

### State Cover Page

Your state may have a franchise law that requires a franchisor to register or file with a state franchise administrator before offering or selling in your state. REGISTRATION OF A FRANCHISE BY A STATE DOES NOT MEAN THAT THE STATE RECOMMENDS THE FRANCHISE OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT.

Call the state franchise administrator listed in EXHIBIT "A" for information about the franchisor, or about franchising in your state.

MANY FRANCHISE AGREEMENTS DO NOT ALLOW YOU TO RENEW UNCONDITIONALLY AFTER THE INITIAL TERM EXPIRES. YOU MAY HAVE TO SIGN A NEW AGREEMENT WITH DIFFERENT TERMS AND CONDITIONS TO CONTINUE TO OPERATE YOUR BUSINESS. BEFORE YOU BUY, CONSIDER WHAT RIGHTS YOU HAVE TO RENEW YOUR FRANCHISE, IF ANY, AND WHAT TERMS YOU MIGHT HAVE TO ACCEPT TO RENEW.

Please consider the following RISK FACTORS before you buy this franchise:

1. ALL DISAGREEMENTS MUST BE SETTLED BY MEDIATION, ARBITRATION OR LITIGATION IN ARIZONA. 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 US IN ARIZONA THAN IN YOUR HOME STATE.
2. THE FRANCHISE AGREEMENT STATES THAT ARIZONA LAW GOVERNS THE AGREEMENT, AND THIS LAW MAY NOT PROVIDE THE SAME PROTECTIONS AND BENEFITS AS LOCAL LAW. YOU MAY WANT TO COMPARE THESE LAWS.
3. FRANCHISEES WILL BE SUBJECT TO A ROYALTY FEE OF 10% OF MONTHLY PROGRAM SALES.
4. 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.
5. THERE MAY BE OTHER RISKS CONCERNING THIS FRANCHISE.

Effective Date: \_\_\_\_\_, 2015

development requirements; and (iii) open your new Center and resume operations within 180 days after closing your prior Center.

### **Your Territory**

Once you have identified a site that we have approved, you will receive a protected territory that will be identified in Attachment "B". The size of your protected territory will depend on demographics and other characteristics including population density (from a report generated utilizing <http://www.freemaptools.com/find-population.htm>), average income, and other characteristics of the surrounding area, natural boundaries, the extent of competition and the amount and size of urban, suburban and rural areas. However, if you open a Body & Brain Center 2, your protected territory will include a minimum population of 50,000, and if you open a Body & Brain Center 3, your protected territory will include a minimum population of 70,000. Your protected territory will be marked on a map and defined by streets. By protected, we mean that we will not operate or authorize a third party to operate a Body & Brain Center using our Marks or a Dahn Yoga Center that is physically located within your territory during the term of your Franchise Agreement (subject to the limitations described below under "Limitations on your Territorial Rights"). Although you do receive these protections, your territory is not exclusive.

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.

Other Body & Brain franchisees may advertise within your territory, although their advertising must be primarily directed towards customers within their territory. Likewise, you may advertise within the territories of other Body & Brain Center franchisees, although your advertising must be primarily directed towards customers within your territory.

### **Limitations on Your Territorial Rights**

We reserve the right to sell or license others to sell competitive or identical goods or services (whether under the Marks or under different trademarks) through alternative channels of distribution. An alternative channel of distribution means any channel of distribution other than retail sales made to customers while physically present in a Body & Brain Center. Examples of alternative channels of distribution include: (i) sales over the Internet or through sales catalogs; (ii) sales through stores selling health or healing products (other than Body & Brain Centers operating under the Marks or Dahn Yoga Centers); and (iii) on-site sales to groups at a business (i.e., worksite classes) or customers at their homes. Body & Brain home-based franchisees market and sell through alternative channels of distribution. Therefore, they may operate within your territory. Sales through alternative channels of distribution are excluded from your territorial rights. This means that we may sell or license a third party to sell competitive or identical goods or services through alternative channels of distribution (whether under the Marks or different trademarks) anywhere within your territory. You are not entitled to any compensation for sales that take place through alternative channels of distribution.

We reserve the right to operate Body & Brain Centers, or license others to operate Body & Brain Centers, in Captive Venues. A "Captive Venue" means a non-traditional outlet for the sale of Body & Brain products or services that is located within, or is a part of, another establishment or facility that consumers may visit for a purpose other than purchasing the Body & Brain products or services. Examples of Captive Venues include outlets for Body & Brain products or services that are located in hotels, college campuses or universities, airports, train stations or within other similar types of establishments. Captive Venues are excluded from your protected territorial rights. This means that we may operate or license a

**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 Body and Brain Center, LLC offers you a franchise, it must provide this Disclosure Document to you 14 days before you sign a binding agreement with or make a payment to the franchisor or an affiliate for the proposed franchise sale.

If Body and Brain Center, LLC does not deliver this Disclosure Document on time, or if it contains a false or misleading statement or a material omission, a violation of federal and state law may have occurred and should be reported to the Federal Trade Commission, Washington, DC 20580, and the appropriate state agency listed in EXHIBIT "A" to this Disclosure Document.

The franchise seller(s) involved with the sale of this franchise is/are:

Jung Ae Kim, 3651 East Baseline Road, Suite 223, Gilbert, Arizona 85234, (925) 989-8319

Eun Jeong Lee, 3651 East Baseline Road, Suite 223, Gilbert, Arizona 85234, (480) 664-3197

[name]\_\_\_\_\_ ; [address]\_\_\_\_\_ ; [phone]\_\_\_\_\_

[name]\_\_\_\_\_ ; [address]\_\_\_\_\_ ; [phone]\_\_\_\_\_

Body and Brain Center, LLC's agent to receive service of process is listed in EXHIBIT "B" to this Disclosure Document.

Issuance date: February 16, 2015 (amended March 10, 2015)

I have received the Body & Brain Franchise Disclosure Document for the State of California that included the following Exhibits:

- EXHIBIT "A" State Agencies and Administrators
- EXHIBIT "B" Agent for Service of Process
- EXHIBIT "C" Franchise Agreement
- EXHIBIT "D" Training Agreement
- EXHIBIT "E" General Release
- EXHIBIT "F" Referral Agreement
- EXHIBIT "G" Software Service Agreement
- EXHIBIT "H" Table of Contents of the confidential Operating Manuals
- EXHIBIT "I" State Addendum
- EXHIBIT "J" List of Franchisees
- EXHIBIT "K" Financial Statements of Body and Brain Center, LLC
- EXHIBIT "L" Franchisee Disclosure Questionnaire
- EXHIBIT "M" Receipts

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Signature) Prospective Franchise Owner

(This receipt should be signed in duplicate. One Receipt must be signed and remains in the Franchise Disclosure Document as the prospective franchise owner's copy. The other Receipt must be signed and returned to Body and Brain Center, LLC.)

This is a document preview downloaded from FranchisePanda.com. The full document is available for free by visiting: <https://franchisepanda.com/franchises/body-brain-center>