

9.01. **Assignment.** This Agreement is not assignable or transferable by Practice, by operation of law, or otherwise. Practice will not assign this Agreement without the prior written consent of Manager. Any attempted assignment by Practice without Manager's written consent is void. Manager may assign this Agreement upon notice to Practice. Subject to the forgoing, this Agreement inures to the benefit of and is binding upon the Parties' respective successors and assigns

9.02. **Governing Law.** This Agreement will be governed by _____ law (without reference to its rules as to conflicts of law).

9.03. **Rules of Construction.**

(a) **Interpretations.** The Parties agree that neither Party nor its representatives will be deemed the drafter of this Agreement. In construing this Agreement, no provision will be construed in favor of one Party on the grounds that it was drafted by the other Party. If any claim is made by a Party relating to any conflict, omission, or ambiguity in the provisions of this Agreement, no presumption, burden of proof, or persuasion will be implied because this Agreement was prepared by or at the request of a Party or its counsel.

(b) **Captions.** The headings and captions of this Agreement are inserted for reference convenience and do not define, limit or describe the scope or intent of this Agreement or any particular section, paragraph, or provision of this Agreement.

(c) **Limitations.** Unless otherwise expressly provided, the words "include(s)," "included," or "including" do not limit the preceding words or terms.

(d) **Pronouns.** Pronouns will refer to the masculine, feminine, neuter, singular or plural as the context will require.

9.04. **Amendment.** Amendments of a provision of this Agreement will not be binding unless the amendment is in writing and signed by an authorized representative of each Party.

SAMPLE

9.05. **Waiver.** The failure of either Party to insist in one or more instances upon performance of any terms of this Agreement will not be construed as a waiver of future performance required by the term. No term of this Agreement may be waived except by written consent of the waiving Party. All remedies, rights, undertakings, and obligations contained in this Agreement will be cumulative and none of them will be in limitation of any other remedy, right, undertaking, or obligation of a Party.

9.06. **Entire Agreement.** This Agreement constitutes the entire agreement of the Parties with respect to the subject matter of this Agreement and supersedes all prior proposals, understandings, and agreements, whether oral or written, between the Parties with respect to the subject matter of this Agreement.

9.07. **Severability.** The provisions of this Agreement are severable. The invalidity, in whole or in part, of any provision of this Agreement will not affect the enforceability of any other provisions. If one or more provisions of this Agreement are declared unenforceable, the remaining provisions will be enforceable and construed in the broadest possible manner to effectuate the purposes of this Agreement.

9.08. **Counterparts.** This Agreement may be executed in multiple counterparts and by facsimile signature or any electronic signature complying with the U.S. Federal ESIGN Act of 2000 (e.g., www.docusign.com).

9.09. **Notices.** All notices under this Agreement will be in writing (including electronic form) and will be delivered to the address set forth by each Party in this Agreement, or to such other party and/or address as any of such Parties may designate in a written notice served upon the other Parties. Each notice will be given and will be effective: (a) if delivered by hand, when so delivered; (b) if delivered by nationally recognized overnight courier service or sent by United States Express Mail, upon confirmation of delivery; (c) if delivered by certified or registered mail, on the third following day after deposit with the United States Postal Service; (d) if delivered by facsimile, upon confirmation of successful transmission; or (e) if delivered by email, upon confirmation of receipt by the other Party in writing by return email.

9.10. **Independent Contractors**. The Parties acknowledge and agree that the Parties are at all times independent contractors under this Agreement. Further, no employment, partnership, joint venture or landlord and tenant relationship exists. Except as otherwise provided in this Agreement, neither Party is the agent of the other. Manager will neither have nor exercise any control or direction over the methods by which Practice or Practice Professionals practice medicine. The sole function of Manager under this Agreement is to provide all management services in a competent, efficient and satisfactory manner. Manager will not, by entering into and performing its obligations under this Agreement, become liable for any of the existing obligations, liabilities or debts of Practice unless otherwise specifically provided for under the terms of this Agreement. Practice will not, by entering into and performing its obligations under this Agreement, become liable for any of the existing obligations, liabilities, or debts of Manager, unless otherwise specifically provided for under the terms of this Agreement. Manager will in its management role have only an obligation to exercise reasonable care in the performance of the management services. Neither Party will have any liability whatsoever for damages suffered on account of the willful misconduct or negligence of any employee, agent, or independent contractor

SAMPLE

of the other Party. Each Party will be solely responsible for compliance with all State and Federal laws pertaining to employment taxes, income withholding, unemployment compensation contributions and other employment related statutes regarding their respective employees, agents, and servants.

9.11. **Survival**. In addition to the periods expressly set forth in the respective provisions of this Agreement, the terms of Section 6.05 and Article 3 will survive this Agreement for so long as any amounts are owed to Manager by Practice; the terms of Section 2.05 will survive this Agreement for 12 months; the terms of Article 4 and Sections 7.01, 7.02 and 7.03 will survive this Agreement for 5 years; and the terms of Sections 5.01, 7.04, Article 9, and Appendix A will survive this Agreement indefinitely.

(Signature Page Follows)

SAMPLE

The Parties have executed this Agreement duly authorized to be effective as of the Effective Date.

MANAGER	**PRACTICE**
[SAMPLE MSO ENTITY, LLC]	**[SAMPLE MEDICAL ENTITY, PLLC]**
By:_____	By:_____
[NAME], [TITLE]	[NAME], [TITLE]

SAMPLE

Appendix A

Definitions

As used in this Agreement, the following defined terms have the meanings set forth below. The definition of a term applies to all variants of the term. Where a plural term is defined, reference to a singular form refers to a single member of the group defined by the plural term. If the group defined by a plural term consists of one member, it is equivalent to the singular.

(a) "**Agreement**" means this Management Services Agreement dated to be effective as of the Effective Date, as it may be amended from time to time, including all appendixes, exhibits, addendums, and other attachments that are expressly incorporated into this Agreement.

(b) "**Business Records**" means all records relating to the operation of Practice excluding all patient medical records and patient files and other records or documents which relate to patient treatment by physicians.

(c) "**Claims**" means each and every claim, request, accusation, allegation, assertion, complaint, petition, demand, suit, action, proceeding, and cause of action of every kind and description.

(d) "**Confidential Information**" means any and all non-public, confidential Proprietary Information, Trade Secrets, and such other information of or relating to Manager that Practice has reason to know is confidential.

(e) "**Effective Date**" means _____.

(f) "**GAAP**" means generally accepted accounting principles applied on a consistent basis, set forth in the Opinions of the Financial Accounting Standards Board of the American Institute of Certified Public Accountants, or their successors which are applicable in the circumstances as of the date in question. The requisite that such principles be applied on a consistent basis will mean that the accounting principles observed in a preceding period are comparable in all material respects to those applied in the current period.

(g) "**Indemnitee**" means a Person entitled to be indemnified, defended, and/or held harmless by a Party pursuant to Article 7 of this Agreement.

(h) "**Indemnitor**" means a Party required to indemnify, defend, and/or hold harmless a Person pursuant to Article 7 of this Agreement.

(i) "**Initial Term**" means the initial term of this Agreement beginning on the Effective Date and continuing for 12 months.

(j) "**Interest Rate**" means the lesser of 1.5% per month or the maximum rate allowable pursuant to applicable law.

SAMPLE

(k) "**Leased Personnel**" means all Non-Medical Personnel and Non-Physician Medical Personnel leased to Practice in accordance with Appendix B.

(l) "**Loss**" means each and every liability, loss, damage, and injury (including injury or damage to any property right, and injury, damage, or death to any Person), wound, wrong, hurt, harm, expense, deficiency, diminution in value, obligation, expenditure and disbursement of any kind or nature (including all fees, costs, and expenses of investigation, travel expenses, and value of time expended by personnel), settlement, fine, fee, cost, cost of court, and all expenses of litigation (including reasonable attorneys' fees) incident to any of the foregoing.

(m) "**Management Fee**" means the monthly fee payable by Practice to Manager for services performed by Manager pursuant to this Agreement, including consideration for the trademark rights granted to Practice in Schedule B(m), in the amount of $_____ per month.

(n) "**Manager**" means [SAMPLE MSO ENTITY, LLC], a _____ _____ with offices at _____.

(o) "**Manager Indemnitee**" means Practice, its officers, directors, managers, shareholders, members, agents, employees, successors, and assigns.

(p) "**Manager Personnel**" means all personnel as detailed and assigned in Appendix B.

(q) "**Non-Medical Personnel**" means all personnel, including accountants, bookkeepers, office managers, and receptionists who perform services, which do not constitute the practice of medicine, for or on behalf of Practice and may be leased to Practice by Manager.

(r) "**Non-Physician Medical Personnel**" means all personnel, including registered nurses, licensed professional nurses, medical assistants, and physician assistants who perform services for or on behalf of Practice and may be leased to Practice by Manager.

(s) "**Party**" and "**Parties**" means Manager and/or Practice, as applicable.

(t) "**Payor Plan**" means any health maintenance organization, preferred provider organization, employer self-insured plan, governmental plan such as Medicare/Medicaid other insurance plan or company which contracts with Practice for the provision of medical services to beneficiaries of the payor plan.

(u) "**Person**" means a natural person, corporation, business trust, estate, trust, custodian, trustee, executor, administrator, nominee, partnership, limited liability partnership, limited partnership, association, limited liability company, government, governmental subdivision, governmental agency, governmental instrumentality, any other legal or commercial entity, in its own or representative capacity.

SAMPLE

(v) "**Physician Contractor**" means any physicians, not classified as a Physician Employee, providing medical services for which Practice bills and collects fees or other consideration.

(w) "**Physician Employee**" means any physician employed by Practice and providing medical services to patients on behalf of Practice.

(x) "**Physician Extender**" means any non-physician professional employee employed by or under contract with Practice who provide direct patient care for which a billed charge is generated.

(y) "**Practice**" means the non-invasive medical services provided under the "_____" name by [SAMPLE MEDICAL ENTITY, PLLC], a _____ _____ with offices at _____. Practice does not include any other services provided by [SAMPLE MEDICAL ENTITY, PLLC]

(z) "**Practice Expense(s)**" means the amount of the following operating and non-operating expenses, on a cash basis, incurred in the operation of Practice:

(1) Salaries, benefits (including contributions under any Manager or Practice benefit plan), and other direct costs of Practice employees or contractors.

(2) Cost of goods sold relating to the provisions of Professional Services according to GAAP.

(3) Rent for the sublease of space as contemplated in Schedule B(d) of the Agreement.

(4) All insurance expenses for insurance obtained pursuant to Section 7.06 of this Agreement for Practice Professionals.

(5) All salaries, benefits, and associated payroll costs paid to Non-Medical Personnel leased to the Practice.

(6) Rent for the lease of medical equipment as contemplated in Schedule B(e) of the Agreement.

(7) Any provider tax assessed against Practice or any Practice Professional by the State of _____ and any sales and use taxes assessed against Practice or any Practice Professional related to Practice's operations or the practice of medicine by any Practice Professional, or assessed against Manager related to services provided under this Agreement.

(8) Any federal or state income or franchise taxes of Practice.

(9) Any liabilities, judgments or settlements relating assessed against Practice or Practice Professionals in excess of any insurance policy limits, including attorneys' fees.

SAMPLE

(10) Expenses incurred in connection with any employee benefit plan maintained by Practice.

(11) Any liabilities, judgments, settlements or indemnity expenses arising, commencing or related to activities prior to the Effective Date.

(12) Interest expense for borrowings by Practice but not including accrued interest for Advances.

(13) Any other expense incurred in the operation of the Practice.

(aa) "**Practice Indemnitee**" means Manager and its officers, directors, managers, shareholders, members, agents, employees, successors, and assigns.

(bb) "**Practice Physicians**" means all Physician Employees and Physician Contractors.

(cc) "**Practice Professionals**" means Practice Physicians, Physician Extenders, and Technical Employees.

(dd) "**Practice Professional Compensation**" means compensation payable to Practice Professionals for the services provided to Practice including compensation to the current medical director, _____, ____ in the amount of $_____ per month beginning on the Effective Date.

(ee) "**Practice Revenue(s)**" means all amounts received by Practice from all sources including all contractual payments, gross revenue, capitation payments and fees and co-payments, including ancillary health care service revenue, and any other revenues of a nature that have historically been recorded by Practice for the delivery of medical and other services to patients, including Professional Services, medical ancillary services, pharmaceuticals and other items and supplies sold to patients, and other fees or income generated by Practice, Practice Professionals or Practice Physicians (acting within the scope of their duties to Practice) for services rendered by Practice.

(ff) "**Professional Services**" means all professional medical services provided by Practice.

(gg) "**Proprietary Information**" means any and all (1) operating manuals, symbols, Trademarks, trade names, service marks, designs, contracts, vendor and supplier lists, procedures, protocols, processes, systems, records and files respecting services provided and to be provided to Practice, provider lists and fee schedules, vendor price lists, third-party payor payment rates, outside provider information, provider contracting information, and documentation relating to the provision of services performed under this Agreement; (2) photographs, books, publications, records, correspondence, notes, letters, documents, plan, proposed plans, manuals, forms, or any other material, files or data, including ledger cards, bookkeeping records, computer programs, and all other records or files of, affecting, or relating to the business of Manager; (3) inventions,

SAMPLE

discoveries, formulae, processes, products, designs, literary works, programs or other written material or documents conceived or developed by a Manager alone or in conjunction with others related to the subject matter of the Manager's business; (4) Manager's unique skills, concepts, sales presentations, marketing programs, marketing strategy, business practices, methods of operation, licenses, technical information, computer software, financial and other information concerning the Manager's operations and expansion plans, and any tapes, discs, or other storage medium with information concerning the Manager's operations, systems, hiring or training methods; and (5) all memoranda, notes, records, drawings, documents, computer software programs, tapes and discs, or other writings whatsoever made, compiled, acquired, or received in connection with, or related to any activity or business of Manager, including the Manager's suppliers, vendors, or others with whom Manager has a business relationship, Manager's arrangements with such parties, and Manager pricing and expansion policies and strategy.

(hh) "**Revenue Account**" means the bank account(s) established and maintained by Manager in the name of Practice for the deposit of all Practice Revenues, payment of all Practice Expenses, and payment of all amounts due to Manager under this Agreement. For purposes of this Agreement, Revenue Account will include any such investment accounts of Manager in which funds collected pursuant to this Agreement have been deposited.

(ii) "**Technical Employee**" means any technician who provides services in any diagnostic areas for Practice.

(jj) "**Term**" means the term of this Agreement beginning on the Effective Date and continuing for one year unless otherwise terminated or renewed pursuant to the terms of this Agreement.

(kk) "**Trade Secret**" means any and all Confidential Information, which qualifies as a "trade secret" under _____ law.

(ll) "**Trademark**" means any trademark and service mark (registration, renewal, application and non-registered trademark and service mark), trade name, trade dress, logo, design, slogan, domain name, and other source identifying indicia, together with all goodwill related to the foregoing, and similar rights of any type under the laws of any governmental authority, domestic or foreign, now known or later developed.

SAMPLE

Appendix B

Services

Consistent with the provisions of this Agreement and subject to Practice's oversight and ultimate authority, Manager will have the responsibility and commensurate authority to provide such full service management services for Practice and recruit, qualify, hire, and supervise all Non-Medical Personnel required to support the management and administration of Practice as agreed to by the Parties. The Parties agree such full service management services may include the following:

(a) **Records and Accounts.** Manager will provide all bookkeeping and accounting services necessary or appropriate to the functioning of the Practice including maintenance, custody, and supervision of all Business Records. Manager will use reasonable efforts to preserve the confidentiality of patient medical records and use information contained in these records only for the limited purposes necessary to perform the services set forth in this Agreement. A breach of this confidentiality is not a default under this Agreement. All Business Records are the property of Manager. Upon expiration or termination of this Agreement, Practice will retain all patient medical records and patient files maintained by Practice.

(b) **Billing, Collections.** Subject to Practice's oversight and ultimate authority, Manager will be responsible, for and on behalf of Practice, as its agent, for billing and collecting the charges made with respect to all medical services provided by Practice at the Practice unless otherwise agreed in writing. The extent to which Manager attempts to collect such charges, the methods of collection and the amount of settlements with respect to disputed charges, and the determination of which charges are not collectible, will be determined by Manager. However, the fee schedule to determine the cost of such services will be determined solely by Practice.

(c) **Personnel.**

(1) Manager Personnel are staff employed and paid by Manager to perform management services on behalf of Manager for the benefit of Practice. Manager Personnel are controlled by Manager and generally are not a Practice Expense. However, if Manager Personnel perform services that are listed as Practice Expenses under Appendix A, or services requested by Practice that Manager and Practice have agreed will be treated as a Practice Expense, the applicable portion of Manager Personnel's time may be reimbursed by Practice as a Practice Expense.

(2) **Leased Personnel.**

(i) Except as otherwise provided in subsection (C), all Non-Medical Personnel (which does not include Practice Professionals) will be directly employed by Manager with Non-Medical Personnel being leased to the Practice as follows:

(A) Non-Medical Personnel will be employees or independent contractors of Manager, and the cost of Manager, including but not limited to their salaries, benefits and associated payroll costs, will be borne by Manager. Manager will select for employment and

SAMPLE

terminate the employment of all Non-Medical Personnel as Manager deems necessary or advisable, and will be responsible for the supervision, direction, training and assigning of duties of all Non-Medical Personnel, as well as determining the rates of compensation for such personnel.

(B) Non-Medical Personnel will perform their day-to-day duties at Practice and will be under the supervision and direction of Practice for those day-to-day duties. Non-Medical Personnel will be subject to the reasonable instructions, directions and policies of Practice in the performance of their duties. All time spent by Non-Medical Personnel performing day-to-day duties for, on behalf of, or for the benefit of Practice will be reimbursable by Practice as a Practice Expense at the rates agreed upon by Practice and Manager. Non-Medical Personnel, to the extent required for Practice to direct their duties, would be co-employed by Practice.

(C) Practice and Manager may specifically agree in writing for certain Non-Medical Personnel providing any services for, on behalf of, or for the benefit of Practice to be directly employed by or contracted with Practice. Such Non-Medical Personnel would be employees or independent contractors employed or engaged by Practice, and the selection and terms of employment or engagement, including the rates of compensation, supervision, direction, training and assignment of duties would be determined and controlled by Practice.

(ii) Except as otherwise provided in subsection (C), all Non-Physician Medical Personnel will be directly employed by Manager with Non-Physician Medical Personnel being leased to the Practice as follows:

(A) Non-Physician Medical Personnel will be employees of Manager, and the cost of Manager, including but not limited to their salaries, benefits and associated payroll costs, will be borne by Manager and not passed on to Practice. Manager may select for employment and terminate the employment of all Non-Physician Medical Personnel as Manager deems necessary or advisable, and may be responsible for the supervision, direction, training and assigning of duties of all Non-Physician Medical Personnel, as well as determining the rates of compensation for such personnel.

(B) Consistent with this Agreement, Practice will provide supervision of the Non-Physician Medical Personnel. Such supervision will include on-site supervisions and delegation of duties consistent with state and federal law, regulations, certification, and generally accepted community standards. Non-Physician Medical Personnel will be subject to the reasonable instructions, directions and policies of Practice in the performance of their duties. All time spent by Non-Physician Medical Personnel performing duties for or on behalf of Practice will be reimbursable by Practice as a Practice Expense at the rates agreed upon by Practice and Manager. Non-Physician Medical Personnel, to the extent required for Practice to direct their duties, would be co-employed by Practice.

(C) Practice and Manager may specifically agree in writing for certain Non-Physician Medical Personnel providing any services for or on behalf of Practice to be directly employed by or contracted with Practice. Such Non-Physician Medical Personnel would be employees or independent contractors employed or engaged by Practice, and the selection and

SAMPLE

terms of employment or engagement, including the rates of compensation, supervision, direction, training and assignment of duties would be determined and controlled by Practice.

(3) Manager may provide assistance to Practice in recruiting and evaluating prospective physicians and Leased Personnel as employees or independent contractors of Practice. Practice will make all decisions relating to hiring, training, managing, and termination of medical personnel.

(4) Manager will comply and will ensure compliance by Practice with all applicable laws and regulations having to do with worker's compensation, social security, unemployment insurance, hours of labor, wages, working conditions, and other employer-employee related subjects in connection with all Leased Personnel.

(5) All Manager Personnel and Leased Personnel will be subject to Manager's general policies and procedures regarding human resources (with Practice retaining ultimate responsibility for the hiring, firing, training and compensation of medical personnel and Non-Physician Medical Personnel). Subject to clinical issues that would dictate otherwise, Practice will adopt personnel policies and procedures that are consistent with Manager's policies and procedures. These policies and procedures will, at a minimum, establish fair and uniform standards for personnel, and provide procedures for resolving disputes between supervisors and the personnel.

(d) **Space.** Pursuant to the sublease agreement entered into between the Parties attached under Schedule B(d), which is incorporated by reference, Manager has subleased to Practice the space necessary for operation which Practice deems appropriate for its needs and will have use of on an exclusive, full-time basis.

(e) **Equipment.** Practice has ultimate authority over all medical equipment used in Practice. Manager will suitably furnish and equip the space subleased pursuant to subsection (d) above as set forth in this Agreement for Practice's operation. Manager will provide all non-medical equipment, software, fixtures, office supplies, furniture and furnishings. In addition, Manager agrees to lease to Practice the Medical Equipment deemed reasonably necessary by Practice for the operation of the Practice pursuant to the terms and conditions described on Schedule B(e), which is attached and incorporated by reference. If Practice deems it necessary to acquire new medical equipment, the Manager may decline to purchase the medical equipment and lease the equipment to the Practice under Schedule B(e).

(f) **Marketing and Advertising Programs.** Subject to Practice's oversight and ultimate authority, Manager will, following consultation with Practice, develop marketing and advertising programs for Practice; provide advice and assistance to Practice on overall marketing programs, and determine and analyze the effect of such programs; plan, create, write and prepare advertising materials; negotiate contracts with advertising media for space and time; and obtain services necessary in connection with the production and presentation of advertisements. Notwithstanding anything to the contrary, Practice must make all final decisions relating to marketing and advertising materials.

SAMPLE

(g) **Vendor & Other Contracts.** Subject to Practice's oversight and ultimate authority, Manager (or its designee) will be the exclusive negotiator, as agent and on behalf of Practice, of all (1) agreements with all vendors and other entities for all service, software, and technology contracts, and the purchase and/or lease of equipment, supplies, and materials that are necessary for the operation of Practice; (2) agreements with facilities for the provision of medical services to patients; and (3) all Payor Plan agreements. Practice would promptly refer inquiries by or relating to all such agreements to Manager, as Practice's sole agent, for discussion and negotiation of all such potential agreements. Practice and Manager, however, will mutually determine which such potential agreements to explore and negotiate and which such agreements Practice will ultimately enter into as a contractual party. With respect to vendors and other entities for service, software, and technology contracts, and the purchase and/or lease of equipment, supplies, and materials that are necessary for the operation of Practice, such goods and services will be provided by Persons affiliated with Manager provided (i) the terms and conditions of the transaction, on any overall basis, are fair and reasonable to the Practice and are at least as favorable to the Practice as those that are generally available from Persons capable of similarly performing them and in similar transactions between parties operating at arm's length; or (ii) approval of the Practice is obtained. Manager may receive discounts on goods and services it obtains for Practice. Manager is not obligated to pass on such discounts and may add a reasonable markup to the cost of goods and services obtained for Practice.

(h) **Insurance.** Manager will make reasonable efforts to obtain and maintain in full force and effect during the Term, general liability and property insurance which Manager deems appropriate to protect against loss, claims, and other risks, or which is necessary to comply with the terms of lease agreements for the Practice, and Manager will assist Practice and the physicians in obtaining professional liability insurance.

(i) **Supplies; Inventory.** Manager will acquire and supply to Practice all non-medical supplies which may be reasonably required in connection with the operation of Practice. Subject to Practice's oversight and ultimate authority, Manager will, on behalf of Practice, acquire all medical supplies and other inventory needs which may be reasonably required in connection with the operation of Practice.

(j) **Bank Accounts, Cash Management.** Manager is authorized to establish and maintain for and on behalf of Practice bank accounts for the collection and disbursement of Practice's funds. Manager will manage all cash and cash equivalents of Practice. Practice acknowledges the importance of Manager's access to such accounts in providing services under this Agreement. Accordingly, Practice agrees that if Practice prevents or otherwise terminates Manager's access to any such accounts, including the Revenue Account, during the Term for any reason other than in the case of Manager's fraud or knowing and intentional misappropriation of Practice's funds, as finally judicially adjudicated by a court of competent jurisdiction, Manager may immediately terminate this Agreement, cease providing all services to Practice, and terminate any other agreements between the Parties upon notice to Practice without any recourse by Practice as a result of such termination.

SAMPLE

(k) **Litigation Management.** Manager will (1) manage and direct the defense of all claims, actions, proceedings or investigations against the Practice or any of its officers, directors or employees in their capacity as such relating to the operations of Practice, and (2) manage and direct the initiation and prosecution of all claims, actions, proceedings or investigations brought by Practice against any person other than Manager relating to the operations of Practice. However, Practice will have the ultimate authority to settle all matters and direct the prosecution of such claims.

(l) **Licenses and Permits.** Manager will, on behalf of and in the name of Practice, coordinate all development and planning processes, and apply for and use reasonable efforts to obtain and maintain all federal, state, and local licenses and regulatory permits required for or in connection with the operation of Practice and equipment (existing and future) located at the Practice, other than those relating to the practice of medicine or the administration of drugs by physician retained by or associated with Practice.

(m) **License Agreement.** Manager owns all intellectual property rights in and to certain intellectual property, including a Trademark (as defined in Appendix A). Manager agrees to license to Practice the Trademark to be used in connection with its operations pursuant to the terms and conditions described on Schedule B(m), which is attached and incorporated by reference.

(n) **Quality Assurance and Compliance Programs.** Subject to Practice's oversight and ultimate authority, Manager will assist Practice in developing and implementing relevant and appropriate compliance programs to assist Practice in maintaining adherence to regulatory and contractual requirements. Manager will also provide assistance to Practice in the establishment of utilization review/quality assurance programs and maintenance and implementation of such programs.

(o) **Tax Returns.** Manager will assist Practice in the preparation and filing of W-2's as 1099's annually for each employee and contractor of Practice.

(p) **Financial Planning and Reports.** Manager will provide financial planning and propose annual budgets for Practice. Manager will create and prepare ad-hoc reports as necessary to demonstrate the financial and operational activities of Practice.

SAMPLE

Schedule B(d)

Sublease Agreement

1. **Parties.** This Sublease Agreement ("**Sublease**"), dated to be effective as of _____ ("**Effective Date**"), is made between [SAMPLE MSO ENTITY, LLC] ("**Sublandlord**") and [SAMPLE MEDICAL ENTITY, PLLC] ("**Subtenant**"). Unless otherwise defined in this Sublease, capitalized terms have the meanings set forth in the Office Lease Agreement between Landlord (defined below) and Sublandlord dated _____ ("**Master Lease**").

2. **Premises.** Sublandlord subleases to Subtenant on the terms and conditions set forth in this Sublease the exclusive right to use certain designated space Sublandlord is leasing from _____ ("**Landlord**"), located at _____ ("**Premises**") comprising _____ rentable square feet on the Premises ("**Sublease Premise**s").

3. **As-Is.** Subtenant specifically acknowledges and agrees that the Sublease Premises is being sublet by Sublandlord to Subtenant in its "As-Is" condition and with no obligation for Sublandlord to make any improvements to the Sublease Premises or otherwise maintain or repair the Sublease Premises.

4. **Term and Conditions Precedent.** Subject to the terms in this Agreement, the "**Term**" of this Sublease shall commence on the Effective Date, and end on termination of the Management Services Agreement, unless otherwise terminated as set forth below ("**Termination Date**"). Possession of the Sublease Premises ("**Possession**") shall be delivered to Subtenant on the commencement of the Term. In the event of the termination of Sublandlord's interest as Tenant under its Lease of Premises with Landlord, or the termination of the Management Services Agreement for any reason, then this Sublease will terminate automatically upon such termination without any liability of the Landlord or Sublandlord.

5. **Rent.** Subtenant will pay to Sublandlord, rent attributable to the Sublease Premises as part of Sublandlord's monthly management fee as set forth in the Management Services Agreement.

6. **Security Deposit.** Not applicable.

7. **Office Keys.** On or before the Effective Date, Sublandlord will provide Subtenant with office keys to the Premises.

8. **Use of Premises.** The Sublease Premises will be used and occupied by Subtenant solely for treatment purposes in connection with Subtenant's provision of aesthetic medical procedures and treatments and for no other purpose.

9. **Assignment and Subletting.** Subtenant may not assign this Sublease or further sublet all or any part of the Sublease Premises without the prior consent of Sublandlord.

10. **Governing Law.** This Sublease is governed by the laws of the State of _____.

11. **Attorneys' Fees.** If a party commences an action against the other arising out of or in connection with this Sublease, the prevailing party is be entitled to recover its costs of suit and reasonable attorneys' fees.

12. **Agency Disclosure.** Sublandlord and Subtenant each warrant that they have dealt with no real estate broker in connection with this transaction.

13. **Notices.** All notices and demands by either party on the other hereunder must be in writing.

(Signature Page Follows)

The undersigned have executed this Sublease duly authorized to be effective as of the Effective Date.

SUBLANDLORD	**SUBTENANT**
[SAMPLE MSO ENTITY, LLC]	**[SAMPLE MEDICAL ENTITY, PLLC]**
By:_____	By:_____
[NAME], [TITLE]	[NAME], [TITLE]

Schedule B(e)

Medical Equipment Lease Terms

1.01. **Medical Equipment.** Manager is the owner and/or lessee of certain medical equipment located at Practice ("**Medical Equipment**"). Practice has examined the Medical Equipment and determined that the Medical Equipment is necessary and appropriate for the provision of Practice's professional medical services.

1.02. **General Lease Terms.**

(a) **Grant of Lease.** During the Term, provided Practice remains in compliance with the terms of this Agreement, Manager agrees to the exclusive, full-time lease of the Medical Equipment to Practice in accordance with the terms of this Agreement and, more specifically, this Schedule B(e). Practice will use the Medical Equipment in a careful and proper manner and will comply with and conform to all applicable laws, ordinances, and regulations in any way relating to the possession, use, or maintenance of the Medical Equipment. All rights, titles and interest in and to the Medical Equipment, including any custom development or modifications, is the exclusive property of Manager. Practice covenants and agrees that it will not take any action or assist any third party in any action that may impair Manager's ownership rights to the Medical Equipment.

(b) **Warranty Limitation.** MANAGER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THIS SCHEDULE B(E), INCLUDING THE MEDICAL EQUIPMENT, AND PRACTICE EXPRESSLY WAIVES AND MANAGER DISCLAIMS ALL SUCH REPRESENTATIONS AND WARRANTIES, INCLUDING ANY WITH RESPECT TO TITLE, NON-INFRINGEMENT, MERCHANTABILITY, VALUE, RELIABILITY OR FITNESS FOR A PARTICULAR USE OR PURPOSE. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, PRACTICE'S USE OF THE MEDICAL EQUIPMENT IS AT ITS OWN RISK ON AN "AS IS" BASIS.

(c) **Repairs and Maintenance.** Practice, at its own cost and expense, will keep the Medical Equipment in good repair, condition, and working order and pay for regular cleaning and preventative maintenance during the Term and until Practice delivers the Medical Equipment to Manager in the same condition it was in when delivered to Practice, normal wear and tear excepted.

(d) **Taxes.** Practice will keep the Medical Equipment free and clear of all levies, liens, and encumbrances. Practice, or Manager as a Practice Expense, will report, pay and discharge when due all license and registration fees, assessments, sales, use and property taxes, gross receipts, taxes arising out of receipts from use or operation of the Medical Equipment, and other taxes, fees and governmental charges similar or dissimilar to the foregoing, together with any penalties or interest, imposed by any state, federal or local government or any agency, or department upon the Medical Equipment or the use, operation, or leasing of the Medical Equipment or otherwise in any manner and whether or not the same will be assessed against or in the name of Manager or Practice. However, Practice will not be required to pay or discharge any

such tax or assessment so long as it will contest, in good faith and by appropriate legal proceedings, the validity of such proceedings in any reasonable manner which will not affect or endanger the title and interest of Manager to the Medical Equipment. Practice will, however, reimburse Manager for any damages or expenses resulting from such failure to pay or discharge. In case of failure of Practice to pay fees, assessments, charges and taxes, all as specified in this Agreement, Manager will have the right, but not the obligation, to pay such fees, assessments, charges and taxes, as the case may be. In that event, Practice will promptly reimburse Manager for such costs in accordance with this Agreement.

(e) **Insurance; Risk of Loss.** During the Term, Practice must maintain insurance coverage for the full value of the Medical Equipment and insurance coverage against liability for bodily injury, including death, and property damage arising out of the ownership, maintenance, use and operation of the Medical Equipment with limits acceptable to Manager. Practice must ensure the policies name Manager as additional insured and provide a waiver of subrogation in favor of Manager. Such coverage must be in a form acceptable to Manager and Practice must deliver all policies of insurance, or evidence satisfactory to Manager of such coverage, upon Manager's request. Practice's insurer must agree, by endorsement upon the policy issued by it, or by an independent document provided to Manager, that it will give Manager 30 days prior written notice of the effective date of any alteration or cancellation of such policy and that such notice will be sent to Manager via certified mail, return receipt requested at the address in this Agreement. Except as otherwise provided in this Agreement, Practice assumes the risk of loss of, or damage to the Medical Equipment from any and every cause whatsoever, including, but not limited to, casualty, collision, upset, fire, theft, malicious mischief, vandalism, graffiti, glass breakage, and mysterious disappearance.

1.03. **Compliance with Law.** The Parties intend that the Lease of Medical Equipment complies with all applicable law including, without limitation, the Medicare/Medicaid Fraud and Abuse statutes, Federal Stark and Anti-Kickback, and similar State and Federal laws. The Parties acknowledge that (a) the rent is fair market value for the lease of the Medical Equipment in an arm's-length transaction, and (b) no portion of the respective consideration flowing to the Parties is intended to induce or be compensation for past or future referrals of patients or medical services by one Party to the other Party. Nothing will require, directly or indirectly, that either Party refer or direct any patients to the other Party. If any legislation, regulation or government policy is passed or adopted, the effect of which would cause either Party to be in violation of such laws due to the existence of any provision of this Schedule B(e), then the Parties agree to negotiate in good faith for a period of 30 days to modify the terms of this Schedule B(e) to comply with applicable law. Should the Parties fail to agree upon modified terms during such 30-day period, either Party may terminate upon notice.

1.04. **Survival.** Upon expiration or termination of this Agreement for any reason, the terms of Section 1.02(d) will survive until all amounts due by Practice are paid in full and/or until Practice's obligations under such provisions are fulfilled; and Section 1.02(b) and (e) will survive for 5 years.

Schedule B(m)

License Agreement

1.01. **Nonexclusive License.** Subject to the terms and conditions of this Agreement, Manager grants to Practice a limited, nonexclusive, nontransferable license to use Manager's Trademark "_____" in connection with and in furtherance of the operation of Practice's operations including the use of "_____" and in Practice's assumed name at Practice's physical address located at _____. In partial consideration of Manager's grant of the foregoing rights, Practice covenants with Manager that Practice will not market, advertise, or otherwise operate its business under any name or Trademark(s) other than Manager's Trademark during the Term unless otherwise required by law.

1.02. **Ownership & Goodwill.** Subject to the rights granted in this Agreement, all title to and the rights in the Trademark and the associated goodwill are the exclusive property of Manager and/or its licensor. Practice agrees that its use of any of the Manager's Trademark pursuant to the expressly rights granted under this Agreement will not create any right, title, or interest in or to Manager's Trademark other than as set forth in this Agreement, and that all goodwill associated with Manager's Trademark, including any goodwill generated through Practice's use of the Trademark will belong and inure solely to the benefit of Manager. Practice covenants and agrees that it will not:

(a) take any action or assist any third party in any action to contest or impair Manager's ownership rights or dilute, tarnish, or infringe the Trademark ;

(b) at any time dispute or contest the right, title, or validity of the Trademark; or

(c) attempt to register or use any intellectual property, including any trademarks, service marks, or copyrights similar to the Trademark.

1.03. **Reservation of Rights Not Granted.** Practice acknowledges that it has no rights in Manager's Trademark except those expressly granted under this Agreement. Any and all rights not granted by Manager under this Agreement are reserved by Manager. For the avoidance of doubt and except as expressly permitted in this Agreement, Practice will not sublicense, copy, reproduce, alter, create derivative works from, or otherwise modify Manager's Trademark , or lease, loan, sublicense, distribute, or otherwise provide others access to Manager's Trademark.

1.04. **Acknowledgment and Marking.**

(a) In using Manager's Trademark, Practice will acknowledge Manager's ownership of the Trademark, including properly marking any products or services.

(b) The Parties will comply with all reasonable conditions set forth in writing from time to time by Manager with respect to style, appearance, and manner of use of the Trademark.

(1) Prior to a new use of Manager's Trademark, Practice will submit to Manager for approval representative samples of all proposed materials bearing the Trademark. Upon receipt of a proposed use of Manager's Trademark, Manager will have 10 business days to review the proposed use and to determine its acceptability based upon Manager's reasonable discretion. If Manager does not object to the proposed use in writing within the 10-day period, then Practice will be permitted to proceed with the proposed use. If Manager does object to the proposed use in writing (which may include email) within the 10-day period, then Practice will not be entitled or permitted to proceed with the proposed use until the issues regarding Manager's objections have been satisfied. Manager agrees that it will not unreasonably object to proposed uses, and that it will work in good faith with Practice to permit such uses. Practice agrees that, notwithstanding the failure of Manager to timely object to a proposed use, Practice will cooperate in good faith with Manager to correct and/or remedy inappropriate uses of the Trademark.

(2) In connection with Practice's use of Manager's Trademark, Practice agrees to make proper use of the "®" symbol or other proper notice to indicate a federally registered mark, and the "™" symbol to indicate an unregistered mark. Upon receiving notice from Manager that the use of a registration notice or "™" symbol is incorrect or otherwise unacceptable, Practice will promptly modify such uses to obviate Manager's objections.

1.05. **Assumed Trade Name and Trademarks.** Upon termination of this Agreement for any reason, Practice will cease using "_____" in the assumed trade name of Practice and will not use "_____" or any variation in any manner in connection with its name, any assumed name, or otherwise use any of Manager's Trademark in any way, form, or medium, as provided below. Within 30 days of termination of this Agreement for any reason, Practice will terminate all assumed name certificates filed with the _____ Secretary of State and any applicable counties and de-identify the Premises of all uses of and references to Manager's Trademark.

Appendix C

Business Associate Agreement

[SAMPLE MSO ENTITY, LLC], a _____ _____ ("**Business Associate**") and [SAMPLE MEDICAL ENTITY, PLLC], a _____ _____ ("**Covered Entity**") enter into this Business Associate Agreement ("**BAA**") to be effective as of _____ ("**Effective Date**") (Business Associate and Covered Entity, each a "**Party**," collectively, the "**Parties**"). Capitalized terms used, but not otherwise defined in this BAA, have the same meaning as those terms in the Privacy, Security, Breach Notification, and Enforcement Rules at 45 C.F.R. Part 160 and Part 164 ("**HIPAA Rules**").

Recitals

A. Business Associate and Covered Entity are engaged in a business relationship where Covered Entity purchases, and Business Associate sells or provides, certain services to Covered Entity pursuant to a certain Management Services Agreement dated as of the Effective Date ("**Services Agreement**").

B. As part of the Services Agreement, Business Associate performs or assists in performing a function or activity on behalf of Covered Entity that involves the use and/or disclosure of Protected Health Information.

Based upon the above recitals and the mutual covenants in this BAA, the Parties agree as follows:

Article 1

Use, Disclosure & Obligations

1.01. **Permitted Uses and Disclosures.** Except as otherwise provided in this BAA:

(a) Business Associate may use or disclose Protected Health Information only as necessary to perform the services required by the Services Agreement or as required by law;

(b) Business Associate agrees to make uses and disclosures and requests for Protected Health Information in accordance with the "minimum necessary" principle described in the HIPAA Rules (i.e. only Protected Health Information that is the minimum necessary to accomplish the intended purpose of the use, disclosure, or request may be used or disclosed);

(c) Business Associate may use and disclose Protected Health Information to de-identify the information in accordance with 45 C.F.R. § 164.514(a) – (c), but only if (1) the precise use is disclosed to Covered Entity and permitted by Covered Entity in its sole discretion, and (2) the de-identification is in compliance with 45 C.F.R. § 164.502(d), and any such de-identified health information meets the standards and implementation specifications for de-

identification under 45 C.F.R. § 164.514, or such regulations as they may be amended from time to time;

(d) Business Associate may use Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate provided that such use is permitted under Federal and State confidentiality laws;

(e) Business Associate may disclose Protected Health Information for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided the disclosures are required by law, or Business Associate obtains reasonable assurances from the person to whom Protected Health Information is disclosed that it will remain confidential and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of Protected Health Information has been breached; and

(f) Except as permitted by subsections (c) – (e) above, Business Associate may not use or disclose Protected Health Information in a manner that would violate Subpart E of 45 C.F.R. Part 164 if done by Covered Entity.

1.02. **Responsibilities of Business Associate.** With regard to the use or disclosure of Protected Health Information, Business Associate agrees to:

(a) Not use or disclose Protected Health Information other than as permitted or required by the Services Agreement or as required by law;

(b) Use appropriate safeguards, and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic Protected Health Information, to prevent the use or disclosure of Protected Health Information other than as provided for by the Services Agreement;

(c) Report to Covered Entity any use or disclosure of Protected Health Information not permitted by the Services Agreement of which it becomes aware, including Breaches of Unsecured Protected Health Information as required by 45 C.F.R. § 164.410, and any Security Incident of which it becomes aware within 5 business days;

(d) In accordance with 45 C.F.R. §§ 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that all Subcontractors that create, receive, maintain, or transmit Protected Health Information on behalf of Business Associate agree in writing to the same restrictions, conditions, and requirements that apply to Business Associate with respect to such information;

(e) Make available to Covered Entity Protected Health Information in a Designated Record Set within 5 days of Covered Entity's request or forward to Covered Entity the request received directly from an individual within 2 days in order to meet the requirements under 45 C.F.R. § 164.524;

(f) Make any amendment(s) (at the request of, and in the time and manner designated by, Covered Entity) to Protected Health Information in a Designated Record Set that Covered Entity directs pursuant to 45 C.F.R. § 164.526, or take other measures as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.526;

(g) Maintain and make available the information required to provide an accounting of disclosures to Covered Entity as necessary to satisfy Covered Entity's obligations under 45 C.F.R. § 164.528;

(h) To the extent Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 C.F.R. Part 164, comply, with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s);

(i) Make internal practices, books, and records available to the Secretary of the Department of Health and Human Services or his/her designee ("**Secretary**"), for purposes of determining compliance with the HIPAA Rules. Business Associate will promptly notify Covered Entity of communications with the Secretary regarding Protected Health Information provided by or created by Covered Entity and will provide Covered Entity with copies of any information Business Associate has made available under this provision. Notwithstanding the foregoing, no attorney-client, accountant-client, or other legal privilege will be deemed waived by Business Associate or Covered Entity by virtue of this Agreement;

(j) Provide the necessary training to its members of its workforce required by the HIPAA rules and other applicable Federal and State laws, and this Agreement relating to the use, disclosure and protection of Protected Health Information;

(k) Review and understand the HIPAA rules and other applicable Federal and State laws, and this BAA as they apply to Business Associate in order to comply with applicable requirements and any amendments affecting the obligations of Business Associate; and

(l) Comply with the requirements and obligations of which Business Associate receives notification pursuant to Section 1.03.

1.03. **Responsibilities of Covered Entity.** Covered Entity will:

(a) Notify Business Associate of any limitation(s) in its notice of privacy practices that Covered Entity produces in accordance with 45 C.F.R. § 164.520 to the extent that such limitation may affect Business Associate's permitted or required uses or disclosures of Protected Health Information, as well as any changes to such notice;

(b) Notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose their Protected Health Information, if such changes affect Business Associate's permitted or required uses or disclosures;

(c) Notify Business Associate of any restriction on the use or disclosure of Protected Health Information that Covered Entity has agreed to or is required to abide by in

accordance with 45 C.F.R. § 164.522, to the extent that such restriction may affect Business Associate's permitted or required uses or disclosures of Protected Health Information;

(d) Notify Business Associate, in writing, of any amendment(s) to the Protected Health Information in the possession of Business Associate and inform the Business Associate of the time, form and manner in which such amendment(s) will be made; and

(e) Inform Business Associate of any opt-outs exercised by any individual from marketing and/or fundraising activities of the Covered Entity when the Services Agreement pertains to marketing or fundraising.

Article 2

Term and Termination

2.01. **Term.** The term of this BAA will be effective as of the Effective Date and will terminate upon termination of the Services Agreement or earlier if terminated in accordance with Section 2.02 below.

2.02. **Termination for Cause.** Covered Entity may immediately terminate this BAA if Covered Entity determines that Business Associate has breached a material term of this BAA and Business Associate has not cured the breach or ended the violation within 15 days of receipt of notice describing the breach or violation.

2.03. **Effect of Termination.**

(a) Except as permitted by subsection (b) below, upon termination of this BAA for any reason, Business Associate will, as specified by Covered Entity, return or destroy all Protected Health Information received from Covered Entity, or created, maintained or received by Business Associate on behalf of Covered Entity, that Business Associate still maintains in any form. Business Associate will retain no copies of the Protected Health Information; however, in the event that Business Associate determines that returning or destroying the Protected Health Information is infeasible, Business Associate will provide in writing to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual written agreement of the Parties that return or destruction of Protected Health Information is infeasible, Business Associate will extend the protections of this BAA to such Protected Health Information and limit further uses and disclosures of such Protected Health Information to those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such Protected Health Information.

(b) In the event Business Associate uses or discloses Protected Health Information for its own management and administration or to carry out its legal responsibilities as permitted by Section 1.01(d) and (e) above and Business Associate needs to retain Protected Health Information for such purposes after termination of this BAA, Business Associate will:

(1) Retain only that Protected Health Information which is necessary to continue Business Associate's proper management and administration or to carry out its legal responsibilities;

(2) As specified by Covered Entity, return or destroy the remaining Protected Health Information that Business Associate still maintains in any form;

(3) Continue to use appropriate safeguards and comply with Subpart C of 45 C.F.R. Part 164 with respect to electronic Protected Health Information to prevent use or disclosure of the Protected Health Information, other than as provided for in this Section 2.03, for as long as Business Associate retains the Protected Health Information;

(4) Not use or disclose the Protected Health Information retained other than for the purposes for which such Protected Health Information was retained and subject to the same conditions set out in Section 1.01(d) and (e) which applied prior to termination; and

(5) As specified by Covered Entity, return or destroy the Protected Health Information retained when it is no longer needed for Business Associate's proper management and administration or to carry out its legal responsibilities.

(c) The obligations under this Section 2.03 will survive termination of this BAA.

Article 3

Additional Provisions

3.01. **Amendment.** The Parties agree to take such action as is necessary to amend this BAA from time to time as is necessary for compliance with the requirements of the HIPAA rules, and other applicable Federal and State laws. Amendments of this BAA will not be binding unless such amendment is in writing and signed by an authorized representative of each Party.

3.02. **Governing Law.** This BAA will be governed by _____ law (without reference to its rules as to conflicts of law).

3.03. **Waiver of Trial by Jury.** THE PARTIES WAIVE TRIAL BY JURY IN ANY JUDICIAL PROCEEDING INVOLVING ANY DISPUTE ARISING OUT OF OR RELATING TO THIS BAA.

3.04. **Waiver.** A waiver by a Party of any provision of this BAA in any instance will not be deemed a waiver of such provision, or any other provision of this BAA as to any future instance or occurrence. All remedies, rights, undertakings, and obligations contained in this BAA will be cumulative and none of them will be in limitation of any other remedy, right, undertaking, or obligation of a Party.

3.05. **Entire Agreement.** This BAA and the Services Agreement constitute the complete and exclusive statement of the agreement of the Parties with respect to the subject matter of this BAA and supersedes all prior proposals, understandings, and agreements, whether oral or written, between the Parties with respect to the subject matter of this BAA. To the extent that the Services Agreement conflicts with this BAA, this BAA will control.

3.06. **Severability.** The provisions of this BAA are severable. The invalidity, in whole or in part, of any provision of this BAA will not affect the enforceability of any other provisions. If one or more provisions of this BAA are declared unenforceable, the remaining provisions will be enforceable and will be construed in the broadest possible manner to effectuate the purposes of this BAA.

3.07. **Rules of Construction.**

(a) **Interpretation.** Neither Party will be deemed the drafter of this Agreement despite the possibility that one Party or its representatives may have prepared the initial draft or played a greater role in the preparation of subsequent drafts. In construing this Agreement, no provision will be construed in favor of one Party on the ground that such provision was drafted by the other Party. If any claim is made by a Party relating to any conflict, omission, or ambiguity in the provisions of this Agreement, no presumption, burden of proof, or persuasion will be implied because this Agreement was prepared by or at the request of either Party or its counsel.

(b) **Captions.** The headings and captions of this Agreement are inserted for reference convenience and do not define, limit or describe the scope or intent of this Agreement or any particular section, paragraph, or provision of this Agreement.

(c) **Include Not Limiting.** Unless otherwise provided, the words "include(s)," "included," or "including" do not limit the preceding words or terms.

(d) **Pronouns.** Pronouns in this Agreement refer to the masculine, feminine, neuter, singular or plural as the context will require.

3.08. **Counterparts.** This BAA may be executed in any number of counterparts. This BAA may be executed by facsimile signature or any electronic signature complying with the U.S. federal ESIGN Act of 2000 (e.g., www.docusign.com).

3.09. **Notices.** All notices, requests, or consents required or permitted under this BAA will be in writing (including electronic form) and will be delivered to the address set forth by each Party in the Services Agreement, or to such other party and/or address as any of such Parties may designate in a written notice served upon the other Parties in the manner provided for below. Each notice, request, consent, or other communication will be given and will be effective: (a) if delivered by hand, when so delivered; (b) if delivered by nationally recognized overnight courier service or sent by United States Express Mail, upon confirmation of delivery; (c) if delivered by certified or registered mail, on the third following day after deposit with the United States Postal Service; (d) if delivered by facsimile, upon confirmation of successful transmission; or (e) if delivered by email, upon confirmation of receipt by the other Party in writing by return email.

3.10. **Interpretation.** Any ambiguity in this BAA will be resolved to permit compliance with the HIPAA Rules. In the event there is a conflict between any provision or obligation under this Agreement, the HIPAA Rules or other Federal or State laws, the Parties agree that the most stringent requirement regarding protection of Protected Health Information will apply.

3.11. **No Third Party Beneficiary.** Nothing in this BAA is intended, nor will be deemed, to confer any benefits on any third party.

3.12. **Effect of Agreement.** Except as amended by this BAA, the terms and provisions of the Services Agreement will remain in full force and effect.

The Parties have evidenced their consent to this BAA by their signatures on the Services Agreement.

Appendix D

Special Power of Attorney

STATE OF _____ §
§
_____ COUNTY §

1.01. **Effective Date.** This special power of attorney is executed to be effective as of _____ ("**Effective Date**"). Capitalized terms used but not defined in this special power of attorney are defined in the Agreement.

1.02. **Power of Attorney.** Practice grants to Manager, both as defined in the Management Services Agreement ("**Agreement**"), dated _____, an exclusive special power of attorney and appoints Manager as Practice's exclusive true and lawful agent and attorney-in-fact with respect to the powers set forth below, and Manager accepts the special power of attorney and appointment, for the following purposes:

(a) to open a bank account in Practice's name and on its behalf;

(b) to bill Practice patients in Practice's name and on its behalf;

(c) to collect accounts receivable resulting from such billing in Practice's name and on its behalf;

(d) to receive the cash proceeds of any accounts receivable;

(e) to take possession of and endorse in the name of Practice (and/or in the name of individual physicians) any such payment intended for purpose of payment of a physician's bill, any cash, notes, checks, money orders, and other instruments received in payment for services rendered;

(f) to sign checks, drafts, bank notes, or other instruments on behalf of Practice, including affixing stamps of signatures of Practice's authorized signatories on any of the foregoing, and to make withdrawals from the Revenue Account for payments specified in the Agreement and as requested from time to time by Practice;

(g) to obtain and take possession of any mail piece addressed to Practice under the control of the United States Postal Service or a private organization; to sign on Practice's behalf for any accountable piece of mail, including, but not limited to, certified, registered, express, insured, or return receipt marked "Restricted Delivery," including items delivered by private organizations; and to exercise dominion over any mail piece of Practice in any other lawful manner whatsoever or any other item addressed to Practice and placed, for delivery, with the term "mail" or "mail piece," being defined in the glossary in Sec. 001, "Quick Service Guide," of the Domestic Mail Manual, as amended (see also "piece" and "mail piece"); and

(h) to initiate legal proceedings in the name of Practice to collect any accounts and monies owed to Practice, to enforce the rights of Practice as creditor under any contract or in connection with the rendering of any service, and to contest adjustments and denials by governmental agencies (or its fiscal intermediaries) as third-party payors. Manager will monitor Practice claim submissions for improper upcoding and unbundling and no person will be compensated so as to provide a financial incentive to improperly upcode claims.

1.03. **Additional Documents.** Upon request of Manager, Practice will execute and deliver to the financial institution where Practice's account is maintained, additional documents or instruments as may be reasonably necessary to accomplish the intent and objectives of this special power of attorney.

1.04. **Duration.** The rights, powers, and authority of Manager as attorney-in-fact to exercise any and all of the rights and powers granted in this special power of attorney will begin and be in full force and effect as of the Effective Date and will continue for 12 months after the termination of the Agreement.

(Signature Page Follows)

The undersigned has executed this special power of attorney to be effective as of the Effective Date.

[SAMPLE MEDICAL ENTITY, PLLC]

By:_____
[NAME], [TITLE]

STATE OF_____ §
§
_____ COUNTY §

This instrument was acknowledged before me on the ____ day of _____, 20___, by _____ of [SAMPLE MEDICAL ENTITY, PLLC], a _____ _____.

_____
Notary Public, State of _____

_____
Printed Name of Notary

My Commission Expires:_____

SCHEDULE 10 TO THE FRANCHISE AGREEMENT
BACK OFFICE SERVICES AGREEMENT

SCHEDULE 10 TO THE FRANCHISE AGREEMENT
BACK OFFICE SERVICES AGREEMENT

This Back Office Services Agreement (this "**Agreement**") is made as of the ____ day of _____, 20____, is by and between **Serotonin Enterprises LLC** ("**Franchisor**," "**we**," "**us**," or "**our**") a Florida limited liability company with its principal place of business at 7790 Wintergarden Vineland Road, Suite 100, Windermere, Florida 34786 and _____("**Franchisee**," "**you**," or "**your**") a _____ [corporation/limited liability company] with its principal place of business at _____.

W I T N E S E T H:

WHEREAS, Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20__ ("**Franchise Agreement**") by and between Franchisee and the Franchisor that granted Franchise the right to operate a Serotonin center at a specific location (the "**Franchised Business**"); and

WHEREAS, Franchisee has certain back office obligations under the Franchise Agreement including bookkeeping, payroll and reporting obligations which are detailed in Section 1 of this Agreement (the "**Back Office Services**"); and

WHEREAS, Franchisee may opt into the Back Office Services as stated in the Franchise Agreement which required Franchisee enter into this Agreement with Franchisor for the Back Office Services.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Back Office Services Provided by Franchisor

1.1 Franchisor or its third party designee will provide Franchisee with the following Back Office Services: (i) enter Franchisee's payroll information, which shall be supplied by Franchisee, into Franchisee's ADP payroll system and process Franchisee's payroll; (ii) record Franchisee's income and expenses in QuickBooks online; (iii) record Franchisee's credit card expenses; (iv) reconcile all applicable Franchise bank, financial or credit account; (v) record Franchisee's ADP payroll entries in QuickBooks online; (vi) enter and pay bills supplied by Franchisee from an account funded by Franchisee; and (vii) generate a monthly financial statement, which will be provided on a modified accrual basis (which will not reflect accounts receivable) and provide the same to Franchisee by the fifteenth (15th) business day of the following month via email at Franchisee's Serotonin email address.

1.2 Franchisee agrees that (i) Franchisor will not verify the accuracy or completeness of any of the information provided to it by Franchisee or on Franchisee's behalf; (ii) be responsible to identify or detect fraudulent or wrongful activity in performing the Back Office Services; (iii) provide Franchisee with any assistance in the preparation of any

local, state or federal tax filing; and/or (iv) provide any financial or tax advice, guidance or recommendations to Franchisee.

1.3 Franchisee acknowledges that all financial statements prepared by Franchisor pursuant to this Agreement will be unaudited and will not be prepared by a certified public accountant or other professional with similar license or certification.

1.4 Franchisee acknowledges and agrees that it will be the sole responsibility of Franchisee to safeguard its assets and the accuracy of the financial information provided to Franchisor. Franchisee shall be responsible to review all financial reports or statements provided to it by Franchisor with a certified or licensed accountant or financial professional.

2. Franchisee Cooperation

Franchise agrees to provide Franchisor or its third party designee with access to all necessary information, accounts, and systems as Franchisor advises are reasonably required to perform the Back Office Services. Franchisee agrees to provide Franchisor with all information Franchisor request to perform the Back Office Services within five (5) business days of the request by Franchisor.

3. Back Office Service Fee

3.1 Franchisee will pay Franchisor or its third-party designee $995 per month to perform the Back Office Services for the Franchised Business (the "**Back Office Service Fee**"). The Back Office Service Fee is paid to Franchisor or its third-party designee from Franchisee's bank account via ACH payment with Royalty Fees under the Franchise Agreement which is by the fifth (5th) of each month. You will commence paying the Back Office Service Fee one (1) month prior to opening your Franchised Business.

3.2 We may increase the Back Office Service Fee with notice to you. We reserve the right to change the amount, time and manner of payment of the Back Office Service Fee at any time upon written notice to you. Back Office Service Fees and all fees paid to us are non-refundable.

3.3 Any payment of the Back Office Service Fee not received by Franchisor when due shall bear interest and late fees pursuant to the terms of the Franchise Agreement. Any nonpayment of the Back Office Service Fee shall be a material default of both this Agreement and the Franchise Agreement.

4. Term

4.1 The term of this Agreement shall correspond with the Franchise Agreement and will terminate ten (10) years from the Effective Date of the Franchise Agreement.

4.2 This Agreement shall renew automatically if the Franchise Agreement is renewed pursuant to the terms of the Franchise Agreement.

5. Termination

Franchisor can terminate the Back Office Services and this Agreement upon sixty (60) days' written notice to you. Upon a notice of termination of the Back Office Services and this Agreement, Franchisee shall be solely responsible for performing the Back Office Services for its Franchised Business. Franchisee shall have no right to terminate this Agreement.

6. Default

6.1 If you are in breach of any obligation under this Agreement, and we deliver to you a notice of default or termination, we have the right to suspend our performance of any of our obligations under this Agreement until such time as you correct the breach.

6.2 A default under any other agreement between us (or any of our affiliates) and you, such that we or our affiliates, as the case may be, have the right to terminate such agreement or such agreement automatically terminates shall be a default of this Agreement.

7. Dispute Resolution

7.1 **Choice of Law.** Except as to claims governed by federal law, Florida law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("**Claims**").

7.2 **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to Franchisor's corporate headquarters in Orange County, Florida.

7.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

7.4 **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

7.5 **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

7.6 **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

7.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

7.8 **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 7.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

7.9 **Mediation and Arbitration.** Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("**AAA**"), and split any AAA and mediator fees equally. If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county of our headquarters in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

7.10 **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

7.11 **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims. You will also reimburse any attorneys' fees and cost for any collection necessary for unpaid Back Office Service Fees.

8. Miscellaneous

8.1 You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications that may be ruled to be binding in a court of law will be our sole responsibility and none of our agents, representatives, nor any individuals associated with Franchisor will be personally liable to you for any reason. This is an important part of this Agreement. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

8.2 Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation, pandemic or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement. During

any applicable force majeure event, you shall be still be responsible to pay all amounts due and owing under this Agreement including the Back Office Service Fee.

8.3 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Franchisor and Franchisee regarding the Back Office Services. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

8.4 This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Franchisee and shall inure to the benefit of Franchisor, its subsidiaries, successors and assigns.

8.5 The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

8.6 In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

8.7 This Agreement may be modified or amended only by a written instrument duly executed by Franchisor and Franchisee.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

SEROTONIN ENTERPRISES, LLC

Signature: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE

Franchisee Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

SCHEDULE 11 TO THE FRANCHISE AGREEMENT
CALL CENTER SERVICE AGREEMENT

SCHEDULE 11 TO THE FRANCHISE AGREEMENT
CALL CENTER SERVICE AGREEMENT

This Call Center Service Agreement (this "**Agreement**") is made as of the ____ day of _____, 20____, is by and between **Serotonin Enterprises LLC** ("**Franchisor**," "**we**," "**us**," or "**our**") a Florida limited liability company with its principal place of business at 7790 Winter Garden Vineland Road, Suite 100, Windermere, Florida 34786 and _____("**Franchisee**," "**you**," or "**your**") a _____ [corporation/limited liability company] with its principal place of business at _____.

W I T N E S E T H:

WHEREAS, Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____ ("**Franchise Agreement**") by and between Franchisee and the Franchisor that granted Franchise the right to operate a Serotonin center at a specific location (the "**Franchised Business**"); and

WHEREAS, Franchisee has certain obligations under the Franchise Agreement including handling inbound and outbound leads and scheduling appointments for customers which are detailed in Section 1 of this Agreement (the "**Call Center Services**"); and

WHEREAS, Franchisee is required by the Franchise Agreement to enter into this Agreement with Franchisor for the Call Center Services.

NOW, THEREFORE, in consideration of the mutual promises and undertakings set forth herein, and intending to be legally bound hereby, the parties hereby mutually agree as follows:

1. Call Center Services Provided by Franchisor

1.1 Franchisor or a third party designee will provide Franchisee with the following Call Center Services: (i) handle sending emails to Internet leads received at the Franchised Business to entice the prospective customers to make an appointment for services at the Franchised Business; (ii) handle inbound Internet leads from prospective customers of the Franchised Business; and (iii) scheduling appointments for the Internet leads of the Franchised Business.

1.2 Franchisee agrees that (i) Franchisor will not verify the accuracy or completeness of any of the information provided to it by Franchisee or on Franchisee's behalf; or (ii) be responsible to identify or detect fraudulent or wrongful activity in performing the Call Center Services.

2. Franchisee Cooperation

Franchise agrees to provide Franchisor or its third party designee with access to all necessary information, accounts, and systems as Franchisor advises are reasonably required to perform the Call

Center Services. Franchisee agrees to provide Franchisor with all information Franchisor request to perform the Call Center Services within five (5) business days of the request by Franchisor.

3. Call Center Service Fee

3.1 Franchisee will pay Franchisor of a third-party designee $995 per month to perform the Call Center Services for the Franchised Business (the "**Call Center Service Fee**"). The Call Center Service Fee is paid to Franchisor or a third party designee from Franchisee's bank account via ACH payment along with Royalty Fees under the Franchise Agreement by the fifth (5th) of each month. You will commence paying the Call Center Service Fee thirty (30) to sixty (60) days before the opening of your Franchised Business.

3.2 We may increase the Call Center Service Fee with notice to you. We reserve the right to change the amount, time and manner of payment of the Call Center Service Fee at any time upon written notice to you. Call Center Service Fees and all fees paid to us are non-refundable.

3.3 Any payment of the Call Center Service Fee not received by Franchisor when due shall bear interest and late fees pursuant to the terms of the Franchise Agreement. Any nonpayment of the Call Center Service Fee shall be a material default of both this Agreement and the Franchise Agreement.

4. Term

4.1 The term of this Agreement shall correspond with the Franchise Agreement and be ten (10) years from the Effective Date of the Franchise Agreement.

4.2 This Agreement shall renew automatically if the Franchise Agreement is renewed pursuant to the terms of the Franchise Agreement.

5. Termination

Franchisor can terminate the Call Center Services and this Agreement upon sixty (60) days' written notice to you. Upon a notice of termination of the Call Center Services and this Agreement, Franchisee shall be solely responsible for performing the Call Center Services for its Franchised Business. Franchisee shall have no right to terminate this Agreement.

6. Default

6.1 If you are in breach of any obligation under this Agreement, and we deliver to you a notice of default or termination, we have the right to suspend our performance of any of our obligations under this Agreement until such time as you correct the breach.

6.2 A default under any other agreement between us (or any of our affiliates) and you, such that we or our affiliates, as the case may be, have the right to terminate such agreement or such agreement automatically terminates shall be a default of this Agreement.

7. Dispute Resolution

7.1 **Choice of Law.** Except as to claims governed by federal law, Florida law governs all claims that in any way relate to or arise out of this Agreement or any of the dealings of the parties ("**Claims**").

7.2 **Jurisdiction and Venue.** You and we agree that venue and jurisdiction for any Claims, except those required to be submitted to arbitration, shall be proper solely in the state and federal court nearest to Franchisor's corporate headquarters in Orange County, Florida.

7.3 **Jury Waiver.** In any trial between any of the parties as to any Claims, you and we agree to waive our rights to a jury trial and instead have such action tried by a judge.

7.4 **Class Action Waiver.** You agree to bring any Claims, if at all, individually and you shall not join such claim with claims of any other person or entity or bring, join or participate in a class action against us.

7.5 **Punitive Damages Waiver.** As to any Claims, you and we agree to waive our rights, if any, to seek or recover punitive damages.

7.6 **Limitation of Actions.** You agree to bring any Claims against us, if at all, within one (1) year of the occurrence of the facts giving rise to such Claims, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off.

7.7 **Prior Notice of Claims.** As a condition precedent to commencing an action for a Claim, you must notify us within thirty (30) days after the occurrence of the violation or breach, and failure to timely give such notice shall preclude any claim for damages.

7.8 **Internal Dispute Resolution.** You must first bring any Claim to our CEO, after providing notice as set forth in Section 7.7 above. You must exhaust this internal dispute resolution procedure before you may bring your Claim before a third party.

7.9 **Mediation and Arbitration.** Before you may bring any Claim against us, you agree to try for a period of 60 days to mediate such claim before a mutually agreed to mediator in the city or county where our headquarters are located. If we cannot mutually agree on a mediator, you and we agree to use the mediation services of the American Arbitration Association ("**AAA**"), and split any AAA and mediator fees equally. If mediation is unsuccessful and you decide to pursue a legal claim against us, you agree to bring such claim solely in binding arbitration conducted in the city or county of our headquarters in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The proceedings will be held by a single arbitrator. The decision of the arbitrator will be final and binding upon the parties. Judgment upon the

award rendered by the arbitrator may be entered in any court having personal and subject matter jurisdiction.

7.10 **Waiver of Bond.** You agree that if we are forced to bring suit to enforce any provision of this Agreement, you agree to waive any requirement that we post bond to obtain a temporary, preliminary, or permanent injunction to enforce these duties.

7.11 **Attorney Fees.** If we are the substantially prevailing party as to any Claims, you agree to reimburse our costs and attorney fees incurred in pursuing or defending the Claims. You will also reimburse any attorneys' fees and cost for any collection necessary for unpaid Call Center Service Fees.

8. Miscellaneous

8.1 You agree that fulfillment of any and all of our obligations written in this Agreement or based on any oral communications that may be ruled to be binding in a court of law will be our sole responsibility and none of our agents, representatives, nor any individuals associated with Franchisor will be personally liable to you for any reason. This is an important part of this Agreement. You agree that nothing that you believe you have been told by us or our representatives will be binding unless it is written in this Agreement. Do not sign this Agreement if there is any question concerning its contents or any representations made.

8.2 Whenever a period of time is provided in this Agreement for either party to perform any act, except pay monies, neither party shall be liable nor responsible for any delays due to strikes, lockouts, casualties, acts of God, war, terrorism, governmental regulation, pandemic or other causes beyond the reasonable control of the parties, and the time period for the performance of such act shall be extended for the amount of time of the delay. This clause shall not result in an extension of the term of this Agreement. During any applicable force majeure event, you shall be still be responsible to pay all amounts due and owing under this Agreement including the Call Center Service Fee.

8.3 This Agreement constitutes the entire Agreement between the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, negotiations and discussions between Franchisor and Franchisee regarding the Call Center Services. This Agreement cannot be altered or amended except by an agreement in writing signed by the duly authorized representatives of the parties.

8.4 This Agreement shall be effective as of the date this Agreement is executed and shall be binding upon the successors and assigns of Franchisee and shall inure to the benefit of Franchisor, its subsidiaries, successors and assigns.

8.5 The failure of either party to insist upon performance in any one (1) or more instances upon performance of any terms and conditions of this Agreement shall not be construed a waiver of future performance of any such term, covenant or condition of this Agreement and the obligations of either party with respect thereto shall continue in full force and effect.

8.6 In the event that any part of this Agreement shall be held to be unenforceable or invalid, the remaining parts hereof shall nevertheless continue to be valid and enforceable as though the invalid portions were not a part hereof.

8.7 This Agreement may be modified or amended only by a written instrument duly executed by Franchisor and Franchisee.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Agreement.

SEROTONIN ENTERPRISES, LLC

Signature: _____

Print Name: _____

Title: _____

Date: _____

FRANCHISEE

Franchisee Name: _____

Signature: _____

Print Name: _____

Title: _____

Date: _____

EXHIBIT C TO THE FRANCHISE DISCLOSURE DOCUMENT

SEROTONIN ENTERPRISES, LLC
MULTI-UNIT DEVELOPMENT AGREEMENT

MULTI-UNIT DEVELOPMENT AGREEMENT

This Multi-Unit Development Agreement ("**MUDA**") made and entered on _____ (the "Effective Date") by and between:

- Serotonin Enterprises LLC, a Florida limited liability company, having its principal place of business at 7790 Wintergarden Vineland Rd., Suite 100, Windermere, FL 34786 ("**Franchisor**," "**we**," "**us**," or "**our**"); and

- _____, an individual/partnership/corporation/limited liability company established in the State of _____ and whose principal address is _____ _____ ("**Developer**", "**you**," or "**your**").

WHEREAS, we have developed certain business processes, technologies, trade secrets, contracts, client lists, knowledge, know-how, trade names, service marks, trademarks, logos, emblems, trade dress and other intellectual property; distinctive signage and decor; standards and specifications for services, products, supplies, appearance, operations and management control; training and assistance; purchasing programs; and advertising, marketing, promotional and sales programs which may be changed, discontinued, improved, modified and further developed by us from time to time (the "**System**").

WHEREAS, by signing below, you understand and acknowledge that it is solely your responsibility to comply with all business, franchise and health laws applicable to your Serotonin businesses including the laws set forth in our Franchise Disclosure Document ("**Disclosure Document**").

WHEREAS, by signing below, you understand and acknowledge that each location you open shall be subject to the then-current franchise agreement (the "**Franchise Agreement**") which may have terms that are materially different than the franchise agreement you are signing in conjunction with this MUDA.

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party stated herein, hereby agree as follows:

1. GRANT

1.1. We hereby grant to you, pursuant to the terms and conditions of this MUDA, certain development rights ("**Development Rights**") to establish and operate ____ Serotonin franchised businesses at specific locations to be designated in separate Franchise Agreements executed as provided in Section 3.1 hereof, and pursuant to the schedule established in Attachment "D" of this MUDA (hereinafter "**Minimum Performance Schedule**"). Each Serotonin franchised business developed hereunder shall be located in the area described in Attachment "E" of this MUDA (hereinafter "**Development Area**").

1.2. This MUDA is not a franchise agreement and does not grant to you any right to use our trade names, trademarks, and logos as we may designate from time to time (collectively, the

"Marks"). You shall have no right under this MUDA to sub-franchise, sub-license, or sell Serotonin franchised businesses to third parties.

2. DEVELOPMENT FEE

2.1. In consideration of the Development Rights granted herein, you shall pay to us an initial payment, or "Development Fee," upon signing this MUDA, in an amount that is determined based upon the number of Serotonin franchised businesses ("**Units**") you agree to develop and operate. The Development Fee is determined based on the chart below:

Number of Units	Development Fee
3	$165,000
4	$220,000
5	$275,000
6	$315,000
7	$367,500
8	$420,000
9	$472,500
10	$520,500
11	$550,000
12	$600,000
13	$650,000
14	$700,000
15	$750,000
16	$760,000
17	$807,500
18	$855,000
19	$902,500
20	$950,000

2.2. Each additional Unit after 20 shall be an additional $45,000.

2.3. You acknowledge and agree that the Development Fee shall be fully earned by us upon execution of this MUDA, is not refundable, and will not be credited against any other fees you may pay to us pursuant to this MUDA or any Franchise Agreement. The Development Fee constitutes one hundred percent (100%) of the initial franchise fees for the number of Units you must open but shall not be considered an initial franchise fee for purposes of deferral or waiver in certain registration states that may require the deferral or waiver of initial fees until certain initial obligations are performed by us.

3. SCHEDULE AND MANNER FOR EXERCISING DEVELOPMENT RIGHTS

3.1. You shall assume all responsibility and expense for locating potential sites for your Units and shall submit to us for our evaluation and approval, in the form specified by us, the Serotonin Site-Review Package which shall include, at minimum, a description of the site, the terms of the lease

or purchase, and such other information and materials as we may reasonably require. We will make reasonable efforts to notify you within 30 days after receipt of such information and materials from you to accept or decline the site in our sole discretion. We shall have no obligation to approve sites which do not meet our criteria for you to meet the Minimum Performance Schedule.

3.2. Recognizing that time is of the essence, you agree to exercise the Development Rights granted hereunder in the manner specified herein, and in accordance with the Minimum Performance Schedule. Your failure to adhere to the Minimum Performance Schedule shall constitute a default under this MUDA as provided in Section 9.1. hereof. Under no circumstances may you or an affiliate (defined herein as a separate corporate entity commonly owned by you) open a Unit for business unless and until there is a fully executed Franchise Agreement in place for each such Unit, and we have been paid all amounts due and owing to us upon execution of such Franchise Agreement.

3.3. You shall exercise your Development Rights granted herein only by executing a Franchise Agreement for each Unit at a site approved by us in the Development Area as hereinafter provided within ten (10) days after receipt of said Franchise Agreement from us for the approved site and return same to us for our execution. The Franchise Agreement for the first Unit shall be executed contemporaneously with this MUDA by you or your affiliate. In the event we do not receive the properly executed Franchise Agreement within ten (10) days from delivery to you, our approval of the approved site may be voided, at our option.

3.4. You acknowledge that neither our acceptance of the premises nor any information communicated to you regarding our standard site selection criteria, or the specific location of your Unit will constitute a warranty or representation of any kind, express or implied, as to the suitability of the site for your Unit. Our acceptance of the proposed site merely signifies that we are willing to grant a franchise at the approved site.

3.5. You shall be required to execute each Franchise Agreement and own a minimum of fifty-one percent (51%) of the issued and outstanding stock or membership interests for each Unit to be opened pursuant to said Franchise Agreement. In no event shall you relinquish control over any entity operating each Unit.

4. DEVELOPMENT RIGHTS AND OBLIGATIONS

4.1. Subject to the provisions of this MUDA, we grant to you the Development Rights, as described in Section 1.1. Notwithstanding any other provision of this MUDA, Development Rights under this MUDA may or may not, in our sole discretion, include the right to develop Serotonin franchises at "**Non-Traditional Sites**". Non-Traditional Sites include without limitation military bases, hotels, college campuses, airports, train stations, travel plazas, casinos, and sports or entertainment venues or stadiums. If a Non-Traditional Site becomes available within the Development Area during the term of this MUDA, we may, in our sole discretion, offer you the opportunity to develop a Unit at the Non-Traditional Site. You will have 30 days after we notify you that the site is available to accept this right of first refusal. If you accept the development of the Non-Traditional Site, it will be included in your Development Schedule.

4.2. Provided you are in full compliance with all the terms and conditions of this MUDA, including, without limitation, your development obligations described in Section 3.2., and you are in full compliance with all of your obligations under all Franchise Agreements executed pursuant to this MUDA, then during the term of this MUDA, neither we nor any of our affiliates will develop or operate or grant franchises for the development or operation of Serotonin franchised businesses within the Development Area, except the franchises that are granted to you pursuant to this MUDA and except as otherwise expressly provided in this MUDA. However, we have the right to terminate this exclusivity if you are not in full compliance with all of the terms and conditions of this MUDA and all of the Franchise Agreements signed under it.

4.3. Upon the termination or expiration of this MUDA, we and our affiliates shall have the right to develop and operate, and to grant to others development rights and franchises to develop and operate, Serotonin franchised businesses within the Development Area subject only to the territorial rights granted to you with respect to each Unit operated by you pursuant to the Franchise Agreements signed under this MUDA and subject, further, to the right of first refusal described in Section 6 below.

4.4. We and our affiliates retain all rights with respect to each Unit, the System, the Marks and the sale of any Serotonin branded goods and services, anywhere in the world, including, without limitation, the right:

4.4.1. to produce, offer and sell and to grant others the right to produce, offer and sell any of the products or services offered at Serotonin franchised businesses and any other goods or services displaying the Marks or other trade and service marks through alternative channels of distribution (including, but not limited to, the Internet, catalog sales, grocery stores, telemarketing or other marketing methods) both within and outside your Development Area, and under any terms and conditions we deem appropriate;

4.4.2. to operate and to grant others the right to operate Serotonin franchised businesses located outside the Development Area under any terms and conditions we deem appropriate and regardless of proximity to your Development Area and Units thereunder;

4.4.3. to operate and to grant others the right to operate Serotonin businesses at Non-Traditional Sites within and outside the Development Area under any terms and conditions we deem appropriate; and

4.4.4. the right to acquire and operate a business operating one or more competing businesses located or operating in your Development Area.

4.5. To maintain your rights under the MUDA, you must have open and maintain in operation the cumulative number of Serotonin franchises stated on the Minimum Performance Schedule by the dates agreed upon. Failure to do so will be grounds for either a loss of territorial exclusivity or a termination of the MUDA.

5. RENEWAL

This MUDA shall not be subject to renewal. However, if you wish to purchase a new Development Area and continue to develop Units, we will, in good faith, negotiate a new MUDA with you subject to availability in our discretion and on terms commensurate with our then-current MUDA and Development Fee schedules.

6. TERM AND RIGHT OF FIRST REFUSAL

6.1. Unless sooner terminated in accordance with the terms of this MUDA, the term of this MUDA and all Development Rights granted hereunder shall expire on the date the last Unit is opened pursuant to the Minimum Performance Schedule established in Attachment "D".

6.2 If, at any time or from time to time following the opening for business of all the Units in accordance with the Minimum Performance Schedule, we determine that it is desirable to operate one or more additional Units in the Development Area, and provided you have timely complied with the Minimum Performance Schedule and are in compliance with all terms and conditions of all Franchise Agreements signed under the MUDA, you shall have a right of first refusal to obtain the Development Rights to such additional Units upon such reasonable terms and conditions as are determined by us including, but not limited to, the imposition of a new Development Fee and payment of the then-current Initial Franchise Fee for each Unit upon execution of the then-current Franchise Agreement. In such case, we shall advise you in writing of the terms and conditions for the acquisition of the Development Rights for such additional Unit(s). If you do not exercise this first right of refusal, in whole, we may, following the expiration of the 60-day period, grant the Development Rights to such additional Unit(s) to any other person or persons on the same terms and conditions or we may elect to develop and construct any such additional Unit(s).

7. YOUR OBLIGATIONS

7.1. You acknowledge and agree that:

7.1.1. Except as otherwise provided herein, this MUDA includes only the right to select sites for the establishment of Units and to submit the same to us for our approval in accordance with the terms of this MUDA. This MUDA does not include the grant of a license by us to you of any rights to use the Marks, the System, or to open or operate any Serotonin franchised businesses within the Development Area. You shall obtain the license to use such additional rights at each Unit upon the execution of each Franchise Agreement by both you and us and only in accordance with the terms of each Franchise Agreement.

7.1.2. The Development Rights granted hereunder are personal to you and cannot be sold, assigned, transferred or encumbered, in whole or in part, except as stated in Section 11 hereof.

7.1.3. Except as provided in Sections 6.1. and 6.2. hereof, the Development Rights granted hereunder are non-exclusive, and we retain the right, in our sole discretion:

7.1.3.1. to continue to construct and operate other Serotonin businesses and to use the System and the Marks at any location outside the Development Area, and to license others to do so.

7.1.3.2. to develop, use and franchise the rights to any trade names, trademarks, service marks, trade symbols, emblems, signs, slogans, insignia, or copyrights not designated by us as Marks for use with different franchise systems for the sale of the different products or services not in connection with the System at any location, on such terms and conditions as we may deem advisable and without granting you any rights therein.

7.1.3.3. to develop, merchandise, sell and license others to sell any of our products, proprietary or otherwise, presently existing or to be developed in the future, to the public through alternative channels of distribution outside or inside of the Development Area and to use the Marks in connection therewith.

7.1.4. You have sole responsibility for the performance of all obligations arising out of the operation of your development business pursuant to this MUDA, including, but not limited to, the payment when due of any and all taxes levied or assessed by reason of such operation.

7.1.5. In all public records, in your relationship with other persons, and in any documents, you shall indicate clearly the independent ownership of your development business and that the operations of said business are separate and distinct from the operation of a Unit.

7.1.6. You shall, at all times, preserve in confidence any and all materials and information furnished or disclosed to you by us, and you shall disclose such information or materials only to such of your employees or agents who must have access to it in connection with their employment. You shall not at any time, without our prior written consent, copy, duplicate, record or otherwise reproduce such materials or information, in whole or in part, nor otherwise make the same available to any unauthorized person.

7.1.7. You shall comply with all requirements of federal, state and local laws, rules and regulations.

7.1.8. You shall at no time have the right to sub-franchise any of your Development Rights hereunder.

7.1.9. In no event shall any Unit be opened for business unless and until a Franchise Agreement for such Unit has been fully executed and any additional initial fees due to us or our affiliates have been paid.

8. OUR SERVICES

8.1. We will review the information regarding potential sites for your Units that you provide to us to determine whether the sites meet our then current standards and criteria, and if the site meets our criteria, accept the site.

8.2. We will assist you in determining the layout and configuration of each Unit once the location has been approved. After you and we have determined the layout and configuration of each Unit, you must arrange for site plan and build-out plans and specifications to be prepared and submitted to us for our review.

8.3. We will review your site plan and final build-out plans and specifications for conformity to our standards and specifications.

8.4. We may provide other resources and assistance as may be developed and offered to our developers in our discretion and as we deem appropriate.

9. DEFAULT AND TERMINATION

9.1 The occurrence of any of the following events of default shall constitute good cause for us, at our option and without prejudice to any other rights or remedies provided for hereunder or by law or equity, to terminate this MUDA upon notice to you without opportunity to cure the default, except where prohibited by any applicable state or federal law, whereupon this MUDA shall be terminated in accordance with the provisions of any such law:

9.1.1. If you shall, in any respect, fail to meet the Minimum Performance Schedule.

9.1.2. If you shall purport to affect any assignment other than in accordance with Section 11 hereof.

9.1.3. Except as provided in Section 11 hereof, if you attempt to sell, assign, transfer or encumber this MUDA prior to the time that at least fifty percent (50%) of the Units to be constructed and opened for business in accordance with the Minimum Performance Schedule are, in fact, open or under construction.

9.1.4. If you make, or have made, any material misrepresentation to us in connection with obtaining this MUDA, any site approval hereunder, or any Franchise Agreement signed under this MUDA.

9.1.5. If you default in the performance of any obligation under any Franchise Agreement with us, provided such default results in the termination of the Franchise Agreement.

9.1.6. If you suffer a violation of any law, ordinance, rule or regulation of a governmental agency in connection with the operation of any Unit under this MUDA, and permit the same to go uncorrected after notification thereof, unless there is a bona fide dispute as to the violation or legality of such law, ordinance, rule or regulation, and you promptly resort to courts or forums of appropriate jurisdiction to contest such violation or legality.

9.1.7. If you or an owner of yours owning a twenty-five percent (25%) or more interest in you is convicted in a court of competent jurisdiction of an indictable offense punishable by a term of imprisonment in excess of one year.

9.1.8. If you, or any of your partners, if you are a partnership, or any of your officers, directors, shareholders, or members, if you are a corporation or limited liability company, shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you; if you are adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver or other custodian for you or your business or assets is filed and consented to by you; if a receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction; if proceedings for a composition with creditors under any state or federal law should be instituted by or against you; if a final judgment remains unsatisfied or of record for 30 days or longer (unless a *supersedeas* bond is filed); if you are dissolved; if execution is levied against your business or property; if suit to foreclose any lien or mortgage against the premises or equipment is instituted against you and not dismissed within 30 days; or if the real or personal property of the business shall be sold after levy thereupon by any sheriff, marshal, or constable.

9.1.9. If you, or any shareholder or principal, if you are corporate entity, or any of your affiliates cease to operate all of the Units developed pursuant to the terms of this MUDA.

9.2 Upon occurrence of any of the events stated in this Section 9.2, we may, without prejudice to any other rights or remedies contained in this MUDA or provided by law or equity, terminate this MUDA. Such termination shall be effective 30 days after written notice (or such other notice as may be required by applicable state law) is given by us to you of any of such events, if such defaults are not cured within such period:

9.2.1. If you shall use the System or Marks, or any other names, marks, systems, insignia, symbols or rights which are our property, except pursuant to, and in accordance with, a valid and effective Franchise Agreement.

9.2.2. If you, or persons controlling, controlled by or under common control with you, shall have any interest, direct or indirect, in the ownership or operation of any business engaged in the sale of products or services similar to those permitted to be sold by you within the Development Area or in any business which looks like, copies or imitates a Serotonin business or operates in a manner tending to have such effect other than pursuant to a valid and effective Franchise Agreement with us.

9.2.3. If you shall fail to remit to us any payments pursuant to Section 2 when same are due. Any amounts paid by you toward the Development Fee upon termination shall be non-refundable.

9.2.4. If you shall begin work upon any Unit at any site unless all the conditions stated in Section 3 hereof have been met.

9.2.5. If you fail to obtain our prior written approval or consent, including but not limited to site approval or site plan approval, as expressly required by this MUDA.

9.2.6. If you default in the performance of any other obligation under this MUDA.

9.2.7. If you open any Unit for business before a Franchise Agreement for such Unit has been fully executed by you and us and all initial fees due to us have been paid.

10. OBLIGATIONS FOLLOWING TERMINATION

10.1. Upon termination of this MUDA becoming effective for any reason, or upon expiration of the term hereof, you agree as follows:

10.1.1. to cease immediately any attempts to select sites on which to establish Units.

10.1.2. to cease immediately to hold yourself out in any way as a Developer of ours or to do anything which would indicate a relationship between you and us.

10.1.3. to immediately and permanently cease to use the Marks and distinctive forms, slogans, signs, and symbols associated with the Developer program and the System.

10.1.4. to promptly pay all sums owing to us and our affiliates under this MUDA. In the event of termination for any default by you, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees and expenses, incurred by us or our affiliates as a result of the default.

10.1.5. You shall comply with the covenants contained in Section 12 of this MUDA.

10.2. No right or remedy herein conferred upon or reserved to us is exclusive of any other right or remedy provided or permitted by law or in equity.

11. TRANSFER OF INTEREST

11.1. This MUDA is personal to you, and you shall neither sell, assign, transfer nor encumber this MUDA, the Development Rights, or any other interest hereunder, nor suffer or permit any such assignment, transfer or encumbrance to occur directly, indirectly or contingently by agreement or by operation of law without our prior written consent. You understand that this MUDA may not be pledged, mortgaged, hypothecated, given as security for an obligation or in any manner encumbered. The assignment or transfer of any interest, except in accordance with this Section 11 shall constitute a material breach of this MUDA.

11.2. In the event that you are a corporation or desire to conduct business in a corporate capacity, said corporate entity or assignment to a corporate entity (which may include a corporation, limited liability company or partnership) must receive our prior written approval and you agree to comply with the provisions hereinafter specified, including without limitation, personal guarantees by the equity owners of all of the obligations of said corporate entity or assignee corporate entity to us and other parties designated by us. The corporate entity or assignee corporate entity shall not engage in any business activities other than those directly related to the operation of the Units pursuant to the terms and conditions of the Franchise Agreements with us, and all assets related to the operation

of the Units shall be held by the corporate entity or assignee corporate entity. There shall be no transfer fee charged by us for a one-time assignment to a corporate entity.

11.3. If you are a corporation or if your rights hereunder are assigned to a corporate entity, you or those individuals disclosed on Attachment "B" attached hereto shall be the legal and beneficial owner of not less than 51% of the outstanding equity of said entity and shall act as such entity's principal officer. The assignment to a corporate entity will not relieve you of personal liability to us for performance of any of the obligations under this MUDA. Any subsequent transfer of voting rights of the equity of the entity or assignee entity, and any transfer or issuance of equity of the entity or assignee entity shall be subject to our prior written approval. We agree that we will not unreasonably restrict the issuance or transfer of equity, provided that you comply with the provisions of this Section 11, and provided that in no event shall any equity of such corporate entity or assignee corporate entity be sold, transferred or assigned to a business competitor of ours. The articles of organization and governing documents (including by-laws, operating agreement or partnership agreement) of the entity or assignee entity shall reflect that the issuance and transfer of equity is restricted, and all certificates shall bear the following legend, which shall be printed legibly and conspicuously on each certificate:

> **"The transfer of this certificate is subject to the terms and conditions of a Multi-Unit Development Agreement with Serotonin Enterprises, LLC, dated _____. Reference is made to said Multi-Unit Development Agreement and related franchise agreements and to restrictive provisions of the governing documents of this entity."**

11.4. The entity or assignee entity's records shall indicate that a stop transfer order shall be in effect against the transfer of any equity, except for transfers permitted by this Section 11. In addition to the foregoing, the equity of such entity or assignee entity shall not be publicly sold or traded. You are strictly prohibited from offering your securities through a public offering or private placement.

11.5. In the event of your death, disability or permanent incapacity, we shall consent to the transfer of all of the interest of you to your spouse, heirs or relatives, by blood or marriage, or if this MUDA was originally executed by more than one party, then to the remaining party(ies) who originally executed this MUDA, whether such transfer is made by your Last Will and Testament or by operation of law, provided that the requirements of Section 11 hereof have been met. In the event that your heirs do not obtain our consent as prescribed herein, your personal representative shall have a reasonable time to dispose of your interest hereunder, which disposition shall be subject to all the terms and conditions for transfers under this MUDA.

11.6. You have represented to us that you are entering into this MUDA with the intention of complying with its terms and conditions and not for the purpose of resale of the Development Rights hereunder. Therefore, you agree that any attempt to assign this MUDA, prior to the time that at least fifty percent (50%) of the Units to be constructed hereunder are opened or under construction, except pursuant to Sections 11.2 and 11.3 hereof, shall be deemed to be an event of default.

11.7. Except as provided in Section 11.6, if you receive from an unaffiliated third party and desire to accept a bona fide written offer to purchase your business, Development Rights and interests,

we shall have the option, exercisable within 30 days after receipt of written notice setting forth the name and address of the prospective purchaser, the price and terms of such offer, and a copy of such offer and the other information stated in this Section 11.7, to purchase such business, Development Rights and interests, including your right to develop sites within the Development Area, on the same terms and conditions as offered by said third party. In order that we may have information sufficient to enable us to determine whether to exercise this option, we may require you to deliver to us certified financial statements as of the end of your most recent fiscal year and such other information about your business and operations as we may request. If we decline or do not accept the offer in writing within 30 days, you may, within 30 days from the expiration of the option period, sell, assign and transfer your business, Development Rights and interest to said third party, provided we have consented to such transfer as required by this Section 11. Any material change in the terms of the offer prior to closing of the sale to such third party shall constitute a new offer, subject to the same rights of first refusal by us or our nominee, as in the case of an initial offer. Our failure to exercise the option afforded by this Section 11.7 shall not constitute a waiver of any other provision of this MUDA, including all of the requirements of this Section 11.7 with respect to the proposed transfer.

11.8. You acknowledge and agree that the restrictions on transfer imposed herein are reasonable and are necessary to protect the Development Rights, the System and the Marks, as well as our reputation and image, and are for the protection of us, you and other multi-unit developers and franchisees. Any assignment or transfer permitted by this Section 11.7 shall not be effective until we receive a completely executed copy of all transfer documents, and we consent in writing thereto.

11.9. Except as provided in Section 11.6. hereof, we agree not to unreasonably withhold our consent to a sale, assignment or transfer by you hereunder. Consent to such transfer otherwise permitted or permissible as reasonable may be refused unless:

11.9.1. All of your obligations created by this MUDA, all other franchise documents, including all Franchise Agreements, and the relationship created hereunder are assumed by the transferee.

11.9.2. All ascertained or liquidated debts of you to us or our affiliates or suppliers are paid.

11.9.3. You are not in default hereunder.

11.9.4. We are reasonably satisfied that the transferee meets all of our requirements for new multi-unit developers, including but not limited to, good reputation and character, business acumen, operational ability, management skills, financial strength and other business considerations.

11.9.5. Transferee executes or, in appropriate circumstances, causes all necessary parties to execute, our standard form of MUDA, Franchise Agreements for all Units open or under construction hereunder, and such other then-current ancillary agreements being required by us of new multi-unit developers on the date of transfer.

11.9.6. You execute a general release, in a form satisfactory to us, of any and all claims against us, our officers, directors, employees and principal stockholders of any and all claims and causes of action that you may have against us or any subsidiary or affiliated corporations in any way relating to this MUDA or the performance or non-performance thereof by us.

11.9.7. You or transferee pay to us a transfer fee in an amount greater of (i) seventy-five percent (75%) of our then-current applicable initial franchise fee for a single unit franchise, (ii) or $50,000, to cover our reasonable costs in effecting the transfer and in providing training and other initial assistance to transferee.

11.10. Upon the death or mental incapacity of any person with an interest of more than fifty percent (50%) in this MUDA or in you, the executor, administrator or personal representative of such person shall transfer his interest to a third party approved by us within twelve (12) months. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any *inter vivos* transfer. However, in the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions stated in Section 11.1 hereof, the personal representative of the deceased shall have a reasonable time, not to exceed twelve (12) months from the date said personal representative is appointed, to dispose of the deceased's interest in you or in the Development Rights, which disposition shall be subject to all the terms and conditions for transfers contained in this MUDA. It is understood and agreed, however, that notwithstanding the foregoing, the Minimum Performance Schedule shall be complied with as though no such death or mental incapacity had occurred. In the event the interest described above is not disposed of within such time, we shall have the right to terminate this MUDA, provided such termination had not previously occurred for failure to perform pursuant to the Minimum Performance Schedule, upon 90 days' notice to your representative, or we shall have the right to re-purchase same at the same price being sought by your representative.

11.11. Our consent to a transfer of any interest in you or in the Development Rights pursuant to this Section shall not constitute a waiver of any claims we may have against the transferring party, nor shall it be deemed a waiver of our right to demand exact compliance with any of the terms of this MUDA by the transferee.

11.12. We shall have the right to assign this MUDA and all of our attendant rights and privileges to any person, firm, corporation or other entity provided that, with respect to any assignment resulting in the subsequent performance by the assignee of our functions: (a) the assignee shall, at the time of such assignment, be financially responsible and economically capable of performing our obligations; and (b) the assignee shall expressly assume and agree to perform such obligations. You expressly affirm and agree that we may sell our assets, our rights to the Marks or to the System outright to a third party; may go public; may engage in a private placement of some or all of our securities; may merge, acquire other corporations, or be acquired by another corporation; may undertake a refinancing, recapitalization, leveraged buyout or other economic or financial restructuring; and, with regard to any or all of the above sales, assignments and dispositions, you expressly and specifically waive any claims, demands or damages arising from or related to the loss of said Marks (or any variation thereof) and/or the loss of association with or identification of "Serotonin Enterprises, LLC" as Franchisor. Nothing contained in this MUDA shall require us to remain in our

current industry or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this MUDA.

12. COVENANTS

12.1. You covenant that during the term of this MUDA, except as otherwise approved in writing by us, you (or if Developer is a corporation or partnership, the Operating Principal) or your manager shall devote full time, energy, and best efforts to the management and operation of the Developer's business governed by this MUDA.

12.2. You specifically acknowledge that, pursuant to this MUDA, you will receive confidential information, including without limitation, marketing methods and techniques of us and the System. You covenant that, during the term of this MUDA, you and persons controlling, controlled by or under common control with you shall not, either directly or indirectly, for yourself/himself, or through, on behalf of or in conjunction with any person, persons or legal entity:

12.2.1. Divert or attempt to divert any business or customer of any Serotonin franchised business operated under the System to any competitor or do any other act injurious or prejudicial to the goodwill associated with the System.

12.2.2. Employ or seek to employ any person who is at that time employed by us or any of our franchisees or developers, or directly or indirectly induce such person to leave their employ.

12.2.3. Own, maintain, operate, affiliate with, or have an interest in any business (whether directly operating such a business or as a franchisee, area representative, developer, or otherwise) that is competitive with a Serotonin franchised business.

12.3. You and your owners covenant that, except as otherwise approved in writing by us, you shall not, for a continuous uninterrupted period of two (2) years from the date of: (a) a transfer permitted under Section 11; (b) expiration or termination of this MUDA (regardless of the cause for termination); or (c) a final order of a duly authorized arbitrator, panel of arbitrators, or a court of competent jurisdiction (after all appeals have been taken) with respect to any of the foregoing or with respect to the enforcement of this Section 12.3, either directly or indirectly, for yourself, or through, on behalf of, or in conjunction with any persons or entity, own, maintain, operate, engage in, develop or acquire any interest in any business that is competitive with a Unit and, and which business is, or is intended to be, located (a) within the Development Area; (b) within a ten (10) mile radius of the Development Area; or (c) within a ten (10) mile radius of any Serotonin franchise operating under the System at the time of transfer, expiration or termination.

12.4. Sections 12.2 and 12.3 above shall not apply to ownership by Developer of an interest in any business operated under the System under a franchise granted by us or of less than five percent (5%) beneficial interest in the outstanding equity securities of any publicly held entity.

12.5. The parties agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this MUDA. If all or any portion of a covenant is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed

final decision to which we are a party, you expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Section 12.

12.6. You understand and acknowledge that we shall have the right, in our sole discretion, to reduce the scope of any covenant set forth in Sections 12.2 and 12.3 of this MUDA, or any portion thereof, without your consent, effective immediately upon receipt of written notice thereof; and you agree that you shall comply forthwith with any covenant as so modified, which shall be fully enforceable.

12.7. You expressly agree that the existence of any claims you may have against us, whether or not arising from this MUDA, shall not constitute a defense to the enforcement by us of the covenants in this Section 12. You agree to pay all costs and expenses (including reasonable attorneys' fees and expenses) we incur in connection with the enforcement of this Section 12.

12.8. You shall require and obtain execution of covenants, in a form reasonably acceptable to us, of confidentiality and non-competition similar to those set forth elsewhere in this MUDA (including covenants applicable upon the termination of a person's relationship with you) from any or all of the following persons: (a) all managers of Developer; (b) all officers, directors, and holders of a beneficial interest of five percent (5%) or more of the securities of Developer, and of any entity directly or indirectly controlling Developer, if Developer is an entity; and (c) the general partners and any limited partners if Developer is a partnership. The covenants required by this Section 12 shall be in a form specified by us, including, without limitation, specific identification of us as a third-party beneficiary of such covenants with the independent right to enforce them.

12.9. You and your owners agree to comply with and/or to assist us to the fullest extent possible in our efforts to comply with Anti-Terrorism Laws (as defined below). In connection with such compliance, you and your owners certify, represent, and warrant that none of your respective property or interests is subject to being "blocked" under any of the Anti-Terrorism Laws and that neither you nor any of your owners are otherwise in violation of any of the Anti-Terrorism Laws. For the purposes of this Section 12.9, the following terms have the following meanings: (a) "**Anti-Terrorism Laws**" means Executive Order 13224 issued by the President of the United States ("**Executive Order 13224**"), the Terrorism Sanctions Regulations (Title 31, Part 595 of the U.S. Code of Federal Regulations), the Foreign Terrorist Organizations Sanctions Regulations (Title 31, Part 597 of the U.S. Code of Federal Regulations), the Cuban Assets Control Regulations (Title 31, Part 515 of the U.S. Code of Federal Regulations), the USA PATRIOT Act, and all other present and future federal, state and local laws, ordinances, regulations, policies, lists and any other requirements of any other requirements of any governmental authority (including, without limitation, the United States Department of Treasury Office of Foreign Assets Control, and any other government agency with jurisdiction over the parties to this MUDA and/or their actions) addressing or in any way relating to terrorist acts and/or acts of war; (b) "**Owner**" means any person, partner, member, or shareholder who owns any direct or indirect interest in Developer. You and your owners certify that none of you, your respective employees, or anyone associated with any of them is listed in the Annex to Executive Order 13224 (the "**Annex**"). You agree not to knowingly hire any individual who is listed in the Annex (or, if he or she is already employed, retain the employment of that individual). You also agree not to

knowingly: (a) establish a new relationship with a person as an employee, owner, banker, or otherwise who is listed in the Annex (whether or not we have consented to a Transfer involving such new owner); and (b) maintain a business relationship (whether with an employee, an owner, banker, or otherwise) with a person who is added to the Annex. You certify that you have no knowledge or information that, if generally known, would result in you or your owners, your employees, or anyone else associated with you to be listed in the Annex to Executive Order 13224. You understand that you are solely responsible for ascertaining what actions you must take to comply with the Anti-Terrorism Laws, and you specifically acknowledge and agree that your indemnification responsibilities set forth in this MUDA also apply to your obligations under this Section 12.9. Any misrepresentation by you under this Section or any violation of the Anti-Terrorism Laws by you, your owners, your employees, and/or their respective affiliates shall constitute grounds for immediate termination of this MUDA and any other agreement you have entered into with us or one of our affiliates.

13. NOTICES

Any and all notices required or permitted under this MUDA shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, to the respective parties at the addresses listed in the opening paragraph unless and until a different address has been designated by written notice to the other party. Any notice by certified or registered mail shall be deemed to have been given at the date and time of mailing.

14. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

14.1. It is understood and agreed by the parties hereto that this MUDA does not create a fiduciary relationship between them, and that nothing in this MUDA is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee or servant of the other for any purpose whatsoever. Each party to this MUDA is an independent contractor, and neither shall be responsible for the debts or liabilities incurred by the other.

14.2. You shall hold yourself out to the public to be an independent contractor operating pursuant to this MUDA. You agree to take such actions as shall be necessary to that end.

14.3. You understand and agree that nothing in this MUDA authorizes you to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name, and that we assume no liability for, nor shall be deemed liable by reason of, any act or omission of yours or any claim or judgment arising therefrom. You shall indemnify and hold us and our officers, directors, and employees harmless against any and all such claims arising directly or indirectly from, as a result of, or in connection with your activities hereunder, as well as the cost, including reasonable attorneys' fees, of defending against them, except that the foregoing shall not apply to infringement actions regarding the Marks which are caused solely by our actions or actions caused by the negligent acts of us or our agents.

15. APPROVALS

15.1. Whenever this MUDA requires our prior approval or consent, you shall make a timely written request to us for such approval or consent, and, except as otherwise provided herein, any approval or consent granted shall be in writing.

15.2. We make no warranties or guarantees upon which you may rely and assume no liability or obligation to you or any third party to which we would not otherwise be subject, by providing any waiver, approval, advise, consent or services to you in connection with this MUDA, or by reason of any neglect, delay or denial of any request therefor.

16. NON-WAIVER

No failure of ours to exercise any power reserved to us under this MUDA or to insist upon compliance by you with any obligation or condition in this MUDA, and no custom or practice of the parties at variance with the terms hereof, shall constitute a waiver of our rights to demand exact compliance with the terms of this MUDA. Our waiver of any particular default shall not affect or impair our right with respect to any subsequent default of the same or of a different nature; nor shall any delay, forbearance or omission of ours to exercise any power or right arising out of any breach or default by you of any of the terms, provisions or covenants of this MUDA affect or impair our rights, nor shall such constitute a waiver by us of any rights hereunder or rights to declare any subsequent breach or default.

17. SEVERABILITY AND CONSTRUCTION

17.1. Each covenant and provision of this MUDA shall be construed as independent of any other covenant or provision of this MUDA. The provisions of this MUDA shall be deemed severable.

17.2. If all or any portion of a covenant or provision of this MUDA is held unreasonable or unenforceable by a court or agency having valid jurisdiction in a decision to which we are a party, you expressly agree to be bound by any lesser covenant or provision imposing the maximum duty permitted by law which is subsumed within the terms of such covenant or provision, as if that lesser covenant or provision were separately stated in and made a part of this MUDA.

17.3. Nothing in this MUDA shall confer upon any person or legal entity other than us or you, and such of our respective successors and assigns as may be contemplated by Section 11 hereof, any rights or remedies under or by reason of this MUDA.

17.4. All captions in this MUDA are intended solely for the convenience of the parties and none shall be deemed to affect the meaning or construction of any provision hereof.

17.5. All references herein to gender and number shall be construed to include such other gender and number as the context may require, and all acknowledgments, promises, covenants, agreements and obligations herein made or undertaken by you shall be deemed jointly and severally undertaken by all those executing this MUDA on your behalf.

17.6. This MUDA may be executed in multiple copies, each of which shall be deemed an original.

18. ENTIRE AGREEMENT; APPLICABLE LAW

18.1. This MUDA, the documents referred to herein and the Attachments attached hereto constitute the entire, full and complete agreement between us and you concerning the subject matter hereof and supersede any and all prior agreements; provided, however, that nothing in this or any related agreement is intended to disclaim the representations made by us in the Disclosure Document that was furnished to you by us. No amendment, change or variance from this MUDA shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing.

18.2. This MUDA takes effect upon its acceptance and execution by us. Except to the extent this MUDA or any particular dispute is governed by the U.S. Trademark Act of 1946 (Lanham Act, 15 U.S.C. Section 1051 and the sections following it) or other federal law, this MUDA and the relationship created hereby are governed by Florida law, excluding any law regulating the sale of franchises or governing the relationship between a franchisor and franchisee, unless the jurisdictional requirements of such laws are met independently without reference to this Section. References to any law or regulation also refer to any successor laws or regulations and any implementing regulations for any statute, as in effect at the relevant time. References to a governmental agency also refer to any successor regulatory body that succeeds to the function of such agency.

18.3. Subject to the Arbitration provision below, you and we each consent and irrevocably submit to the exclusive jurisdiction and venue of the state and federal courts of competent jurisdiction for Orange County, Florida, and waive any objection to the jurisdiction and venue of such courts. This exclusive choice of jurisdiction and venue provision does not restrict the ability of the parties to confirm or enforce judgments or awards in any appropriate jurisdiction.

19. DISPUTE RESOLUTION

19.1 WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO (A) THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, (B) EQUITABLE CLAIMS, AND (C) AMOUNTS DUE FROM YOU TO US, THE PARTIES AGREE TO SUBMIT ANY CLAIM, CONTROVERSY OR DISPUTE BETWEEN OR INVOLVING US OR ANY OF OUR AFFILIATES (AND OUR AND THEIR RESPECTIVE SHAREHOLDERS, OFFICERS, DIRECTORS, AGENTS, REPRESENTATIVES AND/OR EMPLOYEES) AND YOU (AND YOUR AGENTS, REPRESENTATIVES AND/OR EMPLOYEES, AS APPLICABLE) ARISING OUT OF OR RELATED TO: (A) THIS MUDA OR ANY OTHER AGREEMENT BETWEEN US AND YOU OR OUR AND YOUR RESPECTIVE AFFILIATES; (B) OUR RELATIONSHIP WITH YOU; (C) THE VALIDITY OF THIS MUDA OR ANY OTHER AGREEMENT BETWEEN YOU AND US OR OUR AND YOUR RESPECTIVE AFFILIATES; OR (D) ANY SYSTEM STANDARD, TO NON-BINDING MEDIATION AT A PLACE THAT WE DESIGNATE WITHIN 25 MILES OF WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR MEDIATION IS FILED. (IF YOU AND WE CANNOT AGREE ON A

LOCATION, THE MEDIATION WILL BE CONDUCTED AT OUR HEADQUARTERS). THE MEDIATION SHALL BE CONDUCTED BY EITHER A MUTUALLY AGREED-UPON MEDIATOR OR, FAILING SUCH AGREEMENT WITHIN A REASONABLE PERIOD OF TIME (NOT TO EXCEED 15 DAYS) AFTER EITHER PARTY HAS NOTIFIED THE OTHER OF ITS DESIRE TO SEEK MEDIATION, BY THE AMERICAN ARBITRATION ASSOCIATION IN ACCORDANCE WITH ITS COMMERCIAL MEDIATION PROCEDURES. ABSENT AGREEMENT TO THE CONTRARY, THE MEDIATOR SHALL BE EXPERIENCED IN THE MEDIATION OF FRANCHISE DISPUTES. YOU AND WE AGREE THAT ANY STATEMENTS MADE BY EITHER YOU OR US IN ANY SUCH MEDIATION PROCEEDING WILL NOT BE ADMISSIBLE IN ANY SUBSEQUENT ARBITRATION OR LEGAL PROCEEDING. EACH PARTY WILL BEAR ITS OWN COSTS AND EXPENSES OF CONDUCTING THE MEDIATION AND SHARE EQUALLY THE COSTS OF ANY THIRD PARTIES WHO ARE REQUIRED TO PARTICIPATE. NEVERTHELESS, BOTH YOU AND WE HAVE THE RIGHT IN A PROPER CASE TO OBTAIN TEMPORARY RESTRAINING ORDERS AND TEMPORARY OR PRELIMINARY INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. HOWEVER, THE PARTIES MUST IMMEDIATELY AND CONTEMPORANEOUSLY SUBMIT THE DISPUTE FOR NON-BINDING MEDIATION. IF THE PARTIES ARE UNABLE TO RESOLVE THE CLAIM, CONTROVERSY OR DISPUTE WITHIN 90 DAYS AFTER THE MEDIATOR HAS BEEN CHOSEN, THEN, UNLESS SUCH TIME PERIOD IS EXTENDED BY THE WRITTEN AGREEMENT OF THE PARTIES, EITHER PARTY MAY BRING A LEGAL PROCEEDING UNDER THIS SECTION. THE MEDIATION PROVISIONS OF THIS MUDA ARE INTENDED TO BENEFIT AND BIND CERTAIN THIRD-PARTY NON-SIGNATORIES, AND ALL OF YOUR AND OUR OWNERS AND AFFILIATES.

19.2. WITH THE EXCEPTION OF ANY CONTROVERSY OR CLAIM RELATING TO (A) THE OWNERSHIP OR IMPROPER USE OF OUR PROPRIETARY MARKS OR CONFIDENTIAL INFORMATION, (B) EQUITABLE CLAIMS, AND (C) AMOUNTS DUE FROM YOU TO US, ANY DISPUTE ARISING OUT OF OR IN CONNECTION WITH THIS MUDA, IF NOT RESOLVED BY THE NEGOTIATION AND MEDIATION PROCEDURES DESCRIBED ABOVE, MUST BE DETERMINED WITHIN 50 MILES OF WHERE OUR PRINCIPAL OFFICES ARE LOCATED AT THE TIME THE DEMAND FOR ARBITRATION IS FILED BY THE AMERICAN ARBITRATION ASSOCIATION ("AAA") (IF YOU AND WE CANNOT AGREE ON A LOCATION, THE ARBITRATION WILL BE CONDUCTED AT OUR HEADQUARTERS). THIS ARBITRATION CLAUSE WILL NOT DEPRIVE US OF ANY RIGHT WE MAY OTHERWISE HAVE TO SEEK PROVISIONAL INJUNCTIVE RELIEF FROM A COURT OF COMPETENT JURISDICTION. THE ARBITRATOR MUST HAVE SUBSTANTIAL EXPERIENCE IN FRANCHISE LAW AND WITH COMMERCIAL DISPUTES. THE PARTIES ASK THAT THE ARBITRATOR LIMIT DISCOVERY TO THE GREATEST EXTENT POSSIBLE CONSISTENT WITH BASIC FAIRNESS IN ORDER TO MINIMIZE THE TIME AND EXPENSE OF ARBITRATION. IF PROPER NOTICE OF ANY HEARING HAS BEEN GIVEN, THE ARBITRATOR WILL HAVE FULL POWER TO PROCEED TO TAKE EVIDENCE OR TO PERFORM ANY OTHER ACTS NECESSARY TO ARBITRATE THE MATTER IN THE ABSENCE OF ANY PARTY WHO FAILS TO APPEAR. BOTH PARTIES WAIVE ANY RIGHTS THEY MAY HAVE TO DEMAND TRIAL BY JURY

OR TO SEEK PUNITIVE DAMAGES FROM ONE ANOTHER. THE ARBITRATOR WILL HAVE NO POWER TO: (A) STAY THE EFFECTIVENESS OF ANY PENDING TERMINATION OF FRANCHISE; (B) ASSESS PUNITIVE DAMAGES AGAINST EITHER PARTY; OR (C) MAKE ANY AWARD THAT MODIFIES OR SUSPENDS ANY LAWFUL PROVISION OF THIS MUDA. THE PARTY AGAINST WHOM THE ARBITRATOR RENDERS A DECISION MUST PAY ALL EXPENSES OF ARBITRATION. ANY COURT OF COMPETENT JURISDICTION MAY ENTER JUDGMENT UPON ANY AWARD.

19.3. As a mandatory condition precedent prior to your taking any legal or other action against us, whether for damages, injunctive, equitable or other relief (including, but not limited to, rescission), based upon any alleged act or omission of ours, you shall first give us 90 days prior written notice and opportunity to cure such alleged act or omission, or to resolve such matter.

19.4. Nothing in this MUDA shall bar our right to obtain specific performance of the provisions of this MUDA and injunctive relief against threatened conduct that will cause us loss or damage, under customary equity rules, including applicable rules for obtaining restraining orders and preliminary injunctions. You agree that we may apply for such injunctive relief, without bond, but upon due notice, in addition to such further and other relief as may be available at equity or law, and your sole remedy, in the event of the entry of such injunction, shall be the dissolution of such injunction, if warranted, upon hearing duly held (all claims for damages by reason of the wrongful issuance of any such injunction being expressly waived).

19.5. No right or remedy conferred upon or reserved to us or you by this MUDA is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

19.6. YOU AND WE HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY ACTION ARISING OUT OF OR IN CONNECTION WITH THIS MUDA, THE RELATIONSHIP CREATED BY THIS MUDA, OR ANY OTHER AGREEMENTS BETWEEN YOU AND US AND/OR YOUR AND OUR RESPECTIVE AFFILIATES.

19.7. EXCEPT FOR YOUR OBLIGATIONS TO US AND CLAIMS FOR UNAUTHORIZED USE OF THE MARKS OR CONFIDENTIAL INFORMATION, YOU WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY RIGHT TO, OR CLAIM FOR, ANY CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES AGAINST US. YOU ALSO AGREE THAT, IN THE EVENT OF A DISPUTE BETWEEN YOU AND US, THE PARTY MAKING THE CLAIM WILL BE LIMITED TO EQUITABLE RELIEF AND RECOVERY OF ANY ACTUAL DAMAGES YOU SUSTAIN.

19.8. ANY AND ALL CLAIMS ARISING OUT OF OR IN CONNECTION WITH THIS MUDA OR THE RELATIONSHIP BETWEEN YOU AND US MUST BE MADE BY WRITTEN NOTICE TO THE OTHER PARTY WITHIN ONE YEAR FROM THE OCCURRENCE OF THE ACT OR EVENT GIVING RISE TO SUCH CLAIM OR ONE YEAR FROM THE DATE ON WHICH YOU OR WE KNEW OR SHOULD HAVE KNOWN, IN THE

EXERCISE OF REASONABLE DILIGENCE, OF THE FACTS GIVING RISE TO SUCH CLAIMS, WHICHEVER OCCURS FIRST, EXCEPT FOR CLAIMS FOR: (A) INDEMNIFICATION; OR (B) UNAUTHORIZED USE OF THE CONFIDENTIAL INFORMATION OR PROPRIETARY MARKS. HOWEVER, THIS PROVISION DOES NOT LIMIT OUR RIGHT TO TERMINATE THIS MUDA IN ANY WAY.

19.9. You shall pay to us all damages, costs and expenses (including without limitation reasonable attorneys' fees) that we incur subsequent to the termination or expiration of the license granted under this MUDA in: (a) obtaining injunctive or other relief for the enforcement of any provisions of this MUDA; (b) successfully defending a claim that we defrauded you into signing this MUDA, that the provisions of this MUDA are not fair, were not properly entered into, and/or that the terms of this MUDA do not govern the parties' relationship; and/or (c) enforcing any term in this MUDA.

20. TIMELY PERFORMANCE

You hereby acknowledge that your timely development of the Units in the Development Area in accordance with the Minimum Performance Schedule is of material importance to us and you. You agree, as a condition of the continuance of the rights granted hereunder, to develop and open Units within the Development Area in accordance with the Minimum Performance Schedule, to operate such Unit pursuant to the terms of the Franchise Agreements and to maintain all such Units in operation continuously. We agree to diligently act upon any request of or approval from you and any material delay in your ability to meet the Minimum Performance Schedule which is directly caused by our failure to act diligently upon a request for approval shall not constitute a default hereunder. Further, a failure or delay in performance by any party to this MUDA shall not be a default hereunder if such failure or delay arises out of or results from a "**Force Majeure**", which for purposes of this MUDA shall be defined as fire, flood, acts of God, global pandemic, government shutdown, earthquake or other natural disasters, or acts of a public enemy, war, act of terrorism, rebellion or sabotage. Force Majeure shall not include your lack of financing.

21. ACKNOWLEDGMENTS

21.1. You acknowledge and agree that we shall have the right to operate the System as we determine is appropriate, including but not limited to making decisions of whether to enter into an agreement of any sort with any party (such as a prospective franchisee), determining the terms of any agreement that we will enter into with any party (such as the provisions of a Franchise Agreement), determining whether and how to enforce its agreements (such as whether and when to bring actions to require payment in full by all parties, including franchisees), and all other matters whatsoever pertaining to the System. You understand that you shall not have any right whatsoever to enforce or to require us to do business with any particular party, enter into any particular agreement, or to enforce the terms of any particular Franchise Agreement.

21.2. You acknowledge that you have conducted an independent investigation of the Serotonin development business and recognize that the business venture contemplated by this MUDA involves business risks and that its success will be largely dependent upon the ability of you as an independent businessperson or business. We expressly disclaim the making of, and you acknowledge

that you have not received, any warranty or guarantee, express or implied, orally or in writing, as to the potential volume, profits, or success of the business venture contemplated by this MUDA.

21.3. You acknowledge that you have read and understood this MUDA, the documents referred to in this MUDA and agreements relating thereto, if any; and that we have accorded you ample time and opportunity to consult with advisors and/or attorneys of your own choosing about the potential benefits and risks of entering into this MUDA.

21.4. You acknowledge and agree that we have in the past, and may in the future, modify the offer of its licenses to other multi-unit developers in any manner and at any time, which offers and agreements have or may have terms, conditions, and obligations that differ from the terms, conditions, and obligations in this MUDA.

21.5. You acknowledge that you received the Disclosure Document required by the Federal Trade Commission Franchise Rule at least 14 calendar days prior to the date on which this MUDA was executed or any consideration was paid to us.

21.6. Each party represents and warrants to the others that there are no other agreements, court orders, or any other legal obligations that would preclude or in any manner restrict such party from: (a) negotiating and entering into this MUDA; (b) exercising its rights under this MUDA; and/or (c) fulfilling its responsibilities under this MUDA.

21.7. You acknowledge that the success of the business venture contemplated under this MUDA is speculative and depends, to a large extent, upon your ability as an independent businessperson, his/her active participation in the daily affairs of the business, market conditions, area competition, availability of product, quality of services provided as well as other factors. We do not make any representation or warranty express or implied as to the potential success of the business venture contemplated hereby.

21.8. We expressly disclaim the making of, and you acknowledge that you have not received nor relied upon, any warranty or guaranty, express or implied, as to the revenues, profits or success of the business venture contemplated by this MUDA.

22. EFFECTIVE DATE

22.1 This MUDA shall be effective as of the date it is executed by us.

IN WITNESS WHEREOF, the parties hereto have duly executed, sealed and delivered this Agreement on the day and year first above written.

SEROTONIN ENTERPRISES, LLC	**DEVELOPER:**
By:_____	By: _____
Name:_____	Name: _____
Title:_____	Title: _____
Date:_____	Date: _____

SEROTONIN ENTERPRISES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT "A"

CERTIFICATION BY DEVELOPER

The undersigned, _____, personally, ("**Developer**") do/does hereby certify that they have conducted an independent investigation of the business contemplated by this Multi-Unit Development Agreement and the Serotonin Enterprises, LLC Franchise Agreement, and that the decision to execute the Multi-Unit Development Agreement was based entirely upon the independent investigation by the undersigned; and the undersigned further certifies that he has not relied upon, in any way, any claims regarding potential sales, income, or earnings to be derived from the business contemplated by the Franchise Agreement and Multi-Unit Development Agreement, and has not relied upon any claims regarding past or current sales, income or earnings of Franchisor-operated Units, except as may be included in the Serotonin Franchise Disclosure Document heretofore provided to Developer. The undersigned further certifies that he/she understands the risks involved in this investment and Serotonin Enterprises, LLC makes no representation or guaranty, explicit or implied, that the Developer will be successful or will recoup his/her investment.

Each of the undersigned owns a 5% or greater beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

IN WITNESS WHEREOF, this Certification has been signed the day and year below.

DEVELOPER'S MEMBERS/STOCKHOLDERS:

_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
_____	_____
Date Signed	Date Signed

SEROTONIN ENTERPRISES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT ATTACHMENT "B"

GUARANTY

In consideration of the execution by Serotonin Enterprises, LLC of the annexed Multi-Unit Development Agreement, and acknowledging that undersigned will benefit directly or indirectly from the execution thereof, the undersigned, _____, agree(s) to be jointly and severally bound by and agree to guaranty the performance of all of the terms and conditions of the Multi-Unit Development Agreement and any amendments thereto or renewals thereof, and do hereby execute this Multi-Unit Development Agreement for the purpose of binding and obligating themselves to the terms and conditions of the aforesaid Multi-Unit Development Agreement and any amendments thereto or renewals thereof.

The guarantors hereunder hereby waive notice of termination or default under the Multi-Unit Development Agreement.

Each of the undersigned owns a 5% or greater beneficial interest in Developer, each has read this Multi-Unit Development Agreement, and each agrees to be individually bound by all obligations of Developer hereunder.

IN WITNESS WHEREOF, this Guaranty has been signed the day and year below.

GUARANTORS:

_____	_____
Personally and Individually (Printed Name)	Personally and Individually (Printed Name)
_____	_____
Personally and Individually (Signature)	Personally and Individually (Signature)
_____	_____
Date Signed	Date Signed
HOME ADDRESS	HOME ADDRESS
_____	_____
_____	_____
TELEPHONE NO.: _____	TELEPHONE NO.: _____
PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____%	PERCENTAGE OF OWNERSHIP IN FRANCHISEE: _____ %

SEROTONIN ENTERPRISES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT "C"

TRANSFER OF A FRANCHISE TO
A CORPORATION OR LIMITED LIABILITY COMPANY

This Transfer Agreement shall amend that certain Multi-Unit Development Agreement between _____ ("**Developer**") and Serotonin Enterprises, LLC ("**Franchisor**").

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or Members of the issued and outstanding membership interests of the Limited Liability Company set forth below, and the Developer of the Units under a Multi-Unit Development Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Development Area set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the Members of the Limited Liability Company, who together with Developer constitute all of the Shareholders of the Corporation, or the Members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Multi-Unit Development Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 11 of the Multi-Unit Development Agreement, agree as follows:

1. The undersigned Developer shall remain personally liable in all respects under the Multi-Unit Development Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the Members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Multi-Unit Development Agreement including the restrictive covenants contained in Section 12 thereof, to the same extent as if each of them were the Developer set forth in the Multi-Unit Development Agreement and they jointly and severally personally guarantee all of the Developer's obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

> "The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated _____, 20__ between _____ and Serotonin Enterprises, LLC"
>
> or
>
> "The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Multi-Unit Development Agreement dated _____, 20__ between _____ and Serotonin Enterprises, LLC".

3. _____ or his/her designee shall devote his best efforts to the day-to-day operation and development of the Units.

4. _____ hereby agrees to become a party to and to be bound by all of the provisions of the Multi-Unit Development Agreement executed on the date set forth below between Developer and Franchisor, to the same extent as if it were named as the Developer therein.

Date of Multi-Unit Development Agreement: _____

Development Area for Units: _____

As to Paragraph 3:	As to Paragraph 4:
_____	_____
Name	Name
_____	_____
Signature	Signature
_____	_____
Date	Date

In consideration of the execution of the above Agreement, Serotonin Enterprises, LLC hereby consents to the above referred to assignment on _____.

SEROTONIN ENTERPRISES, LLC

By: _____

Name: _____

Title: _____

Date: _____

SEROTONIN ENTERPRISES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT ATTACHMENT "D"

MINIMUM PERFORMANCE SCHEDULE

The Agreement authorizes and obliges Developer to establish and operate _____ Units pursuant to a franchise agreement for each Unit. The following is Developer's Minimum Performance Schedule:

Serotonin Center #	Deadline for Opening	Total # of Franchised Businesses to be Open and Operating On Deadline	Development Fee
			$_____
			$_____
			$_____
			$_____
			$_____
		Total Fee To Be Paid:	

The Minimum Performance Schedule shall be deemed completed, and this MUDA shall expire, upon the opening of the final Unit to be developed pursuant to this Agreement.

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Minimum Performance Schedule.

SEROTONIN ENTERPRISES, LLC

By: _____

Name: _____

Title: _____

Date: _____

DEVELOPER:

By:_____

Name: _____

Title: _____

Date: _____

SEROTONIN ENTERPRISES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT "E"

"DEVELOPMENT AREA"

The following describes the Development Area within which Developer may locate Units under the MUDA:

_____

___ Check if Map attached

IN WITNESS WHEREOF the parties hereto, intending to be legally bound hereby have duly executed this Development Area.

SEROTONIN ENTERPRISES, LLC	**DEVELOPER:**
By: _____	By:_____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

SEROTONIN ENTERPRISES, LLC MULTI-UNIT DEVELOPMENT AGREEMENT
ATTACHMENT "F"

STATE ADDENDA TO THE MULTI-UNIT DEVELOPMENT AGREEMENT

CALIFORNIA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

Section 2 of the Multi-Unit Development Agreement is amended to including the following paragraph:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

No statement, questionnaire, or acknowledgement signed or agreed to by franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

DEVELOPER:

By:_____

Date:_____

SEROTONIN ENTERPRISES, LLC

By:_____

Date:_____

HAWAII ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control:

Payment of Initial Franchise Fees/Development Fees shall be deferred until Franchisor has met its initial obligations to area developer and the payment attributable to a specific unit in your development schedule is deferred until that unit is open.

No statement, questionnaire, or acknowledgement signed or agreed to by franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

DEVELOPER:

By:_____

Date:_____

SEROTONIN ENTERPRISES, LLC

By:_____

Date:_____

ILLINOIS ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Capitalized terms used but not defined in this Addendum have the meanings given in the Agreement. The "Illinois Act" means the Illinois Franchise Disclosure Act of 1987.

2. The Multi-Unit Development Agreement is governed by Illinois law.

3. In conformance with Section 4 of the Illinois Act, any provision in the Multi-Unit Development Agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a Multi-Unit Development Agreement may provide for arbitration to take place outside of Illinois.

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

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

6. Payment of Initial Franchise Fees/Development Fees shall be deferred until Franchisor has met its initial obligations to area developer and area developer has commenced its Franchised Business. This financial assurance requirement was imposed by the Office of the Illinois Attorney General due to Franchisor's financial condition.

7. This Addendum is effective as of the Effective Date.

8. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

DEVELOPER:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

MARYLAND ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Capitalized terms used but not defined in this Rider have the meanings given in the Agreement. The "Maryland Franchise Law" means the Maryland Franchise Registration and Disclosure Law, Business Regulation Article, §14-206, Annotated Code of Maryland.

2. Notwithstanding any provision of the Agreement to the contrary, as a condition of the sale of a franchise, Franchisor shall not require a prospective franchisee to agree to a release, assignment, novation, waiver, or estoppel that would relieve Franchisor or any other person from liability under the Maryland Franchise Law.

3. Pursuant to COMAR 02-02-08-16L, the general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and DisclosureLaw.

4. Any provision of the Agreement which provides for a period of limitations for causes of action shall not apply to causes of action under the Maryland Franchise Law, Business Regulation Article, §14-227, Annotated Code of Maryland. Franchisee must bring an action under such law within three years after the grant of the franchise.

5. Notwithstanding any provision of the Agreement to the contrary, Franchisee does not waive its right to file a lawsuit alleging a cause of action arising under the Maryland Franchise Law in any court of competent jurisdiction in the State of Maryland.

6. 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.

7. Based on the Franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all development fees and initial payments owed by area developers shall be deferred until the first Unit under the Multi-Unit Development Agreement opens.

DEVELOPER:

By:_____

Date:_____

SEROTONIN ENTERPRISES, LLC

By:_____

Date:_____

NORTH DAKOTA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

If any of the terms of the Multi-Unit Development Agreement are inconsistent with the terms below, the terms below control.

1. Section 2 of the Multi-Unit Development Agreement shall be amended to state that the Initial Franchise Fees/Development Fees owed by developers shall be deferred until Franchisor has satisfied its pre-opening obligations to developers and developer has commenced operations of its Franchised Business.

2. Section 10 of the Multi-Unit Development Agreement is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

3. Section 18 of the Multi-Unit Development Agreement is modified and amended to provide that franchisees/developers are not required to consent to the jurisdiction of courts outside of North Dakota.

4. Section 18 of the Multi-Unit Development Agreement is modified and amended to provide that North Dakota law governs any cause of action arising out of the Multi-Unit Development Agreement.

5. Section 19 of the Multi-Unit Development Agreement is modified and amended to provide that all arbitration or mediation required under the Multi-Unit Development Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

6. Section 19 of the Multi-Unit Development Agreement is modified and amended, specifically the provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language: "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

7. Section 19 of the Multi-Unit Development Agreement shall be modified to state that the statute of limitations under North Dakota law shall apply.

8. Section 19 of the Multi-Unit Development Agreement shall be modified to state that the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorneys' fees.

9. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other

person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

DEVELOPER:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

SOUTH DAKOTA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

Section 2 Multi-Unit Development Agreement is amended to add the following:

1. The South Dakota Securities Regulation Office is requiring 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 Multi-Unit Development Agreement and franchisees open for business.

DEVELOPER:

By:_____

Date:_____

SEROTONIN ENTERPRISES, LLC

By:_____

Date:_____

VIRGINIA ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

Section 2 Multi-Unit Development Agreement is amended to add the following:

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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the relation relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

DEVELOPER:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

WASHINGTON ADDENDUM TO MULTI-UNIT DEVELOPMENT AGREEMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise

agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

DEVELOPER:	**SEROTONIN ENTERPRISES, LLC**
By:_____	By:_____
Date:_____	Date:_____

EXHIBIT D TO THE FRANCHISE DISCLOSURE DOCUMENT

SEROTONIN
OPERATIONS MANUAL TABLE OF CONTENTS

TABLE OF CONTENTS

Serotonin Enterprises – Operations Manual 2026

Executive Overview 1–7
SECTION 1 — SYSTEM OVERVIEW & GOVERNANCE 15
SECTION 2 — BRAND, CULTURE & LEADERSHIP PHILOSOPHY 19
SECTION 3 — FRANCHISEE, OWNERSHIP & ROLE CLARITY 30
SECTION 4 — PRE-OPENING & DEVELOPMENT 38
SECTION 5 — TRAINING & ONBOARDING ECOSYSTEM 50
SECTION 6 — OPENING, LAUNCH & VALIDATION 56
SECTION 7 — DAILY CENTER OPERATIONS 75
SECTION 8 — CLIENT EXPERIENCE & SERVICE DELIVERY 98
SECTION 9 — MEDICAL & CLINICAL OPERATIONS 104
SECTION 11 — TEAM MANAGEMENT & PEOPLE STANDARDS 114
SECTION 12 — SALES, MEMBERSHIPS & REVENUE 120
SECTION 13 — MARKETING & LOCAL MARKET EXECUTION 126
SECTION 14 — TECHNOLOGY & SYSTEMS 132
SECTION 15 — FINANCIAL MANAGEMENT 138
SECTION 16 — QUALITY CONTROL & OVERSIGHT 144
SECTION 17 — GROWTH, MULTI-UNIT & LEADERSHIP PATH 150
SECTION 18 — TRANSITIONS, TRANSFERS & CONTINGENCIES 156
SECTION 19 — CLOSING & COMMITMENT 162

EXHIBIT E TO THE DISCLOSURE DOCUMENT

FINANCIAL STATEMENTS

SEROTONIN ENTERPRISES, LLC

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2025 AND 2024 AND FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

With Auditor's Report Thereon

SEROTONIN ENTERPRISES, LLC
TABLE OF CONTENTS

Page

Independent Auditor's Report.....1-2

Financial Statements

Balance Sheets.....3

Statements of Operations.....4

Statements of Member's Deficit..... 5

Statements of Cash Flows.....6

Notes to the Financial Statements.....7-15

GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA
ANTHONY J. SELLARI, EA
DUSTAN J. BROWN, CPA****

MARY L. CONTESSA, CPA*, CVA, MAFF, PA
NICHOLAS J. FRONTERA, CPA*
STEVE A. GOINDOO, CPA**/PFS, MTAX, CFP®
CANDACE ANTEZANA KLOTZBIER, CPA*
JAMIE M. RUSSO, CPA*
JANET SCALZITTI, CPA**
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**

BARBARA AHEARN-DUNN, EA
JACQUELINE CARTIER, EA
BENJAMIN CROMER, EA

Divine Blalock Martin Sellari LLC
Est. in 1932

Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
FLORIDA INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL AND THE STATE OF NY
****REGULATED BY THE STATE OF FL AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY

INDEPENDENT AUDITOR'S REPORT

To the Members of
Serotonin Enterprises, LLC
Orlando, Florida, 32836

Opinion

We have audited the accompanying financial statements of Serotonin Enterprises, LLC (a Florida limited liability company), which comprise the balance sheets as of December 31, 2025 and 2024, and the related statements of income, changes in member's deficit, and cash flows for the years ended December 31, 2025, 2024 and 2023, and the related notes to the financial statements.

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

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Serotonin Enterprises, LLC'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 Serotonin Enterprises, LLC'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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
April 20, 2026

SEROTONIN ENTERPRISES, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 12,759	$ 82,288
Accounts receivable	85,950	44,860
Advertising fund receivable	20,540	11,036
Prepaid expenses	30,472	29,929
Total current assets	149,721	168,113
Property and equipment, net	29,338	40,202
Organizational costs, net	33,472	36,162
Total assets	$ 212,531	$ 244,477
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities		
Accounts payable	$ 104,208	$ 96,224
Accrued expenses	48,807	121,491
Note payable - current portion	1,726,670	97,817
Deferred revenue - current portion	83,422	119,985
Total current liabilities	1,963,107	435,517
Long-term liabilities		
Note payable - non current portion	151,444	247,992
Deferred revenue - non current portion	1,878,142	3,854,286
Total long-term liabilities	2,029,586	4,102,278
Total liabilities	3,992,693	4,537,795
Member's deficit		
Member's deficit	(3,780,162)	(4,293,318)
Total member's deficit	(3,780,162)	(4,293,318)
Total liabilities and member's deficit	$ 212,531	$ 244,477

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Revenue			
Franchise income	$ 82,448	$ 50,190	$ 13,333
Franchise termination income	2,332,761	445,000	-
Royalty fees	554,410	254,293	112,599
Advertising fund revenue	208,035	99,154	43,019
Lease review fee	3,600	12,600	18,100
Technology fees	311,125	209,000	58,900
Miscellaneous income	-	679	189
Rebate income	312,195	231,716	49,755
Net revenues	3,804,574	1,302,632	295,895
Operating expenses:			
Advertising and marketing	246,185	286,908	278,094
Advertising fund expenses	286,746	275,905	152,327
Computer, internet and software	362,602	289,946	138,123
Depreciation and amortization	13,553	11,931	4,514
General and administrative expenses	172,904	192,982	278,394
Interest expenses	23,232	30,220	23,778
Professional services	351,944	282,650	354,256
Salaries and benefits	1,528,247	1,528,001	1,026,603
Travelling and entertainment	306,005	147,538	424,319
Total operating expenses	3,291,418	3,046,081	2,680,408
Net income (loss)	$ 513,156	$ (1,743,449)	$ (2,384,513)

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENTS OF CHANGES IN MEMBER'S DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Balance, January 1	$ (4,293,318)	$ (3,223,069)	$ (827,436)
Member's contributions	-	675,000	-
Member's distributions	-	(1,800)	(11,120)
Net income (loss)	513,156	(1,743,449)	(2,384,513)
Balance, December 31	$ (3,780,162)	$ (4,293,318)	$ (3,223,069)

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

	2025	2024	2023
Cash flows from operating activities:			
Net income (loss)	$ 513,156	$ (1,743,449)	$ (2,384,513)
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation & amortization	13,553	11,931	4,514
(Increase) decrease in operating assets:			
Accounts receivable	(41,090)	(14,771)	383,180
Ad fund receivable	(9,504)	(11,036)	-
Prepaid expenses	(543)	4,292	(34,221)
Increase (Decrease) in operating liabilities:			
Accounts payable	7,984	9,285	41,138
Accrued expenses	(72,684)	(311,281)	432,772
Deferred revenue	(2,012,707)	960,313	1,326,666
Net cash (used) in operating activities	(1,601,835)	(1,094,716)	(230,464)
Cash flows from investing activities:			
Fixed assets purchased	-	(24,434)	(22,723)
Net cash flows (used) in investing activities:	-	(24,434)	(22,723)
Cash flows from financing activities:			
Member's contribution (distribution), net	-	673,200	(11,120)
Proceeds (reyapment) from note payable, net	1,532,306	(97,818)	443,627
Net cash provided by financing activities	1,532,306	575,382	432,507
Net (decrease) increase	(69,529)	(543,768)	179,320
Cash and cash equivalents at beginning of year	82,288	626,056	446,736
Cash and cash equivalents at end of year	$ 12,759	$ 82,288	$ 626,056
Supplemental Disclosures			
Interest paid	$ 23,232	$ 30,220	$ 23,778

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2025 AND DECEMBER 31, 2024 AND
FOR THE YEARS ENDED DECEMBER 31, 2025, 2024 AND 2023

NOTE 1 – BUSINESS ACTIVITY

Serotonin Enterprises, LLC (the "Company"), is a limited liability was formed in the state of Florida and commenced operations on January 27, 2021. The Company is in the business of offering franchises for the operation of outlets under the trade name SEROTONIN. The Franchises offer hormone replacement therapy, IV nutrition, aesthetic treatments such as facials and skin peels, face injectable dermal fillers and neuromodulators (Botox), health coaching, and retail sales of skin care products and vitamin supplements. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to Serotonin Enterprises, LLC

At December 31, 2025, twenty-eight Serotonin franchises were opened, five of which were related party companies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2025 and 2024, the Company's uninsured cash balances were $0.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are non-interest-bearing obligations due under normal trade terms carried out at the amount management expects to collect. Account balances are delinquent if payments have not been received by the Company for 90 days. Included in accounts receivable are initial franchise fees, monthly royalties, and related fees due from franchisees. At December 31, 2025 and 2024, the amount due was $89,590 and $44,860, respectively.

Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks. For the years ended December 31, 2025 and 2024, no allowance for credit losses was recorded.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years.

Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

Compensated Absences

Employees compensated absences are not accrued as of December 31, 2025 and 2024, because no reasonable estimate of the amount can be made.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the period ended December 31, 2025.

The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2025 and 2024.

Reclassification

Certain prior year amounts have been reclassified to conform to current year's presentation. The reclassifications had no effect on previously reported net assets or changes in net assets.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP"), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer.
- Identify the performance obligation in the contract.
- Determine the transaction price.
- Allocate the transaction price to performance obligations.
- Recognize revenue when (or as) each performance obligation is satisfied.

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

Royalty fees & Advertising fund revenue are calculated as a percentage of the franchisees' monthly revenue in accordance with the Agreement. Royalty fees & Advertising fund revenue are considered variable consideration and represent sales-based revenue that are related entirely to the single performance obligation under the Agreement and are recognized at the end of each month, which is when the franchisees' monthly revenue is reported to the Company.

The Agreements include the right to use the Company's intellectual property over the term of the Agreement as well as all other services provided under the Agreement. These promises are highly dependent upon and interrelated with the franchise right granted in the Agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the Agreement is satisfied by granting certain rights to use the intellectual property over the term of each Agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Revenue Recognition, continued

Execution of an Agreement is contingent upon receipt of payment of the initial or renewal franchise fee. Initial and renewal franchise fees are recognized over the term of the respective franchisee life, which is estimated to be the full term of the franchise agreement, on a straight-line basis, beginning when the franchise agreement is executed.

Unearned initial and renewal franchise fees are recorded as deferred revenue in the accompanying balance sheet. Transfer fees are recognized at the point in time the transfer occurs as the successor franchisee enters into a new franchise agreement. The initial or renewal franchise fee is recognized as income in the year the franchisee terminates the Agreement.

Costs to obtain a contract under, such as sales commissions, are capitalized as incurred and recorded as deferred contract costs on the accompanying balance sheet. Contract costs are amortized over the term of the respective franchisee agreement, on a straight-line basis, beginning when the franchise agreement is executed. The commission fees is fully recognized as expense if the franchisee terminates the Agreement.

The Company excludes from revenue sales taxes and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Upfront initial and renewal fees – Franchise agreements are contingent upon the signed Agreement and receipt of payment for an upfront fee. The Company deferred recognizing the revenue from the fees until all material services relating to the sale of a franchise were performed by the Company and the franchisee facility opened or was deemed unable to open.

During the years ended December 31, 2025 and 2024, the Company mutually terminated eight and two multi-unit franchise agreements, respectively. In accordance with ASC 606, the remaining contract liabilities related to these terminated agreements were recognized as termination income when the contracts were effectively settled, resulting in revenue of $2,332,761 and $445,000 in the Statements of Income for the years ended December 31, 2025 and 2024, respectively. Management applied judgment in determining the timing of satisfaction of performance obligations and the measurement of remaining contract liabilities upon termination.

Advertising Costs

Advertising costs are expensed when incurred and amounted to $246,185 and $286,908 and $278,094 for the years ended December 31, 2024, 2023 and 2022, respectively.

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities, continued

ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued and Adopted Accounting Pronouncements

In June 2016, the FASS issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities measure credit losses for most financial assets and certain other instruments that are not measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASS ASC 326 were trade accounts receivable. The Company adopted the standard effective December 15, 2022. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company’s management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2025 and 2024.

NOTE 3 – PREPAID EXPENSES

Prepaid expenses represent expenses paid to assist franchisee’s in getting their business open. This includes commissions, advertising fees, and misc. costs. These costs are recognized when Franchisees open their doors. The amounts prepaid as of December 31, 2025 and 2024, were $30,472 and $29,929, respectively.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31,

	2025	2024
Leasehold improvement	$ 4,740	$ 4,740
Furniture and equipment	8,363	8,363
Computer equipment	38,794	38,794
	51,897	51,897
Less: Accumulated depreciation	(22,559)	(11,695)
	$ 29,338	$ 40,202

NOTE 5 – ORGANIZATION COSTS

In accordance with its operating agreement, the Company has elected to capitalize the costs of organizing the Company and to amortize such costs over 180 months. The financial impact is deemed immaterial, and the Company believes such treatment is more equitable than expensing the entire amount of such expenses, in accordance with GAAP.

Organization costs consists of the following at December 31,

	2025	2024
Organization costs	$ 45,353	$ 45,353
Less: Accumulated amortization	(11,881)	(9,191)
	$ 33,472	$ 36,162

NOTE 6 – DEFERRED REVENUE

Deferred revenue consists of initial franchise fees received and is recognized in accordance with ASC 606. Under ASC 606, initial franchise fees represent consideration for distinct performance obligations and are amortized over the term of the respective franchisee's contract as the performance obligations are satisfied.

Deferred franchise revenue consists of the following as of December 31,

	2025	2024
Current portion	$ 83,422	$ 119,985
Non current portion	1,878,142	3,854,286
	$1,961,564	$3,974,271

NOTE 7 – LONG-TERM DEBT

The Company is indebted under contractual obligations to a related party, Longevity Brands, LLC. On April 17, 2023, the Company signed a note with Longevity Brands for $500,000 which requires 60 equal monthly installment payments of $10,019 with an annual interest rate of 7.5% per annum. At the end of the 60-month loan term, all outstanding interest and balloon principal will be due and payable. As of December 31, 2025 and 2024, the outstanding balances were $1,878,114 and $345,809, respectively.

Minimum long-term debt payments for the note payable are as follows:

2026	$1,726,670
2027	121,760
2028	29,684
Thereafter	-
	$1,878,114

NOTE 8 – RELATED PARTY TRANSACTIONS

Related operating companies are entities which share common ownership with Serotonin Enterprises, LLC and the owners do or can, control or significantly influence management or operating policies. The following transactions occurred between the Company, members, and other affiliated companies:

Trademark - A related party has the exclusive and unrestricted use of the Company's trademark in connection with franchise sales and related operations.

Operating Lease—The Company conducts its operations on premises leased by an affiliated company and does not require any monthly rental payments.

Short-Term Loan Payable – During the year ended December31, 2025, the Company was indebted to a related party, Longevity Brands, LLC. The note has no stated interest rate, no repayment terms and are callable on demand. The note is stated as current liabilities on the balance sheet. The balance as of December 31, 2025 and 2024 were $1,621,491 and $0, respectively.

Long-Term Debt – On April 17, 2023, the Company signed a note payable with a member, Longevity Brands, LLC for $500,000. As of December 31, 2025 and 2024, the balances were $256,623 and $345,809, respectively.

NOTE 9 – CERTAIN OPERATING MATTERS

Although the Company reported net income of **$513,153 for the year ended December 31, 2025**, compared to net losses of **$1,743,449** and **$2,384,513** for the years ended December 31, 2024 and 2023, respectively, and maintained members' deficits of **$3,780,162**, **$4,293,318**, and **$3,223,069** for the same periods, management believes the Company has taken significant steps to strengthen its financial position and support the long-term scalability of **Serotonin Enterprises, LLC**. Key factors supporting this assessment include the following:

- **Strong Leadership and Early Investment in Scalable Infrastructure** The Company's CEO brings more than 25 years of franchise executive leadership experience. Under this leadership, the Company has intentionally invested in infrastructure, systems, and executive-level talent earlier than is typical for emerging franchisors. These investments have positioned the Company with the operational capacity and expertise needed to support a rapidly expanding franchise network.
- **Continued Expansion of the Franchise System** The Company executed on its growth strategy by opening several new franchise centers during 2025. As of year-end, **twenty-eight franchise locations** were generating royalties and other recurring fee income, demonstrating increasing system penetration and revenue diversification.
- **Royalty Rate Increase to Strengthen Recurring Revenue** The Company increased its standard royalty rate from **6% to 7%**, effective with the 2025 Franchise Disclosure Document (FDD). This adjustment is expected to enhance recurring revenue as the system continues to scale and as additional franchise centers become operational.
- **Strategic Restructuring to Improve System Quality and Performance** Management implemented a restructuring initiative designed to focus the franchise system on high-quality, growth-oriented franchise partners. As part of this effort, **eight multi-unit franchise agreements were terminated**, resulting in termination revenue of **$2,332,761** and **$445,000** recognized in the Statements of Income for the years ended December 31, 2025 and 2024, respectively. This strategic realignment is intended to strengthen system-wide performance and improve long-term unit economics.
- **Focus on High-Commitment Multi-Unit Developers** Looking ahead, the Company will prioritize franchisees and multi-unit developers who demonstrate strong alignment with the brand, a clear commitment to expansion, and the operational capability to scale responsibly. Management believes this focus will enhance brand consistency, improve franchisee performance, and support sustained revenue growth.

Management's Conclusion Management believes these strategic actions reflect a disciplined approach to system development and demonstrate the Company's commitment to sustainable growth, operational stability, and long-term financial strength.

NOTE 10– SUBSEQUENT EVENTS

The Company's management has performed subsequent events procedures through April 20, 2026, which is the date the financial statements were available to be issued and nothing has occurred that would require disclosure.

SEROTONIN ENTERPRISES, LLC

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2024 AND 2023 AND FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

With Auditor's Report Thereon

DBMS Divine Blalock Martin Sellari LLC Est. in 1932

SEROTONIN ENTERPRISES, LLC
TABLE OF CONTENTS

Page

Independent Auditor's Report.....1-2

Financial Statements

Balance Sheets.....3

Statements of Operations.....4

Statements of Member's Deficit..... 5

Statements of Cash Flows.....6

Notes to the Financial Statements.....7-14

GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA
ANTHONY J. SELLARI, EA
DUSTAN J. BROWN, CPA****

MARY L. CONTESSA, CPA*, CVA, MAFF, PA
NICHOLAS J. FRONTERA, CPA*
STEVE A. GOINDOO, CPA**/PFS, MTAX, CFP®
CANDACE ANTEZANA KLOTZBIER, CPA*
JAMIE M. RUSSO, CPA*
JANET SCALZITTI, CPA**
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**
ANDREW E. WEISNER, CPA*

BARBARA AHEARN-DUNN, EA
JACQUELINE CARTIER, EA
BENJAMIN CROMER, EA

Divine Blalock Martin Sellari LLC
Est. in 1932

Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL
AND THE STATE OF NY
****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
****REGULATED BY THE STATE OF NY

INDEPENDENT AUDITOR'S REPORT

To the Members of
Serotonin Enterprises, LLC
Orlando, Florida, 32836

Opinion

We have audited the accompanying financial statements of Serotonin Enterprises, LLC (a Florida limited liability company), which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of income, changes in member's deficit, and cash flows for the years ended December 31, 2024, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Serotonin Enterprises, LLC as of December 31, 2024 and 2023 and the results of its operations and its cash flows for the years ended December 31, 2024, 2023 and 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Prior Period Financial Statements

The financial statements of Serotonin Enterprises, LLC as of December 31, 2022 were audited by other auditors whose report dated March 8, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Serotonin Enterprises, LLC'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 Serotonin Enterprises, LLC'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.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL
April 29, 2025

SEROTONIN ENTERPRISES, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2024 AND 2023

	2024	2023
ASSETS		
Current assets		
Cash and cash equivalents	$ 82,288	$ 626,056
Accounts receivable	44,860	25,333
Advertising fund receivable	11,036	4,756
Prepaid expenses	29,929	34,221
Total current assets	168,113	690,366
Property and equipment, net	40,202	25,009
Organizational costs, net	36,162	38,852
Total assets	$ 244,477	$ 754,227
LIABILITIES AND MEMBER'S DEFICIT		
Current liabilities		
Accounts payable	$ 96,224	$ 86,939
Accrued expenses	121,491	432,772
Note payable - current portion	97,602	97,817
Deferred revenue - current portion	119,985	20,500
Total current liabilities	435,302	638,028
Long-term liabilities		
Note payable - non current portion	248,207	345,810
Deferred revenue - non current portion	3,854,286	2,993,458
Total long-term liabilities	4,102,493	3,339,268
Total liabilities	4,537,795	3,977,296
Member's deficit		
Member's deficit	(4,293,318)	(3,223,069)
Total member's deficit	(4,293,318)	(3,223,069)
Total liabilities and member's deficit	$ 244,477	$ 754,227

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENTS OF INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Revenue			
Franchise income	$ 495,190	$ 13,333	$ 2,708
Royalty fees	254,293	112,599	62,053
Advertising fund revenue	99,154	43,019	15,513
Lease review fee	12,600	18,100	0
Technology fees	209,000	58,900	9,500
Miscellaneous income	679	189	-
Rebate income	231,716	49,755	3,018
Net revenues	1,302,632	295,895	92,792
Operating expenses:			
Advertising and marketing	286,908	278,094	5,255
Advertising fund expenses	275,905	152,327	49,000
Computer, internet and software	289,946	138,123	43,437
Depreciation and amortization	11,931	4,514	3,181
General and administrative expenses	192,982	278,394	68,785
Interest expenses	30,220	23,778	-
Professional services	282,650	354,256	260,650
Salaries and benefits	1,528,001	1,026,603	436,224
Travelling and entertainment	147,538	424,319	58,424
Total operating expenses	3,046,081	2,680,408	924,956
Net loss	$ (1,743,449)	$ (2,384,513)	$ (832,164)

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENTS OF CHANGES IN MEMBER'S DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

	2024	2023	2022
Balance, January 1	$ (3,223,069)	$ (827,436)	$ 7,654
Member's contributions	675,000	-	1,000
Member's distributions	(1,800)	(11,120)	(3,926)
Net loss	(1,743,449)	(2,384,513)	(832,164)
Balance, December 31	$ (4,293,318)	$ (3,223,069)	$ (827,436)

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2024

	2024	2023	2022
Cash flows from operating activities:			
Net loss	$ (1,743,449)	$ (2,384,513)	$ (832,164)
Adjustments to reconcile net income to net cash used in operating activities:			
Depreciation & amortization	11,931	4,514	3,181
(Increase) decrease in operating assets:			
Accounts receivable	(14,771)	383,180	(372,612)
Ad fund receivable	(11,036)	-	-
Prepaid expenses	4,292	(34,221)	-
Increase (Decrease) in operating liabilities:			
Accounts payable	9,285	41,138	31,175
Accrued expenses	(311,281)	432,772	540,139
Deferred revenue	960,313	1,326,666	1,017,292
Net cash (used) in operating activities	(1,094,716)	(230,464)	387,011
Cash flows from investing activities:			
Fixed assets purchased	(24,434)	(22,723)	(4,740)
Net cash flows used in investing activities:	(24,434)	(22,723)	(4,740)
Cash flows from financing activities:			
Member's contribution (distribution), net	673,200	(11,120)	(2,926)
(Reyapment) proceeds from note payable, net	(97,818)	443,627	-
Net cash provided by financing activities	575,382	432,507	(2,926)
Net (decrease) increase	(543,768)	179,320	379,345
Cash and cash equivalents at beginning of year	626,056	446,736	67,391
Cash and cash equivalents at end of year	$ 82,288	$ 626,056	$ 446,736
Supplemental Disclosures			
Interest paid	$ 30,220	$ 23,778	$ -

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
NOTES TO FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2024 AND DECEMBER 31, 2023 AND
FOR THE YEARS ENDED DECEMBER 31, 2024, 2023 AND 2022

NOTE 1 – BUSINESS ACTIVITY

Serotonin Enterprises, LLC (the "Company"), is a limited liability was formed in the state of Florida and commenced operations on January 27, 2021. The Company is in the business of offering franchises for the operation of outlets under the trade name SEROTONIN. The Franchises offer hormone replacement therapy, IV nutrition, aesthetic treatments such as facials and skin peels, face injectable dermal fillers and neuromodulators (Botox), health coaching, and retail sales of skin care products and vitamin supplements. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to Serotonin Enterprises, LLC

At December 31, 2023, nine stores opened, three of which were related party companies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2024 and 2023, the Company's uninsured cash balances were $0 and $382,743, respectively.

Accounts Receivable and Allowance for Credit Losses

Accounts receivable are non-interest-bearing obligations due under normal trade terms carried out at the amount management expects to collect. Account balances are delinquent if payments have not been received by the Company for 90 days. Included in accounts receivable are initial franchise fees, monthly royalties and related fees due from franchisees. At December 31, 2024 and 2023, the amount due was $0 and $0, respectively.

Management evaluates the collectability of receivables at each reporting date, considering factors such as historical collection patterns, the aging of accounts, and known economic or operational risks. For the years ended December 31, 2024 and 2023, no allowance for credit losses was recorded.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 40 years.

Long-Lived Assets

Long-lived assets held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In the event that facts and circumstances indicate that the cost of any long-lived assets may be impaired, an evaluation of recoverability would be performed.

Compensated Absences

Employees compensated absences are not accrued as of December 31, 2024 and 2023, because no reasonable estimate of the amount can be made.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the period ended December 31, 2024.

The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2024 and 2023.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP"), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties, technology fee and marketing fee on a weekly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

Royalty fees are calculated as a percentage of the franchisees' monthly revenue in accordance with the Agreement. Royalties are considered variable consideration and represent sales-based royalties that are related entirely to the single performance obligation under the Agreement. Revenue from royalty is recognized at the end of each month, which is when the franchisees' monthly revenue is reported to the Company.

Advertising fund revenue is calculated at a percentage of the franchisees' monthly gross revenue in accordance with the Agreement. Advertising fund fees are considered variable consideration and are related entirely to the single performance obligation under the Agreement. Advertising fund fees are recognized at the end of each month, which is when the franchisee's monthly revenue is reported to the Company.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Revenue Recognition, continued

The Agreements include the right to use the Company's intellectual property over the term of the Agreement as well as all other services provided under the Agreement. These promises are highly dependent upon and interrelated with the franchise right granted in the Agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the Agreement is satisfied by granting certain rights to use the intellectual property over the term of each Agreement.

Execution of an Agreement is contingent upon receipt of payment of the initial or renewal franchise fee. Initial and renewal franchise fees are recognized over the term of the respective franchisee life, which is estimated to be the full term of the franchise agreement, on a straight-line basis, beginning when the franchise agreement is executed.

Unearned initial and renewal franchise fees are recorded as deferred revenue in the accompanying balance sheet. Transfer fees are recognized at the point in time the transfer occurs as the successor franchisee enters into a new franchise agreement. The initial or renewal franchise fee is recognized as income in the year the franchisee terminates the Agreement.

Costs to obtain a contract under, such as sales commissions, are capitalized as incurred and recorded as deferred contract costs on the accompanying balance sheet. Contract costs are amortized over the term of the respective franchisee agreement, on a straight-line basis, beginning when the franchise agreement is executed. The commission fees is fully recognized as expense if the franchisee terminates the Agreement.

The Company excludes from revenue sales taxes and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Upfront initial and renewal fees – Franchise agreements are contingent upon the signed Agreement and receipt of payment for an upfront fee. The Company deferred recognizing the revenue from the fees until all material services relating to the sale of a franchise were performed by the Company and the franchisee facility opened or was deemed unable to open.

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities, continued

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued and Adopted Accounting Pronouncements

In June 2016, the FASS issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments which significantly changed how entities will measure credit losses for most financial assets and certain other instruments that aren't measured at fair value through net income. The most significant change in this standard is a shift from the incurred loss model to the expected loss model.

Under the standard, disclosures are required to provide users of the financial statements with useful information in analyzing an entity's exposure to credit risk and the measurement of credit losses. Financial assets held by the Company that are subject to the guidance in FASS ASC 326 were trade accounts receivable. The Company adopted the standard effective December 15, 2022. The impact of the adoption was not considered material to the financial statements and primarily resulted in new disclosures.

The Company's management has evaluated recently issued accounting pronouncements through the date of this report and concluded that they will not have a material effect on the financial statements as of December 31, 2024 and 2023.

Advertising Costs

Advertising costs are expensed when incurred and amounted to $286,908 and $278,094 and $5,255 for the years ended December 31, 2024, 2023 and 2022, respectively.

NOTE 3 – PREPAID EXPENSES

Prepaid expenses represent expenses paid to assist franchisee's in getting their business open. This includes commissions, advertising fees, and misc. costs. These costs are recognized when Franchisees open their doors. The amounts prepaid as of December 31, 2024 and 2023, were $29,929 and $34,221, respectively.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consists of the following as of December 31,

	2024	2023
Leasehold improvement	$ 4,740	$ 4,740
Furniture and equipment	8,363	-
Computer equipment	38,794	22,723
	51,897	27,463
Less: Accumulated depreciation	(11,695)	(2,454)
	$ 40,202	$ 25,009

NOTE 5 – ORGANIZATION COSTS

In accordance with its operating agreement, the Company has elected to capitalize the costs of organizing the Company and to amortize such costs over 180 months. The financial impact is deemed immaterial, and the Company believes such treatment is more equitable than expensing the entire amount of such expenses, in accordance with GAAP.

Organization costs consists of the following at December 31,

	2024	2023
Organization costs	$ 45,353	$ 45,353
Less: Accumulated amortization	(9,191)	(6,501)
	$ 36,162	$ 38,852

NOTE 6 – DEFERRED REVENUE

Deferred revenue represents initial franchise fees received and amortized over the term of the respective franchisee's life.

Deferred franchise revenue consists of the following as of December 31,

	2024	2023
Current portion	$ 119,985	$ 20,500
Non current portion	3,854,286	2,993,458
	$3,974,271	$3,013,958

NOTE 7 – LONG-TERM DEBT

The Company is indebted under contractual obligations to a related party, Longevity Brands, LLC. On April 17, 2023 the Company signed a note with Longevity Brands for $500,000 which requires 60 equal monthly installment payments of $10,019 with an annual interest rate of 7.5% per annum. At the end of the 60 months loan term, all outstanding interest and balloon principal, will be due and payable. As of December 31, 2024 and 2023, the outstanding balances were $345,809 and $443,627, respectively.

Minimum long-term debt payments for the note payable are as follows:

2025	$ 97,602
2026	105,179
2027	113,344
Thereafter	29,684
	$ 345,809

NOTE 8 – RELATED PARTY TRANSACTIONS

Related operating companies are entities which share common ownership with Serotonin Enterprises, LLC and the owners do or can, control or significantly influence management or operating policies. The following transactions occurred between the Company, members and other affiliated companies:

Trademark - A related party has the exclusive and unrestricted use of the Company's trademark in connection with franchise sales and related operations.

Operating Lease—The Company conducts its operations on premises leased by an affiliated company and does not require any monthly rental payments.

Long-Term Debt – On April 17, 2023, the Company signed a note payable with a member, Longevity Brands, LLC for $500,000. As of December 31, 2024 and 2023, the balances were $345,809 and $443,627, respectively.

NOTE 9 – CERTAIN OPERATING MATTERS

For the years ended December 31, 2024, 2023 and 2022, the Company reported net losses of $1,743,449, $2,384,513 and $832,164, respectively, and maintained a members' deficit of $4,393,318, $3,223,069 and $827,436 for the same periods.

NOTE 9 – CERTAIN OPERATING MATTERS, (CONTINUED)

However, to support management's position regarding the stability and growth potential of Serotonin Enterprises, LLC, the Company presented the following mitigating factors.

- The Company's CEO has 25 years of experience in franchise executive leadership, and has made strategic investments in the Company's infrastructure at an early stage that typically would not be undertaken until after achieving a larger number of operational units. By establishing a strong executive team with extensive experience, the Company is well-prepared to support its expanding franchise network.
- In line with the Company's growth strategy, they have recently opened four new franchise centers in March and April 2025, and projects the opening of an additional ten franchise centers by the end of the year. The recent openings include locations in Charleston, SC; Ortega, FL; Stamford, CT; and Mansfield, TX. The Company has also secured a Multi-Unit Development Agreement for an additional 18 units in Southeast Florida, adding to their existing portfolio of over 75 multi-unit agreements already in place.
- The Company has increased its royalties from 6% to 7% to be reflected in the 2025 FDD filing

Management believes that these strategic developments demonstrate a commitment to sustainable growth and operational stability.

NOTE 10– SUBSEQUENT EVENTS

The Company's management has performed subsequent events procedures through April 29, 2025, which is the date the financial statements were available to be issued. On April 29, 2025 the company signed a Multi-Unit Development Agreement for an additional 18 units in Southeast Florida.



SEROTONIN ENTERPRISES, LLC

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

With Auditors' Report There on

SEROTONIN ENTERPRISES, LLC
TABLE OF CONTENTS

Page

Independent Auditors' Report……1-2

Financial Statements

Balance Sheet.....3

Statement of Operations.....4

Statement of Members' Deficit..... 5

Statement of Cash Flows.....6

Notes to the Financial Statements.....7-14

Supplementary

Statement of Operations (Cash Basis) 15

GARY B. SELLARI, CPA*/PFS, MSM
SCOTT A. STEIN, CPA**
SUZI J. RAPP, CPA*, MAC
B. CHARLES SELLARI, CPA*, MTAX
TOM KEYS, CPA*, CGMA

VICTORIA BOLSKAR, CPA***, LTD
DUSTAN J. BROWN, CPA****
MARY L. CONTESSA, CPA*, PA
NICHOLAS J. FRONTERA, CPA*
STEVE A. GOINDOO, CPA**/PFS, MTAX, CFP®
SHARON HOWARD, CPA, CMA, MST*****
CANDACE ANTEZANA KLOTZBIER, CPA*
CHRISTINE M. MCKENNA, CPA*
JAMIE M. RUSSO, CPA*
JANET SCALZITTI, CPA****
APRIL M. SINNOTT, CPA*
ARTHUR J. SINNOTT, CPA**

BARBARA AHEARN-DUNN, EA
KELLY BEACH, EA
LISA BELL, EA
JACQUELINE CARTIER, EA
ANTHONY J. SELLARI, EA
KENNETH SOKOLSKY, EA

Divine Blalock Martin Sellari LLC
Est. in 1932

Certified Public Accountants and Consultants
580 Village Boulevard, Suite 110
West Palm Beach, FL 33409
Phone: (561) 686-1110 Fax: (561) 686-1330
info@dbmscpa.com

MEMBERS

AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

FLORIDA INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

WILBUR F. DIVINE, III, CPA (1896-1964)
WILBUR F. DIVINE, IV, CPA (1925-1989)
JAMES A. BLALOCK, CPA (1914-1996)
G. MICHAEL MARTIN, CPA (1945-2014)

*REGULATED BY THE STATE OF FL
**REGULATED BY THE STATE OF FL AND
THE STATE OF TN
***REGULATED BY THE STATE OF FL
AND THE STATE OF NY
****REGULATED BY THE STATE OF WI
*****REGULATED BY THE STATE OF FL
AND THE STATE OF NJ
******REGULATED BY THE STATE OF NJ
*******REGULATED BY THE STATE OF NY
********REGULATED BY THE STATE OF FL
AND THE STATE OF NC

INDEPENDENT AUDITOR'S REPORT

To the Members of
Serotonin Enterprises LLC
Orlando, Florida, 32836

Opinion

We have audited the accompanying financial statements of Serotonin Enterprises LLC (a Florida limited liability company), which comprise the balance sheets as of December 31, 2023, and the related statement of income, changes in members' deficit, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Serotonin Enterprises LLC as of December 31, 2023 and the results of its operations and its cash flows for the year 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. 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 LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements of Serotonin Enterprises, LLC as of December 31, 2022 were audited by other auditors whose report dated March 8, 2023 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Serotonin Enterprises LLC'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 Serotonin Enterprises LLC'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on page 15 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Report on Summarized Comparative Information

The summarized comparative information presented herein as of and for the year ended December 31, 2022 was derived from audited financial statements prepared by other auditors (*See prior period financial statements paragraph above*) and has not been audited, reviewed, or compiled and, accordingly, we express no opinion on it.

Divine, Blalock, Martin & Sellari, LLC

West Palm Beach, FL

March 26, 2024

SEROTONIN ENTERPRISES, LLC
BALANCE SHEETS
AS OF DECEMBER 31, 2023
(with comparable totals for 2022)

ASSETS

	2023	2022
Current assets		
Cash and cash equivalents	$ 626,056	$ 446,736
Accounts receivable	4,756	4,781
Payroll tax refund	-	11,120
Franchise fees receivable	-	375,000
Royalties receivable	12,033	22,368
Technology fees receivable	13,300	-
Prepaid expenses	34,221	-
Total current assets	690,366	860,005
Property and equipment, net	25,009	4,582
Organizational costs, net	38,852	41,070
Total assets	$ 754,227	$ 905,657

LIABILITIES AND MEMBERS' DEFICIT

Current liabilities		
Accounts payable	$ 86,939	$ 45,801
Accrued expenses	432,772	545,000
Note payable - current portion	97,817	-
Deferred revenue - current portion	20,500	1,142,292
Total current liabilities	638,028	1,733,093
Long-term liabilities		
Note payable - non current portion	345,810	-
Deferred revenue - non current portion	2,993,458	-
Total long-term liabilities	3,339,268	-
Total liabilities	3,977,296	1,733,093
Members' deficit		
Members' deficit	(3,223,069)	(827,436)
Total members' deficit	(3,223,069)	(827,436)
Total liabilities and members' deficit	$ 754,227	$ 905,657

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparable totals for 2022)

	2023	2022
Revenue		
Franchise income	$ 13,333	$ 2,708
Royalty fees	112,599	62,053
Advertising fund revenue	43,019	15,513
Lease review fee	18,100	-
Technology fees	58,900	9,500
Miscellaneous income	189	-
Rebate income	49,755	3,018
Net revenues	295,895	92,792
Operating expenses:		
Advertising and marketing	278,094	5,255
Advertising fund expenses	152,327	49,000
Computer, internet and software	138,123	43,437
Depreciation and amortization	4,514	3,181
General and administrative expenses	278,394	68,785
Interest expenses	23,778	-
Professional services	354,256	260,650
Salaries and benefits	1,026,603	436,224
Travelling and entertainment	424,319	58,424
Total operating expenses	2,680,408	924,956
Loss from operations *(See Note 8)*	$ (2,384,513)	$ (832,164)

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENT OF CHANGES IN MEMBERS' DEFICIT
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparable totals for 2022)

	2023	2022
Balance, January 1, 2023	$ (827,436)	$ 7,654
Members' contributions	-	1,000
Members' distributions	(11,120)	(3,926)
Net loss	(2,384,513)	(832,164)
Balance, December 31, 2023	$ (3,223,069)	$ (827,436)

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023
(with comparable totals for 2022)

	2023	2022
Cash flows from operating activities:		
Net loss	$ (2,384,513)	$ (832,164)
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation & amortization	4,514	3,181
(Increase) decrease in operating assets:		
Accounts receivable	25	(4,781)
Payroll tax refund	11,120	189
franchise fees receivable	375,000	(375,000)
Royalties receivable	10,335	6,980
Technology fees receivable	(13,300)	-
Prepaid expenses	(34,221)	-
Increase (Decrease) in operating liabilities:		
Accounts payable	41,138	31,175
Accrued expenses	432,772	540,139
Deferred revenue	1,326,666	1,017,292
Net cash (used) in provided by operating activities	(230,464)	387,011
Cash flows from in investing activities:		
Fixed assets purchased	(22,723)	(4,740)
Net cash flows used in investing activities:	(22,723)	(4,740)
Cash flows from financing activities:		
Members' contribution (distribution), net	(11,120)	(2,926)
Proceeds from note payable, net	443,627	-
Net cash provided by (used) in financing activities	432,507	(2,926)
Net increase in cash and cash equivalents	179,320	379,345
Cash and cash equivalents at beginning of year	446,736	67,391
Cash and cash equivalents at end of year	$ 626,056	$ 446,736
Supplemental Disclosures		
Interest paid	$ 23,778	$ -

The accompanying notes are an integral part of these financial statements.

SEROTONIN ENTERPRISES, LLC
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

NOTE 1 – BUSINESS ACTIVITY

Serotonin Enterprises, LLC (the "Company"), is a limited liability was formed in the state of Florida and commenced operations on January 27, 2021. The Company is in the business of offering franchises for the operation of outlets under the trade name SEROTONIN. The Franchises offer hormone replacement therapy, IV nutrition, aesthetic treatments such as facials and skin peels, face injectable dermal fillers and neuromodulators (Botox), health coaching, and retail sales of skin care products and vitamin supplements. Unless otherwise indicated, the terms "we," "us," "our," and "Company" refer to Serotonin Enterprises, LLC

At December 31, 2023, four stores opened, three of which were related party companies.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Company's policy is to prepare its financial statements on the accrual basis of accounting; consequently, revenues are recognized when earned rather than when received, and expenses are recognized when the obligation is incurred rather than when cash is disbursed.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Accounts Receivable and Bad Debts

Accounts receivable are stated at the amount management expects to collect from outstanding balances. The Company assesses whether an allowance for doubtful accounts is necessary to provide for credit losses inherent within the receivable. The Company determines the need for an allowance for doubtful accounts by regularly evaluating the customer receivable and considering the customer's financial condition, credit history and current economic conditions.

At December 31, 2023, accounts receivable consists of the following:

Royalty receivable	$ 12,033
Tech fee receivable	13,300
Ad fund receivable	4,756
	$ 30,089

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization are generally provided using the straight-line method over the estimated useful lives of the related assets which ranges between 5 to 15 years.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Long-Lived Assets

The Company reviews long-lived assets to be held and used by an entity for impairment whenever changes in circumstances indicate that the carrying amount of an asset may not be recoverable. As there are no owned assets for the Year ended December 31, 2023, no impairment of the carrying values of its long-lived assets existed at December 31, 2023. There can be no assurance, however, that demands for the Company's products or market conditions will not change which could result in impairment losses in the future.

Income Taxes

Certain transactions of the Company may be subject to accounting methods for income tax purposes that differ significantly from the accounting methods used in preparing the financial statements in accordance with generally accepted accounting principles. Accordingly, the taxable income of the Company reported for federal and state income tax purposes may differ from net income in these financial statements.

As a limited liability company, income or loss of the Company is allocated to the members. No provision for federal or state income taxes is necessary because any income or loss is includable in the tax returns of the individual members. Local income taxes, if any, are paid by the Company. The Company was not subject to any local income taxes for the period ended December 31, 2023.

The Company's tax returns are subject to possible examination by the taxing authorities. For federal income tax purposes, the tax returns essentially remain open for possible examination for a period of three years after the respective filing deadlines of those returns.

The Company accounts for uncertain tax positions in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes.* ASC 740-10 prescribes a recognition threshold and measurement attribute for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740-10 also provides guidance on de-recognition, classification, interest and penalties, and disclosure and transition accounting. The Company has concluded that no liability for uncertain tax positions is required at December 31, 2023.

Advertising

Advertising costs are expensed as incurred. Advertising costs totaled $278,094 for the year ended December 31, 2023.

Concentrations of Credit Risk

The Company maintains cash in bank and deposit accounts, which at times may exceed federally insured limits. The Company has not experienced any losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents. As of December 31, 2023, the Company's uninsured cash balances totaled $382,743.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Revenue Recognition

The Company's revenue recognition policies are in compliance with accounting standards ASC Topic 606, *Revenue from Contracts with Customers*. The new guidance includes the following five-step revenue recognition model:

- Identify the contract with the customer
- Identify the performance obligation in the contract
- Determine the transaction price
- Allocate the transaction price to performance obligations
- Recognize revenue when (or as) each performance obligation is satisfied

In 2020, the Financial Accounting Standards Board (FAB) issued Accounting Standards Update (ASU), *Franchisors-Revenue from Contracts with Customers (Subtopic 952-606) Practical Expedient.* This new practical expedient will allow franchisors that are not public business entities to account for pre-opening services provided to a franchise as a single performance obligation if the services are in line with the services listed within the guidance, and they meet certain other conditions.

The Company recognizes franchise royalties, technology fee and marketing fee on a weekly basis, which are generally based upon a percentage of sales made by the Company's franchises, when they are earned and deemed collectible.

Royalty fees are calculated as a percentage of the franchisees' monthly revenue in accordance with the Agreement. Royalties are considered variable consideration and represent sales-based royalties that are related entirely to the single performance obligation under the Agreement. Revenue from royalty is recognized at the end of each month, which is when the franchisees' monthly revenue is reported to the Company.

Advertising fund revenue is calculated at a percentage of the franchisees' monthly gross revenue in accordance with the Agreement. Advertising fund fees are considered variable consideration and are related entirely to the single performance obligation under the Agreement. Advertising fund fees are recognized at the end of each month, which is when the franchisee's monthly revenue is reported to the Company.

The Agreements include the right to use the Company's intellectual property over the term of the Agreement as well as all other services provided under the Agreement. These promises are highly dependent upon and interrelated with the franchise right granted in the Agreement, so they are not considered to be individually distinct and therefore are accounted for as a single performance obligation. The performance obligation under the Agreement is satisfied by granting certain rights to use the intellectual property over the term of each Agreement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Revenue Recognition, continued

Execution of an Agreement is contingent upon receipt of payment of the initial or renewal franchise fee. Initial and renewal franchise fees are recognized over the term of the respective franchisee life, which is estimated to be the full term of the franchise agreement, on a straight-line basis, beginning when the franchise agreement is executed.

Unearned initial and renewal franchise fees are recorded as deferred revenue in the accompanying balance sheet. Transfer fees are recognized at the point in time the transfer occurs as the successor franchisee enters into a new franchise agreement. The initial or renewal franchise fee is recognized as income in the year the franchisee terminates the Agreement.

Costs to obtain a contract under, such as sales commissions, are capitalized as incurred and recorded as deferred contract costs on the accompanying balance sheet. Contract costs are amortized over the term of the respective franchisee agreement, on a straight-line basis, beginning when the franchise agreement is executed. The commission fees is fully recognized as expense if the franchisee terminates the Agreement.

The Company excludes from revenue sales taxes and other government-assessed and imposed taxes on revenue-generating activities that are invoiced to customers.

Upfront initial and renewal fees – Franchise agreements are contingent upon the signed Agreement and receipt of payment for an upfront fee. The Company deferred recognizing the revenue from the fees until all material services relating to the sale of a franchise were performed by the Company and the franchisee facility opened or was deemed unable to open.

Compensated Absences

Employees compensated absences are not accrued as of December 31, 2023, because no reasonable estimate of the amount can be made.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP"), requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates made by the Company's management include, but are not limited to, allowances for doubtful accounts and contracts receivable, the allowance for losses on contracts in process and the percentage of completion on uncompleted contracts. Actual results could materially differ from those estimates.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (CONTINUED)

Fair Value of Financial Assets and Liabilities

We measure and disclose certain financial assets and liabilities at fair value. ASC Topic 820, Fair Value Measurements and Disclosures, defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. ASC Topic 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

We utilize the active market approach to measure fair value for our financial assets and liabilities. We report separately each class of assets and liabilities measured at fair value on a recurring basis and include assets and liabilities that are disclosed but not recorded at fair value in the fair value hierarchy.

Recently Issued and Adopted Accounting Pronouncements

In February 2016, the FASB issued a new accounting standard on leases. The new standard, among other changes, will require lessees to recognize a right-of-use asset and a lease liability on the balance sheet for all leases. The lease liability will be measured at the present value of the lease payments over the lease term. The right-of-use asset will be measured at the lease liability amount, adjusted for lease prepayments, lease incentives received, and the lessee's initial direct costs (e.g., commissions). The new standard is effective for annual reporting periods beginning after December 15, 2021, including interim reporting periods within those annual reporting periods. The adoption will require a modified retrospective approach for leases that exist or are entered into after the beginning of the earliest period presented. Effective January 1, 2023, the Company adopted the new lease standard. As of December 31, 2023, the Company had no lease agreements in place.

Reclassifications

Certain balances from the 2022 audited financial statements have been reclassified to conform to the 2023 financial statement presentation. Such reclassifications had no effect on the previous CPA reported net income for the year ended December 31, 2022.

NOTE 3 – PROPERTY AND EQUIPMENT

At December 31, 2023, property and equipment consists of the following:

Leasehold improvement	$ 4,740
Computer equipment	22,723
	27,463
Less: Accumulated depreciation	(2,454)
	$ 25,009

NOTE 4 – ORGANIZATION COSTS

In accordance with its operating agreement, the Company has elected to capitalize the costs of organizing the Company and to amortize such costs over 180 months. The financial impact is deemed immaterial, and the Company believes such treatment is more equitable than expensing the entire amount of such expenses, in accordance with GAAP.

At December 31, 2023, organization costs consists of the following:

Organization costs	$ 45,353
Less: Accumulated amortization	(6,501)
	$ 38,852

NOTE 5 – DEFERRED REVENUE

Deferred revenue represents initial franchise fees received and amortized over the term of the respective franchisee's life.

At December 31, 2023, deferred franchise revenue consists of the following:

Current portion	$ 20,500
Non current portion	2,993,458
	$ 3,013,958

NOTE 6 – LONG-TERM DEBT

The Company is indebted under contractual obligations to a related party, Longevity Brands, LLC for $500,000, which requires 60 equal monthly installment payments of $10,019 with an annual interest rate of 7.5% per annum. As of December 31, 2023, the outstanding balance was $443,627.

Minimum long-term debt payments for the note payable for the next three years and in aggregate are as follows:

2024	$ 97,817
2025	97,602
2026	105,179
2027	113,344
2028	29,685
	$ 443,627

NOTE 7 – RELATED PARTY TRANSACTIONS

Related operating companies are entities which share common ownership with Serotonin Enterprises, LLC and the owners do or can, control or significantly influence management or operating policies. The following transactions occurred between the Company, members and other affiliated companies:

Trademark - A related party has the exclusive and unrestricted use of the Company's trademark in connection with franchise sales and related operations.

Operating Lease—The Company conducts its operations on premises leased by an affiliated company and does not require any monthly rental payments.

Long-Term Debt – On April 17, 2023, the Company signed a note payable with a member, Longevity Brands, LLC for $500,000, payable in 60 equal monthly payments of $10,019 at a rate of 7.5% per annum (See note 6).

NOTE 8 – CERTAIN OPERATING MATTERS

The Company's financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the accompanying financial statements, the Company has a members' deficit of $3,223,069 and a net operating loss of $2,384,513 for the year ended December 31, 2023. The Company offers the following as mitigating factors to going concern:

- The retained deficit and losses are a result of the implementation of ASC 606, "Revenue from Contracts with Customers" for which the Company has adopted a conservative approach to recognizing the initial franchise fee revenue, amortizing the full amount over the term of the agreement (10-years). As of December 31, 2023, the Company's had deferred revenue of approximately $3,013,000 from contracts for which the initial fee has been received.
- In addition, the Company has cash and cash equivalents of approximately $625,000 and short-term accounts receivables of approximately $30,000 and the Company is projecting to generate significantly increasing royalties, marketing, and software fee revenue next year and for years to come as more locations are sold and opened.

NOTE 9– SUBSEQUENT EVENTS

The Company has evaluated subsequent events through March 26, 2024, the date which the financial statements were available to be issued and nothing has occurred that would require disclosure.

SUPPLEMENTARY

SEROTONIN ENTERPRISES, LLC
STATEMENT OF OPERATIONS
(CASH BASIS)
FOR THE YEAR ENDED DECEMBER 31, 2023

Revenue		
Franchise income	$	2,260,000
Royalty fees		150,322
Lease review fee		18,100
Marketing		38,263
Miscellaneous		189
Software fees		45,600
Net revenues	$	2,512,474
Operating expenses:		
Advertising and marketing	$	445,421
Automobile expenses		49,888
Bank charges		865
Computer, internet and software		138,124
Depreciation and amortization		4,514
Donation		50
Dues and subscription		1,765
Employee benefits		62,877
Insurance		13,970
Interest expenses		23,778
License		9,616
Meals and entertainment		139,790
Office expenses		70,986
Payroll expenses		926,924
Postage and delivery		124
Professional services		333,286
Recruiting fees		65,417
Repairs and maintenance		32,802
Telephone		2,922
Travelling		284,529
Uniform expenses		29,988
Total operating expenses	$	2,637,636
(Loss) from operations	$	(125,162)

EXHIBIT F TO THE DISCLOSURE DOCUMENT

LIST OF CURRENT AND FORMER FRANCHISEES

The following is a list of the names of all current franchisees and the address and telephone number of each of their outlets as of December 31, 2025:

(a) **Operational Franchisees.** The following are the names, addresses and telephone numbers of all Serotonin franchisees as of December 31, 2025, who are operational:

Connecticut:

Fairfield Longevity 2 Inc.
1121 High Ridge Center, Unit 6
Stamford, CT 06905
Greylockproperties@outlook.com

Missouri

Springfield Anti-Aging Center, LLC*
2144 E. Republic Road, Suite B 300
Springfield, MO 65804
travis@flintrockrealestate.com

Springfield Anti-Aging Center, LLC*
1804 S. Rangeline Road Suite A and B
Joplin, MO 68404
travis@flintrockrealestate.com

New Jersey:

Anti-Aging Colts Neck Management Services LLC
178 County Road 537
Colts Neck, NJ 07722
coltsnecknj@serotonincenters.com

EP Aesthetics Group, Inc.
1598 Kings Highway N. Suite 24
Cherry Hill, NJ 08034
suleman_emmanuel@yahoo.com
naamane@hotmail.com

South Carolina:

Age Better, LLC*

1145 Savannah Highway
Charleston, SC 29407
Peter.Sheehan87@gmail.com

Tennessee:

Happy Hospitalists LLC*
1016A Glendale Lane
Nashville, TN 37204
docjunia@gmail.com

Texas:

Optimus Vitae LLC
971 Matlock Road
Mansfield, TX 76063
sseroyer@tmisportsmed.com
jeven@tmisportsmed.com

(b) **Franchises Executed But Not Yet Operational.** The following are the names, addresses and telephone numbers of all Serotonin franchisees as of December 31, 2025, who are not yet operational but have signed a Franchise Agreement:

California:

Anazosis LLC
San Diego, California
Nourin44@hotmail.com

Illinois:

PVAenterprise LLC
Dupage County, Illinois
Baker01976@gmail.com

New Jersey:

JALO Management NJ LLC*
Bergen County, New Jersey
elainekletsman@gmail.com

* Indicates Multi-Unit Developers

(c) **Former Franchisees.** The following are the names, last known home addresses and home telephone numbers of all franchisees that have been terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Serotonin Franchise Agreement during the most recently completed fiscal year (January 1, 2025 to December 31, 2025) or who have not communicated with us within 10 weeks of the date of issuance of this Disclosure Document:

Colorado:

Vincent Love
vincentjlove@gmail.com

Florida:

LifeHub Center LLC
michael@lifehubventures.net
ryan@lifehubventures.net

Peacefield Downtown St. Pete, LLC
153 2nd Avenue N. Unit C-103
St. Petersburg, FL 33701
charles@peacefield-holdings.com
trudy@peacefield-holdings.com

Peacefield South Tampa, LLC
1501 S. Dale Mabry Hwy, Unit D118
Tampa, FL 33629
charles@peacefield-holdings.com
trudy@peacefield-holdings.com

Peacefield Holdings, LLC
11042 Bridge House Road
Windermere, Florida 34786
charles@peacefield-holdings.com
trudy@peacefield-holdings.com

JBN Health Ventures, LLC
darnice@jbncp.com
derek@jbncp.com

New York:

4Theboys-Med LLC
cmhristo@gmail.com
hhristo1@gmail.com

North Carolina:

Brent Hulderman and Amy Hulderman
Mecklenburg, North Carolina
brentgolfs@gmail.com

Virginia:

Verdure, LLC
1564 Laskin Road, Unit 174-178
Virginia Beach, Virginia 23451
aleksoldo@gmail.com
doctorbobby7@hotmail.com

Verdure, LLC
5029 Huguenot Road, Suite 5029
Henrico, Virginia 23229
aleksoldo@gmail.com
doctorbobby7@hotmail.com

EXHIBIT G TO THE DISCLOSURE DOCUMENT

FRANCHISEE DISCLOSURE QUESTIONNAIRE

Do not sign the Franchisee Disclosure Questionnaire if you are a resident of Maryland or the business is to be operated in Maryland.

Do not sign the Franchisee Disclosure Questionnaire if you are a resident of Hawaii or the business is to be operated in Hawaii.

As you know, Serotonin Enterprises, LLC and you are preparing to enter into a Franchise Agreement for the operation of a franchised business. In this Franchisee Disclosure Questionnaire, Serotonin Enterprises, LLC will be referred to as "we" or "us." The purpose of this Questionnaire is to determine whether any statements or promises were made to you that we did not authorize and that may be untrue, inaccurate, or misleading. Please review each of the following questions carefully and provide honest and complete responses to each question.

1. Have you received and personally reviewed Serotonin Enterprises, LLC's Franchise Agreement and each exhibit, addendum, and schedule attached to it?

   Yes _____ No _____

2. Have you received and personally reviewed our Disclosure Document we provided to you?

   Yes _____ No _____

3. Do you understand that the success or failure of your business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, lease terms, and other economic and business factors?

   Yes _____ No _____

4. Has any employee or other person speaking on our behalf made any statement or promise concerning the revenues, profits, or operating costs of a Serotonin business that we or our franchisees operate?

   Yes _____ No _____

5. Has any employee or other person speaking on our behalf made any statement or promise concerning a Serotonin business that is contrary to, or different from, the information contained in the Disclosure Document?

   Yes _____ No _____

6. Has any employee or other person speaking on our behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating a franchised business?

   Yes _____ No _____

7. Has any employee or other person speaking on our behalf made any statement, promise, or agreement concerning the advertising, marketing, training, support service, or assistance that we will furnish to you that is contrary to, or different from, the information contained in this Disclosure Document?

   Yes _____ No _____

8. If you have answered "Yes" to any of questions 4 through 7, please provide a full explanation of your answer in the following blank lines. (Attach additional pages, if necessary, and refer to them below.) If you have answered "No" to each of these questions, please leave the following lines blank.

   _____

   _____

9. Do you understand that in all dealings with you, our officers, directors, employees, and agents act only in a representative capacity and not in an individual capacity and these dealings are solely between you and us?

   Yes _____ No _____

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of a franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

By signing this Franchisee Disclosure Questionnaire, you are representing that you have responded truthfully to the above questions as if you were signing them under oath.

_____	_____
Name of Franchisee/Applicant	Name of Franchisee/Applicant
_____	_____
Date	Date
_____	_____
Signature	Signature

EXHIBIT H TO THE DISCLOSURE DOCUMENT

STATE ADDENDA TO THE DISCLOSURE DOCUMENT

CALIFORNIA ADDENDUM
TO FRANCHISE DISCLOSURE DOCUMENT

As to franchises governed by the California Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

RISK FACTORS:

1. In registering this franchise, the California Department of Financial Protection and Innovation has not reviewed, and makes no statement concerning, the franchisor's compliance with state and federal licensing and regulatory requirements relating to the practice of medicine. You should consult with your attorney concerning these law, regulations, and ordinances that may affect the operation of your business. If California Medical Board, or any other agency overseeing the practice of medicine in this state, determines that the operation of the franchise fails to comply with state law, the franchisor may be required to cease operations of the franchised business in California. This may result in the termination of your franchise and loss of your investment.

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 FRANCHISE DISCLOSURE DOCUMENT.

Item 3 of the Disclosure Document is amended by adding the following paragraph:

Neither we nor any person or franchise broker in Item 2 of this 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 these persons from membership in this association or exchange.

Item 5 of the Disclosure Document is amended by adding the following paragraph:

The Department has determined that we, the franchisor, have not demonstrated we are adequately capitalized and/or that we must rely on franchise fees to fund our operations. The Commissioner has imposed a fee deferral condition, which requires that we defer the collection of all initial fees from California franchisees until we have completed all of our pre-opening obligations and you are open for business. For California franchisees who sign a development agreement, the payment of the development and initial fees attributable to a specific unit in your development schedule is deferred until that unit is open.

Item 17 of the Disclosure Document is amended by adding the following paragraphs:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with the law, the law will control.

Item 17.g. of the Disclosure Document is modified to state that, in addition to the grounds for immediate termination specified in Item 17.h., the franchisor can terminate upon written notice and a 60-day opportunity to cure for a breach of the Franchise Agreement.

Item 17.h. of the Disclosure Document is modified to state that the franchisor can terminate immediately for insolvency, abandonment, mutual agreement to terminate, material misrepresentation, legal violation persisting 10 days after notice, repeated breaches, judgment, criminal conviction, monies owed to the franchisor more than 5 days past due, and imminent danger to public health or safety.

Item 19 of the Disclosure Document: The earnings claims figures do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expense you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

The franchise agreement requires application of the laws of Florida. This provision may not be enforceable under California law.

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 binding arbitration. The arbitration will occur at Orange County, Florida, with the costs being borne according to the Rules for Commercial Arbitration of the American Arbitration Association. Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

SECTION 31125 OF THE FRANCHISE INVESTMENT LAW REQUIRES US TO GIVE TO YOU A DISCLOSURE DOCUMENT APPROVED BY THE COMMISSIONER OF THE DEPARTMENT 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 CLAIM IF YOU RENEW OR TRANSFER YOUR FRANCHISE. CALIFORNIA CORPORATIONS CODE §31512 VOIDS A WAIVER OF YOUR RIGHTS UNDER THE FRANCHISE INVESTMENT LAW (CALIFORNIA 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).

Our website is located at www.serotonincenters.com.

OUR WEBSITE 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.

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the commissioner.

HAWAII ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Hawaii Franchise Investment Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

THESE FRANCHISES HAVE BEEN FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE DIRECTOR OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, OR SUBFRANCHSIOR, AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, OR SUBFRANCHISOR, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS DISCLOSURE DOCUMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

Item 5 of the Disclosure Document is amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business. Payment of Initial Franchise Fees/Development Fees under the Multi-Unit Development Agreement shall be deferred until Franchisor has met its initial obligations to area developer and the payment attributable to a specific unit in your development schedule is deferred until that unit is open.

Registered agent in the state authorized to receive service of process:

Commissioner of Securities of the State of Hawaii
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, HI 96813

No statement, questionnaire, or acknowledgement signed or agreed to by franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims

under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Illinois Franchise Disclosure Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 5 of the Franchise Disclosure Document is amended to state that the Initial Franchise Fees owed by franchisees shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisee and franchisee has commenced operations its Franchised Business. The Illinois Attorney General Office has imposed this deferral requirement due to Franchisor's financial condition.

2. Item 17.w. is modified to provide that Illinois law applies.

3. 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.

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

5. The conditions under which your Franchise Agreement can be terminated and your rights upon nonrenewal may be affected by Sections 19 and 20 of the Illinois Franchise Disclosure Act.

6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MARYLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Maryland Franchise Registration and Disclosure Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 5 is modified to also provide, "Based on 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 Franchisor completes its pre-opening obligations under the Franchise Agreement. In addition, all development fees and initial payments by area developers shall be deferred until the first franchise under the Multi-Unit Development Agreement opens.

2. Item 17.b. is modified to also provide, "The general release required as a condition of renewal, sale, and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

3. Item 17.u. is modified to also provide, "A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable."

4. Item 17.v. is modified to also provide, "Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise."

5. The Franchise Disclosure Questionnaire is modified to provide "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."

6. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

MINNESOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Minnesota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

- Minn. Stat. §80C.21 and Minn. Rule 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreements can abrogate or reduce (1) any of the franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or (2) franchisee's rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.

- With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. Sec. 80C.14 Subds. 3, 4, and 5 which require (except in certain specified cases), that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement and that consent to the transfer of the franchise will not be unreasonably withheld.

- The franchisor will protect the franchisee's rights to use the trademarks, service marks, trade names, logotypes or other commercial symbols or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).

- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.

- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Item 21 of the Franchise Disclosure Document shall be amended to include the following: "Franchisor has posted a surety bond with the State of Minnesota equal to the Initial Franchise Fee multiplied by the number of franchises projected to be opened in Minnesota this fiscal year."

NEW YORK ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the New York franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

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

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE 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 DISCLOSURE DOCUMENT. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE SET THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

Except as provided above, with regard to the franchisor, its predecessor, a person identified in Item 2, or an affiliate offering franchises under the franchisor's principal trademark:

A. No such party has an administrative, criminal or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a 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), titled "**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), titled "**Choice of forum**," and Item 17(w), titled "**Choice of law**":

The foregoing choice of law should not be considered a waiver of any right conferred upon the franchisor or upon the franchisee by Article 33 of the General Business Law of the State of New York.

6. Franchise Questionnaires and Acknowledgements—No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance om any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Receipts—Any sale made must be in compliance with §683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. §680 *et. seq.*), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the North Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

General Release: Any requirement that the franchisee sign a general release upon renewal of the franchise agreement does not apply to franchise agreements covered under North Dakota law.

Enforcement of Agreement: Any requirement in the Franchise Agreement that requires the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Items 5 and 7 of the Disclosure Document shall be amended to state that the Initial Franchise Fees/Development Fee owed by franchisees/developers shall be deferred until Franchisor has satisfied its pre-opening obligations to franchisees/developers and franchisee/developer has commenced operations of its Franchised Business.
Item 17(i) of the Disclosure Document is modified and deletes the obligation of franchisees to consent to termination or liquidated damages.

Item 17(u) of the Disclosure Document is modified and amended to provide that all arbitration or mediation required under the Franchise Agreement/Multi-Unit Development Agreement shall be at a location agreeable to all parties and may not be remote from the franchisee's Franchised Business.

Item 17(v) of the Disclosure Document is modified and amended to provide that franchisees are not required to consent to the jurisdiction of courts outside of North Dakota.

Item 17(w) of the Disclosure Document is modified and amended to provide that North Dakota law governs any cause of action arising out of the Franchise Agreement.

Provisions concerning choice of law, jurisdiction and venue, jury waiver, and waiver of punitive damages are hereby deleted and in their place is substituted the following language: "You agree to bring any claim against us, including our present and former employees, agents, and affiliates, which in any way relates to or arises out of this Agreement, or any of the dealings of the parties hereto, solely in arbitration before the American Arbitration Association."

The statute of limitations under North Dakota law shall apply.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the

franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

RHODE ISLAND ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Rhode Island Franchise Investment Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

Item 17.m. of the Disclosure Document is revised to provide:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act prohibits a franchisee to be restricted in choice of jurisdiction or venue. To the extent any such restriction is purported to be required by us, it is void with respect to all franchisees governed under the laws of Rhode Island.

Item 17.w. of the Disclosure Document is revised to provide:

> Rhode Island law applies.

SOUTH DAKOTA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the South Dakota franchise laws, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. South Dakota Securities Regulation Office is requiring us to defer payment of the Initial Franchise Fee and other initial payments owed by franchisees to the Franchisor until the Franchisor has completed its pre-opening obligations under the Franchise Agreement and franchisees open for business.

VIRGINIA ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

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 ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

Item 5 to the Disclosure Document is amended to add the following:

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.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the relation relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

WASHINGTON ADDENDUM
TO THE DISCLOSURE DOCUMENT

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document, the franchise agreement, and all related agreements regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

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

2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.

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

4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW19.100.220(2).

5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

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

7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).

10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).

11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.

12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.

13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.

14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed $100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed $250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise

agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.

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

16. **Questionnaires and Acknowledgments.** No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).

18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a "franchise broker" is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

WISCONSIN ADDENDUM
TO THE DISCLOSURE DOCUMENT

As to franchises governed by the Wisconsin Fair Dealership Law, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. Item 17 is modified to also provide,

   If the franchise agreement contains any provisions that conflict with the Wisconsin Fair Dealership Law, the provisions of this Addendum shall prevail to the extent of such conflict.

   With respect to franchises governed by Wisconsin law, the Wisconsin Fair Dealership Law applies to most, if not all, franchise agreements and prohibits the termination, cancellation, non-renewal or the substantial change of the competitive circumstances of a dealership agreement without good cause. That Law further provides that 90 days' prior written notice of a proposed termination, etc. must be given to the dealer. The dealer has 60 days to cure the deficiency and if the deficiency is cured, the notice is void.

EXHIBIT I TO THE DISCLOSURE DOCUMENT

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, 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
Hawaii	Pending
Illinois	Pending
Indiana	Pending
Maryland	Pending
Michigan	July 26, 2025
Minnesota	Pending
New York	Pending
North Dakota	Pending
Rhode Island	Pending
South Dakota	July 23, 2025
Virginia	Pending
Washington	Pending
Wisconsin	Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J TO THE DISCLOSURE DOCUMENT

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Serotonin Enterprises, 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.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

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.

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.

If Serotonin Enterprises, 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 Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit A.

Date of Issuance: April 20, 2026

The following is the name, principal business address, and telephone number of the franchise seller offering the franchise:

Name	**Principal Business Address**	**Telephone Number**
Eric Casaburi, Matt Mauriello or:	7790 Wintergarden Vineland Rd., Suite 100, Windermere, FL 34786	(866) 737-6866

I have received a Disclosure Document dated April 20, 2026 including the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
B. FRANCHISE AGREEMENT
    Schedule 1-Franchise Fee, Accepted Location and Territory
    Schedule 2-Nondisclosure and Non-Competition

Schedule 3-Unlimited Guaranty and Assumption of Obligations
Schedule 4-Franchisor Lease Rider
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-General Release
Schedule 9-Sample Management Services Agreement
Schedule 10-Back Office Services Agreement
Schedule 11-Call Center Service Agreement

C. MULTI-UNIT DEVELOPMENT AGREEMENT
   - Attachment A-Certification by Developer
   - Attachment B-Guaranty
   - Attachment C-Transfer of a Franchise to a Corporation or Limited Liability Company
   - Attachment D-Minimum Performance Schedule
   - Attachment E-Development Area
   - Attachment F-State Addendum to Multi-Unit Development Agreement
D. OPERATIONS MANUAL TABLE OF CONTENTS
E. FINANCIAL STATEMENTS
F. LIST OF CURRENT AND FORMER FRANCHISEES
G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
H. STATE ADDENDA TO THE DISCLOSURE DOCUMENT
I. STATE EFFECTIVE DATES
J. RECEIPT

Please sign and print your name below, date, and return one copy of this receipt to Serotonin Enterprises, LLC and keep the other for your records.

_____
Date of Receipt

_____
Print Name

_____
Signature
(individually or as an officer, member, or partner of)

_____
a [STATE of Incorporation]
[Corporation/LLC/Partnership]

RECEIPT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain language. Read this Disclosure Document and all agreements carefully.

If Serotonin Enterprises, 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.

Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 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.

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.

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.

If Serotonin Enterprises, 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 Administrator listed in Exhibit A. Our Agents for Service of Process are listed in Exhibit A.

Date of Issuance: April 20, 2026

The following is the name, principal business address, and telephone number of the franchise seller offering the franchise:

Name	**Principal Business Address**	**Telephone Number**
Eric Casaburi, Matt Mauriello or:	7790 Wintergarden Vineland Rd., Suite 100, Windermere, FL 34786	(866) 737-6866

I have received a Disclosure Document dated April 20, 2026 including the following exhibits on the date listed below:

A. LIST OF STATE ADMINISTRATORS AND STATE AGENTS FOR SERVICE OF PROCESS
B. FRANCHISE AGREEMENT
    Schedule 1-Franchise Fee, Accepted Location and Territory
    Schedule 2-Nondisclosure and Non-Competition
    Schedule 3-Unlimited Guaranty and Assumption of Obligations

Schedule 4-Franchisor Lease Rider
Schedule 5-ACH Payment Agreement
Schedule 6-Holders of Legal or Beneficial Interest in Franchisee; Operating Principal
Schedule 7-State Addenda to the Franchise Agreement
Schedule 8-General Release
Schedule 9-Sample Management Services Agreement
Schedule 10-Back Office Services Agreement
Schedule 11-Call Center Service Agreement

C. MULTI-UNIT DEVELOPMENT AGREEMENT
   Attachment A-Certification by Developer
   Attachment B-Guaranty
   Attachment C-Transfer of a Franchise to a Corporation or Limited Liability Company
   Attachment D-Minimum Performance Schedule
   Attachment E-Development Area
   Attachment F-State Addendum to Multi-Unit Development Agreement
D. OPERATIONS MANUAL TABLE OF CONTENTS
E. FINANCIAL STATEMENTS
F. LIST OF CURRENT AND FORMER FRANCHISEES
G. FRANCHISEE DISCLOSURE QUESTIONNAIRE
H. STATE ADDENDA TO THE DISCLOSURE DOCUMENT
I. STATE EFFECTIVE DATES
J. RECEIPT

Please sign and print your name below, date, and return one copy of this receipt to Serotonin Enterprises, LLC and keep the other for your records.

_____
Date of Receipt

_____
Print Name

_____
Signature
(individually or as an officer, member, or partner of)

_____
a [STATE of Incorporation]
[Corporation/LLC/Partnership]