

UNITED STUDIOS OF SELF DEFENSE BURLINGAME
TERMS AND CONDITIONS - IMPORTANT INFORMATION
(along with the other side of this document, the "Agreement")

PAYMENTS TO UNITED STUDIOS BILLING, INC. / OTHER CORRESPONDENCE

Your studio has selected United Studios Billing, Inc. ("USB") as its billing partner. In the event that the Student's name, address, or telephone number changes, or if the Student wishes to correspond with USB, please mail the new information or correspondence to: United Studios Billing, Inc., 9 Hubble, Irvine, CA 92618, or provide new information or correspondence to the Chief Instructor at the studio.

MONTHLY PAYMENTS

Automatic Payments/ACH Debits: Your selection to pay Student tuition directly from your bank account requires your use of any valid automated clearing house ("ACH") enabled bank account at a United States-based financial institution. By executing this Agreement, Student and/or the undersigned authorizes USB to initiate debit entries to the account referenced in the canceled check provided concurrently with this signed Agreement. You further authorize USB to create an electronic funds transfer or bank draft, which will be presented to your bank or financial institution for payment from your bank account. USB, in its sole discretion, may refuse this payment option service to anyone without notice for any reason at any time. By choosing your bank account as your payment method, you agree that: (a) you have read, understand and agree to these Terms and Conditions, and that this agreement constitutes a "writing signed by you" under any applicable law or regulation; (b) you authorize USB to make any inquiries it considers necessary to validate your dispute, which may include ordering a credit report and performing other credit checks or verifying the information you provide against third party databases; and (c) you authorize USB to initiate ACH debit entries (withdrawals) for the tuition amounts agreed to on the previous side of this Agreement from your bank account, and you authorize the financial institution that holds your bank account to deduct such payments. Upon receipt of confirmation through the ACH network that all information is valid, withdrawals will start. Since it often takes at least 30 days from the date of mailing the Tuition Agreement to United Studios Billing, Inc. before the first automatic withdrawal occurs, Student must ensure another method of payment if a payment is expected to come due prior to the expiration of 30 days.

Credit/Debit Card Authorization: By executing this Agreement, Student and/or the undersigned authorizes USB to charge your credit card for the sums agreed upon on the reverse side of this Agreement (your monthly tuition). USB reserves the right to refuse to accept debit card payments from Student in the event that two debits are rejected by the credit card company and/or bank. This Credit Card Authorization may be terminated by the Student at any time upon delivery of written notice, mailed via certified mail, to United Studios Billing, Inc., at the address set forth above. On the effective date of termination of this payment method, all payments outstanding by Student, including any late fees, must be paid immediately.

Check/Money Order: Please write your account number on your check or money order and either present it to the Chief Instructor or mail it to USB with the top portion of your statement. Please do not send cash. To avoid assessment of late penalties, please ensure that payments are received by USB or the Chief Instructor on or before the due date. Payments are credited based on the date of receipt and not on the postmark date, so please allow adequate time for mail service and delays.

LATE PAYMENTS / INSUFFICIENT FUNDS

In the event that USB is unable to make a withdrawal as scheduled due to insufficient funds from which to withdraw, or if an account has been closed, Student and/or the undersigned agree to pay an additional \$25.00 to cover bank service charges. This service charge, as well as any penalty charges assessed by USB's bank, will be due and payable by you upon demand. Late charges will be assessed for any payment not received on or before the due date. There is no grace period.

LESSON SCHEDULING

United Studios Billing, Inc. does not maintain attendance records, nor is Student's attendance or non-attendance at one or more lessons relevant to Student's obligation to tender the amount due each month. Student is responsible for all payments.

MISCONDUCT

In the event that Student's studio dismisses a student for misconduct or for any other reason, it shall be treated as a termination by Student. No refunds will be issued.

AGREEMENT CHANGES

USB may, in its sole discretion, amend these Terms and Conditions at any time after providing you with written notice of the amendment. YOUR CONTINUED USE OF YOUR BANK ACCOUNT OR CREDIT CARD AS A PAYMENT METHOD AFTER USB CHANGES THESE TERMS AND CONDITIONS CONSTITUTES YOUR ACCEPTANCE OF THESE CHANGES. Your signature on an amended Agreement is NOT necessary. If any change is found to be invalid, void, or for any reason unenforceable by a court of competent jurisdiction, that change shall be severable and shall not affect the validity and enforceability of any other changes or the remainder of these Terms and Conditions.

JURISDICTION AND VENUE

This Agreement shall be governed by the laws of the State of California, with venue in the County of San Mateo.

ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between Student and/or the undersigned and USB, and supersedes all previous agreements, either written or oral, between them. Any modifications of this Agreement will be effective only if in writing and executed by the undersigned and authorized representatives of USB.

ASSUMPTION OF RISK / RELEASE / COVENANT NOT TO SUE AND INDEMNIFICATION

For valuable consideration and to induce permission to participate in the martial arts instruction offered by this licensee and/or franchisee of United Studios of Self Defense, Inc. (the "Company" and/or "USSD"), each of the undersigned agrees to the following terms and conditions, and each makes the following warranties:

I acknowledge that the martial arts constitutes a HAZARDOUS RECREATIONAL ACTIVITY which carries with it significant RISK of damage or PERSONAL INJURY, or DEATH to any person or property. Such hazards include cuts, abrasions, fractures, and trauma to any part of the human anatomy including head, back, neck and spinal cord. These injuries may occur as a result of falls, strikes, kicks, punches, equipment failure, bad decision making, negligent or inattentive fellow participants, instructors, or assistant instructors. I understand that this is not a complete description of all risks inherent in my (or my child(ren)'s) participation in the martial arts, and that other unknown or unforeseeable hazards and risks of harm may occur.

With this in mind, I accept full responsibility for my own safety, as well as for the safety of my minor child(ren), and EXPRESSLY ASSUME ALL RISKS OF HARM, whether foreseen or unforeseen, and whether occurring while in the studio or at any other location where I or my child(ren) are engaged in martial arts as part of a USSD function. I hereby RELEASE and agree to INDEMNIFY AND HOLD HARMLESS the Company, its shareholders, officers, employees, agents, instructors, patrons and participants, and insurers (hereinafter collectively referred to as "Released Parties"), from and against any liability, demand, claim or right of action for any damage or injury, including paralysis or death, to any person or property, even if such damage or personal injury results from the NEGLIGENCE of the Company or other Released Parties. I further COVENANT NOT TO SUE or make any demand or claim against the Company or other Released Parties, for or by reason of any such damage or personal injury from my participation in martial arts related activities at the Company, or anywhere, at any time. I will pay all fees, damages, and costs, including attorney's fees, the Company or other Released Parties may incur in the enforcement of this Application Agreement.

If I am a PARENT or GUARDIAN of any minor person under 18 years of age participating in the martial arts activities connected to USSD, I make these representations and agree to the terms of Application Agreement on behalf of each minor, as well as myself, and I agree to assume responsibility for their safety. I further agree to INDEMNIFY AND HOLD HARMLESS USSD, and the other Released Parties, from and against any demand, claim, right of action or suit that may be brought on behalf of any such minor arising from all martial arts related activities related to USSD, or anywhere, at any time. I will pay all fees, damages and costs, including attorney's fees, the Company or other Released Parties may incur in the enforcement of this Application Agreement. I am physically fit and know of no medical or health reason why I or my minor child(ren) should not participate in this activity. I intend this Application Agreement to bind me and my family, my assigns, estate, heirs, and personal representatives. This Application Agreement is severable and shall be interpreted and enforced under the laws of the State of California, with venue in the SanCounty of San Mateo.

I have carefully read this document and fully understand its contents, which I adopt as a completely integrated and exclusive statement of the entire terms of agreement.

This Application Agreement constitutes the entire agreement between Student and/or the undersigned and USB, and supersedes all previous agreements, either written or oral, between them. Any modifications of this Application Agreement will be effective only if in writing and executed by the undersigned and authorized representatives of USB.