FRANCHISE DISCLOSURE DOCUMENT



OLC Development, Inc.
a Delaware corporation
902 Provident Drive
Warsaw, Indiana 46580
(888) 652-9199
www.OrthoLazer.com
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The franchisee will own and operate a center that specializes in providing Multiwave Locked System (MLS) laser therapy for the treatment of pain through licensed medical professionals under the name OrthoLazer®.

The total investment necessary to begin operation of a single OrthoLazer Center ranges from $422,225 to $530,600. This includes $276,750 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least fourteen (14) calendar days before you sign a binding agreement with, or make any payment to, us 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 for you. To discuss the availability of disclosures in different formats, contact Franchise Development at 902 Provident Drive, Warsaw, Indiana 46580, (888) 652-9199.

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read your entire 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 on franchising. Call your state agency or visit your public library for other sources of information on franchising.

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

Issuance Date: May 1, 2026

How to Use This Franchise Disclosure Document

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

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit H.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit G 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 OrthoLazer 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 an OrthoLazer franchisee?	Item 20 or Exhibit H lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

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

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

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

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

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

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

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the 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 New York State. 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 New York State 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 to you.

3. **Short Operating History**. The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history

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

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DISCLOSURES REQUIRED BY THE STATE OF MICHIGAN

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

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

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

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful 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 30 days, to cure each 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 franchised 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' 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 mediation or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of mediation, to conduct mediation 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 qualification 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 a provision has been made for providing the required contractual services.

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

Any questions regarding this notice should be directed to the Attorney General's Department for the State of Michigan, Consumer Protection Division, Franchise Section, 670 Law Building, 525 W. Ottawa Street, Lansing, Michigan 48913, (517) 373-7117.

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ITEM 1
THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

THE FRANCHISOR

OLC Development, Inc. is the franchisor and is referred to as "the Franchisor," "us," "our," and "we" in this disclosure document. "The Franchisee," "you" and "your" means the entity that buys the franchise. The provisions of the Franchise Agreement (as defined in this Item 1) also apply to your owners.

We are a Delaware corporation originally formed as a limited liability company on April 5, 2019. We converted to a corporation in July 2024. Our principal business and mailing address is 902 Provident Drive, Warsaw, Indiana 46580. Our telephone number is (888) 652-9199 and our facsimile number is (585) 421-8039. Our agents for service of process are disclosed in Exhibit B.

We conduct business under our corporate name and were formed for the purpose of offering and selling franchises for OrthoLazer Centers. We do not own or operate any OrthoLazer Centers but one of our affiliates owns and operates one location in Indiana. We began offering franchises for OrthoLazer Centers in October 2019. We do not engage in other business activities and have not offered franchises in other lines of business.

PARENTS, PREDECESSORS AND AFFILIATES

We have no parents or predecessors.

Our affiliate Cutting Edge Products, LLC ("Cutting Edge") is a Delaware limited liability company formed on October 7, 2002. Cutting Edge's principal business and mailing address and its phone number are the same as ours. Cutting Edge is engaged in the distribution of therapeutic and surgical lasers to the medical and veterinary markets. Cutting Edge will sell or lease MLS Therapy Lasers manufactured by ASA Laser and distributed in the United States exclusively through Cutting Edge ("MLS Therapy Lasers") and other equipment to our franchisees. Cutting Edge does not offer, and has not previously offered, franchises in this or any other line of business.

We have no affiliates that are selling franchises in any line of business. Other than Cutting Edge, we have no affiliates that will provide products or services to you.

OUR BUSINESS

We have developed a system (the "System") relating to the establishment and management of business and administrative services of a non-medical nature appropriate for the operation of centers that specialize in providing laser therapy for the treatment of pain through licensed medical professionals under the name OrthoLazer™. We refer to these centers in this disclosure document as "OrthoLazer Centers." The business that you will own, manage, administer and operate under the System is referred to as the "Franchised Business."

The Franchised Business must be operated according to the System. The System includes the right to use the mark OrthoLazer™ in the operation of an OrthoLazer Center, standards for building design and layouts, equipment and inventory standards and specifications, specifications for the scope of professional services available at OrthoLazer Centers, and similar types of standards and policies, all of which we may modify at any time.

The distinguishing characteristics of the System include preferred vendor relationships for the purchase or lease of MLS Therapy Lasers and related equipment, distinctive exterior and interior design, decor, and color scheme; furnishings; unique services and innovative techniques; uniform standards, specifications, policies and procedures for operations; quality and uniformity of the products and services offered; procedures for inventory, management and financial control; training and assistance; and advertising and promotional programs, all of which we may change, improve, further develop or otherwise modify from time to time. Franchised Businesses must offer all non-medical services and products that we may specify and may not offer any non-medical services or products we have not authorized. We are not currently engaged in any other business.

We use, promote, and license certain trademarks, service marks, and other commercial symbols including the marks "OrthoLazer" and "OrthoLazer Orthopedic Laser Center" in the operation and management of OrthoLazer Centers (the "Marks"). We may create, use, and license other trademarks, service marks, and commercial symbols for Franchised Businesses and OrthoLazer Centers. If we do, these other marks and symbols will become part of the "Marks."

We offer franchises to professional legal entities that are permitted to engage in the practice of medicine under the laws of the state in which the Franchised Business will be located and operated ("Professional Entities") and who meet our qualifications and are willing to undertake the investment and effort to establish and manage an OrthoLazer Center using the System.

We offer the right to manage the non-medical operations of a single OrthoLazer Center under the terms of a franchise agreement ("Franchise Agreement"). A copy of the Franchise Agreement is attached to this disclosure document as Exhibit C.

Under the Franchise Agreement, you must locate the OrthoLazer Center and operate the Franchised Business at a location that we have approved (the "Approved Location"). The Approved Location will be identified in your Franchise Agreement or, if we have not approved a location when you enter into your Franchise Agreement, through our site selection and approval process according to the terms of the Site Selection Addendum which is attached as Exhibit B to the Franchise Agreement. Your Approved Location will be in a geographic area identified under the Franchise Agreement (the "Protected Territory"). You will be responsible for securing a lease for the Approved Location and developing the OrthoLazer Center that you will manage there.

You must use the System in operating your Franchised Business and at all times perform your obligations under the Franchise Agreement faithfully, honestly, and diligently, and use your best efforts to promote the Franchised Business.

You are responsible for employing and controlling any and all medical professionals and staff who provide actual laser therapy services to be delivered at and through the OrthoLazer Center where you operate your Franchised Business. You are responsible for providing all laser therapy services in accordance with all applicable federal, state and local laws, rules and regulations, with all applicable rules and regulations of any board of medicine or other accrediting agency and with the System. Each state has medical, health, nursing, physician assistant and other boards that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. The laws and regulations generally include requirements for the medical providers to hold required state licenses and registrations to work as licensed medical professionals or assistants in the state where your OrthoLazer Center is located, and to hold required certifications by, or registrations in, any applicable professional association or registry. If a state or jurisdiction has such a law or regulation, these laws and regulations are likely to vary from state to state, and these may change from time to time.

Nothing in the Franchise Agreement or the Manual is intended to or shall be deemed to interfere, affect or limit the independent exercise of professional judgment by you and your licensed medical professionals.

If permitted by the laws of the state in which the Franchised Business will be located and operated, you may, with our consent, which shall not be unreasonably withheld, enter into an agreement (a "Management Services Agreement") with a management services organization (an "MSO") to provide non-clinical services to the Franchised Business and assign your rights and delegate your obligations under the Franchise Agreement to the MSO to the extent necessary for them to perform their obligations under the Management Services Agreement. Your entry into a Management Services Agreement and your assignment of your rights and delegations of your obligations under the Franchise Agreement to the MSO shall not relieve you of any of your obligations to us under the Franchise Agreement.

MARKET AND COMPETITION

The market for the Franchised Business includes all individuals who desire drug free pain management options including but not limited to laser therapy services. If you open an OrthoLazer Center, your competition will include other businesses or professionals offering similar products and services to individuals. These competitors may include acupuncture, naturopathic, chiropractic, medical, and other similar facilities and franchises. Your Franchised Business may also face competition from businesses or professionals who operate multi-disciplinary medical and/or health practices, which offer laser therapy services along with other medical and health services to their clients or patients. Although laser therapy has been a practice for over 30 years, the US laser therapy market is still considered emerging.

LAWS AND REGULATIONS

You are responsible for operating the Franchised Business in full compliance with all applicable laws. The medical industry is heavily regulated. These laws may include federal, state and local regulations relating to: the practice of medicine, the provision of healthcare services, the licensing of laser therapy services; the relationship of providers and suppliers of health care services, on the one hand, and professionals offering laser therapy services on the other, including anti-kickback laws (including the Federal Medicare Anti-Kickback Statute and similar state laws); restrictions or prohibition on fee splitting; physician self-referral restrictions (including the federal "Stark Law" and similar state laws); privacy of patient records (including the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"); use of medical devices; and advertising of medical services. While not all of these laws and regulations will be applicable to all OrthoLazer Centers, it is important to be aware of and compliant with the regulatory framework.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and the other licenses applicable to an OrthoLazer Center. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files and displayed as may be required. You must comply with all state and local laws and regulations regarding the operation of an OrthoLazer Center.

Additionally, state fee splitting laws may have an impact on the royalties and other fees you pay to us. OrthoLazer Centers are considered "covered entities" under HIPAA regulations and must follow all HIPAA regulations and guidelines.

You may not accept private insurance, or participate in federal and/or state reimbursement

programs, such as Medicaid or Medicare, in the operation of the Franchised Business. All OrthoLazer Centers may only accept private payments from all clients.

By licensing you to operate a Franchised Business, we are not engaging in the practice of medicine, nursing or any other profession that requires specialized training or certification. The Franchise Agreement will not interfere, affect or limit the independent exercise of medical judgment by you or your medical staff. It will be your responsibility for researching all applicable laws, and we strongly advise that you consult with an attorney and/or contact local, state and federal agencies before signing a Franchise Agreement with us to determine your legal obligations and evaluate the possible effects on your costs and operations.

In addition, you must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including government regulations relating to occupational hazards, health, EEOC, OSHA, discrimination, employment, sexual harassment, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You should consult with your attorney concerning those and other local laws and ordinances that may affect the operation of your Franchised Business.

ITEM 2
BUSINESS EXPERIENCE

Unless otherwise noted, all of the following individuals are based at OrthoLazer's principal office located in Warsaw, Indiana.

Scott Sigman, MD: Founder and Chief Medical Officer

Dr. Sigman has served as our Chief Medical Officer since March 2019. During the past 6 years he has been engaged in the practice of orthopedic surgery with Orthopedic Surgical Associates of Lowell in Chelmsford, Massachusetts and in the ownership and operation of the OrthoLazer Orthopedic Laser Center of Chelmsford in Chelmsford, Massachusetts.

Rod Mayer: CEO

Mr. Mayer has served as our CEO since July 2024. From April 2011 to the present, Mr. Mayer also has served as President and CEO of AIO Inc. in Warsaw, Indiana. From May 2022 to November 2023, Mr. Mayer served as the President US for Medartis in Warsaw, Indiana. From January 2013 to May 2022, Mr. Mayer was the CEO and President of Nextremity Solutions in Warsaw, Indiana.

Dan Stichter: President

Mr. Stichter has served as our President since November 2024. From February 2008 to the present, Mr. Stichter also has been the Founder of Stichter Ventures, LLC in Bourbon, Indiana. From October 2023 to October 2024, Mr. Stichter served as the Chief Financial Officer of Rochester Iron and Metal in Rochester, Indiana. From May 2022 to May 2023, Mr. Stichter was the Chief Financial Officer and Chief Operating Officer for Medartis in Warsaw, Indiana. From August 2017 to May 2022, Mr. Stichter was the Chief Financial Officer of Nextremity Solutions, Inc. in Warsaw, Indiana.

Greg Barnett: VP, Franchise Development

Mr. Barnett has served as our VP, Franchise Development since August 2019. During the past five years, Mr. Barnett has been employed as Vice President of Sales and Marketing of Cutting Edge.

Ryan Mooney: VP, Franchise Development

Mr. Mooney has served as our VP, Franchise Development since August 2019. During the past five years, Mr. Mooney served as a Zone Business Manager for Toshiba America Medical Systems in Rochester, New York from January 2013 to March 2016, as the National Sales Manager for Cerebral Assessment Systems in Rochester, New York from March 2016 to August 2017 and from August 14, 2017 to the present he has served as a Regional Sales Manager of Cutting Edge.

ITEM 3
LITIGATION

No litigation must be disclosed in this Item.

ITEM 4
BANKRUPTCY

No bankruptcy information must be disclosed in this Item.

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ITEM 5
INITIAL FEES

INITIAL FRANCHISE FEE

You must pay to us an initial fee ("Initial Franchise Fee") of $49,500 for each franchise you purchase. The Initial Franchise Fee is payable in full upon signing your Franchise Agreement, will be fully earned when paid and is not refundable under any circumstances. There is no financing available from us for the payment of the Initial Franchise Fee. The Initial Franchise Fee is uniform as to all franchisees (except that it may be discounted or waived for franchisees that we or our affiliates fully own or partially own). We reserve the right to modify the Initial Franchise Fee in the future to reflect the changing costs of doing business and changes in the value of the Franchised Business. We may also discount the Initial Franchise Fee: (i) if we are unable to locate an OrthoLazer Center in a particular area we consider desirable; or (ii) based on other subjective factors we deem important to the System.

LASERS

You must purchase or lease 3 Multiwave Locked System (MLS) from us and approved vendors to establish your franchise. The purchase price for 3 lasers is currently $225,000. The lasers may also be leased, together with furniture, fixtures and equipment provided by our approved suppliers, for between $5,595 and $5,895 per month for 60 months beginning with the month in which your OrthoLazer Center first opens for business. Fees for certain other goods and services may be payable to us or our affiliates as approved suppliers in the event that we or our affiliates provide certain goods or services. All such fees payable to us and/or our affiliates are due in full upon delivery and are nonrefundable. For franchisees that we or our affiliates fully own or partially own, we may discount or waive fees for lasers and other goods and services.

TECHNOLOGY FEE

You will be required to purchase and exclusively use our OrthoLazer branded business operations software at your location. You will be required to pay a monthly technology fee (the "Technology Fee") of $750 for the use of our software on the 10th day of each month in advance, beginning as soon as you are given access to the system, which is generally within 30 days of signing your Franchise Agreement. We reserve the right to increase the Technology Fee up to 5% annually after giving you 30-day prior written notice. The Technology Fee is uniform as to all franchisees and is nonrefundable (except that it may be discounted or waived for franchisees that we or our affiliates fully own or partially own).

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ITEM 6
OTHER FEES

Fee (Note 1)	Amount	Due Date	Remarks
Royalty Fee	8% of monthly Gross Sales if allowed by law and otherwise a flat fee. (Note 2, 3 & 4)	10th of each month for the prior month	We require this fee to be paid by an electronic transfer. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own.
Brand Fund Fee	2% of monthly Gross Sales if allowed by law and otherwise a flat fee. (Note 2, 3 & 4)	10th of each month for the prior month	We require this fee to be paid by an electronic transfer. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Minimum Local Advertising Spending	$4,500	Quarterly	This amount is not paid to us, but spent by you in your local market. We may waive this requirement for franchisees that we or our affiliates fully own or partially own
Custom Graphic Design Fee	$95 per hour plus actual costs.	Time of assistance	Payable only if you request us to do custom graphic design work on any advertising or other promotional materials that we develop. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Late Fees	18% per year or the highest rate allowed by law, whichever is less	On demand	Applies to all overdue fees, contributions and other amounts due to us, including any understatement in amounts due revealed by an audit. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Audit Expenses	All costs and expenses associated with audit	On demand	Payable if you fail to timely input financial data in the Office Management Program or fail to submit required reports. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own

Fee (Note 1)	Amount	Due Date	Remarks
Fee for Sale of Prohibited Non-Medical Services or Products	$100 per day administrative fee plus the associated royalty fees due and any costs incurred by us	As incurred	Payable if you use, sell or distribute non-authorized non-medical services or products in your OrthoLazer Center. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Insurance Policies	Amount of unpaid premiums and related costs, $500 administrative fee and late charges	On demand	Payable if you fail to maintain required insurance coverage and we obtain coverage for you. (Note 5) We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Renewal Fee	$5,000	Upon renewal	Payable upon renewal of the Franchise Agreement. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Remodeling, expansion, redecorating or refurnishing costs	At least $10,000 every 5 years	As incurred	Payable directly to vendors when you remodel, expand, redecorate or refurnish your OrthoLazer Center.
Transfer Fee	25% of the then-current initial franchise fee, plus our expenses up to a total of $2,500	Before transfer completed	Applies to any transfer of the Franchise Agreement, the franchise, or a controlling interest in the franchise. (Note 6) We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Relocation Fee	$2,500	Before relocation is completed	Applies to any relocation of your OrthoLazer Center in the same market and as approved by us. (Note 7) We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Legal Costs and Attorney's Fees	All legal costs and attorneys' fees incurred by us	As incurred	Payable if we must enforce the Franchise Agreement, or defend our actions related to, or against your breach of, the Franchise Agreement. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own

Fee (Note 1)	Amount	Due Date	Remarks
Indemnification	All amounts (including attorneys' fees) incurred by us or otherwise required to be paid	As incurred	Payable to indemnify us, our affiliates, and our and their respective owners, officers, directors, employees, agents, successors, and assigns against all claims, liabilities, costs, and expenses related to your ownership and operation of your franchise. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
De-Identification	All amounts incurred by us	As incurred	Payable if we de-identify the franchise upon its termination, relocation, or expiration. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Additional Operational Assistance Fee	$400 per person, per day, plus our expenses	As incurred	At any time, you must pay for additional operational assistance that we consider necessary or that you request. We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Management Fee	3% of Gross Sales (Note 2)	5th of each month for the prior month	Paid when we must appoint a person to manage your store because of death, disability, or your defaults under the Franchise Agreement. (Note 8) We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own
Non-Sufficient Funds Fee	$100	On demand	Paid if we debit your account and our debit is declined or dishonored by your financial institution We may discount or waive this fee for franchisees that we or our affiliates fully own or partially own

Notes

1. Fees. All fees are imposed by and are payable to us, except as specified for the fees payable to our affiliates and your local advertising expenditures. All fees are nonrefundable, and all are uniformly imposed on similarly situated franchisees currently acquiring a franchise. (We may discount or waive fees for franchisees that we or our affiliates fully own or partially own). We reserve the right to modify these fees in certain circumstances. You will pay most fees by electronic funds transfer. Payments made by credit card are subject to various additional handling charges of up to 10%.

2. Gross Sales. "Gross Sales" means all revenues of the Franchised Business, from services performed from, through or on account of the operation of the Franchise and revenues from the sale of services and products, less the amount of sales tax or similar receipts which, by law, are chargeable to customers, if taxes are separately stated when the customer is charged and paid to the appropriate taxing authority. Gross Sales does not include any bona fide refunds, rebates or discounts granted in the ordinary course of business. Gross Sales includes all sales done at and through the location, whether cash or credit, including, credit card and debit card transactions and payments using a check, with payment received at the time the debit, charge or check is made. If a transaction that was included in a prior period's report of Gross Sales is subsequently determined to be uncollectable, that amount will be allowed as a credit against the Gross Sales reported to us for the period in which the determination is made. Your franchised business may be located in a jurisdiction whose taxing authority will subject us to tax assessments on payments you submit to us for the royalty fee and brand fund fee. Under such circumstances, you will be required to adjust, or "gross up" your payment to us to account for these taxes.

3. Flat Fees. If the applicable medical practice laws prohibit us from collecting and/or you from paying a royalty fee or advertising fee as a percentage of the Gross Sales, the annual royalty fee and annual brand fund fee will be flat fees that you and we will determine by mutual agreement before execution of the Franchise Agreement. These flat fees may be reviewed by the parties on an annual basis and, based upon such review, either party may propose an adjustment to annual royalty fee and/or annual brand fund fee.

4. Late Fees. If you are paying royalty fees and brand fund fees based on your Gross Sales and you do not timely report your Franchised Business's Gross Sales for any month, then we may debit your account for 120% of the royalty fee and brand fund fee amounts that we debited during the previous month. If the royalty fee and brand fund fee amounts we debit are less than the royalty fee and brand fund fee amounts you actually owe us (once we determine the Franchised Business's actual Gross Sales for the month), then we will debit your account for the balance on the day we specify. If the royalty fee and brand fund fee amount we debit is greater than the royalty fee and brand fund fee amount you actually owe us, then we will credit the excess amount, without interest, against the amount we otherwise would debit from your account during the following month.

5. Insurance Policies. If you fail to pay the premiums for insurance required to operate your franchise, including but not limited to, general or professional liability insurance, or to include us as an additional insured on such insurance, we may obtain such insurance coverage for you and you will be required to reimburse us within ten (10) days of receipt of a demand for reimbursement from us, together with a $500 administrative fee per event, and any other fees, including attorneys' fees, incurred by us. We will have the right to debit your account the amounts owed to us for such premiums and fees if you fail to pay us within ten (10) days of our request for reimbursement.

6. Transfers. You may be required to reimburse us for reasonable expenses incurred by us in investigating and processing any proposed new owner where a transfer is not finalized, for any reason, and you will be responsible for all expenses we incur including but not limited to attorneys' fees we incur, up to a total of $2,500. If you are in default of your Franchise Agreement, or any other agreement with us, we may deny you the right to transfer the Franchised Business and/or in addition to the transfer fee, should we permit the transfer, we may require you to pay any amounts we deem necessary, in our sole discretion, to cure the default(s), provided that the default(s) is/are curable.

7. Relocation. Any site for the relocation of an OrthoLazer Center must be approved by us in the same manner as the approval of the OrthoLazer Center's initial site and must be within the same trading areas as the previous Center location, as is determined by us in our sole and absolute discretion. The relocation fee is due to the Franchisor within a week after the site approval by the Franchisor.

8. Termination Related Events. If the Franchise Agreement expires or terminates, we may give you notice

of our interest in purchasing some or all of the assets of the franchised business within 30 days, or notice of our election to purchase some or all of the assets of the franchised business within 60 days. If we give you either type of notice, we may appoint a person to oversee the operation of the franchised business by your personnel pending the closing on our purchase of the assets, and the royalty fee will be 11%, rather than 8% during the oversight period. This is reflected as the additional 3% management fee as outlined in Item 6. In addition, during the oversight period, you must pay us a fee for the appointed person and for any persons doing onsite visits (currently $400 per person, per day) and must reimburse us for the reasonable expenses of the appointed person and any persons doing onsite visits.

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ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

FRANCHISE AGREEMENT

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
Initial Franchise Fee[1]	$49,500	$49,500	Lump sum	On signing the Franchise Agreement	Us
Security & Utility Deposits[2]	$1,000	$2,000	As agreed	Before opening	Landlord and /or utility companies
Architectural, Space Plans & Permits	$1,000	$3,000	As agreed	Before opening	Architect
Leasehold Improvements[3]	$20,000	$75,000	As agreed	Before opening	Landlord or construction contractors
Exterior Signage[4]	$1,000	$4,000	As agreed	Before opening	Vendors or Third Parties
Furniture & Fixtures[5]	$45,000	$60,000	As agreed	Before opening	Vendors
Computer Hardware, Software & Supplies	$10,000	$12,000	As agreed	Before opening	Vendors
MLS Therapy Lasers, Warranty & Accessories[6]	$225,000	$225,000	As agreed	Before opening	Us
Business Licenses & Permits	$1,000	$2,000	As incurred	As incurred	Government agencies
Professional Fees[7]	$1,500	$5,000	As incurred	As agreed	Vendors or Third Parties
Insurance[8] *3 months*	$1,000	$2,000	As agreed	Before opening	Insurer
Initial Inventory & Operating Supplies[9]	$1,000	$3,000	As agreed	As incurred	Vendors
Rent Payments[10] *3 months*	$12,000	$18,000	As agreed	As agreed	Landlord
Grand Opening & Advertising[11]	$10,000	$10,000	As agreed	As agreed	Vendors
Technology Fee[12] *3 months*	$2,250	$2,250	By electronic transfer	On the 10th of each month for the following month	Us
Payroll[13] *3 months*	$30,000	$35,000	As agreed	As incurred	Employees
Internet Service *3 months*	$150	$1,050	As agreed	As incurred	Vendors
Telephone Service *3 months*	$75	$300	As agreed	As incurred	Vendors
Utilities *3 months*	$750	$1,500	As agreed	As incurred	Landlords,

Type of Expenditure	Amount		Method of Payment	When Due	To Whom Payment is to be Made
	Low	High			
					Vendors
Additional Funds[14]	$10,000	$20,000	As agreed	As incurred	Landlords, Vendors
Total Estimated Initial Investment[15]	**$422,225**	**$530,600**	**Amount to open, including first 3 months of business**		

Notes

1. Initial Franchise Fee. The details of the Initial Franchise Fee are described in Item 5.
2. Security & Utility Deposits. These are estimated amounts of lease costs, security and utility deposits. These amounts will vary in each market and may be refundable.
3. Leasehold Improvements. You will need to make improvements to, or "build out," the Premises, at which you will operate your franchised business. You may be able to negotiate various terms with your Landlord, including paying for some of the build out costs for your leased space, known as Tenant Improvement (TI) Allowances. Also, you may seek to finance some or all of your build out costs through your Landlord or other financing sources. A variety of factors may affect the availability of Landlord and other financing, the monthly overall costs of the financing, and other terms relevant to your decision whether to pay or finance the build out costs.

   The cost of leasehold improvements will vary widely depending upon the size and condition of the premises, if you are located outside of the 48 contiguous states, whether or not there are any existing and comparable leasehold improvements in the premises, the extent and quality of improvements desired by you over and above our minimum requirements, landlord's cash contribution to the cost of the improvements, whether you must use union labor, and the like.
4. Exterior Signage. You will need to purchase signage for the Premises that meets our specifications. The cost of signage and graphics will vary from location to location depending on lease requirements, local ordinances and restrictions, store frontage, and related factors. This amount includes localization graphics and signage. The final design must be submitted to us for review and approval.
5. Furniture & Fixtures. You will need to purchase furniture and fixtures for the Premises that meet our specifications. You may decide to lease the furniture and/or equipment needed rather than purchasing it with a lump sum payment. A variety of factors (such as the condition of the national and regional economy, availability of credit, number of suppliers leasing products in your area, the interest rates offered by suppliers, duration of leases offered, security requirements, and your credit history) may affect the availability of leased products, the monthly and overall costs of the leases, and other terms relevant to your decision whether to purchase or lease the furniture and/or fixtures. These figures represent the cost of furniture and fixtures for Premises of about 1,500 square feet and including three (3) treatment rooms.
6. MLS Therapy Lasers & Accessories. You will need to purchase three MLSTherapy Lasers for the each OrthoLazer Center from Cutting Edge. You may decide to lease the lasers rather than purchasing them thereby significantly reducing your start up capital outlay. This estimate includes five year warranty coverage as well.
7. Professional Fees. This estimate is for legal, accounting, administrative, permitting, traffic studies, demographic studies, architectural, engineer, site surveys, brokerage, and miscellaneous other professional fees that you might incur before you open for business, including (among other things) to assist you in reviewing the Franchise Agreement. Your actual cost may vary. These fees will vary by jurisdiction and state.

8. Insurance. This is an estimate of insurance premiums for the initial 3 months of business operation. Your costs will vary depending on your market, the amount of coverage you select, and other factors.

9. Initial Inventory & Operating Supplies. This estimate covers various supplies you will need in your initial phase of operation. In compiling these estimates, we have relied on experience and data collected from our management's previous franchise business experience. You must obtain these items from us or from our designated sources.

10. Rent Payments. Should you need to rent or acquire leased space for your franchise business, rent varies considerably from market to market, and from location to location in each market. Generally, you will need a minimum of 1,350 to 2,500 square feet leased space. These figures represent rent of about 1,500 square feet for 3 months. In metro areas, we encourage you to seek specialist advice regarding fit-out, union labor, operational and any other costs that may impact costs particular to that location.

11. Grand Opening Advertising. You must spend a minimum of $10,000 for local advertising during the Grand Opening Period (this covers a 105-day period that begins 45 days before the opening of your Franchise, and ends 60 days after the opening of your Franchise). You must spend this amount in accordance with the Manual. You will be required to provide us proof of all payments expending during the Grand Opening Period.

12. Technology Fee. You must purchase and exclusively use our OrthoLazer approved business operations software at your location. You will be required to pay a monthly technology fee for the continuing use of the software, as soon as you are given access to the system, which is generally within 30 days of signing your Franchise Agreement.

13. Payroll. Estimate assumes three to four employees including office manager, two technicians and/or a receptionist/scheduler. It does not include an owner's draw or salary and varies based on prevailing wage rates.

14. Additional Funds. You will need additional capital to support on-going expenses during the initial 3 months after you open for business. The estimate includes items such as royalty payments, advertising fees, repairs and maintenance, bank charges, supplies and equipment, state tax, and other miscellaneous items.

15. Estimates Only. The figures in this table are only estimates. In compiling these estimates, we have relied on the experience and data collected from our affiliate that operates a similar franchise business in Chelmsford, MA. Unless otherwise noted above, expenditures are non-refundable.

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ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS & SERVICES

Except as indicated below, you are not required to purchase or lease products or services from us or our affiliates or from suppliers approved by us or under our specifications.

REQUIRED PURCHASES OF GOODS AND SERVICES

You must purchase certain non-medical products, supplies, insurance, inventory, signage, fixtures, furniture, equipment, décor, software and other specified items under specifications and standards that we periodically establish in our Manual or other notices we send to you from time to time. These specifications are established to provide standards for performance, durability, design and appearance and support the System. You must purchase such non-medical products, supplies, insurance, etc. required for the operation of your Franchised Business solely from suppliers (including distributors, manufacturers, and other sources) who have been designated or approved by us in writing. A list of all approved and/or designated suppliers is set forth in our Manual. You are not allowed to purchase any non-medical item from an unapproved supplier. When selecting suppliers, we consider all relevant factors, including the quality of goods and services, service history, years in business, capacity of supplier, financial condition, terms and other requirements consistent with other supplier relationships. We will notify you whenever we establish or revise any of our standards or specifications, or if we designate approved suppliers for products, equipment or services.

The designated and approved suppliers may be us or an affiliate of ours. We are currently the only approved supplier of MLS Therapy Lasers and related equipment used in the operation of the Franchised Business. Our affiliate Cutting Edge handles shipping and service on these items.

APPROVAL OF ALTERNATIVE SUPPLIERS

We do not have any specific written criteria for supplier selection and does not intend at this time to prepare one. Therefore, we will not furnish its criteria for supplier approval to Franchisees. If you would like to purchase any

products or services from any unapproved supplier, then you must submit to us a written request for approval of the proposed supplier. We will approve or disapprove your request within 30 days of receipt of your written request. We have the right to inspect the proposed supplier's facilities, and require that product samples from the proposed supplier be delivered, at our option, either directly to us, or to any independent, certified laboratory that we may designate, for testing. We may charge you a supplier evaluation fee (not to exceed the reasonable cost of the inspection and the actual cost of the test) to make the evaluation. We reserve the right to periodically re-inspect the facilities and products of any approved supplier, and revoke our approval if the supplier does not continue to meet any of our criteria.

REVENUE FROM FRANCHISEE PURCHASES

In 2025, we received $675,000 in revenues from the sale of lasers to franchisees. In the future, we may receive other revenue from franchisee required purchases of products and services from us and/or required suppliers. None of our officers owns any interest in any third party approved supplier.

Franchisees may be required to sign agreements with our required vendors. Currently, we do not receive any rebates or compensation for purchases from any of our required vendors, but we may in the future.

The cost of purchasing required products and services to our specifications will represent about 50-60% of your total purchases in establishing your franchise and about 10-25% of your total purchases during the operation of your franchise.

We may receive revenue or other consideration from any other suppliers for goods and services that we require or advise you to purchase. In the event we enter agreements with any such suppliers, we anticipate that any revenue or other consideration received will include certain promotional allowances, rebates, volume discounts, and other payments, that may range from 0-10% of the amount of the goods or services you purchase from the supplier. We expect that at least some of these arrangements will generally allow us to obtain discounts from standard pricing, and that it may facilitate our ability to pass along a portion of the savings to you.

NEGOTIATED PRICES, COOPERATIVES & MATERIAL BENEFITS

We may negotiate price terms and other purchase arrangements with suppliers for you for some items that we require you to lease or purchase in developing and operating your Franchised Business. There currently are no purchasing and distribution cooperatives. We do not provide any material benefits to you if you buy from sources we approve.

ADVERTISING SPECIFICATIONS & RESTRICTIONS

All marketing and promotion of your business must conform to our standards and specifications. You must submit to us samples of all advertising and promotional materials, including all print materials and desired print vendors, which have not been prepared or previously approved by us. See Items 6 and 11. Your business must participate in promotions and public relations campaigns (e.g., contributions to charitable events) we institute from time to time for all Franchised Businesses, or for all OrthoLazer Centers within a particular geographic area. You must also participate in community service programs, product promotions, loyalty, gift card and other promotional programs, that we may reasonably determine are needed in your particular business. We retain the right to develop and control all Internet advertising and messages of any kind, including social media, using our Marks. We reserve the right, upon 30-day prior written notice to you, to require that you participate in electronic advertising. All Franchised Businesses must participate in these programs or other promotions that we may adopt in the future.

PRICE RESTRICTIONS

To the extent permitted by applicable law, we may periodically establish maximum and/or minimum prices for non-medical products and services that OrthoLazer Centers offer, including without limitation, prices for promotions in which all or certain Franchised Businesses participate. If we establish such prices for any non-medical products services, you cannot exceed or reduce that price, but will charge the price that we establish for that non-medical product or service.

OFFICE EQUIPMENT/COMPUTER/POINT-OF-SALE SYSTEM

You must purchase from approved suppliers and use the point-of-sale system, computer hardware, computer software and the all-in-one printer/copier/scanner/fax machine.

You must purchase a computer system meeting our specifications (together with the software, referred to as "Computer System") from designated or approved suppliers. We do not currently derive any revenue from your purchase of the Computer System, but reserve the right to do so in the future. You will be required to meet all computer guidelines laid out in the Manual. You must have high-speed Internet

connection at your premises. We reserve the right to require you to purchase, install and use proprietary operating software that allows us to download certain sales and other information related to Franchise operations that we specify. We reserve the right to require, upon 30 days' prior written notice to you, that you purchase additional hardware and software meeting our minimum specifications. In the future, you may be required to purchase or lease other proprietary software from us, an affiliate of ours, or from a third party designated by us.

You will be required to purchase and exclusively use our OrthoLazer branded business operations software at your location. You will be required to pay a monthly Technology Fee of $750 for the continuing use of our software, as soon as you are given access to the system, which is generally within 30 days of signing your Franchise Agreement. Our Technology Fee does not include the monthly cost to purchase and/or maintain additional software or software applications that you may be required to use in the future to operate your franchise to comply with applicable laws and regulations, such as PCI data security software or software to protect patient or customer data. We reserve the right to increase the Technology Fee up to 5% annually after giving you 30-day prior written notice. You will also be required to have access to a broadband Internet connection at all times.

If we require you to use any proprietary software or to purchase any software from an approved supplier, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. The Computer System is described in more detail in the Manual.

CREDIT CARDS

You must honor all credit, charge, courtesy and cash cards that we approve in writing. To the extent you store, process, transmit or otherwise access or possess cardholder data in connection with the sale of services and products at the OrthoLazer Center, you must maintain the security of cardholder data and adhere to the then-current credit card security standards which can be found at www.pcisecuritystandards.org for the protection of cardholder data throughout the term of your Franchise Agreement. You are responsible for the security of cardholder data in the possession or control of any of your employees that you engage to process credit cards. You must, if we request that you do so, provide appropriate documentation to us to demonstrate compliance with applicable PCIDSS requirements by you and all your employees.

INSURANCE

You must obtain and maintain medical professional liability insurance covering you and your Clinical Staff. The medical professional liability insurance must name your Clinical Staff as additional insureds with coverage being applicable based on the retroactive date and effective date shown on the policy. If approved by your medical professional liability insurer, your Clinical Staff may be covered through your medical professional liability insurance to the extent the policy provides coverage and from the retroactive date and effective date shown on the policy. Medical professional liability insurance for you and your Clinical Staff covered hereby must be at least One Million dollars ($1,000,000) per claim and Three Million dollars ($3,000,000) annual aggregate for all claims, or such other amount as required by law. Neither we nor any affiliate of ours will derive revenue as a result of your purchase of medical professional liability insurance.

In addition to medical professional liability insurance, you must obtain and maintain such other insurance as we may specify in the Manual, in addition to any other insurance that may be required by applicable law, or by any lender or lessor. Neither we nor any affiliate of ours will derive revenue as a result

of your purchase of such insurance. All such insurance policies must name us as an additional insured and specifically, "Grantor of the Franchise." You cannot open your franchise location until you have obtained all the required insurance coverage. If you fail to obtain and maintain this insurance coverage, we have the right to obtain it on your behalf and to charge you for the cost-plus interest. We have the right to increase the minimum coverage, decrease the maximum deductible, or require different or additional kinds of insurance to reflect inflation, changes in standards of liability, higher damage awards, or other relevant changes in circumstances. We must give you at least 30 days' written notice.

RECORDS

All of your bookkeeping and accounting records, financial statements, and all reports you submit to us must conform to our requirements. All reports must be submitted in a timely manner in accordance with the dates we set from time to time.

ITEM 9
FRANCHISEE'S OBLIGATIONS

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

	Obligations	Section(s) in Agreement	Disclosure Document Item(s)
a.	Site selection and acquisition/lease	1.2	7 & 11
b.	Pre-opening purchases/leases	7.12 & 7.13	7
c.	Site development and other pre-opening requirements	5.2	7 & 11
d.	Initial and ongoing training	6	11
e.	Opening	5	7 & 11
f.	Fees	2.3(i), 4, 12.4 & 14.3(n)	5, 6, 7, 8 & 11
g.	Compliance with standards and policies/operating manual	7.4 & 9	8, 11 & 12
h.	Trademarks and proprietary information	8 & 10	13 & 14
i.	Restrictions on products/services offered	7.9(b)	8 & 16
j.	Warranty and customer service requirements	Not applicable	Not applicable
k.	Territorial development and sales quotas	1.2, 1.3 & 4.5	12
l.	On-going product/service purchases	Not applicable	7, 8 & 11
m.	Maintenance, appearance, and remodeling requirements	7.9	7, 8 & 11
n.	Insurance	13	6, 7 & 8

o.	Advertising	12	6, 7 & 11
p.	Indemnification	19.3	6 & 13
q.	Owner's participation/ management and staffing	1.5(g) & 7.2	11 & 15
r.	Records/reports	11	6
s.	Inspections/audits	11	6
t.	Transfer	14	6 & 17
u.	Renewal	2.3	6 & 17
v.	Post-termination obligations	16, 17.3 & 19.3	17
w.	Non-competition covenants	17.3	17
x.	Dispute resolution	24	17
y.	Owners/ Shareholders/ Spousal Guarantee	1.5(f)	15
z.	Other	None	None

ITEM 10
FINANCING

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

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

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

Before you open your OrthoLazer Center for business, we (or our designee) will:

1. Review and approve or disapprove the proposed site for your OrthoLazer Center. *(Franchise Agreement Section 1.2)*

2. Define your designated territory. *(Franchise Agreement Section 1.3)*

3. Provide access to at least one (1) representatives that will provide support such as on-site, pre-opening and opening assistance as Franchisor deems appropriate. *(Franchise Agreement Section 3.3)*

4. Lend you one electronic copy of our operations manual, which contains our mandatory and suggested specifications, standards and procedures for operating your OrthoLazer Center (the "Manual"). *(Franchise Agreement Section 3.6)*

5. Make available to you for sale, or designate or approve other suppliers who shall make available to you for sale, such equipment, supplies and products as we designate in the Manual or in writing from time to time. *(Franchise Agreement Section 3.7)*

6. Provide each Owner and one manager of the Franchised Business approved by us (the "Business Manager") our initial training program. *(Franchise Agreement Section 6.1)*

7. Maintain a website for the System and list your OrthoLazer Center contact information on such website. *(Franchise Agreement Section 8.8)*

During the operation of the franchised business, we (or our designee) will:

1. Allow you to use our Marks operating your OrthoLazer Center. *(Franchise Agreement Section 1.1)*

2. On your request, provide you with advice and assistance on the proper implementation of the System and operation of the Franchised Business *(Franchise Agreement Section 3.4)*

3. Continue lending to you an electronic copy of our Manual. *(Franchise Agreement Section 3.6)*

4. As we deem appropriate, provide you with additional, on-going, and supplemental training programs. *(Franchise Agreement Section 6.1)*

5. As we deem advisable, conduct inspections and/or audits of your OrthoLazer Center, including evaluations of its training methods, techniques, and equipment; its staff; and the services rendered to its customers. *(Franchise Agreement Section 7.15)*

6. Indemnify you against damages for which you are held liable in any proceeding arising out of your use of our Marks in compliance with the Franchise Agreement, and reimburse you for costs you incur in defending against any such claim. *(Franchise Agreement Section 8.2(h))*

7. Review and approve or disapprove your advertising and promotional plans and materials. *(Franchise Agreement Section 12.6)*

ADVERTISING & MARKETING

You must contribute to the advertising of your Franchised Business in your local market area, in the minimum amount of $4,500 per quarter ("Minimum Local Advertising Requirement") beginning your 1st full quarter of operations after you open your OrthoLazer Center for business. This is separate from the amounts you will spend during the Grand Opening Period. During the Grand Opening Period (which consists of the 105-day period that begins 45 days before the opening of your Franchise and ends 60 days after the opening of your Franchise) you will be required to expend at least $10,000 in verifiable marketing costs to publicize the grand opening of your Franchise. You will be responsible for the local marketing of your Franchised Business. You must submit all of your own advertising and promotional plans and materials to us for approval before use. If you do not receive written notice of approval within 15 days after we receive the materials, we will be deemed to have disapproved them. You are responsible to ensure that all advertising and promotion materials used by you, whether created or consented to by us, comply with applicable laws. You may not advertise or use in advertising or other form of promotion, the Marks without the appropriate copyright, trademark, and service mark symbols ("©", "®", "TM" or "SM") as we direct. We have the right to require you to use one or more required suppliers for your local advertising. We may require you to spend all or a portion of the Minimum Local Advertising Requirement with such required suppliers. We reserve the right to collect such amounts directly from you via EFT to pay such required suppliers. You must provide us (in a form we approve or designate) evidence of your required local advertising, marketing and promotional expenditures by the 30th day of each month, for the preceding calendar month, along with a year-to-date report of the total amount spent on local advertising. Any advertising or marketing material that you intend to use must receive prior written approval from us. If you

do not receive our written disapproval within 15 days from the date the materials are delivered to us, then the materials will be deemed approved. The approval of the marketing or advertising material is valid for 1 year.

We may establish one or more advertising cooperatives (an "Advertising Co-op") from time to time and you must join and participate in any Advertising Co-op we may establish covering your OrthoLazer Center. An Advertising Co-op is an association of all franchisees whose Franchised Businesses are located within a designated market area ("DMA"). A DMA is a geographic area around a city in which the radio and television stations based in that city account for a greater proportion of the listening/viewing public than those based in the neighboring cities. One function of the Advertising Co-op is to establish a local advertising pool, of which the funds must be used for OrthoLazer Center advertising only and for the mutual benefit of each Advertising Co-op member.

As of the date of this disclosure document, there are no Advertising Co-ops. We have the right to create Advertising Co-ops and to decide how they will be run. We also have the right to specify the manner in which Advertising Co-ops are organized and governed, and may require all Advertising Co-ops to be legal entities of the state where they are located. Each Advertising Co-op must operate according to bylaws which have been approved by us. Members of the Advertising Co-ops are responsible for determining the fees to be paid by the Advertising Co-op members directly to the Advertising Co-op, which shall not exceed ten percent of monthly Gross Sales. While none exist at this time, if Franchisor-owned outlets exist within any DMAs, these outlets will contribute to the Advertising Co-op in the same amounts as all other franchisees within the same DMA. Amounts contributed to Co-ops may be considered as spent toward local advertising, if appropriately documented and spent according to our defined criteria for local advertising, and therefore may be applied towards the Minimum Local Advertising Requirement.

With your brand fund fees, we will create one or several national and/or regional brand funds (each referred to as a "Brand Fund") for OrthoLazer Centers (both franchisee-owned and Franchisor-owned) to accomplish those advertising and promotional programs we deem necessary or appropriate for the OrthoLazer Centers. However, we may choose to use only one Brand Fund to meet the needs of regional, multi-regional, and national advertising and promotional programs. Each OrthoLazer Center must contribute to the Brand Fund for its area such amounts that we periodically require. The current contribution amount is 2% of Gross Sales. If applicable law in the state in which your OrthoLazer Center is located forbids you from paying or us from collecting a brand fund fee as a percentage of the Gross Sales, the brand fund fee will be a flat fee that we and you will determine by mutual agreement before execution of the Franchise Agreement and which will be reviewed by the parties on an annual basis and, based upon such review, either party may propose an adjustment to annual brand fund fee. The maximum contribution to the Brand Fund we may require from you is 2% of Gross Sales. Any OrthoLazer Center owned by us will contribute to the Brand Fund on the same basis as you.

We will direct all marketing programs financed by the Brand Fund, including the creative concepts, materials and endorsements used by the Brand Fund(s), and the geographic, market, and media placement and allocation of the Brand Fund. We may use the Brand Fund to pay the costs of administering regional, multi-regional, and/or national advertising programs, including purchasing direct mail and other media advertising; employing advertising agencies and supporting public relations, market research, and other advertising and marketing firms; and paying for advertising and marketing activities that we deem appropriate, including the costs of participating in any national or regional trade shows. We may use Brand Fund to engage in advertising and promotional programs that benefit only one or several regionals, and not necessarily all OrthoLazer Centers. We will not use the Brand Fund for advertising that is principally a solicitation for the sale of franchises.

The Brand Fund will be accounted for separately from our other funds, and will not be used to pay any of our general operating expenses, except for salaries, administrative costs, and overhead that we incur in activities reasonably related to the administration of the Brand Fund and their marketing programs, including preparing advertising and marketing materials, and collecting and accounting for contributions to the Brand Fund. No part of the Brand Fund is used to solicit new franchise sales. We may spend in any fiscal year an amount greater or less than the aggregate contributions to the Brand Fund in that year. The Brand Fund may borrow from us or other lenders to cover any Brand Fund deficits. Any Brand Fund surplus may be invested by us and will be reserved for future use by the Brand Fund. We will prepare an annual statement of monies collected and costs incurred by each Brand Fund, and will provide it to you upon written request. The Brand Fund is not currently audited but could be audited at a future time.

We may cause any Brand Fund to be incorporated or operated through an entity separate from us when we deem appropriate, and the entity will have the same rights and duties as we do under the Franchise Agreement. If established, the Brand Fund will be intended to enhance recognition of the Marks and to enhance the franchise opportunities available through our franchises. Although we will endeavor to use the Brand Fund to develop advertising and marketing materials and programs and place advertising that will benefit all OrthoLazer Centers, we do not have to ensure that the Brand Fund's expenditures in or affecting any geographic area are proportionate or equivalent to the contributions made by OrthoLazer Centers in that geographic area, or that any OrthoLazer Center will benefit from the development of advertising and marketing materials or the placement of advertising by the Brand Fund directly or in proportion to the OrthoLazer Center's contribution to the Brand Fund. We assume no direct or indirect liability or obligation to you or any other OrthoLazer Center in connection with the establishment of a Brand Fund, or the collection, administration, or disbursement of monies paid into any Brand Fund.

We may suspend contributions to, and the operations of, any Brand Fund for any period we deem appropriate, and may terminate the Brand Fund upon 30 days' written notice to you. All unspent monies held by the Brand Fund on the date of termination will be distributed to us, our affiliates, and you and our other franchisees in proportion to each party's respective contributions to the Brand Fund during the preceding 12-month period. We may reinstate a terminated Brand Fund upon the same terms and conditions set forth in the Franchise Agreement upon 30 days' advance written notice to you.

In fiscal year 2025, the fund was used for: production of advertising and promotional materials (37%); media placement (35%); administrative expenses (20%); and other items including publicity efforts (8%).

As of the date of this disclosure document, there is no advertising council composed of franchisees that advises the franchisor on advertising policies.

We, or our designated supplier, may become the required supplier of some or all marketing and advertising services (including digital services) for your Franchised Business. If we do, you will be required to discontinue using any of your current suppliers for these services upon expiration of any existing contracts for these services, or within 30 days after receiving notice from us, whichever occurs first. Any amounts paid toward marketing and advertising services may be applied towards your Minimum Local Advertising Requirement.

SYSTEM WEBSITE & SOCIAL MEDIA

We have established a website to advertise, market and promote OrthoLazer Centers and the franchise opportunity. We will provide you with a web page to promote your business if you provide us with the information that we request. Currently, you may control your photo galleries and biographies, but

you must follow the System, which applies to all Internet content. You may not establish your own website or use social media platforms without our prior written consent, which shall not be unreasonably withheld. You must sign an authorization that grants us the right to change, transfer or terminate your email addresses, domain names, social media platforms and comparable electronic identities that use our trademarks if the Franchise Agreement expires or is terminated, or if your franchise is not renewed.

INTERNET ACCESS & EMAIL COMMUNICATIONS

You must have commercially appropriate 24 hours a day, 7 days a week, high speed Internet access. You may use any Internet service provider (ISP) of your choosing that provides high speed dedicated access. You must utilize your corporate issued OrthoLazer email for your Franchised Business-related electronic communications. We will provide you with an email address that is to be used in all commercial communications. The email format will be similar to [franchise location]@ortholazer.com. The use of any other email address in conducting OL business is prohibited.

COMPUTER-RELATED EQUIPMENT & SOFTWARE

You must use the computer hardware and software (collectively, "Computer System") that we periodically designate to operate your Franchised Business. Your Computer System includes our OrthoLazer-branded business operations software necessary to operate your franchise. You must obtain the Computer System, software licenses, maintenance and support services, and other related services from the suppliers we specify (which may include or be limited to us and/or our affiliates). You are responsible for all costs and monthly fees associated with any such software licenses or programs, including any updates. We may periodically modify the specifications for, and components of, the Computer System. These modifications and/or other technological developments or events may require you to purchase, lease, and/or obtain by license new or modified computer hardware and/or software, and obtain service and support for the Computer System. The Franchise Agreement does not limit the frequency or cost of these changes, upgrades, or updates. We have no obligation to reimburse you for any Computer System costs. Within 60 days after you receive notice from us, you must obtain the components of the Computer System that we designate and ensure that your Computer System, as modified, is functioning properly.

We may charge you a reasonable fee for installing, providing, supporting, modifying, and enhancing any proprietary software or hardware that we develop and license to you; and other Computer System-related maintenance and support services that we or our affiliates provide to you. If we or our affiliates license any proprietary software to you or otherwise allow you to use similar technology that we develop or maintain, then you must sign any software license agreement or similar instrument that we or our affiliates may require.

You will have sole responsibility for: (1) the acquisition, operation, maintenance, and upgrading of your Computer System; (2) the manner in which your Computer System interfaces with our computer system and those of other third parties; and (3) any and all consequences that may arise if your Computer System is not properly operated, maintained and upgraded.

You will have sole responsibility for ensuring that all data and other information stored on your Computer System is stored in compliance with HIPAA, the regulations and guidelines thereunder and all other applicable federal state or local laws, rules and regulations relating to the disclosure of Protected Health Information (within the meaning of the HIPAA) or personally identifiable information (collectively, "Information Privacy Laws").

You will have sole responsibility for ensuring that all data and other information that you disclose

to us or to which we have access on your Computer System has been "de-identified" within the meaning of Section 164.514(a) of the HIPAA Privacy Rule and that such disclosure or access does not otherwise violate any Information Privacy Laws. Subject to the applicable Information Privacy Laws, we will have independent access to the information that will be generated and stored on your Computer System.

Your Computer System must be capable of supporting our required software, with Internet capability, and accessible by us remotely. You may also be required to purchase certain customer contact software and financial software, and to pay monthly charges associated with your Computer System. The specification regarding the required hardware and software for your Computer System, are contained in the Manual. The main purpose of your Computer System will be for customer database maintenance and point of sale operations. You will be housing all of your clinic related accounting information, clinic related files and patient files within the Franchisor accessible system.

We estimate the expense involved in purchasing or leasing the Computer System and related software and associated equipment to be between $10,000 and $12,000. Our Technology Fee does not include the monthly cost to purchase and/or maintain additional software or software applications that you may be required to use in the future to operate your franchise to comply with applicable laws and regulations, such as Payment Card Industry ("PCI") data security software or software to protect patient or customer data. You will also be required to pay the monthly cost of maintaining high-speed Internet access at your site. We estimate this cost at between $150 and $1,050 depending on your area and building requirements and availabilities.

TRAINING PROGRAM

We will provide an initial training program on the operation of an OrthoLazer Center for your Center Director, all staff and Business Owner(s). The cost of the initial training program for your Center Director, staff and Business Owner(s) are included in the initial franchise fee, but we reserve the right to charge a fee of $125 per hour for additional or repeat training.

We will conduct initial training that the Center Director and Business Owner must, after signing the Franchise Agreement, attend and complete to our satisfaction. We provide training at no cost for a total of three individuals, however, you must pay for all travel costs and living expenses for yourself and your trainees. We may charge you for initial training for more than three people, or for providing repeat initial training to any person who does not complete initial training to our satisfaction in the first instance. Although the successful completion of initial training is mandatory for the Center Director and Business Owner, it is also available for one additional person. Additionally, you will be responsible for hiring and training your own employees and other management personnel at your own cost, which you must hire without assistance from us.

Our initial training program lasts about two-weeks and is presently conducted at our headquarters in Warsaw, Indiana, onsite at one of our operating centers, at your Center, and through electronic training delivery. At our discretion we may designate another location for training. Our initial training program is conducted on an as-needed basis; however, the training schedule may change.

Currently, our VP of Franchise Success, oversees the initial training program. He has a Bachelor Degree and before joining OrthoLazer operated an employee engagement and training company and has 20+ years in the training industry. Some specific subjects may be taught by employees of Cutting Edge who have daily management responsibility or practical experience in the subject being taught.

The subjects covered, approximate hours of classroom and on-the-job training and other information about our initial training as of the date of this disclosure document are described below.

TRAINING PROGRAM

Subject	Hours of Classroom Training	Hours of on-the-job Training	Location
General Business Overview	3	0	Virtual
Leading the Center	8	0	Virtual
Computer and Software Operations (e.g. Zenoti)	15	5	Virtual & Onsite OrthoLazer University
Science of Art and Laser	15	8	Virtual & Onsite OrthoLazer University
Center Shadowing	12	0	Virtual & Onsite OrthoLazer University
Center Business Process	5	2	Virtual & Onsite OrthoLazer University
Provider Engagement	10	0	Virtual & Onsite OrthoLazer University
Preparing to Open	8	8	Virtual & Onsite OrthoLazer University
Total	76	18	Virtual & Onsite OrthoLazer University

The time periods allocated to the subjects listed above are approximations, and the time actually spent by you and your personnel may vary based on the experience and performance of those persons being trained. The instructional materials used in the training will consist of our proprietary tools, marketing and promotional materials, videos, other handouts, articles and workbooks procedure checklists, marketing collateral, electronic training programs and the Manual will serve as the basis for instruction. Patrick Ahern, our Executive Vice President of Center Success, supervises the initial training program and he has been our EVP since September 2021.

Before you open you and your Center Director must complete our initial training program We will determine, in our discretion, what constitutes successful completion of the programs. You or your trainees may be required to repeat or send replacement trainees to training programs. If your Business Owner or Center Director fails to successfully complete the initial training program, we may require them to attend additional or remedial training and pay our then-current fee for such training.

We may require you (or your Center Director) to attend (and, in the case of training programs, successfully complete) any conferences or supplemental or refresher training programs that we choose to provide at locations that we designate. We may charge you a reasonable registration fee for each individual that attends or participates in a program or conference.

You must implement a training program for all your employees using training standards and procedures we prescribe. While we may provide additional guidance, you are responsible for making all hiring and employment decisions as the owner of the Center. This includes, but is not limited to, employee

selection, hiring, training, promotion, termination, hours worked, rates of pay, benefits, work assigned, supervision, discipline, and working conditions.

MANUAL

We will provide you with electronic access to our operations manual (the "Manual"), which contains our mandatory and suggested specifications, standards and procedures for operating your OrthoLazer Center, all of which we collectively refer to as our "System Standards." The contents of the Manual are Confidential Information. We may modify the Manual periodically to reflect changes in System Standards and other guidance and requirements regarding the operation of an OrthoLazer Center. System Standards will not impinge on or interfere with the ability of your Owners or clinical staff to exercise professional judgment in practicing medicine and providing patient services. The table of contents of our Manual is attached as Exhibit F to this disclosure document. The Manual contains about 112 pages.

SITE IDENTIFICATION, ACQUISITION & CONSTRUCTION

We will provide you with assistance with site identification, acquisition, design and construction through our vendors. The general site selection and evaluation criteria that we consider in approving your site includes the condition of the premises, demographics of the surrounding area, proximity to other OrthoLazer Centers, lease requirements, traffic patterns, vehicular and pedestrian access, proximity to major roads, available parking and overall suitability. We do not own any premises to which we would lease to a franchisee, at this time. We will provide you with written notice of our approval or disapproval of any proposed site within 15 days after receiving all requested information. If we do not approve your proposed site, you must find an alternative location and submit it to us for approval through the same process described above. Unless specified in writing, disapproval of a proposed location will not extend your opening deadline.

You will be responsible with conforming to local ordinances, building codes and obtaining any required permits relating to the construction, remodeling or decorating your franchise locations. We offer construction service vendors that may assist with some or all of these activities, but you are ultimately responsible for obtaining the items above and are responsible for all final decisions and actions. At no time will our assistance, or even lack thereof, constitute a modification of your opening deadline. If a modification is needed, you must follow the opening deadline modification process outlined in this disclosure document.

We have specific requirements for equipment, signs, fixtures, initial inventory and supplies, as outlined in the Manual. We, or our designated supplier, are the required supplier of some or all of the supplies and/products needed for your Franchised Business.

TYPICAL LENGTH OF TIME BEFORE OPERATION

We will agree on the time you must open your OrthoLazer Center for business when you sign your Franchise Agreement, but we typically will require you to open no more than 120 days after you sign your Franchise Agreement ("Opening Deadline"). Factors affecting this length of time before you open include locating a site for the OrthoLazer Center and signing a lease, construction or remodeling of the site (if required), completion of required training, financing arrangements, local ordinance and building code compliance, delivery and installation of equipment, and hiring and training of your staff, securing of all manner of permits and operational licenses and approvals.

If you are delayed from opening your OrthoLazer Center by the Opening Deadline in your

Franchise Agreement, you must provide us with a written request to extend the Opening Deadline. The request must state: (1) that a delay is anticipated; (2) the reasons which caused the delay; (3) the efforts that you are making to proceed with the opening; and (4) an anticipated opening date. We will not unreasonably withhold our consent to a delay if you have been diligently pursuing the opening.

Unless we agree to extend the Opening Deadline, if you do not open your OrthoLazer Center for business by the deadline, you will be considered in default of your Franchise Agreement. Upon receipt of written notice from us of your default, you must cure your default by opening your OrthoLazer Center for business no more than 90 days after receipt of notice of the default, or 180 days after the original Opening Deadline, whichever occurs first. If you fail to cure your default, we have the right to terminate your Franchise Agreement.

ITEM 12
TERRITORY

We will grant you a protected territory (the "Protected Territory"). We will define the Protected Territory in an addendum to the Franchise Agreement after you select and we approve the site for your OrthoLazer Center. Typically, the Protected Territory will be defined by the natural traffic and trade patterns of your particular approved site or area. We will describe the Protected Territory in general terms using fixed geographical boundaries (such as streets, highways, zip codes or counties). The geographic size of the Protected Territory will dependent upon the following: geographical boundaries, cultural demographics, household income, population count, age, traffic/trip count, daytime population, competition, housing density and permit and zoning regulations, once you sign your location lease.

We will not modify your Protected Territory during the franchise term. If you intend to renew or transfer the franchise, and your Protected Territory is larger than our then-current standard size for territories or the then-current demographics of your Protected Territory have changed, then we may reduce the size of your Protected Territory on renewal or require your transferee to operate the Franchised Business in a smaller territory. If we reduce the Protected Territory, we will give you or your transferee the option (as applicable) to develop the remaining territory.

If you are in full compliance with the Franchise Agreement, then during the Franchise Agreement's term, neither we nor our affiliates will operate or grant a franchise for the operation of another OrthoLazer Center franchise or Company-owned OrthoLazer Center located within your Protected Territory.

You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control. There are no restrictions on the ability of us or other franchisees to solicit or accept business from customers inside your Protected Territory. Neither we nor any franchisee has any obligation to pay you any compensation for soliciting or accepting business from customers inside your Protected Territory. There are no restrictions on you from soliciting or accepting business from customers outside your Protected Territory or from using other channels of distribution, such as the Internet, catalog sales, Telemarketing, or other direct marketing, to solicit and/or make sales outside of your Protected Territory.

Without our prior written approval you may not operate the Franchised Business out of any site other than the location we have approved as set forth in the Franchise Agreement.

We must approve the relocation of your OrthoLazer Center. We will apply the same criteria for the relocation of a franchised business as we apply when determining the location of a new franchise. There is a relocation fee of $2,500 to relocate and any relocation must be approved by us.

The Franchise Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises.

OTHER COMPANY RESERVED RIGHTS

We and our affiliates reserve the right to engage in any activities we deem appropriate that your Franchise Agreement does not expressly prohibit, whenever and wherever we desire, including the right to (1) own, acquire, site build, or operate, for our own account, or grant to others the right to operate, OrthoLazer Centers on terms and conditions and at locations we deem appropriate outside of your Protected Territory; (2) provide or grant other persons the right to provide goods and services that are similar to and/or competitive with those provided by OrthoLazer Centers through any distribution channel, including, but not limited to, sales via mail order, catalog, toll-free telephone numbers, and electronic means, including the Internet under the Marks or trademarks and services marks other than the Marks; (4) acquire the assets or ownership interest of businesses providing products and services similar to those provided at OrthoLazer Centers, and franchising, licensing, or creating similar arrangements with respect to those acquired businesses, wherever those businesses or their franchisees or licensees are located; and (5) being acquired (regardless of the form of transaction) by a business providing products and services similar to those provided at OrthoLazer Centers or another business. Neither we nor any of our affiliates currently operate or currently plan to operate or franchise businesses under a different trademark that will sell similar goods or services to those provided at OrthoLazer Centers.

ITEM 13
TRADEMARKS

Your right to use the Marks is derived only from the Franchise Agreement and limited to your operating the Franchised Business according to the Franchise Agreement and all System standards we prescribe during its term.

We will indemnify and defend you against all claims or actions arising out of your use of the marks as authorized by us, including reasonable attorneys' fees and expenses, if you have properly used the marks. We reserve the right to control any trademark litigation and will be the sole judge whether suit will be brought or settled in any instance when any person or entity infringes the marks. You must notify us within in 3 calendar days of any infringement or unauthorized use of the marks of which you become aware and to cooperate with any action that we undertake.

If we decide that it is advisable at any time for you to modify or discontinue the use of any of the marks, or to use one or more additional or substitute trade or service marks, you must comply with our directions to modify or discontinue the use of the mark or use one or more additional or substitute trade or service marks within 120 days time after notice. We will not reimburse you for any expenses you incur to implement such modifications or substitutions. We are not obligated to reimburse you for any loss of goodwill or revenue associated with any modified or discontinued mark, nor are we responsible for any other damages or costs.

We have registered the following Marks with the U.S. Patent and Trademark Office ("USPTO") on the Principal & Supplemental Registers. At the appropriate times, we intend to renew the registrations and to file all appropriate affidavits.

MARK	REGISTRATION NUMBER	REGISTRATION DATE	REGISTER
	6133092	August 25, 2020	Principal
OrthoLazer	6098103	July 7, 2020	Supplemental

We have applied to register the following marks with the USPTO, and the applications remain pending:

MARK	US SERIAL NUMBER FOR APPLICATION	APPLICATION DATE
	98824284	October 28, 2024
	98824286	October 28, 2024
ORTHOLAZER YOUR ORTHOPEDIC WELLNESS CENTER	98814062	October 22, 2024

There are no agreements currently in effect that significantly limit our right to use or license the use of the Marks in a manner material to the franchise. With respect to the Marks, there are currently no effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending infringement, opposition, or cancellation proceeding.

We have no actual knowledge of either superior prior rights or infringing uses that could materially affect a Franchisee's use of the Marks in any state.

We will reimburse you for all of your expenses reasonably incurred in any legal proceeding disputing your authorized use of any Mark, but only if you notify us of the proceeding in a timely manner and you have complied with our directions with regard to such proceeding. Our reimbursement does not

include your expenses for removing signage or discontinuing your use of any Mark. Our reimbursement also does not apply to any disputes where we challenge your use of a Mark. Our reimbursement does not apply to legal fees you incur in seeking separate, independent legal counsel.

You must use the Marks as the sole trade identification of the franchised business, but you may not use any Mark or part of any Mark as part of your corporate or other legal entity name. You may not use any Mark in connection with the sale of any unauthorized products or services, 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. The fictitious or assumed name registration must be for "OrthoLazer [name of your protected territory]".

You must notify us if you apply for your own trademark or service mark registrations. You must not register or seek to register as a trademark or service mark, either with the USPTO or any state or foreign country, any of the Marks or a trademark or service mark that is confusingly similar to any of our Marks.

You may not establish, create or operate an Internet site or website using any domain name containing the words "OrthoLazer" or any variation thereof without our prior written consent, which shall not be unreasonably withheld. You may not establish, create or operate a social media platform using or containing the Marks without our prior written consent, which shall not be unreasonably withheld. We retain the sole right to advertise on the Internet and create websites or social media platforms using the "OrthoLazer" name and any other names we may designate in the Manual.

ITEM 14
PATENTS, COPYRIGHTS & PROPRIETARY INFORMATION

PATENTS

As of the date of this disclosure document, we own no rights in or to any patents or patent applications that are material to the franchise.

COPYRIGHTS

We claim copyright protection covering various materials used in our business and the development, management and operation of OrthoLazer Centers, including advertising and promotional materials, the Manual, and similar materials. We have not registered these materials with the United States Registrar of Copyrights, and we are not required to do so. We may register any of the items or copyrightable materials in the future.

There are currently no effective determinations of the United States Copyright Office or any court, nor any pending litigation or other proceedings, regarding any copyrighted materials. We do not know of any superior prior rights or infringing uses that could materially affect your use of the copyrighted materials. No agreement requires us to protect or defend our copyrights or to indemnify you for any expenses or damages you incur in any judicial or administrative proceedings involving the copyrighted materials. No provision in the Franchise Agreement requires you to notify us of claims by others of rights to, or infringements of, the copyrighted materials. If we require, you must immediately modify or discontinue using the copyrighted materials. Neither we nor our affiliates will have any obligation to reimburse you for any expenditure you make because of any discontinuance or modification.

Any and all copyright in and to advertising and promotional materials developed by you or on your behalf will be our sole property, and you must execute those documents (and, if necessary, require your

independent contractors to execute those documents) that may be deemed reasonably necessary by us to give effect to this requirement.

OPERATING STANDARDS MANUAL

In order to protect our reputation and goodwill and to maintain high standards of operation under our Marks, you must conduct your business in accordance with the Manual. We will give you electronic access to the Manual for the term of the Franchise Agreement.

The Manual contents are confidential and you may only divulge this information to employees who need to know its content. You may not, without prior written approval from us, download and/or save local copies of any of the Manual. You may not at any time, copy duplicate, record, or otherwise reproduce any part of the Manual, or let any unauthorized person have access to these materials.

We may periodically revise the contents of the Manual, and you must comply with each new or modified standard. If there is ever a dispute as to its contents, our master copy of the Manual will be controlling.

CONFIDENTIAL INFORMATION

The Franchise Agreement requires you to maintain all Confidential Information of OrthoLazer as confidential both during and after the term of the Franchise Agreement. "Confidential Information" includes all information, data, techniques and know-how designated or treated by us as confidential and includes the Manual. You may not at any time disclose, copy or use any Confidential Information except as specifically authorized by us. Under the Franchise Agreement, you agree that all information, data, techniques and know-how developed or assembled by you or your employees or agents during the term of the Franchise Agreement and relating to the System will be deemed a part of the Confidential Information protected under the Franchise Agreement.

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

The Franchise Agreement requires that the Operating Owner and a Business Manager be directly involved in the day-to-day operations and utilize their best efforts to promote and enhance the performance of the Franchised Business. Neither the Operating Owner nor the Business Manager is required to own any minimum equity interest in the Franchisee.

Any Business Manager you employ at the opening of your OrthoLazer Center must complete the initial management-training course required by us. All subsequent Business Managers must be trained fully according to our standards by us. However, we may charge a fee for this additional training.

Each individual who holds an ownership interest in the Franchisee must personally guarantee all of the obligations of the Franchisee under the Franchise Agreement. See Exhibit D to the Franchise Agreement for the form of Guarantee, Indemnification, and Acknowledgement. You must provide us with copies of the certificate of incorporation, bylaws, operating agreement, partnership agreement or other organizational documents of the Franchisee and to maintain the legal existence and good standing of the Franchisee throughout the term of the Franchise Agreement.

Each individual who holds an ownership interest in the Franchisee and the Franchisee's officers,

directors, partners, members, managers, executives, employees and staff, and other individuals having access to Confidential Information may be required must enter into a Confidentiality Agreement with us in the form attached as Exhibit E to the Franchise Agreement.

Each individual who holds an ownership interest in the Franchisee and the Franchisee's Business Manager must enter into a Non-Competition Agreement with us in the form attached as Exhibit F to the Franchise Agreement.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate the Franchised Business in strict conformity with all prescribed methods, procedures, policies, standards, and specifications of the System, as set forth in the Manual and in other writings by us from time to time. You must use the Premises only for the operation of your Franchised Business and may not operate any other business at or from the Premises without our express prior written consent, which shall not be unreasonably withheld.

We require you to offer and sell only those non-medical goods and services that we have approved. We maintain a written list of approved non-medical goods and services in our Manual, which we may change from time to time. If you sell unapproved non-medical goods or services or fail to report them, we have the right to charge you fees, and if you continue to do so after written notice is given to you, we may terminate your franchise.

You must offer all non-medical goods and services that we designate as required for all franchises. We reserve the right to designate additional required or optional non-medical goods and services in the future and to withdraw any of our previous approvals. In that case, you must comply with the new requirements. There are no express limitations on our right to designate additional or optional non-medical goods and services; however, such non-medical goods and services will be reasonably related to our franchise system or model.

We do not currently have any restrictions or conditions that limit access to customers to whom the franchisee may sell goods or services.

FRANCHISED BUSINESS EXCLUSIVITY OBLIGATIONS

You, the Franchisee, are specifically prohibited and not authorized to offer products of services identical or similar to the products or services offered by us through any means or through any other entity in which you may have an interest, other than your franchise.

ITEM 17
RENEWAL, TERMINATION, TRANSFER & DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

This table lists important provisions of the Franchise Agreement. You should read these provisions in the agreements attached to this disclosure document

PROVISION	SECTION(S) IN AGREEMENT	SUMMARY
a. Length of the franchise term	Section 2.1	5 years beginning on the day the Franchised Business first opens for business.
b. Renewal or extension	Section 2.3	Your renewal rights permit you to remain a franchisee after the initial term of your Franchise Agreement expires. If you wish to do so, and you satisfy the required pre-conditions to renewal, we will offer you the right to 2 renewal terms of 5 years each.
c. Requirements for franchisee to renew or extend	Section 2.3	You must: given notice to us of your intent to renew between three hundred sixty five (365) and one hundred eighty (180) days before the expiration of the initial term; as we require, renovate and modernize of the premises of the Franchised Business to reflect our then-current standards and image of the System; not be in default under your existing Franchise Agreement; pay all amounts owed to us; present evidence that you have the right to remain in possession of the premises of the Franchised Business for the duration of the renewal term or obtain our approval for a new location; if we request, sign a new Franchise Agreement in our then-current form which may include terms and conditions materially different from those in the original Franchise Agreement; sign general release of claims (in a form substantially similar to that attached in Exhibit I) against us and related parties; comply with Franchisor's then-current qualification and training requirements; and pay us a renewal fee in the amount of $5,000
d. Termination by franchisee	None	None
e. Termination by franchisor without cause	None	None
f. Termination by franchisee with cause	Section 15	Various breaches of Franchise Agreement.
g. "Cause" defined – curable defaults	Section 15.5	(a) you fail to comply with any of our specifications; (b) you fail to substantially comply with any of the requirements of the Franchise Agreement, as it may from time to time reasonably be supplemented by the Manual, or failure to carry out the terms of the Franchise Agreement in good faith; (c) you fail, refuse or neglect promptly to pay any monies owing to us or our affiliates when due, or to submit the financial or other information required by us under the Franchise Agreement; (d) you fail to maintain or observe any of the standards or procedures prescribed by us in the Franchise Agreement, the Manual or otherwise in writing; (e) except as provided in Section 15.4(f), you fail, refuse or neglect to obtain our prior written approval or consent as required by the Franchise Agreement; (f) you act, or fail to act, in any

PROVISION	SECTION(S) IN AGREEMENT	SUMMARY
		manner which is inconsistent with or contrary to its lease or sublease for the premises, or in any way jeopardize your right to renewal of such lease or sublease; or (g) you engage in any business or market any service or product under a name or mark which, in our opinion, is confusingly similar to the Marks.
h. "Cause" defined – non-curable defaults	Section 15.4	(a) you fail to locate an approved site or to construct and open the Franchised Business within the time limits provided in the Site Selection Addendum or Section 5.3; (b) you or your designated trainees fail to complete the initial training program or additional training described in Section 6.1 to our satisfaction; (c) you ceases to operate or otherwise abandon the Franchised Business, or loses the right to possession of the premises of the Franchised Business, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located; provided, however, if, through no fault of Franchisee, the premises of the Franchised Business are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then you shall have thirty (30) days after such event in which to apply for our approval to relocate and/or reconstruct the premises of the Franchised Business, which approval shall not he unreasonably withheld; (d) you or any Owner loses any license or permit necessary to engage in the Franchised Business; (e) you or any Owner is convicted of a felony, a crime involving moral turpitude, or any other crime or offense that we believe is reasonably likely to have an adverse effect on the System, the Marks, the goodwill associated therewith or our interest therein; (f) a threat or danger to public health or safety results from the operation of the Franchised Business; (g) any purported assignment or transfer of any direct or indirect interest in you, the Franchise Agreement, or in all or substantially all of the assets of the Franchised Business is made to any third party without our prior written consent; (h) an approved transfer is not effected within the time provided following death or mental incapacity, as required by Section 14.6; (i) you fail to comply with the covenants in Section 17.2 or fails to obtain execution of the covenants required under Section 10.2; (j) you disclose the contents of the Manual or other Confidential Information provided to you by us; (k) you submit any false reports to us; (l) you misuse or make any unauthorized use of the Marks or any other identifying characteristics of the System, or otherwise materially impair the goodwill associated

PROVISION	SECTION(S) IN AGREEMENT	SUMMARY
		therewith or our rights therein; (m) you refuse to permit us to inspect the Franchised Business premises, or your books, records or accounts upon demand; (n) you, upon receiving a notice of default under Section 15.5, fails to initiate immediately a remedy to cure such default; (o) after curing any default pursuant to Section 15.5, you commits the same default again, whether or not cured after notice or (p) we terminate any Area Development Agreement to which you are a party.
i. Franchisee's obligations on termination/non-renewal	Section 16	Includes payment of money owed to us, return of any printed copies of the Manual, cancellation of assumed names and transfer of phone numbers, cease using Proprietary Marks, cease operating Franchised Business, no confusion with Proprietary Marks, our option to purchase your inventory and equipment, your modification of the premises and our option to purchase your Franchised Business.
j. Assignment of contract by franchisor	Section 14.1	No restriction on right to transfer.
k. "Transfer" by franchisee – defined	Section 14.2	Includes assignment of the Franchise Agreement, any ownership interest in the Franchisee, or all or substantially all of the assets of the Franchised Business and the merger or consolidation of Franchisee with or into another entity.
l. Our approval of transfer by you	Section 14.2	You must obtain our approval before any transfer. You must notify us in writing of any proposed transfer (a) prior offering for sale (including, but not limited to, advertising the sale of) the Franchised Business, or any assets of the Franchised Business, or any ownership interest in Franchisee; and (b) at least thirty (30) days before any transfer is proposed to take place.
m. Conditions for our approval of transfer by you	Section 14.3	You must: (a) pay all amounts owing to us or our affiliates; (b) not be in default under the Franchise Agreement; (c) sign a general release in favor of us (in a form substantially similar to that attached in Exhibit I); (d) execute such instruments as we reasonably request to evidence that you remain liable for all of the obligations to us in connection with the Franchised Business which arose before the effective date of the transfer; and (e) pay us a transfer fee of ten thousand ($10,000). The transferee and/or its owners must: (a) execute a written assignment, in a form satisfactory to us, assuming and agreeing to discharge all of your obligations under the Franchise Agreement or sign a new Franchise Agreement in our then-current form which may include terms and

PROVISION	SECTION(S) IN AGREEMENT	SUMMARY
		conditions materially different from those in the original Franchise Agreement and guaranty the transferee's obligations thereunder; (b) demonstrate to our satisfaction that it and they meet all applicable legal requirements for the operation of the Franchised Business and our educational, managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the Franchised Business; (c) complete any training programs then in effect upon such terms and conditions as we may reasonably require.
n. Our right of first refusal to acquire your business	Section 14.5	We have the option to match any offer for your Franchised Business.
o. Our option to purchase your business	Section 16.11	We have the option to purchase your Franchised Business upon termination or non-renewal.
p. Death or disability of you	Section 14.6	Interests in the Franchisee must be assigned by estate or legal representative of a deceased or incapacitated Owner to a third party approved by us within six (6) months.
q. Non-compete covenants during the term of the franchise	Section 17.2	You cannot be involved in a competitive business during the term of the Agreement.
r. Non-compete covenants after the franchise is terminated or expires	Section 17.3	No involvement in competing business for two (2) years within a twenty-five (25) mile radius of any OrthoLazer Location.
s. Modification of the agreement	Section 22	Must be in writing by both sides.
t. Integration/merger clause	Section 22	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	None	None
v. Choice of forum	Section 17.11	Subject to state law, all actions must be brought in the U.S. District Court for the Western District of New York or the New York State Supreme Court in Rochester, New York
w. Choice of law	Section 24.1	Subject to state law, New York law governs, except for matters regulated by the United States Trademark Act.

Applicable state law may require additional disclosures related to the information in this disclosure document. These additional disclosures appear in Exhibit E.

ITEM 18
PUBLIC FIGURES

We do not use any public figure to promote our franchises. You have no right to use the name of any public figure for purposes of promotional efforts, advertising or endorsements, except with our prior written consent, which shall not be unreasonably withheld. No public figure has any investment in the System or us.

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

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

We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Dan Stichter at 902 Provident Drive Warsaw, Indiana 46580, (888) 652-9199, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS & FRANCHISEE INFORMATION

Table No. 1: System-wide Outlet Summary for Years 2023 to 2025

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2023	14	19	+5
	2024	19	16	-3
	2025	16	17	+1
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	1	+1
Total Outlets	2023	14	19	+5
	2024	19	16	-3
	2025	16	18	+2

Table No. 2:
Transfers of Outlets From Franchises to New Owners (Other than the Franchisor) for Years 2023 to 2025

State(s)	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	2023	**0**
	2024	**0**
	2025	**0**

Table No. 3: Status of Franchised Outlets for Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Arkansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Arizona	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Colorado	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
Connecticut	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
Florida	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Georgia	2023	1	0	0	0	0	0	1
	2024	1	0	1	0	0	0	0
	2025	0	0	0	0	0	0	0
Illinois	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of Year
Kentucky	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Massachusetts	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Michigan	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Nevada	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
New Hampshire	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
New York	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	1	0	0	0	0
North Carolina	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
South Carolina	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Texas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Virginia	2023	0	1	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Wisconsin	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
	2025	2	0	0	0	0	0	2
Total	**2023**	**14**	**5**	**0**	**0**	**0**	**0**	**19**
	2024	**19**	**0**	**3**	**0**	**0**	**0**	**16**
	2025	**16**	**2**	**1**	**0**	**0**	**0**	**17**

Table No. 4: Status of Company-Owned Outlets for Years 2023 to 2025

State	Year	Outlets at Start of Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Operations - Other Reasons	Outlets at End of Year
Indiana	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**1**	**0**	**0**	**0**	**0**	**1**
Total	**2023**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2024	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2025	**0**	**1**	**0**	**0**	**0**	**0**	**1**

Table No. 5: Projected Openings as of December 31, 2025

State	Franchise Agreements Signed But Outlets Not Opened	Projected New Franchised Outlets in 2026	Projected New Company-Owned Outlets in 2026
Florida	0	1	2
Indiana	0	0	2
Kentucky	0	0	2
Texas	0	0	2
Total	0	1	8

Exhibit H lists the names of all of our operating franchisees with open outlets and their addresses and telephone numbers as of the issuance date. Exhibit H also lists the name, city and state, and business telephone number (or, if unknown, the last known home telephone number) of every franchisee who had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under a Franchise Agreement during the most recently completed fiscal year, or who has 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 3 fiscal years, some former franchisees signed confidentiality clauses. In some instances, current and former franchisees sign provisions restricting their ability to speak openly about their experience with us. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

We currently have no advisory councils or other independent franchisee organizations that have asked to be included in this disclosure document. Additionally, there are no trademark-specific franchisee organizations associated with the franchise system being offered in this Franchise disclosure document.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit G is our audited financial statement for the years ended December 31, 2025, 2024 and 2023.

ITEM 22
CONTRACTS

Attached are copies of the following agreements relating to the offer of the franchise:

Franchise Agreement - Exhibit C
- Exhibit A to Franchise Agreement - Approved Location And Franchisee's Territory
- Exhibit B to Franchise Agreement - Site Selection Addendum
- Exhibit C to Franchise Agreement - Disclosure of Owners
- Exhibit D to Franchise Agreement - Guarantee, Indemnification, and Acknowledgement
- Exhibit E to Franchise Agreement - Confidentiality Agreement
- Exhibit F to Franchise Agreement - Non-Competition Agreement
- Exhibit G to Franchise Agreement - Business Associate Agreement

INTENTIONALLY OMITTED - Exhibit D
State Disclosure Document Addenda and Agreement Addenda - Exhibit E
General Release - Exhibit I

ITEM 23
RECEIPTS

Two identical copies of an acknowledgement of your receipt of this disclosure document are attached hereto as Exhibit J. Please sign both, return one copy to us, and retain the other for your records.

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EXHIBIT A
STATE ADMINISTRATORS

We intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with the applicable state laws. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in these states.

CALIFORNIA Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 (866) 275-2677 (toll free)	**MARYLAND** Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
CONNECTICUT The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8299	**MICHIGAN** Michigan Attorney General's Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117
HAWAII 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, Hawaii 96813 (808) 586-2722	**MINNESOTA** Commissioner of Commerce Department of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (651) 296-4026
ILLINOIS Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**NEW YORK** NYS Department of Law Investor Protection Bureau 28 Liberty Street 21st Floor New York, New York 10005 (212) 416-8236
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	**VIRGINIA** Director, Securities and Retail Franchising Division State Corporation Commission 1300 East Main Street, 9th Floor Richmond, Virginia 3219 (804) 371-9051
NORTH DAKOTA North Dakota Insurance & Securities Department 600 East Boulevard Avenue Dept. 401 Bismarck, North Dakota 58505 (701) 328-2910	**WASHINGTON** Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 8501 (360) 902-8760

RHODE ISLAND Department of Business Regulation Securities Division Bldg. 69, First Floor 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9585	**WISCONSIN** Office of the Commissioner of Securities 201 W. Washington Ave., Suite 300 Madison, Wisconsin 53703 (608) 261-9555
SOUTH DAKOTA Department of Labor and Regulation Division of Securities 445 E. Capitol Avenue Pierre SD 57501 (605) 773-4823	

EXHIBIT B
AGENTS FOR SERVICE OF PROCESS

Our agent for service of process is: Dan Stichter, located at 902 Provident Drive Warsaw, Indiana 46580. Additionally, we intend to register this disclosure document as a "franchise" in some or all of the following states, in accordance with 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:

CALIFORNIA Department of Business Oversight 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 (866) 275-2677 (toll free)	**MARYLAND** Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360
CONNECTICUT The Banking Commissioner The Department of Banking, Securities and Business Investment Division 260 Constitution Plaza Hartford, Connecticut 06103-1800 (860) 240-8299	**MICHIGAN** Michigan Attorney General's Office Consumer Protection Div., Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1st Floor Lansing, Michigan 48913 (517) 373-7117
HAWAII 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, Hawaii 96813 (808) 586-2722	**MINNESOTA** Commissioner of Commerce 85 7th Place East, Suite 500 St. Paul, Minnesota 55101 (615) 296-4026
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	**NEW YORK** Secretary of State 99 Washington Avenue Albany, New York 12231
INDIANA Indiana Secretary of State 201 State House Indianapolis, Indiana 46204 (317) 232-6681	**VIRGINIA** Clerk of the State Corporation Commission 1300 East Main Street, 1st Floor Richmond, Virginia 23219 (804) 371-9733
NORTH DAKOTA North Dakota Insurance & Securities Department 600 East Boulevard Avenue Dept. 401 Bismarck, North Dakota 58505 (701) 328-2910	**WASHINGTON** Director of Department of Financial Institutions Securities Division – 3rd Floor 150 Israel Road, S.W. Tumwater, Washington 8501 (360) 902-8760

RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division Bldg. 69, First Floor 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9585	**WISCONSIN** Wisconsin Commissioner of Securities Department of Financial Institutions Division of Securities 201 W. Washington Ave., Suite 300 Madison, Wisconsin 53703
SOUTH DAKOTA Department of Labor and Regulation Division of Securities 445 E. Capitol Avenue Pierre SD 57501 (605) 773-4823	

EXHIBIT C
FRANCHISE AGREEMENT

FRANCHISE AGREEMENT

THIS FRANCHISE AGREEMENT ("Agreement") is made and entered into on _____ (the "Effective Date"), by and between OLC DEVELOPMENT, INC., a Delaware corporation with its principal place of business at 902 Provident Drive, Warsaw, Indiana 46580 ("Franchisor"), and _____, a _____ with its principal place of business at _____ ("Franchisee").

WITNESSETH:

A. Franchisee has purchased or leased from an affiliate of Franchisor three (3) M8 MLS Therapy Lasers manufactured by ASA Laser and distributed in the United States exclusively through Cutting Edge Products, LLC (the "M8 MLS Therapy Laser") which has been selected by the Franchisee based solely upon and in the exercise of its independent medical judgment for the purpose of providing Multiwave Locked System Therapy laser pain treatment to patients of Franchisee's medical practice ("MLS Therapy Laser Services").

B. Franchisor and its affiliates, as the result of the expenditure of time, skill, effort, and money, have developed, and continues to develop, a distinctive system relating to the establishment and general management of business and administrative services of a non-medical nature appropriate for the operation of centers which offer MLS Therapy Laser Services using M8 MLS Therapy Lasers and such other non-medical ancillary and related services as the Franchisor shall determine from time to time under the name "OrthoLazer™ Orthopedic Laser Centers" (an "OrthoLazer Center"), and which may be changed, improved and further developed by Franchisor from time to time (the "System"). The System relates only to non-medical methods of operation and does not involve the rendering of medical treatment.

C. The MLS Therapy Laser Services and other related medical services are provided at an OrthoLazer Center by a physician, or medical personnel supervised by a physician, in each case employed or engaged by the Franchisee, using M8 MLS Therapy Lasers. The business that the Franchisee will own, manage, administer and operate using M8 MLS Therapy Lasers and the System is referred to as the "Franchised Business."

D. The distinguishing characteristics of the System include, without limitation, providing site selection assistance; construction design assistance; preferred vendor relationships for the purchase or lease of M8 MLS Therapy Lasers and related equipment; procedures for monitoring business operations; procedures for business management; training of and assistance with non-medical personnel; guidance regarding advertising and promotional programs; business formats, methods, procedures, standards, and specifications, all of which may be changed, improved and further developed by Franchisor from time to time. Notwithstanding anything in this Agreement to the contrary, Franchisor is not responsible for marketing, advertising or expanding the business of the Franchisee's OrthoLazer Center; those efforts are solely Franchisee's responsibility, subject to the terms of this Agreement.

E. The System is identified by the name "OrthoLazer™" and certain other trade names, service marks, trademarks, trade dress, logos, emblems, and indicia of origin as are now designated and may hereafter be designated by Franchisor in writing for use in connection with the System (the "Proprietary Marks") which have gained and will continue to gain public acceptance and goodwill. The use of the word "Center" in this Agreement is intended to be a generic reference only and is not intended to imply or require that such word must or is available to be used by Franchisee in connection with its business or the System in those jurisdictions which prohibit its use or otherwise require special licensing or approvals in order to use such word.

F. Franchisor grants to Professional Entities (as defined in Section 1.5 below) who meet its qualifications, and are willing to undertake the investment and effort, a franchise to establish and manage an OrthoLazer Center using the System and Proprietary Marks.

G. Franchisee has applied for a franchise for an OrthoLazer Center at the location identified in this Agreement and its application has been approved by Franchisor in reliance upon all of the representations made in Franchisee's application, including those concerning its financial resources and the manner in which the Franchised Business will be owned and operated.

H. Franchisee understands and acknowledges that the terms and conditions contained in this Agreement are necessary to maintain Franchisor's high standards of quality and service and the uniformity of those standards at all OrthoLazer Centers and thereby agree to protect and preserve the goodwill of the Proprietary Marks, and Franchisee must comply with this Agreement and all System Standards (as defined below in Section 9.1) in order to maintain the high and consistent quality that is critical for OrthoLazer Centers.

NOW, THEREFORE, the parties agree as follows:

1. GRANT

1.1 Grant of Franchise. Franchisor grants to Franchisee the right and Franchisee undertakes the obligation, upon the express terms and conditions set forth in this Agreement, to establish and manage the business and administrative services of a non-medical nature as appropriate for the operation of an OrthoLazer Center under the Proprietary Marks and the System (the "Franchised Business"), and to use the Proprietary Marks and the System, as they may be changed and improved from time to time at Franchisor's sole discretion, solely in connection therewith.

1.2 Approved Location. Franchisee shall operate the Franchised Business only at the location identified in Exhibit A (the "Approved Location"). If on the Effective Date a location for the Franchised Business has not been obtained by Franchisee and approved by Franchisor, Franchisee shall lease or acquire a location within one hundred and twenty) 120 days after the Effective Date, subject to the Franchisor's approval, as provided for in the Site Selection Addendum attached hereto as Exhibit B. Franchisee shall not relocate the Franchised Business without the prior written approval of Franchisor, which shall not be unreasonably withheld. Franchisee acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

1.3 Franchisee's Territory.

(a) Except as otherwise provided in this Agreement, during the term of this Agreement Franchisor shall not establish or operate, nor license any other person to establish or operate, an OrthoLazer Center under the System and the Proprietary Marks at any location within the territory described in Exhibit A (the "Franchisee's Territory").

(b) Except as otherwise provided in Section 1.3(a), Franchisor and its affiliates retain all rights, among others, on any terms and conditions Franchisor deems advisable, and without granting Franchisee any rights therein, with respect to OrthoLazer Centers, the System, the Proprietary Marks, the sale of similar or dissimilar services, and any other activities Franchisor deem appropriate whenever and wherever it desires, including to the extent permitted under Applicable Medical Practice Laws (defined in

Section 7.1 below), but not limited to:

(i) to establish, own and manage, and license others to establish, own and manage, OrthoLazer Centers under the System and the Proprietary Marks and similar therapy laser businesses under different names or marks at any location outside the Franchisee's Territory under any terms and conditions Franchisor deems appropriate and regardless of proximity to the Approved Location or the Franchisee's Territory;

(ii) to establish and operate (and to grant to others the right to establish and operate) any businesses offering services and products other than therapy laser pain management services through similar or dissimilar channels of distribution, at any location whether within or outside the Franchisee's Territory under trademarks or service marks other than the Proprietary Marks;

(iii) to acquire and operate assets, or ownership interests in one or more businesses that operate, and/or have granted franchises, licenses, or similar rights to one or more third parties to operate, businesses offering services and products other than therapy laser pain management services even if such business operates, franchises and/or licenses competitive businesses in the Franchisee's Territory; and; and

(iv) the right to create, place, and/or distribute any advertising and promotional materials related to the System and the Proprietary Marks, as those materials may appear in media, including, without limitation, the Internet or similar electronic media anywhere, including within the Franchisee's Territory.

1.4 Modifying and Supplementing the System. Franchisee acknowledges that the System may be operated, supplemented, improved, and otherwise changed or modified from time to time by Franchisor at its discretion; and Franchisee agrees, subject to all Applicable Medical Practice Laws, to comply with all reasonable requirements of Franchisor in that regard. Because complete and detailed uniformity under many varying conditions might not be possible or practical, Franchisee acknowledges that Franchisor specifically reserves the right and privilege, as it considers to be best, to vary System Standards for any franchisee or any OrthoLazer Center based upon any conditions that Franchisor considers important to that franchisee's or franchised business's operation. Franchisee may request that Franchisor grant Franchisee a variation or accommodation, but Franchisor has no obligation to do so.

1.5 Professional Corporation, Limited Liability Company, or Partnership. Franchisee must be a professional corporation, professional limited liability company, professional general or limited partnership or other professional entity permitted to engage in the practice of medicine under the laws of the state in which the Franchised Business will be located and operated (collectively, a "Professional Entity"). At all times during the Term, Franchisee shall be duly organized or formed and validly existing in good standing under the laws of the state of Franchisee's formation. Franchisee additionally agrees and represents and warrants to Franchisor as follows:

(a) Franchisee has the authority to sign, deliver, and perform Franchisee's obligations under this Agreement and all related agreements;

(b) Franchisee will not alter, change, or amend Franchisee's organizational documents, including the certificate or articles of incorporation, by-laws, shareholder or stockholder agreement, operating agreement, or partnership agreement, as applicable (collectively, the "Franchisee Organizational Documents") without obtaining Franchisor's prior written approval, which approval Franchisor will not unreasonably deny or withhold, and will grant if such changes will not, in Franchisor's opinion, prevent Franchisee from performing and observing Franchisee's obligations under this Agreement;

(c) Franchisee Organizational Documents, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in Franchisee and all certificates and other documents representing ownership interests in Franchisee will bear a legend referring to this Agreement's restrictions;

(d) Exhibit C to this Agreement completely and accurately describes all of Franchisee's direct and indirect stockholders, members, partners, or other owners (each an "Owner") and their stockholdings, membership interests, partnership, equity, ownership or other interests in Franchisee as of the Effective Date;

(e) Subject to Franchisor's rights and Franchisee's obligations under Section 14, Franchisee and each Owner agree to sign and deliver to Franchisor a revised Exhibit C to reflect any permitted changes in the information that Exhibit C now contains;

(f) Each Owner will sign a guaranty, indemnity and acknowledgement in the form Franchisor prescribes from time to time, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between Franchisee and Franchisor. Franchisor's form of guaranty, indemnity and acknowledgement as of the Effective Date is attached as Exhibit D;

(g) Franchisee will appoint one Owner to serve as Franchisee's "Operating Owner," who will responsible for overseeing and supervising the operation of the Franchised Business. The Operating Owner, as of the Effective Date, is identified in Exhibit C. The Operating Owner will be the person with whom Franchisor will communicate on all major policy, financial, non-medical business management and operational matters, and the only person from Franchisee that Franchisor will recognize as having authority to communicate for and on Franchisee's behalf. Franchisee may not change the Operating Owner without Franchisor's prior written consent, which Franchisor will not unreasonably withhold provided that the proposed new Operating Owner meets Franchisor's then-current qualifications and standards and successfully completes Franchisor's then-current non-medical business training programs as Franchisor may require.

2. TERM AND RENEWAL

2.1 Term. This Agreement shall be in effect upon its acceptance and execution by Franchisor and, except as otherwise provided herein, the initial term of this Agreement (the "Initial Term") shall be five (5) years from the date on which the Franchised Business first opens for business.

2.2 Renewal. Franchisee may, subject to the following conditions, renew the rights granted under this Agreement for two (2) additional terms of five (5) years each (the "Renewal Terms" and, together with the Initial Term, the "Term") commencing on the first day following the last day of the Initial Term. Franchisor may require that any or all of the following conditions be met prior to such renewal becoming effective:

(a) Franchisee shall give Franchisor written notice of Franchisee's election to renew not less than one hundred eighty (180) days nor more than three hundred sixty five (365) days prior to the end of the Initial Term.

(b) Franchisee shall make or provide for, in a manner satisfactory to Franchisor, such renovation and modernization of the premises of the Franchised Business (the "Premises") as Franchisor may reasonably require, including, without limitation, but subject Applicable Medical Practice Laws, installation of new therapy laser pain management and other equipment and renovation of signs,

furnishings, fixtures, and décor to reflect the then-current standards and image of the System.

(c) Franchisee and all of its affiliates shall not be in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates; and Franchisee and all of its affiliates shall have substantially complied with all the terms and conditions of this Agreement during the Initial Term and such other agreements during the terms thereof.

(d) Franchisee and all of its affiliates shall have satisfied all monetary obligations owed by Franchisee to Franchisor and its affiliates under this Agreement, and shall have timely met those obligations throughout the Initial Term.

(e) Franchisee shall present evidence satisfactory to Franchisor that Franchisee has the right to remain in possession of the Premises for the duration of the renewal term (including without limitation providing Franchisor a complete copy of Franchisee's lease and all exhibits and amendments thereto) or shall obtain Franchisor's approval of a new location for the Franchised Business for the duration of the renewal term.

(f) Franchisee shall, at Franchisor's option, execute Franchisor's then-current form of franchise agreement (but only for such renewal terms as are provided by this Agreement), which shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee and advertising contribution and a smaller or modified Franchisee's Territory, except that Franchisee shall not be required to pay any initial franchise fee (but shall be required to pay the renewal fee set forth in Section 2.2(i)).

(g) Franchisee shall execute, and shall cause each of its affiliates to execute, a general release, in a form required by Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, and employees.

(h) Franchisee shall comply with Franchisor's then-current non-medical qualification and training requirements.

(i) Franchisee shall pay Franchisor a renewal fee in the amount of $5,000.

2.3 Continuation. If Franchisee continues to operate the Franchised Business with Franchisor's express or implied consent following the expiration of the term of this Agreement, the continuation will be a month-to-month extension of this Agreement, unless otherwise set forth in writing. All provisions of this Agreement will apply while Franchisee continues to operate the Franchised Business. Subject to applicable law, this Agreement will then be terminable by either party on 30 days' written notice to the other party.

3. DUTIES OF FRANCHISOR

3.1 Plans and Specifications. Franchisor shall make available, at no additional charge to Franchisee, (a) standard architectural plans for the Franchised Business, including exterior and interior design and layout, and (b) specifications for fixtures, furnishings and signs. Franchisee acknowledges that such layout and specifications shall not contain the requirements of any federal, state or local law, code or regulations (collectively, "Applicable Law") (including, without limitation, those concerning the Americans with Disabilities Act (the "ADA") or similar rules governing public accommodations or commercial facilities for persons with disabilities), nor shall such plans contain the requirements of, or be used for, construction drawings or other documentation as may be necessary to obtain permits or authorization to build a specific OrthoLazer Center. It is Franchisee's sole responsibility to make sure that

the design and construction of the Franchised Business and the Premises are in compliance with all Applicable Laws including without limitation, the ADA. Franchisee shall indemnify and hold Franchisor harmless against any and all claims, actions, causes of action, costs, fees, fines and penalties, of every kind and nature, should the design and/or construction of the Franchised Business fail in any way to comply with any Applicable Laws, including, without the limitation, the ADA. Without Franchisor's written consent, which shall not be unreasonably withheld, Franchisee shall not make any changes to the specifications and layouts that Franchisor requires except as necessary to comply with Applicable Law; provided that in the case of changes to the specifications and layouts necessary to comply with Applicable Law Franchisee shall notify Franchisor in writing prior to making such changes. Franchisee shall maintain the interior and exterior decor in such manner as may be prescribed from time to time by Franchisor.

3.2 Training. Franchisor shall provide the non-medical training as set forth in Section 6.

3.3 Opening Assistance. Franchisor shall provide two (2) representatives to provide such on-site, pre-opening and opening assistance as Franchisor deems appropriate.

3.4 Additional Assistance. Franchisor will make available to Franchisee such advice and assistance on the proper implementation of the System and non-medical management of the Franchised Business as Franchisee shall reasonably request from time to time. Franchisor shall have the right to charge a reasonable fee for such advice and assistance.

3.5 Advertising and Promotional Materials. Franchisor shall make available to Franchisee advertising and promotional materials as provided in Section 12.

3.6 Confidential Operating Manual. Franchisor shall provide Franchisee with electronic access to Franchisor's Confidential Operating Manual (the "Manual"), as more fully described in Section 9.

3.7 Equipment, Supplies and Products. During the required time period of operations of the Franchised Business, as specified by Franchisor in the Manual or otherwise in writing from time to time, Franchisor shall make available to Franchisee for sale, or designate or approve other suppliers who shall make available to Franchisee for sale, such equipment, supplies and products as Franchisor may designate in the Manual or in writing from time to time.

3.8 Marketing Fund. Franchisor shall administer a marketing promotion fund in the manner set forth in Section 12.

3.9 Inspections. Subject to the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), the Standards of Privacy of Individual Identifiable Health Information at 45 C.F.R. Part 160 and 164, Subpart A and E (the "HIPAA Privacy Rule") and all other applicable federal, state or local laws, rules and regulations relating to the disclosure of Protected Health Information (within the meaning of the HIPAA Privacy Rule) or personally identifiable information (collectively, "Applicable Information Privacy Laws"), Franchisor shall have the right, on reasonable advance notice, to conduct inspections of Franchisee's operation of the Franchised Business.

3.10 Performance by Designee. Franchisee acknowledges and agrees that any duty or obligation imposed on Franchisor by this Agreement may be performed by any designee, employee, or agent of Franchisor, as Franchisor may direct.

4. FEES

4.1 Initial Franchise Fee. In consideration of the franchise granted herein, Franchisee shall pay to Franchisor, on execution of this Agreement, an initial franchise fee of Forty-Nine Thousand and Five Hundred dollars ($49,500) (the "Initial Franchise Fee"). The entire Initial Franchise Fee is fully earned and non-refundable in consideration of administrative and other expenses incurred by Franchisor in granting this franchise and for Franchisor's lost or deferred opportunity to enter into this Agreement with others.

4.2 Royalty Fees. Unless prohibited by Applicable Medical Practice Laws, Franchisee shall pay to Franchisor a continuing royalty fee in an amount equal to eight percent (8%) of Gross Sales for each calendar month beginning on the date on which the Franchised Business is first opened for business (the "Opening Date") and for the remainder of the Term, which shall be paid to Franchisor in accordance with Section 4.7. If Applicable Medical Practice Laws forbid the Franchisor from collecting and/or Franchisee from paying a royalty fee as a percentage of the Gross Sales, the royalty fee will be a flat fee that Franchisor and Franchisee will determine by mutual agreement before execution of the Franchise Agreement and which shall be paid to Franchisor in accordance with Section 4.7. If required by Applicable Medical Practice Laws to be on a flat fee basis, the annual royalty fee hereunder may be reviewed by the parties on an annual basis and, based upon such review, either party may propose an adjustment to such annual royalty fee (but not below the Minimum Annual Royalty provided for below). If, after sixty (60) calendar days of good faith negotiations, the parties are not able to agree upon an adjusted royalty fee, either party may terminate this Agreement by giving the other party sixty (60) calendar days' prior written notice. If the parties agree to such adjustment, the parties shall either amend this Agreement or terminate this Agreement and enter into a new franchise agreement, as allowed by applicable law, with such amendment or new agreement to reflect the necessary adjustments to the royalty fee and other terms and conditions as agreed upon by the parties.

4.3 No Referral of Patients or Splitting of Fees. No payment of royalty fees or other amounts under this Agreement is or shall be in return for the referral of patients, and no such payment is or shall be construed as splitting or sharing of the professional fees of Franchisee or its Clinical Providers or any kind of commission, rebate or other remuneration for the referral of patients. No party is required to refer patients to the other or to any of their respective affiliates, and nothing in this Agreement shall be construed as (a) directing, influencing, requiring, inducing, soliciting or reimbursing the referral of any patients, nor (b) restricting, directing, controlling, influencing or interfering with the professional judgment of Franchisee or any of its clinical providers.

4.4 Gross Sales. "Gross Sales" means all revenues generated from all sales of services or products at, from or with respect to the Franchised Business, whether such sales are evidenced by cash, check, credit, charge, account, barter or exchange. Gross Sales shall not include the sale of services or products for which refunds have been made in good faith to patients, the sale of equipment or furnishings used in the operation of the Franchised Business, any sales taxes or other taxes collected from patients by Franchisee and paid directly to the appropriate taxing authority.

4.5 Minimum Monthly Royalty Fee. Notwithstanding Section 4.2, the minimum royalty fees that Franchisee shall pay to Franchisor for each calendar month beginning on the Opening Date and for the remainder of the Term shall be Three Thousand dollars ($3,000) (the "Minimum Monthly Royalty"). Franchisee agrees that the Minimum Monthly Royalty is fair and reasonable consideration for the rights granted by Franchisor under this Agreement. If the aggregate royalty fee paid by Franchisee based on Gross Sales pursuant to Section 4.2 during any calendar month during the Term is less than the Minimum Monthly Royalty, then Franchisee shall pay the amount of such difference to Franchisor by the tenth (10th) day after the end of such calendar month. If this Agreement shall expire or be terminated on a date other than the last day of a calendar month, then the Minimum Monthly Royalty payable for the first or last month, as

applicable, shall be proportionately reduced.

4.6 Advertising Expenditures. Franchisee shall make monthly expenditures and contributions for advertising and promotion as specified in Section 12.

4.7 Payments. All payments to Franchisor required by Section 4.2, 4.4 and Section 12 shall be paid by the tenth (10th) day of each calendar month based on the Gross Sales from the preceding calendar month or, if the royalty fee is a flat fee, then one-twelfth (1/12) of such amount monthly. All such payments shall be made by direct deposit or electronic funds transfer. All such payments shall be accompanied by such Gross Sales reports as Franchisor requires under Section 11.2. Any payment or Gross Sales report not actually received by Franchisor on or before such date shall be deemed overdue. If any payment or Gross Sales report is overdue, Franchisee shall pay Franchisor immediately upon demand, in addition to the overdue amount, a "late charge" on such amount from the date it was due until received by Franchisor, at the rate of two percent (2%) per month on the overdue amount, or the maximum rate permitted by applicable law. Entitlement to such late charges shall be in addition to any other remedies Franchisor may have. Franchisee shall not be entitled to set off any payments required to be made under this Section 4 against any monetary claim it may have against Franchisor. Franchisor reserves the right to require Franchisee to make any or all payments under this Agreement to an affiliate of Franchisor.

4.8 Bank Account. Franchisee shall deposit all revenues from operation of the Franchised Business into one bank account within two (2) days of receipt, including cash, checks, credit card receipts or the value of other forms of payment. Unless prohibited by Applicable Medical Practice Laws, Franchisee shall furnish to Franchisor, upon Franchisor's request, such bank and account number, a voided check from such bank account, and written authorization for Franchisor to withdraw funds from such bank account via electronic funds transfer without further consent or authorization for all payments payable by Franchisee to Franchisor hereunder. Unless prohibited by Applicable Medical Practice Laws, Franchisee agrees to execute any and all documents as may be necessary to effectuate and maintain the electronic funds transfer arrangement, as required by Franchisor. Franchisee agrees to pay all costs associated with any such transfer. In the event Franchisee changes banks or accounts for the bank account required by this Section 4.8, Franchisee shall, prior to such change, provide such information concerning the new account and an authorization to make withdrawals therefrom. Franchisee's failure to provide such information concerning the bank account required by this Section 4.8 or any new account, or Franchisee's withdrawal of consent to withdrawals for whatever reason and by whatever method, shall be a breach of this Agreement. If any of the foregoing are prohibited by Applicable Medical Practice Laws, Franchisee agrees to make payment of the amounts due Franchisor hereunder by wire transfer to direct deposit to an account designated by Franchisor.

5. OPENING OF FRANCHISED BUSINESS

5.1 Opening Deadline.

(a) Franchisee shall obtain Franchisor's written approval prior to first opening the Franchised Business. Franchisee shall commence operation of the Franchised Business not later than one hundred twenty (120) days after the Effective Date (as may be extended below, the "Opening Deadline"). The parties agree that time is of the essence in the opening of the Franchised Business.

(b) If Franchisee anticipates a delay in opening the Franchised Business by the Opening Deadline, Franchisee must promptly provide Franchisor with a written request to extend the Opening Deadline. The request must state: (1) that a delay is anticipated; (2) the reasons which caused the delay; (3) the efforts that Franchisee is making to proceed with the opening; and (4) an anticipated opening date. Franchisor will not unreasonably withhold its consent to extending the Opening Deadline if Franchisee

has been diligently pursuing the opening.

(c) If Franchisee does not open the Franchised Business by the Opening Deadline (as we may agree to extend it), Franchisee will be in default under this Agreement. Upon receipt of written notice from Franchisor of default, Franchisee must cure the default by opening the Franchised Business for business no more than 90 days after receipt of notice of the default, or 180 days after the original Opening Deadline, whichever occurs first. If Franchisee fails to cure the default, Franchisor shall have the right to terminate this Agreement.

5.2 Conditions to Opening. Franchisee agrees not to open the Franchised Business unless and until all the following conditions have been satisfied:

(a) Franchisor notifies Franchisee in writing that the Franchised Business meets Franchisor's standards and specifications (although Franchisor's acceptance is not a representation or warranty, express or implied, that the Franchised Business complies with any licensing, labor, building, fire, occupational, landlord's, insurance, safety, tax, governmental, or other statutes, rules, regulations, requirements, or recommendations nor a waiver of Franchisor's right to require continuing compliance with Franchisor's requirements, standards, or policies);

(b) Franchisee has retained legal counsel to advise Franchisee on all applicable federal, state and local healthcare laws, rules and regulations and to counsel Franchisee on its compliance with them, including those regarding licensure;

(c) Franchisee has received all required state and local government certifications, permits and licenses necessary for the operation of an OrthoLazer Center, including any required licenses and certifications for its personnel;

(d) Franchisee has hired and retained one Business Manager;

(e) Franchisee's Operating Owner and its Business Manager, and other managers and personnel (if any) have satisfactorily completed all training that Franchisor requires for each such persons;

(f) Franchisee has paid the Initial Franchise Fee and other amounts then due to Franchisor;

(g) Franchisee has signed all agreements required prior to the opening of the Franchised Business, including, but not limited to, this Agreement, any lease, and any software license agreements;

(h) Franchisee is not in default under or in violation of any agreements by and between Franchisee and Franchisor or any of Franchisor's affiliate(s) or suppliers; and

(i) Franchisee has delivered Franchisor certificates for all required insurance policies.

6. NON-MEDICAL TRAINING

6.1 Initial Non-medical Training Program. Prior to the opening of the Franchised Business, each Owner and one non-medical manager of the Franchised Business approved by Franchisor (the "Business Manager") shall attend and complete to Franchisor's satisfaction the initial non-medical training program offered by Franchisor with respect to the System. Any persons subsequently employed by Franchisee in the position of non-medical manager of the Franchised Business shall also attend and complete Franchisor's training program with respect to the System, to Franchisor's satisfaction, within ninety (90) days of their date of hire. Franchisee, Franchisee's non-medical managers, and other non-medical employees shall also attend such additional courses, seminars and other training programs with respect to the System as Franchisor may reasonably require from time to time.

6.2 Non-Medical Training Expenses. All training programs required by Section 6.1 shall be at such times and places as may be designated by Franchisor, and also may be conducted via Internet, intranet, conference call, or such other means as Franchisor determines. For all training courses, seminars and programs required by Section 6.1, Franchisor shall provide, at no charge to Franchisee, instructors, training materials, and technical training tools. Franchisee shall be responsible for any and all other expenses incurred by Franchisee and its employees in connection with the initial training program and any additional courses, seminars, and other training programs, including, without limitation, the costs of transportation, lodging, meals, and wages.

7. DUTIES OF FRANCHISEE

7.1 General. Notwithstanding anything herein to the contrary, to the fullest extent required under applicable federal, state and local statutes, regulations, common law and other applicable laws governing the practice of medicine and/or the provision of healthcare services and the applicable rules and regulations of any board of medicine or other accrediting agency (collectively, "Applicable Medical Practice Laws"), Franchisee shall be solely responsible for and have full authority and control over the practice of medicine and the provision of medical and patient care and all other aspects of the clinical practice of medicine by or at the OrthoLazer Center and any and all matters included within the definition of "medicine" or "practice of medicine" under any Applicable Medical Practice Laws.

7.2 Employees and Clinical Staff.

(a) Franchisee will employ, lease or contract all employees including (i) all non-medical employees and (ii) all physicians and non-physician practitioners and other personnel (collectively, the "Clinical Staff"), including, for example, physician assistants, nurses, technicians, and medical assistants, and, other professionals who will provide the actual clinical/medical services to be delivered at and through the OrthoLazer Center. Franchisee will hire non-medical employees and Clinical Staff in adequate numbers to meet the needs of the OrthoLazer Center.

(b) Franchisee will have sole responsibility and full authority and control over all employees and employment decisions and functions of the Franchise Business, including selection, hiring, compensation, record-keeping, supervision, discipline, promotion, demotion and termination. Without limiting the foregoing, the Franchisee shall have sole responsibility and full authority and control over the supervision and medical direction of all Clinical Staff and any other clinical personnel employed, leased or contracted by Franchisee, including all professional and employment-related decisions related to such Clinical Staff.

(c) The Franchised Business shall at all times be under the supervision of the Operating Owner, a Clinical Staff member and the Business Manager who has completed the training as required by Section 6.1. Franchisee shall maintain a competent, conscientious, trained staff, including the Business Manager who has completed the training described in Section 6.1. Franchisee shall take such steps as are necessary to ensure that its employees preserve good customer relations; render competent, prompt, courteous and knowledgeable service; wear uniforms of the color, design, and other specifications that Franchisor requires; present a neat and clean appearance during all hours of operation; and meet such additional minimum standards as Franchisor may establish from time to time in the Manual. Franchisee and its employees shall handle all patient complaints, refunds, returns and other adjustments in a manner that will not detract from the name and goodwill of Franchisor. Franchisee shall take such steps as are necessary to ensure that its employees do not violate Franchisor's policies relating to the use of Networking Media Sites (as defined in Section 8.8), including, but not limited to, prohibiting employees from posting any information relating to Franchisor, the System, the Proprietary Marks, or the Franchised Business on any Networking Media Site that is inconsistent with such policies.

7.3 Licenses and Permits. Franchisee is and will be responsible for ensuring that (a) each of the physicians providing services on behalf of Franchisee holds an unrestricted license to practice medicine in the state in which the OrthoLazer Center is located; (b) each of the non-physician practitioners providing services on behalf of the Franchisee holds an unrestricted license (as required) to practice such profession in the state in which the OrthoLazer Center is located; (c) each member of the Clinical Staff shall have a level of competence, experience and skill comparable to that prevailing in the community where such Clinical Staff provides professional services; (d) Franchisee prepares and files with the appropriate governmental authority all applicable annual reports and similar documentation, and (e) Franchisee and its medical offices have such licenses, permits and authorizations as are necessary or appropriate to operate the OrthoLazer Center under the Applicable Medical Practice Laws.

7.4 Standard of Care. The Franchisee and its Clinical Staff shall render services to patients at the OrthoLazer Center in a competent and professional manner, in compliance with generally accepted and prevailing standards of care, and in compliance with the Applicable Medical Practice Laws.

7.5 Hours of Operation. The Franchisee shall establish the OrthoLazer Center's hours of operation and provide MLS Therapy Laser Services and other services and products during typical retail business hours, with a minimum of 50 hours per week, as established in consultation with the Franchisor. The Franchisee shall ensure that all work and coverage schedules meet the needs of patients of the Franchisee in a competent, timely and responsive manner.

7.6 Patient Care. The Franchisee and its Clinical Staff shall have full responsibility for (a) the hours of operation of the OrthoLazer Center, (b) the assignment of Clinical Staff to treat patients, including determining how many patients a physician must see in a given period or how many hours a physician must work, (c) all aspects of patient care, including treatment options and plans and clinical necessity; and (d) determining the need for referrals to or consultation with another physician/specialist.

7.7 Fees. Franchisee shall have the right to determine and modify the fees for the MLS Therapy Laser Services and other services and products offered, sold, and advertised by Franchisee.

7.8 Private Pay Business. Notwithstanding anything herein to the contrary, all services provided by the Franchisee under this Agreement shall be provided on a private payment basis and Franchisee will not participate in any government programs or contract with any third party payers.

7.9 Lease and Premises.

(a) Franchisee shall comply with all the terms of its lease or sublease for the Premises and all other agreements affecting the operation of the Franchised Business; shall promptly furnish Franchisor a copy of its lease, upon request; shall undertake best efforts to maintain a good and positive working relationship with its landlord and/or lessor; and shall refrain from any activity which may jeopardize Franchisee's right to remain in possession of, or to renew the lease or sublease for, the Franchised Business premises.

(b) Franchisee shall use the Premises solely for the operation of the Franchised Business. Franchisee shall refrain from using or permitting the use of the Premises for any other purpose or activity at any time without first obtaining the written consent of Franchisor, which shall not be unreasonably withheld.

(c) Franchisee shall maintain the Franchised Business premises (including the adjacent public areas) in a clean, orderly condition and in excellent repair; and, in connection therewith, Franchisee shall, at its expense, make such additions, alterations, repairs and replacements thereto (but no others without Franchisor's prior written consent, which shall not be unreasonably withheld) as may be required for that purpose, including, without limitation, such periodic repainting or replacement of obsolete signs, furnishings, equipment and décor as Franchisor may reasonably direct.

(d) At Franchisor's request, but no more than once every five (5) years, unless sooner required by Franchisee's lease, Franchisee shall refurbish the Premises, at its expense, to conform to the building design, trade dress, color schemes and presentation of the Proprietary Marks in a manner consistent with the then-current image for new OrthoLazer Centers; provided, however, that Franchisee shall not be obligated to spend more than $25,000 on such refurbishment in any five (5) year period and that Franchisee shall not be obligated to spend more than $50,000 in the aggregate under Section 7.9(d) and Section 8.3(h) during the Term. Such refurbishment may include, without limitation, structural changes, remodeling, redecoration and modifications to existing improvements.

7.10 Quality of Service.

(a) To insure that the highest degree of quality and service is maintained, Franchisee shall operate the Franchised Business in strict conformity with the System Standards.

(b) Notwithstanding the foregoing, the System Standards will not control the Franchisee's practice of medicine and the Franchisee shall be solely responsible for and have full authority and control over the practice of medicine and the provision of medical and patient care by or at the OrthoLazer Center.

(c) The Franchisee shall establish and enforce procedures to assure the appropriateness, necessity, consistency, quality, cost effectiveness and efficacy of all MLS Therapy Laser Services and other services and products provided to patients of the OrthoLazer Center. The Franchisee shall require each member of its Clinical Staff who are licensed, registered or certified to perform professional services to participate in and cooperate with any utilization management, quality assurance, risk management, patient care assessment, continuous quality improvement, accreditation or other similar program or study to review the performance such Clinical Staff as may be required by the Franchisee, governmental agencies, professional review organizations, accrediting bodies, or health care entities or other third parties with which the Franchisee may contract or affiliate.

7.11 Training of Clinical Staff. The Franchisee shall have sole responsibility for the training of all Clinical Staff other than with respect to matters included in the System.

7.12 Fixtures, Furnishings, Office Equipment and Supplies. Franchisee shall purchase and install, at Franchisee's expense, all fixtures, furnishings, office equipment (including, without limitation, décor, and signs as Franchisor may reasonably direct from time to time) and supplies for which Franchisor has established standards or specifications; and shall refrain from installing or permitting to be installed on or about the Premises, without Franchisor's prior written consent, which shall not be unreasonably withheld, any fixtures, furnishings, equipment, décor, signs, supplies or other items for which Franchisor has established standards or specifications not previously approved by Franchisor. Franchisee shall purchase all of the foregoing solely from Franchisor, an affiliate of Franchisor, or suppliers (including manufacturers, distributors and other sources) designated by Franchisor that demonstrate, to the continuing reasonable satisfaction of Franchisor, the ability to meet Franchisor's standards and specifications, who possess adequate quality controls and capacity to supply Franchisee's needs promptly and reliably, and who have been approved by Franchisor in the Manual or otherwise in writing. Franchisor reserves the right to require Franchisee to purchase any or all of the foregoing solely from Franchisor or an affiliate of Franchisor. Franchisee agrees that it shall use products purchased from approved suppliers solely for the purpose of operating the Franchised Business and not for any other purpose, including, without limitation, resale. If Franchisee desires to purchase any of the foregoing from a party other than an approved supplier, Franchisee shall submit to Franchisor a written request to approve the proposed supplier, together with such evidence of conformity with Franchisor's specifications as Franchisor may reasonably require. Franchisor shall have the right to require that its representatives be permitted to inspect the supplier's facilities, and that samples from the supplier be delivered for evaluation and testing either to Franchisor or to an independent testing facility designated by Franchisor. A charge not to exceed the reasonable cost of the evaluation and testing shall be paid by Franchisee. Franchisor shall use its best efforts, within thirty (30) days after its receipt of such completed request and completion of such evaluation and testing (if required by Franchisor), to notify Franchisee in writing of its approval or disapproval of the proposed supplier. Franchisor may from time to time revoke its approval of particular products or suppliers when Franchisor determines that such products or suppliers no longer meet Franchisor's standards. Upon receipt of written notice of such revocation, Franchisee shall cease to use any disapproved products and cease to purchase such products from any disapproved supplier.

7.13 Purchase, Lease and Installation of M8 MLS Therapy Laser. Prior to commencement of operations of the Franchised Business, Franchisee shall purchase or lease three (3) M8 MLS Therapy Lasers from Cutting Edge Products, LLC and such lasers shall have been installed at the Premises and be operational. Franchisee represents, warrants and acknowledges that it has exercised its independent professional judgment to select the M8 MLS Therapy Laser to provide MLS Therapy Laser services to its patients at the OrthoLazer Center.

7.14 Regulatory Matters.

(a) The Franchisee and its Clinical Staff shall at all times be free to exercise their professional judgment on behalf of patients of the Franchisee. No provision of this Agreement is intended, nor shall it be construed, to permit the Franchisor to affect or influence the professional judgment of any Clinical Staff member. To the extent that any act or service required or permitted of the Franchisor by any provision of this Agreement may be construed or deemed to constitute the practice of medicine and the provision of laser therapy pain management services, the ownership or control of a medical practice, or the operation of a clinic, said provision of this Agreement shall be void ab initio and the performance of said act or service by the Franchisor shall be deemed waived by the Franchisee.

(b) Nothing in this Agreement is intended, nor shall be construed, to interfere with the ability of Franchisee or its Clinical Staff to exercise its or their professional and ethical judgment in the performance of patient care responsibilities nor delegate to Franchisor any of the professional responsibilities or judgment of Franchisee or its Clinical Staff. If any act or obligation required of Franchisor under this Agreement is construed or deemed to constitute the practice of medicine under the Applicable Medical Practice Laws (including the practice of medicine by providing laser therapy pain management services, the ownership or control of a medical practice, or the operation of a clinic) or otherwise violate the Applicable Medical Practice Laws or other Applicable Law, the performance of the act or obligation by Franchisor shall be deemed to be waived and inapplicable by the parties and the applicable parties shall not be required of or performed by Franchisor.

(c) The parties agree to cooperate with one another in the fulfillment of their respective obligations under this Agreement, and to comply with the requirements of Applicable Law and of any insurance company insuring the OrthoLazer Center or the parties against liability for accident or injury in or upon the Premises.

7.15 Inspections. Subject to Franchisor's on going compliance with the Applicable Medical Practice Laws and Applicable Information Privacy Laws, Franchisee shall permit Franchisor and its agents to enter upon the Franchised Business premises at any time during normal business hours upon reasonable advance written notice for the purpose of conducting inspections; shall cooperate with representatives of Franchisor in such inspections by rendering such assistance as they may reasonably request; and, upon notice from Franchisor or its agents, and without limiting Franchisor's other rights under this Agreement, shall take such steps as may be necessary to correct immediately any deficiencies detected during any such inspection. Should Franchisee, for any reason, fail to correct such deficiencies within a reasonable time as determined by Franchisor, Franchisor shall have the right, but not the obligation, to correct any deficiencies which may be susceptible to correction by Franchisor and to charge Franchisee a reasonable fee for Franchisor's expenses in so acting, payable to Franchisor upon demand. The foregoing shall be in addition to such other remedies Franchisor may have.

7.16 Advertising Materials. Franchisee shall ensure that all advertising and promotional materials, signs, decorations and other items specified by Franchisor bear the Proprietary Marks in the form, color, location, and manner prescribed by Franchisor and comply with all Applicable Laws.

7.17 Changes to the System. Franchisee shall not implement any change, amendment or improvement to the System without the express prior written consent of Franchisor. Franchisee shall notify Franchisor in writing of any change, amendment or improvement in the System which Franchisee proposes to make, and shall provide to Franchisor such information as Franchisor requests regarding the proposed change, amendment or improvement. Franchisee acknowledges and agrees that Franchisor shall have the right to incorporate the proposed change, amendment or improvement into the System and shall thereupon obtain all right, title and interest therein without compensation to Franchisee.

7.19 Compliance with Applicable Laws. Franchisee shall secure and maintain in force all required licenses, permits and certificates required under Applicable Medical Practice Laws and other Applicable Laws, and must operate the Franchised Business in full compliance with all Applicable Medical Practice Laws and other Applicable Laws, including, without limitation, all applicable labor and employment laws and regulations, all data privacy laws, government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes.

7.20 Notices. Franchisee shall notify the Franchisor in writing within five (5) business days of any of the following: (a) the commencement of any disciplinary, malpractice, enforcement, revocation or other actions, proceedings, inquiries, subpoenas, civil investigative demands or investigations initiated under any Applicable Medical Practice Law against Franchisee or any Clinical Staff, as well as the underlying facts and circumstances; and (b) any allegation of substandard care or professional misconduct raised against any member of the Clinical Staff by any person or agency during the term of this Agreement; (c) the commencement of any other action, investigation, suit, or proceeding, or the issuance of any order, writ, injunction, award, or decree of any court, agency, or other governmental authority against the Franchisee or any Owner, that may adversely affect the Franchisee's operations, financial condition, or reputation; or the reputation of the Franchisor and/or the goodwill associated with the Proprietary Marks; (d) the indictment, conviction, or entry of a plea of no contest by the Franchisee or any Owner to a felony or any other crime or offense which may adversely affect the reputation of the Franchisor, the Franchise, and/or the goodwill associated with the Proprietary Marks.

7.21 Protection of Goodwill. The Franchisee shall, in all dealings with its patients, suppliers, Franchisor and the public adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct. Franchisee shall not engage in any business practice which may be injurious to Franchisor's business and the goodwill associated with the Proprietary Marks and other OrthoLazer Centers.

8. PROPRIETARY MARKS AND TECHNOLOGY

8.1 Franchisor's Representations. Franchisor represents with respect to the Proprietary Marks:

(a) Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks; and

(b) Franchisor has the right to use, and to license others to use, the Proprietary Marks in accordance with this Agreement.

8.2 Franchisee's Use of the Proprietary Marks. With respect to Franchisee's use of the Proprietary Marks, Franchisee agrees that:

(a) Franchisee shall use only the Proprietary Marks designated by Franchisor, and shall use them only in the manner authorized and permitted by Franchisor;

(b) Franchisee shall use the Proprietary Marks only for the operation of the Franchised Business and only at the Approved Location, or in advertising for the Franchised Business conducted at or from the Approved Location;

(c) Unless otherwise authorized or required by Franchisor, Franchisee shall operate and advertise the Franchised Business only under the name "OrthoLazer Orthopedic Laser Center" and shall use all Proprietary Marks without prefix or suffix. Franchisee shall not use the Proprietary Marks as part of its corporate or other legal name. If the word "Center" is not permitted to be used in the operation of the Franchised Business under the Applicable Medical Practice Law of the state where the OrthoLazer Center is located, then Franchisee shall substitute another word that complies with Applicable Medical Practice Law of that state, subject to Franchisor's prior written approval which shall not be unreasonably withheld;

(d) During the term of this Agreement and any renewal or extension of this Agreement, Franchisee shall identify itself as the owner of the Franchised Business (in the manner required by Franchisor) in conjunction with any use of the Proprietary Marks, including, but not limited to, on

invoices, order forms, receipts, business stationery, and contracts with all third parties or entities, as well as the display of such notices in such content and form and at such conspicuous locations as Franchisor may designate in writing;

(e) Franchisee's right to use the Proprietary Marks is limited to such uses as are authorized under this Agreement, and any unauthorized use thereof shall constitute an infringement of Franchisor's rights and will entitle Franchisor to exercise all of its rights under this Agreement in addition to all rights available at law or in equity;

(f) Franchisee shall not use the Proprietary Marks to incur any obligation or indebtedness on behalf of Franchisor;

(g) Franchisee shall execute any documents deemed necessary by Franchisor to obtain protection for the Proprietary Marks or to maintain their continued validity and enforceability;

(h) Franchisee shall promptly notify Franchisor of any suspected unauthorized use of the Proprietary Marks, any challenge to the validity of the Proprietary Marks, or any challenge to Franchisor's ownership of, Franchisor's right to use and to license others to use, or Franchisee's right to use, the Proprietary Marks. Franchisee acknowledges that Franchisor has the sole right to direct and control any administrative proceeding or litigation involving the Proprietary Marks, including any settlement thereof. Franchisor has the right, but not the obligation, to take action against uses by others that may constitute infringement of the Proprietary Marks. Franchisor shall defend Franchisee against any third-party claim, suit, or demand arising out of Franchisee's use of the Proprietary Marks. If Franchisor determines that Franchisee has used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisor. If Franchisor determines that Franchisee has not used the Proprietary Marks in accordance with this Agreement, the cost of such defense, including the cost of any judgment or settlement, shall be borne by Franchisee. In the event of any litigation relating to Franchisee's use of the Proprietary Marks, Franchisee shall execute any and all documents and do such acts as may, in the opinion of Franchisor, be necessary to carry out such defense or prosecution, including, but not limited to, becoming a nominal party to any legal action.; and

(i) Franchisee shall not attempt to register or otherwise obtain any interest in any Internet domain name or URL containing any of the Proprietary Marks or any other word, name, symbol or device which is likely to cause confusion with any of the Proprietary Marks.

8.3 Acknowledgements. Franchisee expressly understands and acknowledges that:

(a) The Franchisor is the owner of all right, title, and interest in and to the Proprietary Marks and the goodwill associated with and symbolized by them, and Franchisor has the right to use, and license others to use, the Proprietary Marks;

(b) The Proprietary Marks are valid and serve to identify the System and those who are authorized to operate under the System;

(c) During the term of this Agreement and after its expiration or termination, Franchisee shall not directly or indirectly contest the validity of Franchisor's ownership of, or Franchisor's right to use and to license others to use, the Proprietary Marks;

(d) Franchisee's use of the Proprietary Marks does not give Franchisee any ownership interest or other interest in or to the Proprietary Marks;

(e) Any and all goodwill arising from Franchisee's use of the Proprietary Marks shall inure solely and exclusively to the benefit of Franchisor, and upon expiration or termination of this Agreement and the license granted herein, no monetary amount shall be assigned to Franchisee or any of its principals, affiliates, subsidiaries, successors, licensees or assigns as attributable to any goodwill associated with Franchisee's use of the System or the Proprietary Marks;

(f) Except as specified in Section 1.3, the license of the Proprietary Marks granted hereunder to Franchisee is nonexclusive, and Franchisor and its affiliates thus have and retain the rights, among others: (i) to use the Proprietary Marks itself in connection with the System and in any other manner; (ii) to grant other licenses for the Proprietary Marks; and (iii) to develop and establish other systems using the Proprietary Marks, similar proprietary marks, or any other proprietary marks, and to grant licenses thereto without providing any rights therein to Franchisee; and

(g) Franchisor reserves the right to modify, add to, or discontinue use of the Proprietary Marks, or to substitute different proprietary marks, for use in identifying the System and the businesses operating thereunder.

(h) Franchisee agrees promptly to comply with such changes, revisions and/or substitutions, and to bear all the costs of modifying Franchisee's signs, advertising materials, interior graphics and any other items which bear the Proprietary Marks to conform therewith.

8.4 Computer System and Required Software. Franchisee expressly understands and acknowledges that:

(a) Franchisor shall have the right to specify or require that certain brands, types, makes, and/or models of communications, computer systems, and hardware be used by Franchisee, including without limitation: (i) back office and point of sale systems, data, audio, and video, systems for use at the Franchised Business; (ii) printers and other peripheral hardware or devices; (iii) archival back-up systems; (iv) Internet access mode and speed; and (v) physical, electronic, and other security systems (collectively, the "Computer System").

(b) Franchisor shall have the right, but not the obligation, to develop or have developed for it, or to designate: (i) computer software programs that Franchisee must use in connection with the Computer System (the "Required Software"), which Franchisee shall install at its expense; (ii) updates, supplements, modifications, or enhancements to the Required Software, which Franchisee shall install at its expense; (iii) the tangible media upon which Franchisee shall record data; and (iv) the database file structure of the Computer System.

(c) Franchisee shall be required to purchase and exclusively use Franchisor's OrthoLazer branded business operations software at the Franchised Business. Franchisee will be required to pay a monthly technology fee (the "Technology Fee") of $750 for the use of our software on the 10th day of each month in advance, beginning as soon as you are given access to the system, which is generally within 30 days of execution of this Franchise Agreement. Franchisor reserves the right to increase the Technology Fee up to 5% annually on 30-day prior written notice. The Technology Fee shall be paid by direct deposit or electronic funds transfer.

(d) Franchisee shall, at Franchisor's request, purchase or lease, and thereafter maintain, the Computer System and, if applicable, the Required Software. Subject to Applicable Information Privacy Laws, Franchisor shall have the right at any time to remotely retrieve and use such data and information from Franchisee's Computer System or Required Software that Franchisor deems necessary or desirable. Subject to Applicable Information Privacy Laws, Franchisee expressly agrees to

strictly comply with Franchisor's standards and specifications for all items associated with Franchisee's Computer System and any Required Software in accordance with Franchisor's standards and specifications. Franchisee agrees, at its own expense, to keep the Computer System in good maintenance and repair and install such additions, changes, modifications, substitutions, and/or replacements to the Computer System or Required Software as Franchisor directs from time to time in writing. Franchisee agrees that its compliance with this Section 8.4 shall be at Franchisee's sole cost and expense.

8.5 Medical Records and Data. As required under applicable state law, medical records of the Franchised Business shall be deemed the property of the Franchisee. Franchisee grants Franchisor the right to de-identify all protected health information ("PHI") and such de-identified data will be owned by Franchisor during the term of, and following termination or expiration of, this Agreement and Franchisor shall be entitled to use such de-identified data for any purpose as permitted by law.

8.6 Privacy. Subject to Applicable Information Privacy Laws, Franchisor may, from time-to-time, specify in the Manual (or otherwise in writing) the information that Franchisee shall collect and maintain on the Computer System installed at the Franchised Business, and subject to Applicable Information Privacy Laws, Franchisee shall provide to Franchisor such reports as Franchisor may reasonably request from the data so collected and maintained. Franchisee shall abide by all Applicable Information Privacy Laws pertaining to the privacy of patients, consumers, employees, and transactional information. Franchisee shall not publish, disseminate, implement, revise, or rescind a data privacy policy without Franchisor's prior written consent, which shall not be unreasonably withheld.

8.7 Extranet. Franchisor may, but is not obligated to, establish an Extranet. The term "Extranet" means a private network based upon Internet protocols that will allow users inside and outside of Franchisor's headquarters to access certain parts of Franchisor's computer network via the Internet. If Franchisor does establish an Extranet, then Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to connecting to the Extranet and utilizing the Extranet in connection with the operation of the Franchised Business. The Extranet may include, without limitation, the Manual, training and other assistance materials, and management reporting solutions (both upstream and downstream, as Franchisor may direct). Franchisee shall purchase and maintain such computer software and hardware (including, but not limited to, telecommunications capacity) as may be required to connect to and utilize the Extranet. Franchisor shall have the right to require Franchisee to install a video, voice and data system that is accessible by both Franchisor and Franchisee on a secure Internet website, in real-time, all in accordance with Franchisor's then-current written standards as set forth in the Manual or otherwise in writing. Franchisee shall comply with Franchisor's requirements (as set forth in the Manual or otherwise in writing) with respect to establishing and maintaining telecommunications connections between Franchisee's Computer System and Franchisor's Extranet and/or such other computer systems as Franchisor may reasonably require.

8.8 Websites. Franchisor shall have the right to require that Franchisee have one or more references or webpage(s), as designated and approved in advance by Franchisor, within Franchisor's principal Website (currently, www.OrthoLazer.com ("Franchisor's Website"). The term "Website" means an interactive electronic document contained in a network of computers linked by communications software, commonly referred to as the Internet or World Wide Web, including, but not limited to, any account, page, or other presence on a social or business networking media site, such as Facebook, Twitter, Linked In, and on-line blogs and forums ("Networking Media Sites"). Franchisor shall not have any other Website other than the webpage(s), if any, made available on Franchisor's Website.

8.9 Domain Names. Franchisee acknowledges and agrees that if Franchisor grants its approval for Franchisee's use of a generic, national, and/or regionalized domain name, Franchisor shall have the right to own and control said domain name at all times and may license it to Franchisee for the term of this

Agreement on such terms and conditions as Franchisor may reasonably require (including, but not limited to, the requirement that Franchisee reimburse Franchisor's costs for doing so). If Franchisee already owns any domain names, or hereafter registers any domain names, then Franchisee agrees that it shall notify Franchisor in writing and assign said domain names to Franchisor and/or a designee that Franchisor specifies in writing.

8.10 Online Use of Proprietary Marks and Email Solicitations. Franchisee shall not use the Proprietary Marks or any abbreviation or other name associated with Franchisor and/or the System as part of any email address, domain name, and/or other identification of Franchisee in any electronic medium. Franchisee agrees not to transmit or cause any other party to transmit advertisements or solicitations by email or other electronic media without first obtaining Franchisor's written consent, which shall not be unreasonably withheld, as to: (a) the content of such email advertisements or solicitations; and (b) Franchisee's plan for transmitting such advertisements. In addition to any other provision of this Agreement, Franchisee shall be solely responsible for compliance with all laws pertaining to emails, including, but not limited to, the U.S. Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (known as the "CAN-SPAM Act of 2003").

8.11 No Outsourcing without Prior Written Approval. Franchisee shall not hire third party or outside vendors to perform any services or obligations in connection with the Computer System, Required Software, or any other of Franchisee's obligations without Franchisor's prior written approval, which shall not be unreasonably withheld. Franchisor's consideration of any proposed outsourcing vendor(s) may be conditioned upon, among other things, such third party or outside vendor's entry into a confidentiality agreement with Franchisor and Franchisee in a form that is provided by Franchisor. The provisions of this Section 8.11 are in addition to and not instead of any other provision of this Agreement.

8.12 Changes to Technology. Franchisee and Franchisor acknowledge and agree that changes to technology are dynamic and not predictable within the term of this Agreement. In order to provide for inevitable but unpredictable changes to technological needs and opportunities, Franchisee agrees that Franchisor shall have the right to establish, in writing, reasonable new standards for the implementation of technology in the System; and Franchisee agrees that it shall abide by those reasonable new standards established by Franchisor as if this Agreement were periodically revised by Franchisor for that purpose.

9. OPERATING MANUAL

9.1 Standards of Operation. In order to protect the reputation and goodwill of Franchisor and to maintain high standards of operation under the System, Franchisee shall operate the non-medical aspects of the Franchised Business in accordance with the non-medical standards, methods, policies, and procedures specified in the Manual from time to time by the Franchisor ("System Standards"). Franchisee shall have electronic access to the Manual for the term of this Agreement upon completion by Franchisee of Franchisor's initial training program to Franchisor's satisfaction. The Manual may consist of multiple files of electronically stored data. Franchisee acknowledges and agrees that Franchisor may provide all or any portion of the Manual (including updates and amendments), and other instructional information and materials, in or via electronic media, including, without limitation, through the Internet. Franchisee agrees that the System Standards that Franchisor prescribes in the Manual, or otherwise communicates to Franchisee in writing or another tangible form (for example, via the Intranet), are part of this Agreement as if fully set forth herein. All references to this Agreement include all System Standards as modified from time to time.

9.2 Confidentiality. Franchisee shall treat the Manual, any other manuals created for or approved for use in the operation of the Franchised Business, and the information contained therein, as confidential, and shall use all reasonable efforts to maintain such information as secret and confidential.

Franchisee shall not copy, duplicate, record or otherwise reproduce the foregoing materials, in whole or in part, or otherwise make the same available to any unauthorized person.

9.3 Exclusive Property. The Manual shall remain the sole property of Franchisor and Franchisee shall maintain restricted and secure access to the Manual.

9.4 Revisions to Manual. Franchisor may from time to time revise the contents of the Manual, and Franchisee expressly agrees to comply with each new or changed standard. In the event of any dispute as to the contents of the Manual, the terms of the master copy maintained by Franchisor at Franchisor's home office shall be controlling.

9.5 System Standards Subject to Applicable Laws. The Manual is intended to be used as a general reference guide, to set out Franchisor's System Standards, and is not intended to be used as a substitute for individual legal advice and counsel or guidance from regulatory agencies, as appropriate. Notwithstanding any unanticipated effect of any provision of the Manual, Franchisee agrees to operate the OrthoLazer Center in full compliance with all Applicable Medical Practice Laws and other Applicable Laws.

10. CONFIDENTIAL INFORMATION

10.1 Confidential Information. Franchisee shall not, during the term of this Agreement or thereafter, communicate, divulge or use for the benefit of any other person, partnership, association, limited liability company or corporation any confidential information, knowledge or know-how concerning the methods of operation of the business franchised hereunder, including, without limitation, the Manual, non-medical procedures, drawings, materials, or equipment which may be communicated to Franchisee or of which Franchisee may be apprised by virtue of Franchisee's operation under the terms of this Agreement ("Confidential Information"). Franchisee shall divulge such Confidential Information only to such of its employees as must have access to it in order to operate the Franchised Business. Any and all information, knowledge, know-how, techniques and other data which Franchisor designates as confidential shall be deemed confidential for purposes of this Agreement.

10.2 Confidentiality Agreements and Non-Competition Agreements. Each of the Owners, the Business Manager and such other Franchisee personnel having access to any of Franchisor's Confidential Information as Franchisor shall request shall be obligated to enter into a confidentiality agreement with the Franchisor in the form attached hereto as Exhibit E under which they will be obligated to maintain the confidentiality of information they receive in connection with their employment by Franchisee at the Franchised Business. Such agreement shall be in the form attached hereto as Exhibit E. Each of the Owners and the Business Manager shall be obligated to enter into a non-competition agreement with the Franchisor in the form attached hereto as Exhibit F under which they will be obligated not to compete with the Franchisor so long as they remain an Owner or the Business Manager and for two years thereafter.

10.3 Irreparable Injury. Franchisee acknowledges that any failure to comply with the requirements of this Section 10 will cause Franchisor irreparable injury, and Franchisee agrees to pay all court costs and reasonable attorneys' fees incurred by Franchisor in obtaining specific performance of, or an injunction against violation of, the requirements of this Section 10, or such other relief sought by Franchisor without the necessity to post a bond.

11. ACCOUNTING AND RECORDS

11.1 Gross Sales Reports. Franchisee shall record all sales on a recordkeeping and control system designated by Franchisor, or on any other equipment specified by Franchisor in the Manual or otherwise in writing. Franchisee shall maintain a record of all Gross Sales and expenses using such software or other means as specified by Franchisor in the Manual or otherwise in writing. Together with Franchisee's Royalty Fee payments as required by Section 4.7, Franchisee shall provide Franchisor with a report on its Gross Such reports shall be submitted to Franchisor by such means as designated by Franchisor in the Manual or otherwise in writing, including, but not limited to, a Web-based management system or other system that allows Franchisor instant, unrestricted access to Franchisee's de-identified sales information. Any report not actually received by Franchisor on or before the due date shall be deemed overdue. If a report is overdue, all payments to Franchisor for that month, whether or not timely received, shall be deemed overdue until such time as Franchisor has received the required report, and late charges shall be due as provided in Section 4.7.

11.2 Other Reports. Franchisee shall submit to Franchisor within thirty (30) days after the close of each fiscal quarter, a quarterly profit and loss statement. Upon Franchisor's request, but not more often than once per month, Franchisee shall, at Franchisee's expense, submit to Franchisor in the form prescribed by Franchisor, within fifteen (15) days of Franchisor's request, unaudited financial statements showing the results of operations of the Franchised Business during the preceding calendar month, and, subject to Applicable Information Privacy Laws, such other forms, reports, records, information and data as Franchisor may reasonably designate.

11.3 Annual Financial Statements. Franchisee shall, at Franchisee's expense, submit to Franchisor in the form prescribed by Franchisor, within ninety (90) days after the end of each fiscal year, Franchisee's financial statements for the preceding fiscal year, including, without limitation, a complete and accurate profit and loss statement and balance sheet, which may be unaudited but, upon Franchisor's request, shall be reviewed in accordance with generally accepted accounting principles.

11.4 Preservation of Records. Franchisee shall prepare, and shall preserve for at least seven (7) years from the dates of their preparation (or such longer period as may be required under applicable law), complete and accurate books, records and accounts in accordance with generally accepted accounting principles and in the form and manner prescribed by Franchisor from time to time in the Manual or otherwise in writing.

11.5 Inspection and Audit. **SUBJECT TO INFORMATION PRIVACY LAWS, FRANCHISOR AND ITS DESIGNATED AGENTS SHALL HAVE THE RIGHT AT ALL REASONABLE TIMES TO EXAMINE AND COPY, AT FRANCHISOR'S EXPENSE, THE BOOKS, RECORDS, ACCOUNTS AND TAX RETURNS OF FRANCHISEE. FRANCHISOR SHALL ALSO HAVE THE RIGHT, AT ANY TIME, TO HAVE AN INDEPENDENT AUDIT MADE OF THE BOOKS OF FRANCHISEE. IF AN INSPECTION SHOULD REVEAL THAT ANY PAYMENTS HAVE BEEN UNDERSTATED IN ANY REPORT TO FRANCHISOR, THEN FRANCHISEE SHALL IMMEDIATELY PAY TO FRANCHISOR THE AMOUNT UNDERSTATED UPON DEMAND, IN ADDITION TO INTEREST FROM THE DATE SUCH AMOUNT WAS DUE UNTIL PAID, AT THE RATE OF EIGHTEEN PERCENT (18%) PER ANNUM, OR THE MAXIMUM RATE PERMITTED BY LAW, WHICHEVER IS LESS, PLUS ALL OF FRANCHISOR'S COSTS AND EXPENSES IN CONNECTION WITH THE INSPECTION, INCLUDING, WITHOUT LIMITATION, TRAVEL COSTS, LODGING AND WAGES EXPENSES, AND REASONABLE ACCOUNTING AND LEGAL COSTS. THE FOREGOING REMEDIES SHALL BE IN ADDITION TO ANY OTHER REMEDIES FRANCHISOR MAY HAVE.**

12. ADVERTISING AND PROMOTION

Recognizing the value of advertising and promotion, and the importance of the standardization of marketing, advertising and promotion programs to the furtherance of the goodwill and public image of the System and the Proprietary Marks, the parties agree as follows:

12.1 Grand Opening Advertising. At least forty-five (45) days prior to the opening of the Franchised Business, Franchisee shall prepare and submit to Franchisor for its approval, which shall not be unreasonably withheld, a grand opening advertising and promotional program in the form and manner prescribed by Franchisor in writing. Franchisee shall expend at least $10,000 on such grand opening advertising and promotion within forty-five (45) days after the opening of the Franchised Business.

12.2 Local Advertising and Promotion. During the term of this Agreement, Franchisee shall expend, on a quarterly basis, an amount equal to at least $4,500 on local marketing, advertising, and promotion. All local marketing, advertising, and promotion shall be conducted in such manner as Franchisor may direct in the Manual or otherwise in writing, subject to compliance with all Applicable Medical Practice Laws and other applicable laws.

12.3 Verification of Advertising Expenditures. Franchisee shall submit verification of the expenditures required by Section 12.1 and Section 12.2 to Franchisor in the form and manner prescribed by Franchisor in the Manual or otherwise in writing from time to time.

12.4 Brand Fund Fee.

(a) During the term of this Agreement, Franchisee shall pay to the System's advertising and brand promotion fund (the "Brand Fund") a fee in an amount equal to two percent (2%) of Franchisee's Gross Sales from the preceding month. Such contributions to the Brand Fund shall be in addition to any expenditures made pursuant to Section 12.1 and Section 12.2 and shall be made in accordance with Section 4.7. If applicable law in the state in which the OrthoLazer Center is located forbids the Franchisor from collecting a brand fund fee as a percentage of the Gross Sales, the brand fund fee will be a flat fee that Franchisor and Franchisee will determine by mutual agreement before execution of the Franchise Agreement and which shall be subject to adjustment by Franchisor no more frequently than annually.

(b) Notwithstanding the foregoing, Franchisor may defer or reduce contributions of a franchisee and, upon thirty (30) days' prior written notice to Franchisee, reduce or suspend the Brand Fund contributions and operations for one or more periods or terminate (and, if terminated, reinstate) the Brand Fund. If we terminate the Brand Fund, we will distribute all unspent and uncommitted monies to our franchisees in proportion to their respective Brand Fund contributions during the preceding twelve (12) month period.

(c) The Brand Fund shall be maintained and administered by Franchisor or its affiliate as follows:

(i) Franchisor or its affiliate shall direct all advertising programs, including the concepts, materials, and media used in such programs and the placement and allocation thereof. Franchisee agrees and acknowledges that the Brand Fund is intended to maximize general public recognition, acceptance, and use of the System and the Proprietary Marks; and that Franchisor or its affiliate is not obligated, in administering the Brand Fund, to make expenditures for Franchisee which are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular franchisee benefits directly or from expenditures by the Brand Fund.

(ii) The Brand Fund, all contributions thereto, and any earnings thereon, shall be used exclusively to meet any and all costs of maintaining, administering, directing, conducting and preparing advertising, marketing, public relations, and/or promotional programs and materials, and any other activities which Franchisor or its affiliate believes will enhance the image of the System and the Proprietary Marks, including, among other things, the costs of preparing and conducting radio, cable television, print, and Internet-based advertising campaigns; utilizing Networking Media Sites (as defined in Section 8.8) and other emerging media or promotional tactics; developing, maintaining, and updating a Website on the Internet; review of locally produced advertisements; brochures and promotional materials; market research, market surveys, and sponsorships; web site design and maintenance; public relations and related retainers; celebrity endorsements; trade shows (including costs of travel and personnel expenses, trade booths, and specialty entertainment); association dues; search engine optimization; employing advertising and/or public relations agencies; purchasing promotional items; providing promotional and other marketing materials and services to the businesses operating under the System and the Proprietary Marks; developing poster, banners, and signs; advertising for the sale of franchises.

(iii) All sums paid by Franchisee to the Brand Fund shall be maintained in an account separate from the other monies of Franchisor and shall not be used to defray any of Franchisor's or its affiliate's expenses, except for such reasonable costs and overhead, if any, as Franchisor or its affiliate may incur in activities reasonably related to the direction and implementation of the Brand Fund and advertising programs for franchisees and the System and the Proprietary Marks, including, among other things, costs of personnel for creating and implementing advertising, promotional and marketing programs, accounting expenses, and other out of pocket expenses to third parties incurred by the Brand Fund. The Brand Fund and any earnings thereon shall not otherwise inure to the benefit of Franchisor or its affiliate. Franchisor shall maintain separate bookkeeping accounts for the Brand Fund and reserves the right to form an affiliated entity to control and administer the Brand Fund. Franchisee acknowledges that neither Franchisor nor its affiliate is a fiduciary to Franchisee of the monies in the Brand Fund. Franchisor does not owe any fiduciary duty or obligation to Franchisee for administering the Brand Fund or any other reason.

(iv) The Brand Fund may spend in any fiscal year more or less than the total Brand Fund contributions in that year, borrow from Franchisor or others (paying reasonable interest) to cover deficits, or invest any surplus for future use.

(v) Although Franchisor may use the Brand Fund, or a portion of the monies in the Brand Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and Franchisor may try to engage in brand enhancement actives that will benefit all franchisees of Franchisor, Franchisor cannot and does not ensure that the Brand Fund expenses will be made in or affect any specific geographic area. Franchisor does not guarantee or assure Franchisee that the Franchised Business will benefit directly in proportion to its Brand Fund contributions from the brand enhancement activities of the Brand Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

12.5 Advertising Materials. All advertising and promotion (including without limitation any design, advertisement, sign, or form of publicity) by Franchisee shall be in such media and of such type and format as Franchisor may approve. All advertising and promotion by Franchisee must be completely factual and must conform to all Applicable Medical Practice Laws and to the highest standards of ethical advertising, shall be conducted in a dignified manner, and, subject to Applicable Medical Practice Laws, shall conform to such standards and requirements as Franchisor may specify. Franchisee shall not use any such advertising or promotional plans or materials unless and until Franchisee has received written approval from Franchisor, which shall not be unreasonably withheld, pursuant to the procedures and terms set forth in Section 12.7. Franchisor may make available to Franchisee from time to time, pre-approved advertising that Franchisee will be required to use during such season and at such times as Franchisor shall specify in

writing. In addition, Franchisor may make available, at Franchisee's expense, such promotional materials.

12.6 Franchisor Approval. Franchisee shall submit to Franchisor samples of all advertising and promotional plans and materials (including without limitation any design, advertisement, sign, or form of publicity) and proposed coupons for any print, broadcast, cable, electronic, computer or other media (including, without limitation, the Internet) that Franchisee desires to use and that have not been prepared or previously approved by Franchisor within the preceding six (6) months (as provided in Section 21), for Franchisor's prior approval, which shall not be unreasonably withheld. Franchisee shall not use such plans or materials or coupons until they have been approved in writing by Franchisor. If written notice of approval is not received by Franchisee from Franchisor within fifteen (15) days of the date of receipt by Franchisor of such samples or materials, Franchisor shall be deemed to have disapproved them.

12.7 Photographs of the Franchised Business. Franchisor shall have the right to photograph the interior and exterior of the Franchised Business and use such photographs in any advertising or promotional materials. Franchisor is not obliged to compensate Franchisee or Franchisee's employees for use of the Franchised Business or Franchisee's employees in any advertising or promotional materials. Franchisee shall cooperate in securing the consent of persons photographed for such use.

12.8 Advertising Cooperative. Franchisor shall have the right to designate any geographical area for purposes of establishing a regional advertising and promotional cooperative ("Cooperative"), and to determine whether a Cooperative is applicable to the Franchised Business. If a Cooperative has been established applicable to the Franchised Business at the time the Franchisee commences operations hereunder, Franchisee shall immediately become a member of the Cooperative. If a Cooperative applicable to the Franchised Business is established at any later time during the term of this Agreement, Franchisee shall become a member of such Cooperative no later than thirty (30) days after the date on which the Cooperative commences operation. If the Franchised Business is within the territory of more than one Cooperative, Franchisee shall be required to be a member of only one such Cooperative.

13. INSURANCE

13.1 Malpractice Insurance. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, medical professional liability insurance covering the Franchisee and its Clinical Staff. The medical professional liability insurance shall name the Clinical Staff as additional insureds with coverage being applicable based on the retro date and effective date shown on the policy. If approved by the Franchisee's medical professional liability insurer, the Clinical Staff shall be covered through the Franchisee's medical professional liability insurance to the extent the policy provides coverage and from the retroactive date and effective date shown on the policy. Medical professional liability insurance for the Franchisee inclusive of the scheduled insured Clinical Staff shall be One Million dollars ($1,000,000) per claim and Three Million dollars ($3,000,000) annual aggregate for all claims which the parties hereby agree are adequate amounts of coverage, or such other amount as required by law.

13.2 Other Minimum Insurance Requirements. Franchisee shall procure, prior to the commencement of any operations under this Agreement, and shall maintain in full force and effect at all times during the term of this Agreement, at Franchisee's expense, an insurance policy or policies protecting Franchisee, Franchisor, and their respective officers, directors, partners, agents and employees against any demand or claim with respect to personal injury, death or property damage, or any loss, liability or expense whatsoever arising or occurring upon or in connection with the Franchised Business, including, but not limited to, comprehensive general liability insurance, property and casualty insurance, business interruption insurance, statutory workers' compensation insurance, employer's liability insurance, product liability insurance. Such policy or policies shall be written by a responsible carrier or carriers acceptable to

Franchisor, shall name Franchisor as an additional insured as specified by Franchisor, and shall provide at least the types and minimum amounts of coverage specified in the Manual.

13.3 No Waiver. Franchisee's obligation to obtain and maintain the policy or policies in the amounts specified in the Manual shall not be limited in any way by reason of any insurance which may be maintained by Franchisor, nor shall Franchisee's performance of that obligation relieve it of liability under the indemnity provisions set forth in Section 19.3 of this Agreement.

13.4 Franchisor Entitled to Recover. All public liability and property damage policies shall contain a provision that Franchisor, although named as an insured, shall nevertheless be entitled to recover under such policies on any loss occasioned to Franchisor or its servants, agents or employees by reason of the negligence of Franchisee or its servants, agents or employees.

13.5 Certificates of Insurance. Prior to the commencement of the Franchised Business', and thereafter at least thirty (30) days prior to the expiration of any policy, Franchisee shall deliver to Franchisor Certificates of Insurance evidencing that Franchisee has procured the types and minimum amounts of insurance coverage required hereby. All Certificates shall expressly provide that no less than thirty (30) days' prior written notice shall be given Franchisor in the event of an alteration to or cancellation of the coverages evidenced by such Certificates.

13.6 Franchisor's Right to Procure. Should Franchisee, for any reason, fail to procure or maintain the insurance required by this Agreement, as such requirements may be revised from time to time by Franchisor in the Manual or otherwise in writing, Franchisor shall have the right and authority (but under no circumstances any obligation) to procure such insurance and to charge same to Franchisee, which charges, together with an administrative surcharge of ten percent (10%), shall be payable by Franchisee immediately upon notice. The foregoing remedies shall be in addition to any other remedies Franchisor may have.

14. TRANSFER OF INTEREST

14.1 Franchisor's Right to Transfer. Franchisor shall have the right to transfer or assign this Agreement and all or any part of its rights or obligations herein to any person or legal entity, and any designated assignee of Franchisor shall become solely responsible for all obligations of Franchisor under this Agreement from the date of assignment. After our assignment of this Agreement to a third party who expressly assumes the obligations under this Agreement, Franchisor will no longer have any performance or other obligations under this Agreement. If requested by Franchisor, Franchisee shall execute such documents of attornment or requested documents.

14.2 Franchisee's Conditional Right to Transfer. Franchisee understands and acknowledges that the rights and duties set forth in this Agreement are personal to Franchisee, and that Franchisor has granted this franchise in reliance on Franchisee's and its Owners' business and professional skills, financial capacity and personal character. Accordingly, neither Franchisee nor any immediate or remote successor to any part of Franchisee's interest in this Agreement, nor any Owner which directly or indirectly owns any stockholdings, membership interest, partnership interest, equity interest, ownership interest or other interest in Franchisee or in the Franchised Business shall sell, assign, transfer, convey, dispose of, gift, pledge, encumber, merge or give away (collectively, "transfer") any direct or indirect interest in this Agreement, in Franchisee or any Owner, or in all or substantially all of the assets of the Franchised Business, the M8 MLS Therapy Lasers or the Premises lease without the prior written consent of Franchisor, which shall not be unreasonably withheld. A transfer of the Franchised Business's ownership, possession, or control, or substantially all of its assets, may be made only with a transfer of this Agreement. Any purported assignment or transfer not having the written consent of Franchisor required by this Section 14.2 shall be

null and void and shall constitute a material breach of this Agreement, for which Franchisor may immediately terminate without opportunity to cure pursuant to Section 15.2(f).

14.3 Conditions of Transfer. Franchisee shall notify Franchisor in writing ("Notice of Transfer") sent by certified mail, return receipt requested, of any proposed transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business (a) prior to Franchisee's offering for sale (including, but not limited to, advertising the sale of) the Franchised Business, or any assets of the Franchised Business, or any stockholdings, membership interest, partnership interest, equity interest, ownership or other interest in Franchisee; and (b) at least ninety (90) days before any transfer is proposed to take place. The Notice of Transfer shall include (i) the number or amount of stock, membership interest, partnership interests or other ownership interests proposed to be sold, transferred or issued in such proposed transfer; (ii) the relative percentage of stock, membership, partnership or other ownership interests held by all equity holders of Franchisee prior to and after giving effect to the proposed transfer; (iii) the identity of the proposed transferee and its owners, who all must be duly licensed to practice medicine in the State where the Approved Site is located without restriction; and (iv) if the owners of the proposed transferee are not already licensed physicians in the State where the Approved Location is located immediately prior to the proposed transfer, (1) evidence of the proposed new owners' appropriate and active license to practice medicine in another State, (2) a complete record of any disciplinary action against the proposed transferee and its owners, including warnings, suspensions, censures, or revocations of professional licenses in any State, (3) a complete record of past and pending malpractice claims made against the proposed transferee and its owners, (4) a current and complete curriculum vitae for the owners of the proposed transferee, (5) evidence of malpractice tail coverage in force for pre-sale practice periods applicable to the proposed transferee and owners and (6) any other information reasonably requested by the Franchisor. Franchisor shall not unreasonably withhold its consent to any transfer. Franchisor may require any or all of the following as conditions of its approval:

(a) That the transferee is a Professional Entity which employs physicians and non-physician practitioners and other personnel, including, for example, physician assistants, nurses, technicians, and medical assistants, and, other professionals who will provide the actual clinical/medical services to be delivered at and through the OrthoLazer Center;

(b) That by virtue of the transaction, the transferee will become the owner or lessee of Franchisee's M8 MLS Therapy Lasers;

(c) Franchisee's landlord for the Premises allows Franchisee to transfer the lease or sublease to the Premises to the transferee;

(d) Neither the transferee nor its owners or affiliates has any ownership interest (direct or indirect) in or performs services for a Competitive Business;

(e) That all of Franchisee's accrued monetary obligations and all other outstanding obligations to Franchisor and its affiliates have been satisfied;

(f) That Franchisee is not in default of any provision of this Agreement, any amendment of this Agreement or successor hereto, or any other agreement between Franchisee and Franchisor or its affiliates;

(g) That the consideration or payment terms offered by a proposed transferee are not excessive or unreasonable, based on the gross revenues of the Franchised Business and sale prices of other franchised businesses in the System, in Franchisor's reasonable business judgment;

(h) That the transferor executes a general release, in a form satisfactory to Franchisor, of any and all claims against Franchisor and its affiliates, and their respective officers, directors, agents, shareholders, and employees;

(i) That (i)(A) the transferee (and, if the transferee is other than an individual, such owners of a beneficial interest in the transferee as Franchisor may request) enters into a written assignment, in a form satisfactory to Franchisor, assuming and agreeing to discharge all of Franchisee's obligations under this Agreement, or (B) the transferee executes, for a term ending on the expiration of this Agreement and with such renewal term(s) as may be provided by this Agreement, the Franchisor's then-current form of franchise agreement and other ancillary agreements as Franchisor may require for the Franchised Business, which agreements shall supersede this Agreement in all respects, and the terms of which may differ from the terms of this Agreement including, without limitation, a higher royalty fee and advertising contribution and a smaller or modified Franchisee's Territory, except that transferee shall not be required to pay any initial franchise fee; and (ii) the transferee's owners guaranty the performance of all such obligations in writing in a form satisfactory to Franchisor;

(j) That the transferee and its owners demonstrates to Franchisor's satisfaction that it meets all applicable legal requirements for the operation of the Franchised Business, including all professional licensing requirements, and Franchisor's managerial and business standards; possesses a good moral character, business reputation and credit rating; has the aptitude and ability to operate the Franchised Business (as may be evidenced by prior related business experience or otherwise), and has adequate financial resources and capital to operate the Franchised Business;

(k) That Franchisee remains liable for all of the obligations to Franchisor in connection with the Franchised Business which arose prior to the effective date of the transfer and execute any and all instruments reasonably requested by Franchisor to evidence such liability;

(l) That the Franchisee obtains and maintains for at least one year after the closing of the transfer tail coverage for malpractice liability insuring all licensed Clinical Staff then employed by the Franchisee prior to the date of such transfer for claims which may arise following such transfer with limits of not less than One Million dollars ($1,000,000) per occurrence and Three Million dollars ($3,000,000) in the aggregate for all occurrences (unless comparable coverage then exists on an occurrence basis);

(m) That an owner of the transferee acceptable to Franchisor, or the transferee's non-medical manager (if transferee or transferee's principal will not manage the general business management aspects of the Franchised Business), at the transferee's expense, completes any non-medical training programs then in effect upon such terms and conditions as Franchisor may reasonably require; and

(n) That Franchisee pays to Franchisor a transfer fee of Ten Thousand dollars ($10,000).

14.4 No Security Interest. Franchisee shall not grant a security interest in the Franchised Business or in any of the assets of the Franchised Business unless the secured party agrees that in the event of any default by Franchisee under any documents related to the security interest, Franchisor shall have the right and option (but not the obligation) to be substituted as obligor to the secured party and to cure any default of Franchisee, and, in the event Franchisor exercises such option, any acceleration of indebtedness due to Franchisee's default shall be void.

14.5 Franchisor's Right of First Refusal. If any party holding any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business desires to accept any bona fide offer from a third party to purchase such interest, Franchisee shall notify Franchisor

as provided in Section 14.3, and shall provide such information and documentation relating to the offer as Franchisor may require. Franchisor shall have the right and option, exercisable within ninety (90) days after receipt of such written notification, to send written notice to the seller that a Professional Entity selected by Franchisor (the "ROFR Buyer") intends to purchase the seller's interest on the same terms and conditions offered by the third party. If a ROFR Buyer elects to purchase the seller's interest, closing on such purchase shall occur within forty-five (45) days from the date of notice to the seller of the election to purchase by the ROFR Buyer. If ROFR Buyer does not elect not to purchase the seller's interest, any material change thereafter in the terms of the offer from a third party shall constitute a new offer subject to the same rights of first refusal set forth in this Section 14.5 as in the case of the third party's initial offer. Failure of a ROFR Buyer to exercise the option afforded by this Section 14.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 14, with respect to a proposed transfer. In the event the consideration, terms and/or conditions offered by a third party are such that a ROFR Buyer may not reasonably be required to furnish the same consideration, terms and/or conditions, then the ROFR Buyer may purchase the interest proposed to be sold for the reasonable equivalent in cash. If the parties cannot agree within thirty (30) days on the reasonable equivalent in cash of the consideration, terms and/or conditions offered by the third party, an independent appraiser shall be designated by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding on the seller and the ROFR Buyer.

14.6 Death or Incapacity. Upon the death or physical or mental incapacity of any Owner, the executor, administrator, or personal representative of such person shall transfer such interest to a third party approved by Franchisor within six (6) months after such death or incapacity. Such transfers, including, without limitation, transfers by devise or inheritance, shall be subject to the same conditions as any inter vivos transfer. In the case of transfer by devise or inheritance, if the heirs or beneficiaries of any such person are unable to meet the conditions in this Section 14, the executor, administrator, or personal representative of the decedent shall transfer the decedent's interest to another party approved by Franchisor within a reasonable time, which disposition shall be subject to all the terms and conditions for transfers contained in this Agreement. If the interest is not disposed of within a reasonable time, Franchisor may terminate this Agreement, pursuant to Section 15.2(g).

14.7 No Waiver. Franchisor's consent to a transfer of any interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business shall not constitute a waiver of any claims it may have against the transferring party, nor shall it be deemed a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement by the transferor or transferee.

15. DEFAULT AND TERMINATION

15.1 Automatic Termination. Franchisee shall be deemed to be in default under this Agreement, and all rights granted to Franchisee herein shall automatically terminate without notice to Franchisee, if Franchisee shall become insolvent or make a general assignment for the benefit of creditors; if a petition in bankruptcy is filed by Franchisee or such a petition is filed against and not opposed by Franchisee; if Franchisee is adjudicated a bankrupt or insolvent; if a bill in equity or other proceeding for the appointment of a receiver of Franchisee or other custodian for Franchisee's business or assets is filed and consented to by Franchisee; if a receiver or other custodian (permanent or temporary) of Franchisee's 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 Franchisee; if a final judgment remains unsatisfied or of record for thirty (30) days or longer; if Franchisee is dissolved; if execution is levied against Franchisee's business or property; if suit to foreclose any lien or mortgage against the Premises of the Franchised Business, the M8 MLC Therapy Lasers or any other equipment is instituted against Franchisee and not dismissed within thirty (30) days; or if the real or personal property of the Franchised Business shall be sold after levy thereupon by any sheriff, marshal, or constable.

15.2 Regulatory Termination. If any federal, state or local regulatory body determines that this Agreement is illegal, or otherwise materially affects either party's ability to perform under this Agreement, then the affected party shall give the other party such notice as is reasonable under the circumstances and shall make available a reasonable period within which to cure. If no cure is implemented by the parties, then Franchisor may terminate this Agreement with such notice as is reasonable under the circumstances.

15.3 Changes in Applicable Law. If (i) there is a change in any Applicable Medical Practice Law or other Applicable Law or the interpretation or application thereof, or the adoption, enactment, promulgation, issuance, rendering or interpretation or application of any new Applicable Law, any of which are reasonably likely to adversely affect the manner in which either party may perform or be compensated for its services under this Agreement or which shall make this Agreement or the arrangements hereunder unlawful or illegal, or (ii) the Franchisee or any Owner alleges or claims that this Agreement or the arrangements hereunder are unlawful or illegal, then the parties shall immediately enter into good faith negotiations regarding amendment of this Agreement or a new basis for compensation for the services furnished pursuant to this Agreement that complies with the Applicable Law, interpretation or application, and that approximates as closely as possible the economic arrangements and position of the parties hereunder. If the parties are unable to resolve the matter through good faith negotiations within thirty (30) days, then Franchisor may terminate this Agreement with such notice as is reasonable under the circumstances.

15.4 Notice without Opportunity to Cure. Upon the occurrence of any of the following events of default, Franchisor may, at its option, terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon the provision of notice to Franchisee (in the manner provided under Section 22):

(a) If Franchisee has made or make any material misrepresentation or omission in Franchisee's application for, or in acquiring, the franchise rights or in operating the Franchised Business;

(b) Franchisee makes or attempts to make any transfer in violation Section 14;

(c) If Franchisee fails to locate an approved site or to construct and open the Franchised Business within the time limits provided in the Site Selection Addendum or Section 5.3;

(d) If Franchisee or Franchisee's designated trainees fail to complete the initial non-medical training program or additional training described in Section 6.1 to Franchisor's satisfaction;

(e) If Franchisee at any time ceases to operate or otherwise abandons the Franchised Business, or loses the right to possession of the Premises of the Franchised Business or the M8 MLS Therapy Lasers, or otherwise forfeits the right to do or transact business in the jurisdiction where the Franchised Business is located; provided, however, if, through no fault of Franchisee, the Premises of the Franchised Business are damaged or destroyed by an event such that repairs or reconstruction cannot be completed within sixty (60) days thereafter, then Franchisee shall have thirty (30) days after such event in which to apply for Franchisor's approval to relocate and/or reconstruct the Premises of the Franchised Business, which approval shall not he unreasonably withheld;

(f) If Franchisee or any Owner fails to maintain any required license, permits, or certifications to open or operate the Franchised Business, or fails to comply with any Applicable Law or operates the Franchised Business in an unsafe manner, and Franchisee does not cure or commence to cure this failure within five (5) days after it received notice;

(g) If Franchisee or any of its employees fail to meet the state and local certifications or other requirements for operation and/or employment in the Franchised Business, or the Franchisee fails to meet state and local certifications or other requirements for the operation or employment of physicians and other professionals in the Franchised Business and Franchisee fails to cure this default within then (10) days after Franchisee receives notice, or alternatively, Franchisee fails to prohibit any such employees from working the Franchised Business until the requirements are met;

(h) If Franchisee or any Owner is convicted of, or plead or have pleaded no contest to, a felony, a crime involving moral turpitude, or any other crime or offense or Franchisee engages in any dishonest or unethical conduct which, in Franchisee's opinion, adversely affects the Franchised Business' reputation or the goodwill associated with the Proprietary Marks that in any such case Franchisor believes is reasonably likely to have an adverse effect on the System, the Proprietary Marks, the goodwill associated therewith or Franchisor's interest therein;

(i) If any purported assignment or transfer of any direct or indirect interest in this Agreement, in Franchisee, or in all or substantially all of the assets of the Franchised Business is made to any third party without Franchisor's prior written consent or otherwise contrary to the terms of Section 14;

(j) If an approved transfer is not effected within the time provided following death or mental incapacity, as required by Section 14.6;

(k) If Franchisee fails to comply with the covenants in Section 17.2 or fails to obtain execution of the covenants required under Section 10.2;

(l) If, contrary to the terms of Section 9 or Section 10, Franchisee discloses or divulges the contents of the Manual or other Confidential Information provided to Franchisee by Franchisor;

(m) If Franchisee interferes with Franchisor's relationships with third parties and the ability to operate and/or gran franchises under the System;

(n) If Franchisee abandons or fails actively to operate the Franchised Business for three (3) or more consecutive business days, unless Franchise closes the Franchised Business for a purpose Franchisor approves because of casualty or government order;

(o) If Franchisee submits any false reports to Franchisor;

(p) If Franchisee misuses or makes any unauthorized use of the Proprietary Marks or any other identifying characteristics of the System, or otherwise materially impairs the goodwill associated therewith or Franchisor's rights therein;

(q) If Franchisee refuses to permit Franchisor to inspect the Franchised Business premises, or the books, records or accounts of Franchisee upon demand;

(r) If Franchisee, upon receiving a notice of default under Section 15.5, fails to initiate immediately a remedy to cure such default; or

(s) If Franchisee, after curing any default pursuant to Section 15.5, commits the same default again, whether or not cured after notice.

15.5 Notice with Opportunity to Cure. Except as otherwise provided in Sections 15.1, 15.2, 15.3 or 15.4, upon any other default by Franchisee of its obligations in this Agreement, Franchisor may terminate this Agreement by giving written notice of termination (in the manner set forth under Section 22) stating the nature of the default to Franchisee at least thirty (30) days prior to the effective date of termination (the "Cure Period"); provided, however, that Franchisee may avoid termination by immediately initiating a remedy to cure such default, curing it to Franchisor's satisfaction, and by promptly providing proof thereof to Franchisor prior to the expiration of the Cure Period. If any such default is not cured within the specified time, or such longer period as Applicable Law may require, this Agreement shall terminate without further notice to Franchisee, effective immediately upon the expiration of the applicable cure period or such longer period as Applicable Law may require. Defaults which are susceptible of cure hereunder include the following illustrative events:

(a) If Franchisee fails to comply with any of the requirements imposed by this Agreement, as it may from time to time reasonably be supplemented by the Manual, or failure to carry out the terms of this Agreement in good faith, in each case not specifically set forth in Section 15.4 above;

(b) Except as provided in Section 15.4(f), if Franchisee fails, refuses or neglects to obtain Franchisor's prior written approval or consent as required by this Agreement;

(c) If Franchisee acts, or fails to act, in any manner which is inconsistent with or contrary to its lease or sublease for the Premises, or in any way jeopardizes its right to renewal of such lease or sublease; or

(d) If Franchisee engages in any business or markets any service or product under a name or mark which, in Franchisor's opinion, is confusingly similar to the Proprietary Marks.

15.6 Cross-Default. Any default by Franchisee under any other agreement between Franchisor or its affiliates (including, but not limited to Cutting Edge) as one party and Franchisee or any of Franchisee's Owners or affiliates as the other party, that is so material as to permit Franchisor to terminate such other agreement, shall be deemed to be a default of this Agreement, and Franchisor shall have the right, at its option, to terminate this Agreement without affording Franchisee an opportunity to cure, effective immediately upon notice to Franchisee.

16. OBLIGATIONS UPON TERMINATION OR EXPIRATION

Upon termination or expiration of this Agreement, all rights granted hereunder to Franchisee shall forthwith terminate, and:

16.1 Cease Operations. Franchisee shall immediately cease to operate the Franchised Business, and shall not thereafter, directly or indirectly, represent to the public or hold itself out as a present or former franchisee of Franchisor or to identify any business as a current or former OrthoLazer Center.

16.2 Cease Use of Confidential Information and Marks. Franchisee shall immediately and permanently cease to use, in any manner whatsoever, any confidential methods, procedures and techniques associated with the System; any Confidential Information; the Proprietary Mark "OrthoLazer" and all other Proprietary Marks and distinctive forms, slogans, signs, symbols and devices associated with the System. In particular, Franchisee shall cease to use, without limitation, all signs, advertising materials, displays, stationery, forms, products and any other articles which display the Proprietary Marks.

16.3 Cancellation of Registrations. Franchisee shall take such action as may be necessary to cancel any assumed name registration or equivalent registration obtained by Franchisee which contains the mark "OrthoLazer" or any other Proprietary Marks, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination or expiration of this Agreement.

16.4 Assignment of Lease. Franchisee shall, at Franchisor's option, assign to Franchisor any interest which Franchisee has in any lease or sublease to the Premises for the Franchised Business. In the event Franchisor does not elect to exercise its option to acquire the lease or sublease for the Premises to the Franchised Business, Franchisee shall make such modifications or alterations to the premises immediately upon termination or expiration of this Agreement as may be necessary to distinguish the appearance of the Premises from that of the Franchised Business under the System, and shall make such specific additional changes thereto as Franchisor may reasonably request for that purpose. In the event Franchisee fails or refuses to comply with the requirements of this Section 16.4, Franchisor shall have the right to enter upon the Premises, 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 the expense of Franchisee, which expense Franchisee agrees to pay upon demand.

16.5 Assignment of Telephone Number. Franchisee must cease using all telephone numbers and directory or other business listings used in connection with the Franchised Business. At Franchisor's option, Franchisee shall assign to Franchisor all rights to such telephone numbers and directory and other business listings, and shall sign all forms and documents required by Franchisor and any telephone company to effect such transfer. Franchisee hereby appoints Franchisor as Franchisee's true and lawful agent and attorney-in-fact with full power and authority for the sole purpose of taking such action as is necessary to complete such assignment. This power of attorney shall survive the expiration, termination or transfer of this Agreement. Franchisee is not entitled to any compensation from Franchisor if Franchisor exercises its rights or options under this Section 16.5. Franchisee shall notify the telephone company and all telephone directory publishers of the termination or expiration of Franchisee's right to use any telephone, facsimile or other numbers, names, and telephone directory listings associated with the Proprietary Marks; to authorize the transfer of these numbers, names, and directory listings to Franchisor or at Franchisor's direction; and/or to instruct the telephone company to forward all calls made to Franchisee names or numbers to names, numbers, or addresses Franchisor specifies.

16.6 Subsequent Use of Proprietary Marks Prohibited. Franchisee agrees, in the event it continues to operate or subsequently begins to operate any other business, not to use any reproduction, counterfeit, copy or colorable imitation of the Proprietary Marks, either in connection with such other business or the promotion thereof, which, in Franchisor's determination, is likely to cause confusion, mistake or deception, or which, in Franchisor's determination, is likely to dilute Franchisor's rights in and to the Proprietary Marks. Franchisee further agrees not to utilize any designation of origin, description or representation (including but not limited to reference to the Franchisor, the System or the Proprietary Marks) which, in Franchisor's determination, suggests or represents a present or former association or connection with Franchisor, the System or the Proprietary Marks.

16.7 Payment. Franchisee shall promptly pay all sums owing to Franchisor and its affiliates, including all royalty fees and Brand Fund contributions. In the event of termination for any default of Franchisee, such sums shall include all damages, costs, and expenses, including reasonable attorneys' fees, incurred by Franchisor as a result of the default, which obligation shall give rise to and remain, until paid-in-full, a lien in favor of Franchisor against any and all of the personal property, furnishings, equipment, signs, fixtures, and inventory owned by Franchisee and on the Premises operated hereunder at the time of default.

16.8 Liquidated Damages. In the event this Agreement is terminated prior to the end of its term due to Franchisee's default hereunder, in addition to the amounts set forth in Section 16.7, Franchisee shall promptly pay to Franchisor a lump sum payment (as damages and not as a penalty) for breaching this Agreement in an amount equal to: (a) the average monthly continuing royalty fee and Brand Fund fee payable by Franchisee under Section 4.3 and Section 12.4 over the twelve (12) month period immediately preceding the date of termination (or such shorter time period if the Franchised Business has been open less than twelve (12) months); (b) multiplied by the lesser of (a) thirty-six (36) months or (b) the number of months then remaining in the then-current term of this Agreement. Franchisee acknowledges that a precise calculation of the full extent of the damages Franchisor will incur in the event of termination of this Agreement as a result of Franchisee's default is difficult to determine and that this lump sum payment is reasonable in light of the damages Franchisor will incur for Franchisee's pre-mature termination of this Agreement. This lump sum payment shall be in lieu of any damages Franchisor may incur as a result of Franchisee's default, but it shall be in addition to all amounts provided in Section 16.7 and any attorneys' fees and other costs and expenses to which Franchisor is entitled under the terms of this Agreement, including but not limited to, Section 25.7. Franchisee's payment of this lump sum shall not affect Franchisor's right to obtain appropriate injunctive relief and remedies to enforce this Section 16 and the covenants set forth in Section 10 and Section 17.

16.9 Return Manual. Franchisee shall immediately deliver to Franchisor any copies of the Manual and all other records, correspondence and instructions containing Confidential Information relating to the operation of the Franchised Business (and any copies thereof, even if such copies were made in violation of this Agreement), all of which are acknowledged to be the property of Franchisor, and shall retain no copy or record of any of the foregoing, with the exception of Franchisee's copy of this Agreement, any correspondence between the parties and any other documents which Franchisee reasonably needs for compliance with any provision of law.

16.10 Transfer Websites. Franchisee shall immediately cease using and, at Franchisor's request irrevocably assign and transfer to Franchisor or its designee any and all interests Franchisee may have in the Website maintained by Franchisee in connection with the Franchised Business and in the domain name and home page address related to such Website. Franchisee shall notify all domain name registries and internet service providers of the termination or expiration and, if applicable, assignment of its right to use any URLs and domain names, or associated with the Marks and/or to instruct the domain name registries, and Internet service providers to forward all e-mails and electronic communications made to Franchisee's names, or addresses to names or addresses Franchisor specifies. Franchisee shall immediately execute any documents and perform any other actions required by Franchisor to effectuate such assignment and transfer and otherwise ensure that all rights in such Website revert to Franchisor or its designee, and hereby appoints Franchisor as its attorney-in-fact to execute such documents on Franchisee's behalf if Franchisee fails to do so. Franchisee may not establish any Website using any similar or confusing domain name and/or home page address.

16.11 Franchisor's Option to Purchase Assets.

(a) Upon termination or expiration of this Agreement, Franchisor's designee (the "Option Purchaser") shall have the right and option, but not the obligation, to be exercised within thirty (30) days after termination, to purchase from Franchisee any or all any and all of Franchisee's assets from the Franchised Business, including, but not limited to, all equipment, furnishings, and signs, at the purchase price set forth in Section 16.11 below. If Franchisor elects to exercise this option on behalf of the Option Purchaser, Franchisor will deliver written notice to Franchisee of the election within thirty (30) days after the date of termination or expiration of this Agreement. The Franchisor and the Option Purchaser will have the right to inspect any equipment at any time prior to or during this thirty (30) day period. If the Franchisor elects to purchase the equipment, the Option Purchaser will be entitled to, and Franchisor must provide, all

customary warranties and representations relating to the equipment purchase, including, without limitation, representations and warranties as to the maintenance, function and condition of the equipment and Franchise's good title to the equipment (including that you own the equipment free and clear of any liens and encumbrances).

(b) The purchase price for the option granted pursuant to Section 16.11(a) shall be the fair market value or at Franchisee's depreciated book value, whichever is less, and to purchase any or all supplies and inventory of the Franchised Business at Franchisee's cost or depreciated book value, whichever is less. If the parties cannot agree on the purchase price of any such items within a reasonable time, an independent appraisal shall be conducted by a person selected by Franchisor at Franchisor's expense, and the appraiser's determination shall be binding. If Franchisor on behalf of the Option Purchaser elects to exercise any option to purchase herein provided, it shall have the right to set off all amounts due from Franchisee, and the cost of the appraisal, if any, against any payment therefor.

16.12 Compliance with Continuing Obligations. All of the obligations of Franchisor and Franchisee which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire. Without limiting the foregoing, Franchisee shall comply with the covenants contained in Section 10.1 and Section 17.3.

17. COVENANTS

17.1 Best Efforts. Franchisee covenants that, during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee's Owners and the Business Manager shall devote such time as Franchisor shall determine to be necessary to the general management of the business operations of the Franchised Business and shall use their best efforts in the business management of the operations of the Franchised Business.

17.2 In-Term Covenants. Franchisee specifically acknowledges that, pursuant to this Agreement, Franchisee will receive valuable, specialized non-medical training and Confidential Information, including, without limitation, information regarding the non-medical business operations, sales, promotional, and marketing methods and techniques of Franchisor and the System. Franchisee covenants that during the term of this Agreement, except as otherwise approved in writing by Franchisor, Franchisee shall not, either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity:

(a) Divert or attempt to divert any present or prospective franchisee of the Franchisor's franchised businesses to any competitor, 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 Proprietary Marks and the System;

(b) Employ or seek to employ any person who is at that time employed by Franchisor or by any other franchisee of Franchisor, or otherwise directly or indirectly induce such person to leave his or her employment; or

(c) Own, maintain, operate, engage in, be employed by, provide any assistance or advice to, or have any interest in (as owner or otherwise) any business that provides a system for the management of the non-medical operations of laser pain treatment centers or be franchisee or licensee of or otherwise affiliated with any such business ("Competitive Business").

17.3 Post-Term Covenants. Franchisee covenants that, except as otherwise approved in writing by Franchisor, Franchisee shall not, for a continuous uninterrupted period of two (2) years commencing upon the date of: (a) a transfer permitted under Section 14; (b) expiration of this Agreement; (c) termination of this Agreement (regardless of the cause for termination); and (d) if litigation is necessary to enforce this Agreement, the date of entry 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 enforcement of this Section 17.3; or (e) any or all of the foregoing; either directly or indirectly, for itself, or through, on behalf of, or in conjunction with any person or legal entity, own, maintain, operate, engage in, be employed by, provide assistance to, have any interest in (as owner or otherwise), or be franchisee or licensee of or otherwise affiliated with any Competitive Business; and (ii) is, or is intended to be, located at or within:

(a) the Franchisee's Territory; or

(b) ten (10) miles of the Approved Location; or

(c) ten (10) miles of any business operating under the Proprietary Marks;

provided, however, that Section 17.2(c) and this Section 17.3 shall not apply to the operation by Franchisee of any business under the System which may be franchised by Franchisor to Franchisee under a written Franchise Agreement.

These restrictions also apply after transfers, as provided in Section 12 above. If any person restricted by this Section refuses voluntarily to comply with these obligations, the two (2) year period for that person will commence with the entry of a court order enforcing this provision. Franchisee expressly acknowledges that it possesses skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, Franchisor enforcing the covenants made in this Section will not deprive Franchisee of its personal goodwill or ability to earn a living.

17.4 No Application to Equity Securities. Section 17.2(c) and Section 17.3 shall not apply to ownership by Franchisee of a less than two percent (2%) beneficial interest in the outstanding equity securities of any corporation which has securities registered under the Securities Exchange Act of 1934.

17.5 Reduction of Scope of Covenants. Franchisee understands and acknowledges that Franchisor shall have the right to reduce the scope of any covenant set forth in Section 17.2 and Section 17.3, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof; and Franchisee agrees that it shall comply forthwith with any covenant as so modified, which shall be fully enforceable notwithstanding the provisions of Section 22.

17.6 No Defense. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising from this Agreement, shall not constitute a defense to the enforcement by Franchisor of the covenants in this Section 17. Franchisee agrees to pay all costs and expenses (including reasonable attorneys' fees) incurred by Franchisor in connection with the enforcement of this Section 17.

18. TAXES, PERMITS, AND INDEBTEDNESS

18.1 Payment of Taxes. Franchisee shall promptly pay when due all taxes levied or assessed, including, without limitation, employer's portion of employment-related taxes (FICA, Medicare and unemployment taxes) and sales taxes, and all accounts and other indebtedness of every kind incurred by Franchisee in the operation of the Franchised Business. Franchisee shall pay to Franchisor an amount equal

to any state or local taxes, including, without limitation, sales, use, service, occupation, employment related, excise, gross receipts, income, property or other taxes, that may be imposed on Franchisor as a result of Franchisor's receipt or accrual of the initial franchise fee, royalty fees, advertising fees, renewal fees, and all other fees that are referenced in this Agreement, whether assessed against Franchisee through withholding or other means or whether paid by Franchisor directly, unless the tax is credited against income tax otherwise payable by Franchisor. In such event, Franchisee shall pay to Franchisor (or to the appropriate governmental authority) such additional amounts as are necessary to provide Franchisor, after taking such taxes into account (including any additional taxes imposed on such additional amounts), with the same amounts that Franchisor would have received or accrued had such withholding or other payment, whether by Franchisee or by Franchisor, not been required.

18.2 Contesting Taxes. In the event of any bona fide dispute as to Franchisee's liability for taxes assessed or other indebtedness, Franchisee may contest the validity or the amount of the tax or indebtedness in accordance with procedures of the taxing authority or applicable law, but in no event shall Franchisee permit a tax sale or seizure by levy or execution or similar writ or warrant, or attachment by a creditor, to occur against the premises of the Franchised Business, or any improvements thereon.

19. INDEPENDENT CONTRACTOR AND INDEMNIFICATION

19.1 Independent Contractor. Franchisor and Franchisee agree that this Agreement does not create a fiduciary relationship between them, that Franchisee shall be an independent contractor, and that nothing in this Agreement is intended to constitute either party an agent, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other for any purpose whatsoever. Franchisee acknowledges and agrees that Franchisor's usual business is offering and selling rights to operate OrthoLazer Centers using the Proprietary Marks and System, developing enhancements to the System, and providing assistance to franchisees, and, accordingly, Franchisor's usual business is different from Franchisee's usual business of operating the Franchised Business. During the term of this Agreement, Franchisee shall hold itself out to the public as an independent contractor operating the Franchised Business pursuant to a franchise agreement from Franchisor. Franchisee agrees to take such action as may be necessary to do so, including, without limitation, exhibiting a notice of that fact in a conspicuous place at the premises of the Franchised Business, the content of which Franchisor reserves the right to specify.

19.2 No Authority to Contract. Nothing in this Agreement authorizes Franchisee to make any contract, agreement, warranty or representation on Franchisor's behalf, or to incur any debt or other obligation in Franchisor's name; and Franchisor shall in no event assume liability for, or be deemed liable hereunder as a result of, any such action; nor shall Franchisor be liable by reason of any act or omission of Franchisee in its operation of the Franchised Business or for any claim or judgment arising therefrom against Franchisee or Franchisor.

19.3 Indemnification. Franchisee shall indemnify, defend and hold harmless Franchisor and its affiliates, and their respective owners, officers, directors and employees (each a "Franchisor Indemnified Party") against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from, as a result of, or in connection with the Franchised Business operations and/or the OrthoLazer Center operations, the business conducted under this Agreement, or Franchisee's breach of this Agreement. Franchisor shall indemnify, defend and hold harmless Franchisee and its affiliates, and their respective owners, officers, directors and employees (each a "Franchisee Indemnified Party") against any and all claims, losses, costs, expenses, liabilities and damages arising directly or indirectly from or as a result of Franchisor's breach of this Agreement. Each party acknowledges and agrees that its indemnification and hold harmless obligations under this Section 19.3 shall survive the termination or expiration of this Agreement.

19.4 Force Majeure. Neither Franchisor, Franchisor's affiliates, nor Franchisee shall be responsible or liable for any delays in the performance of any duties under this Agreement which are not the fault or within the reasonable control of that party including, but not limited to, fire, flood, natural disasters, acts of God, delays in deliveries by common carriers, governmental acts or orders, late deliveries of products or goods or furnishing of services by third party vendors, civil disorders, acts of terrorism, or strikes and any other labor-related disruption, and in any event said time period for the performance of an obligation hereunder shall be extended for the amount of time of the delay or impossibility. Provided, however, this clause shall not apply to and not result in an extension of: (1) the time for payments to be made by Franchisee as required by Section 4.7; or (2) the term of this Agreement.

19.5 Business Associate Agreement. To the extent Franchisee acts as a "covered entity" as defined in HIPAA, the Franchisor will be considered a "business associate", as defined in HIPAA. As such, the Franchisee and Franchisor are entering into the Business Associate Agreement attached hereto as Exhibit G, the terms of which shall govern any transmission, use, and/or disclosure of PHI to the extent Franchisee, in its capacity as a HIPAA covered entity, discloses or transmits PHI to Franchisor.

20. APPROVALS AND WAIVERS

20.1 Approvals and Consent. Whenever this Agreement requires the prior approval or consent of Franchisor, Franchisee shall make a timely written request to Franchisor therefor, and such approval or consent must be obtained in writing.

20.2 No Warranties or Guarantees. Franchisor makes no warranties or guarantees upon which Franchisee may rely, and assumes no liability or obligation to Franchisee, by providing any waiver, approval, consent, or suggestion to Franchisee in connection with this Agreement, or by reason of any neglect, delay or denial of any request therefor.

20.3 No Waiver. No failure of Franchisor to exercise any power reserved to it by this Agreement, or to insist upon strict compliance by Franchisee with any obligation or condition hereunder, and no custom or practice of the parties at variance with the terms of this Agreement, shall constitute a waiver of Franchisor's right to demand exact compliance with any of the terms of this Agreement. Waiver by Franchisor of any particular default of Franchisee shall not affect or impair Franchisor's rights with respect to any subsequent default of the same, similar, or different nature; nor shall any delay, force, or omission of Franchisor to exercise any power or right arising out of any breach of default by Franchisee of any of the terms, provisions, or covenants of this Agreement, affect or impair Franchisor's right to exercise the same, nor shall such constitute a waiver by Franchisor of any right hereunder, or the right to declare any subsequent breach or default and to terminate this Agreement prior to the expiration of its term. Subsequent acceptance by Franchisor of any payments due to it hereunder shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants, or conditions of this Agreement.

21. NOTICES

Any and all notices required or permitted under this Agreement shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which affords the sender evidence of delivery or rejected delivery (which shall not include electronic communication, such as email), to the Franchisor or the Franchisee at its address set forth above, unless and until a different address has been designated for such purpose by written notice to the other party in accordance with this Section 21.

22. ENTIRE AGREEMENT

This Agreement, the attachments hereto, and the documents referred to herein constitute the entire Agreement between Franchisor and Franchisee concerning the subject matter of this Agreement, and supersede any prior agreements, no other representations having induced Franchisee to execute this Agreement. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change, or variance from this Agreement shall be binding on either party unless mutually agreed to by the parties and executed by their authorized officers or agents in writing. Nothing in this Agreement or in any related agreement between Franchisor and Franchisee is intended to disclaim the representations in Franchisor's Franchise Disclosure Document.

23. SEVERABILITY AND CONSTRUCTION

23.1 Severability. Except as otherwise provided herein, if, for any reason, any section, part, term, provision, and/or covenant herein is determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such shall not impair the operation of, or have any other effect upon, such other portions, sections, parts, terms, provisions, and/or covenants of this Agreement and the latter shall continue to be given full force and effect and bind the parties hereto; and said invalid portions, sections, parts, terms, provisions, and/or covenants shall be deemed not to be a part of this Agreement. If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, the parties agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

23.2 Survival. Any provision or covenant in this Agreement which expressly or by its nature imposes obligations beyond the expiration, termination or assignment of this Agreement (regardless of cause for termination), shall survive such expiration, termination or assignment, including but not limited to Sections 10, 17, and 25.

23.3 Counterparts. This Agreement, and all addenda hereto and each and every other agreement, instrument, certificate or other document delivered pursuant to this Agreement, may be executed in one or more counterparts, each one of which shall be deemed an original, but all of which together shall constitute one and the same instrument. A signed copy of this Agreement, or any addenda hereto or any other agreement, instrument, certificate or other document delivered pursuant to this Agreement, delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement or such other document.

23.4 No Rights or Remedies Conferred. Except as expressly provided to the contrary herein, nothing in this Agreement is intended, nor shall be deemed, to confer upon any person or legal entity other than Franchisee, Franchisor, Franchisor's officers, directors, shareholders, agents, and employees, and such of Franchisor's successors and assigns as may be contemplated by Section 14, any rights or remedies under or by reason of this Agreement.

23.5 Headings. The headings and subheadings used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement.

23.6 Franchisor's Discretion and Judgment. Whenever Franchisor has expressly reserved in this Agreement the right and/or discretion (or Franchisor is deemed to have a right and/or discretion) to take or refrain from taking any action, or to grant or decline to grant Franchisee the right to take or refrain from taking any action, except as otherwise expressly and specifically provided in this Agreement, Franchisor

may make such decision or exercise its right and/or discretion on the basis of its judgment of what is in Franchisor's best interests, which includes what Franchisor believes to be the best interests of its franchise network at the time such decision is made or such right or discretion is exercised even though (1) there may have been other alternative decisions or actions that could have been taken; (2) Franchisor's decision or the action taken or not taken promotes its own financial or other individual interest; or (3) Franchisor's decision or the action taken or not taken may apply differently to different franchisees or our company-owned or affiliate-owned operations. In the absence of an applicable statute, Franchisor shall have no liability to Franchisee or any Owner for any such decision or action. Franchisor and Franchisee intend that the exercise of Franchisor's rights or discretion will not be subject to limitation or review. If applicable law implies a covenant of good faith and fair dealing in this Agreement, Franchisor and Franchisee agree that such covenant shall not imply any rights or obligations that are inconsistent with a fair construction of the terms of this Agreement and that this Agreement grants Franchisor the right to make decisions, take actions and/or refrain from taking actions not inconsistent with Franchisee's rights and obligations hereunder.

23.7 Promises and Covenants. Franchisee expressly agrees to be bound by any promise or covenant imposing the maximum duty permitted by law which is subsumed within the terms of any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement, that may result from striking from any of the provisions of this Agreement any portion or portions which a court or agency having valid jurisdiction may hold to be unreasonable and unenforceable in an unappealed final decision to which Franchisor is a party, or from reducing the scope of any promise or covenant to the extent required to comply with such a court or agency order.

23.8 Savings Clause. In the event any state or federal laws or regulations now existing or enacted or promulgated after the Effective Date are interpreted by judicial decision, a regulatory agency or legal counsel of both parties, in such manner as to indicate that some or all provisions of this Agreement may be in violation of such laws and regulations, the parties shall use their best efforts to amend this Agreement as necessary or appropriate under the circumstances in such a way as to make any provision of this Agreement that was formerly invalid valid. Such provision, as amended, shall be considered valid from the effective date of such interpretation or amendment. To the maximum extent possible, any such amendment shall preserve the underlying economic and financial arrangements between the parties. If an amendment is not possible, either party shall have the right to terminate this Agreement.

24. APPLICABLE LAW AND DISPUTE RESOLUTION

24.1 Applicable Law. 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. §1051 and the sections following it) or other federal law, this Agreement shall be interpreted and construed exclusively under the laws of New York State without regard to any conflict-of-law rules that would result in the application of the laws of any other jurisdiction. If, however, any provision of this Agreement would not be enforceable under the laws of New York State and if Franchisee is located outside of New York State and such provision would be enforceable under the laws of the state in which Franchisee is located, then such provision shall be interpreted and construed under the laws of that state.

24.2 Jurisdiction and Venue. Any action, whether or not arising out of, or relating to, this Agreement, brought by Franchisee or any Owner against Franchisor shall be brought in the U.S. District Court for the Western District of New York or, if such court lacks subject matter jurisdiction, in the New York State Supreme Court sitting in Rochester, New York. Franchisor shall have the right to commence an action against Franchisee in any court of competent jurisdiction. Franchisee hereby waives all objections to personal jurisdiction or venue for purposes of this Section 24.2 and agrees that nothing in this Section 24.2 shall be deemed to prevent Franchisor from removing an action from state court to federal court.

24.3 No Exclusivity. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement 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.

24.4 WAIVER OF RIGHT TO JURY TRIAL AND PUNITIVE DAMAGES. FRANCHISOR AND FRANCHISEE HEREBY KNOWINGLY, VOLUNTARILY, AND INTENTIONALLY AGREE AS FOLLOWS: (A) FRANCHISOR AND FRANCHISEE HEREBY EXPRESSLY AND IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER OF THEM AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING; AND (B) FRANCHISOR AND FRANCHISEE HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY PUNITIVE OR EXEMPLARY DAMAGES AGAINST THE OTHER AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN THEM EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT.

24.5 LIMITATION OF CLAIMS. FRANCHISEE AND THE OWNERS AGREE NOT TO BRING ANY CLAIM ASSERTING THAT ANY OF THE PROPRIETARY MARKS ARE GENERIC OR OTHERWISE INVALID. ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE FRANCHISED BUSINESS, BROUGHT BY FRANCHISEE OR ANY OWNER AGAINST FRANCHISOR, SHALL BE COMMENCED WITHIN ONE (1) YEAR FROM THE OCCURRENCE OF THE FACTS GIVING RISE TO SUCH CLAIM OR ACTION, OR SUCH CLAIM OR ACTION SHALL BE BARRED. THE PARTIES UNDERSTAND THAT SUCH TIME LIMIT MIGHT BE SHORTER THAN OTHERWISE ALLOWED BY LAW.

24.6 WAIVER OF CLASS ACTIONS. THE PARTIES AGREE THAT ANY CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF FRANCHISEE AND FRANCHISOR, OR FRANCHISEE'S OPERATION OF THE FRANCHISED BUSINESS WILL BE CONDUCTED ON AN INDIVIDUAL AND NOT A CLASS BASIS, AND THAT A PROCEEDING BETWEEN FRANCHISOR AND FRANCHISEE OR ANY OWNER MAY NOT BE CONSOLIDATED WITH ANOTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER PERSON OR ENTITY, NOR MAY ANY CLAIMS OF ANOTHER PARTY OR PARTIES BE JOINED WITH ANY CLAIMS ASSERTED IN ANY ACTION OR PROCEEDING BETWEEN FRANCHISOR AND FRANCHISEE OR ANY OWNER.

24.7 Injunctive Relief. Nothing herein contained (including, without limitation, Section 24.2) shall bar Franchisor's right to obtain injunctive relief from a court of competent jurisdiction against threatened conduct that will cause it loss or damage, under the usual equity rules, including the applicable rules for obtaining specific performance, restraining orders, and preliminary injunctions.

24.8 Costs and Expenses. Franchisee shall pay to Franchisor all damages, costs, and expenses, including all court costs, mediation costs, and reasonable attorney's fees, and all other expenses incurred by Franchisor in enforcing any obligation under, or in defending against any claim, demand, action, or proceeding related to, this Agreement, including, but not limited to the obtaining of injunctive relief.

[signature page follows immediately]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement on the Effective Date.

OLC DEVELOPMENT, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT A TO FRANCHISE AGREEMENT

APPROVED LOCATION AND FRANCHISEE'S TERRITORY

1. **Approved Location.** The Approved Location under the Franchise Agreement shall be: _____. (Franchisor and Franchisee acknowledge that the Approved Location may not be determined until after the Franchise Agreement is signed.)

2. **Franchisee's Territory.** Franchisee's Territory under this Agreement shall consist of the following geographic area described below and/or on the map (if any) attached to this Exhibit A:

OLC DEVELOPMENT, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT B TO FRANCHISE AGREEMENT

SITE SELECTION ADDENDUM

OLC Development, Inc., a Delaware corporation (the "Franchisor") and _____ (the "Franchisee"), have this date, _____ , entered into that certain Franchise Agreement (the "Franchise Agreement") and desire to supplement its terms, as set forth below. The parties hereto therefore agree as follows:

1. Within one hundred twenty (120) days after Franchisee's execution of the Franchise Agreement, Franchisee shall obtain a site, at Franchisee's expense, for the OrthoLazer Orthopedic Laser Center ("Franchised Business") franchised under the Franchise Agreement, which premises shall be approved by Franchisor as hereinafter provided. The premises shall be within the following territory ("Site Selection Territory"):

2. Failure by Franchisee to obtain premises for the Franchised Business within the time required in Paragraph 1 hereof shall constitute a default under the Franchise Agreement and this Site Selection Addendum. Time is of the essence.

3. Franchisor shall not establish, nor franchise another to establish, an OrthoLazer Orthopedic Laser Center within the Site Selection Territory until Franchisor approves a location for the Franchised Business, or until the time set forth in Paragraph 1 hereof expires, whichever event first occurs.

4. Prior to Franchisee's acquisition by lease or purchase of a site for the Franchised Business, Franchisee shall submit to Franchisor, in the form specified by Franchisor, a completed site review form, such other information or materials as Franchisor may reasonably require, and a letter of intent or other evidence satisfactory to Franchisor which confirms Franchisee's favorable prospects for obtaining the proposed site. Recognizing that time is of the essence, Franchisee agrees that Franchisee must submit a proposed site, together with the information and materials required by this Paragraph 4, to Franchisor for its approval within one hundred twenty (120) days after execution of this Site Selection Addendum. Franchisor shall have thirty (30) days after receipt of such information and materials from Franchisee to approve or disapprove the site as a location for the Franchised Business and such approval shall not be unreasonably withheld. No proposed site shall be deemed approved unless it has been expressly approved in writing by Franchisor.

5. Franchisor shall furnish to Franchisee the following:

(a) Such site selection guidelines and consultation as Franchisor deems advisable;

(b) Such on-site evaluation as Franchisor deems advisable as part of its evaluation of Franchisee's request for site approval; provided, however, that Franchisor shall not provide on-site evaluation for any proposed site prior to Franchisor's receipt of the information or materials required by Paragraph 4 hereof. If on-site evaluation is deemed necessary and appropriate by Franchisor, Franchisor shall conduct up to two (2) on-site evaluations at Franchisor's expense. For each additional on-site evaluation (if any), Franchisee shall reimburse Franchisor for Franchisor's reasonable expenses, including, without limitation, the costs of travel, lodging and meals.

6. If Franchisee will occupy the premises of the Franchised Business under a lease, Franchisee shall, prior to the execution thereof, submit the lease to Franchisor for its approval, which shall not be unreasonably withheld. Franchisor's approval of the lease may be conditioned upon the inclusion of the following terms and conditions:

(a) That the initial term of the lease, or the initial term together with renewal terms, shall be for not less than ten (10) years;

(b) That the lessor consents to Franchisee's use of such Proprietary Marks and initial signage as Franchisor may prescribe for the Franchised Business;

(c) That the use of the premises be restricted solely to the operation of the Franchised Business;

(d) That Franchisee be prohibited from subleasing or assigning all or any part of its occupancy rights or extending the term of or renewing the lease without Franchisor's prior written consent;

(e) That lessor provide to Franchisor copies of any and all notices of default given to Franchisee under the lease;

(f) That Franchisor have the right to enter the premises to make modifications necessary to protect the Proprietary Marks or the System or to cure any default under the Franchise Agreement or under the lease;

(g) That Franchisor (or Franchisor's designee) have the option, upon default, expiration or termination of the Franchise Agreement, and upon notice to the lessor, to assume all of Franchisee's rights under the lease terms, including the right to assign or sublease.

7. Franchisee shall furnish Franchisor with a copy of any executed lease within ten (10) days after execution thereof.

8. After a site for the Franchised Business has been approved in writing by Franchisor and obtained by Franchisee pursuant to Paragraph 4 hereof, the site shall constitute the Approved Location referred to in Section 1.2 of the Franchise Agreement.

9. Franchisee hereby acknowledges and agrees that Franchisor's approval of a site does not constitute an assurance, representation or warranty of any kind, express or implied, as to the suitability of the site for the Franchised Business or for any other purpose. Franchisor's approval of the site indicates only that Franchisor believes the site complies with acceptable minimum criteria established by Franchisor solely for its purposes as of the time of the evaluation. Both Franchisee and Franchisor acknowledge that application of criteria that may have been effective with respect to other sites and premises may not be predictive of potential for all sites and that, subsequent to Franchisor's approval of a site, demographic and/or economic factors, such as competition from other similar businesses, included in or excluded from Franchisor's criteria could change, thereby altering the potential of a site or lease. Such factors are unpredictable and are beyond Franchisor's control. Franchisor shall not be responsible for the failure of a site approved by Franchisee to meet Franchisee's expectations as to revenue or operational criteria. Franchisee further acknowledges and agrees that its acceptance of a franchise for the operation of the Franchised Business at the site is based on its own independent investigation of the suitability of the site.

10. This Site Selection Addendum constitutes an integral part of the Franchise Agreement between the parties hereto, and the terms of this Site Selection Addendum shall be controlling with respect to the subject matter hereof. Except as modified or supplemented by this Site Selection Addendum, the terms of the Franchise Agreement are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement in duplicate on the date first above written.

OLC DEVELOPMENT, INC.

By: _____

Name: _____

Title: _____

FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT C TO FRANCHISE AGREEMENT

DISCLOSURE OF OWNERS

1. Date: _____

2. Operating Owner. The following individual is a shareholder, member, or partner of Franchisee and is the principal person to be contacted on all matters relating to the Franchised Business:

Name: _____

Address: _____

_____

Evening Telephone No: _____

E-mail Address: _____

3. Franchisee Owners. The undersigned agree and acknowledge that the following is a complete list of all of the shareholders, members or partners ("Owners") of Franchisee and the percentage interest of each individual:

Name	Position	Percentage Interest

4. Change in Owners. Franchisee acknowledges and agrees that any proposed change in the Owners listed in Paragraph 3, above, shall require Franchisor's prior written consent, which shall not be unreasonably withheld, in accordance with the terms of Section 14 of the Franchise Agreement.

IN WITNESS WHEREOF, the undersigned has duly executed this Disclosure of Principals on the date first above written.

FRANCHISEE

By: _____

Name: _____

Title: _____

EXHIBIT D TO FRANCHISE AGREEMENT

GUARANTEE, INDEMNIFICATION, AND ACKNOWLEDGEMENT

As an inducement to OLC Development, Inc., a Delaware corporation ("Franchisor") to execute the Franchise Agreement between Franchisor and _____ ("Franchisee") dated _____ (the "Franchise Agreement"), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns that all of Franchisee's obligations under the Franchise Agreement will be punctually paid and performed.

1. Upon demand by Franchisor, the undersigned will immediately make each payment to Franchisor required of Franchisee under the Franchise Agreement. The undersigned hereby waive any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of the undersigned under this Guarantee, Franchisor may, without notice to the undersigned, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust, or compromise any claims against Franchisee. The undersigned waive notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee, and agree to be bound by any and all such amendments and changes to the Franchise Agreement.

2. The undersigned hereby agree to defend, indemnify, and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, but not limited to, reasonable attorneys' fees, reasonable costs of investigation, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment thereto, or any other agreement executed by Franchisee referred to therein.

3. The undersigned hereby acknowledge and agree to be individually bound by all of the confidentiality provisions and non-competition covenants contained in Sections 10 and 17 of the Franchise Agreement.

4. This Guarantee shall terminate upon the termination or expiration of the Franchise Agreement, except that all obligations and liabilities of the undersigned which arose from events which occurred on or before the effective date of such termination shall remain in full force and effect until satisfied or discharged by the undersigned, and all covenants which by their terms continue in force after the expiration or termination of the Franchise Agreement shall remain in force according to their terms. Upon the death of an individual guarantor, the estate of such guarantor shall be bound by this Guarantee, but only for defaults and obligations hereunder existing at the time of death; and the obligations of the other guarantors will continue in full force and effect.

5. Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Franchise Agreement, and shall be interpreted and construed in accordance with Section 25 of the Franchise Agreement. This Guarantee shall be interpreted and construed under the laws of the State of New York. In the event of any conflict of law, the laws of the State of New York shall prevail, without regard to, and without giving effect to, the application of the State of New York conflict of law rules.

6. The Guarantors agree that the dispute resolution and attorney fee provisions in Section 25 of the Franchise Agreement are hereby incorporated into this Guarantee by reference, and references to "Franchisee" and the "Franchise Agreement" therein shall be deemed to apply to "Guarantors" and this "Guarantee," respectively, herein.

7. Any and all notices required or permitted under this Guarantee shall be in writing and shall be personally delivered, sent by registered mail, or sent by other means which afford the sender evidence of delivery or rejected delivery, to the respective parties at the address set forth in Section 22 of the Franchise Agreement, unless and until a different address has been designated by written notice to the other party.

8. Any notice by a method which affords the sender evidence of delivery or rejected delivery shall be deemed to have been given at the date and time of receipt or rejected delivery.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the date of the Franchise Agreement.

GUARANTORS

Owners:

By: _____ By: _____

Name: _____ Name: _____

By: _____ By: _____

Name: _____ Name: _____

By: _____ By: _____

Name: _____ Name: _____

By: _____ By: _____

Name: _____ Name: _____

EXHIBIT E TO FRANCHISE AGREEMENT

CONFIDENTIALITY AGREEMENT

(For execution by Franchisee's owners, managers and other personnel having access to Franchisor's Confidential Information.)

In consideration of my position as _____ of _____ (the "Franchisee"), and One Dollar, receipt of which is acknowledged, I hereby acknowledge and agree that:

1. OLC Development, Inc., a Delaware corporation (the "Franchisor"), as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment, operation, and promotion of centers which offer laser therapy pain treatment ("OrthoLazer Orthopedic Laser Center"), and all of which may be changed, improved and further developed by Franchisor from time to time (the "System").

2. Because of my position with the Franchisee, I will receive valuable confidential information, disclosure of which would be detrimental to the Franchisor and the Franchisee, such as information relating to the Manual, procedures, patient lists, drawings, materials, or equipment of the Franchisor and the System related to the establishment and operation of OrthoLazer Orthopedic Laser Centers, which are beyond the present skills and experience possessed by me ("Confidential Information"). This list of confidential matters is illustrative only, and does not include all matters considered confidential by the Franchisor and the Franchisee.

3. I will hold in strict confidence all information designated by the Franchisor or the Franchisee as confidential. Unless the Franchisor otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties to the Franchisee. My undertaking not to disclose Confidential Information is a condition of my position with the Franchisee, and continues even after I cease to be in that position.

4. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisor and/or the Franchisee may apply for the issuance of an injunction preventing me from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and I agree to pay the Franchisor and the Franchisee all the costs it/they incur/s, including without limitation attorneys' fees, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisor and the Franchisee, any claim I have against the Franchisor or the Franchisee is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. I agree that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, and that such meaning has been explained to me.

5. The Franchisor may reduce the scope of any covenant set forth in this Agreement, without my consent, effective immediately upon my receipt of written notice thereof; and I agree to comply with any covenant as so modified.

6. This Agreement shall be construed under the laws of the State of New York. The only way this Agreement can be changed is in a writing signed by both the Franchisee and me.

IN WITNESS WHEREOF, I have executed this Agreement as of the date written below.

By: _____

Name: _____

Title: _____

Address: _____

_____

Date: _____

EXHIBIT F TO FRANCHISE AGREEMENT

NON-COMPETITION AGREEMENT

(For execution by Franchisee's Owners and Business Manager)

In consideration of my position as _____ of _____ (the "Franchisee"), and One Dollar, receipt of which is acknowledged, I hereby acknowledge and agree that:

1. OLC Development, Inc., a Delaware corporation (the "Franchisor"), as the result of the expenditure of time, skill, effort, and money, has developed, and continues to develop, a distinctive system relating to the establishment, operation, and promotion of centers which offer laser therapy pain treatment ("OrthoLazer Orthopedic Laser Center"), and all of which may be changed, improved and further developed by Franchisor from time to time (the "System").

2. While in my position with the Franchisee, I will not do anything which may injure the Franchisee or the Franchisor, such as (a) divert or attempt to divert any present or prospective business or patient of any OrthoLazer Orthopedic Laser Center to any competitor, by direct or indirect inducement or otherwise; (b) do or perform, directly or indirectly, any other act injurious or prejudicial to the goodwill associated with the Franchisor's marks and the System; or (c) employ or seek to employ any person who is at that time been employed by the Franchisor or any franchisee of the Franchisor (including the Franchisee), or otherwise directly or indirectly induce such person to leave his or her employment.

3. While in my position with the Franchisee and for two (2) years after I cease to be in my position with the Franchisee, I will not own, maintain, operate, engage in, be employed by, provide any assistance or advise to, or have any interest in (as owner or otherwise) any business that: (a) offers laser therapy pain treatment that are the same as or similar to the services being offered by OrthoLazer Orthopedic Laser Centers under the System; and (b) is, or is intended to be, located at or within: (1) the Franchisee's Territory, the boundaries of which I acknowledge have been described to me; (2) a radius of twenty five (25) miles from the premises of the Franchisee's franchised business; or (4) a radius of twenty five (25) miles of any business operating under the Franchisor's marks.

4. The Franchisor is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Franchisor and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisor and/or the Franchisee may apply for the issuance of an injunction preventing me from violating this Agreement in addition to any other remedies it may have hereunder, at law or in equity; and I agree to pay the Franchisor and the Franchisee all the costs it/they incur/s, including without limitation attorneys' fees, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisor and the Franchisee, any claim I have against the Franchisor or the Franchisee is a separate matter and does not entitle me to violate, or justify any violation of, this Agreement. If any part of this Agreement is held invalid by a court or agency having valid jurisdiction, the rest of the Agreement is still enforceable and the part held invalid is enforceable to the extent found reasonable by the court or agency. I agree that all the words and phrases used in this Agreement will have the same meaning as used in the Franchise Agreement, and that such meaning has been explained to me.

5. The Franchisor may reduce the scope of any covenant set forth in this Agreement, without my consent, effective immediately upon my receipt of written notice thereof; and I agree to comply with any covenant as so modified.

6. This Agreement shall be construed under the laws of the State of New York. The only way this Agreement can be changed is in a writing signed by both the Franchisee and me.

IN WITNESS WHEREOF, I have executed this Agreement as of the date written below.

By: _____

Name: _____

Title: _____

Address: _____

_____

Date: _____

EXHIBIT G TO FRANCHISE AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

THIS BUSINESS ASSOCIATE AGREEMENT (the "Agreement") between [_____], ("Covered Entity") and OLC Development, Inc., a Delaware corporation ("Business Associate"), is effective as of the effective date of the Underlying Agreement as defined herein (the "Agreement Effective Date").

WITNESSETH:

WHEREAS, Covered Entity and Business Associate want to enter into an agreement whereby Business Associate provides non-clinical management and administrative services to the Covered Entity (the "Underlying Agreement").

WHEREAS, Covered Entity wishes to disclose certain information to Business Associate pursuant to the terms of the Underlying Agreement, some of which may constitute Protected Health Information ("PHI");

WHEREAS, Covered Entity and Business Associate intend to protect the privacy and provide for the security of PHI disclosed to Business Associate pursuant to the Underlying Agreement in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH") and the privacy rule and security standards promulgated thereunder by the U.S. Department of Health and Human Services as amended from time to time (collectively, "HIPAA") and other applicable laws, including applicable state laws;

WHEREAS, the purpose of this Agreement is to satisfy certain standards and requirements of HIPAA including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("C.F.R."), as the same may be amended from time to time;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

I. Definitions

(a) "HIPAA Regulations" will refer to all regulations and guidance promulgated under the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH") and final HITECH regulations under the HIPAA Omnibus Rule.

(b) "Protected Health Information" or "PHI" as used herein will refer to PHI disclosed by Covered Entity to Business Associate.

(c) Unless otherwise specified in this Agreement, all other capitalized terms will have the meaning ascribed to them under the HIPAA Regulations.

II. Obligations of Business Associate

Business Associate agrees to:

(a) only use or disclose PHI as permitted or required for the Underlying Services or as required by law;

(b) use appropriate safeguards, and comply with Subpart C of 45 CFR Part 164 with respect to PHI in electronic form, to prevent use or disclosure of PHI other than as necessary for the Underlying Services or this Agreement;

(c) promptly, but in no event more than five (5) calendar days following Discovery, report to Covered Entity any use or disclosure of PHI not provided for by this Agreement of which it becomes aware, including Breaches of Unsecured Protected Health Information as required at 45 CFR 164.410, and any Security Incident of which it becomes aware. Business Associate's notice will include information necessary for Covered Entity to comply with its breach notification obligations under the HIPAA Regulations and/or state law. Business Associate may supplement its initial report as facts become available. The parties acknowledge and agree that this Section constitutes notice by Business Associate to Covered Entity that attempted but unsuccessful Security Incidents, such as pings and other broadcast attacks on Business Associate's firewall, port scans, unsuccessful log-on attempts, denials of service and any combination of the above, regularly occur and that no further notice will be made by Business Associate unless there has been a successful Security Incident.

(d) in accordance with 45 CFR 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, ensure that any subcontractors that create, receive, maintain, or transmit PHI on behalf of Business Associate agree to the same restrictions, conditions, and requirements that apply to the Business Associate with respect to such information;

(e) if required by the Underlying Agreement, make available to Covered Entity PHI in a Designated Record Set to Covered Entity within fifteen (15) calendar days of Covered Entity's written request to assist Covered Entity in carrying out its access obligations under 45 CFR 164.524;

(f) if Required by the Underlying Agreement, make available PHI in a Designated Record Set to Covered Entity within fifteen (15) calendar days of Covered Entity's written request to assist Covered Entity in carrying out its amendment obligations pursuant to 45 CFR 164.526;

(g) maintain and make available to Covered Entity within fifteen (15) calendar days of Covered Entity's written request all necessary information to assist Covered Entity to carry out its accounting of disclosures obligations under 45 CFR 164.528 as amended from time to time;

(h) comply with the requirements of Subpart E of 45 CFR Part 164 to the extent required by law and also to the extent that Business Associate is to carry out one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164; and

(i) make its internal practices, books, and records related to compliance with this Agreement and the HIPAA Regulations available to Covered Entity and to the Secretary for purposes of determining compliance with the HIPAA Regulations.

III. Permitted Uses and Disclosures by Business Associate

(a) Business Associate may only use or disclose PHI as necessary to perform the Underlying Services.

(b) Business Associate may use or disclose PHI as required by law.

(c) Business Associate agrees to make uses and disclosures and requests for PHI consistent with Covered Entity's minimum necessary policies and procedures provided to Business Associate in advance.

(d) Except for uses and disclosures set forth in Section III (e), (f) and (g) herein, Business Associate may not use or disclose PHI in a manner that would violate Subpart E of 45 CFR Part 164 if done by Covered Entity.

(e) Business Associate may use PHI for the proper management and administration of the Business Associate or to carry out the legal responsibilities of Business Associate.

(f) Business Associate may disclose PHI 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 the information is disclosed that the information will remain confidential and be used or further disclosed only as required by law or for the purposes for which it was disclosed to the person, and the person notifies Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.

(g) Business Associate may provide data aggregation services relating to the health care operations of Covered Entity.

(h) Business Associate may use PHI to create de-identified information in accordance with HIPAA Regulations, and may use such de-identified data in accordance with the Underlying Agreement.

IV. Provisions for Covered Entity to Inform Business Associate of Privacy Practices and Restrictions

(a) Covered entity shall notify Business Associate of any limitation(s) in the Notice of Privacy Practices of Covered Entity under 45 CFR 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of Protected Health Information.

(b) Covered Entity shall notify Business Associate of any changes in, or revocation of, the permission by an individual to use or disclose his or her PHI, to the extent that such changes may affect Business Associate's use or disclosure of PHI.

(c) Covered Entity shall notify Business Associate of any restriction on the use or disclosure of PHI that Covered Entity has agreed to or is required to abide by under 45 CFR 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

V. Permissible Requests by Covered Entity

Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under Subpart E of 45 CFR Part 164 if done by Covered Entity, except for Business Associate's uses and disclosures of PHI for data aggregation or management and administration and the

legal responsibilities of Business Associate.

VI. Term and Termination

(a) Term. The term of this Agreement shall commence on the Effective Date and shall terminate upon termination of the Underlying Services or on the date Covered Entity terminates for cause as authorized in paragraph (b) of this Section, whichever is sooner.

(b) Termination for Cause. Business Associate authorizes termination of this Agreement by Covered Entity, if Covered Entity determines that Business Associate has violated a material term of this Agreement and Business Associate has not cured the breach or ended the violation within a reasonable time, not to exceed ten (10) business days, after Business Associates receipt of written notice from the Covered Entity specifying the specific section of this Agreement of which Covered Entity asserts Business Associate is in violation. Termination of this Agreement will suspend uses and disclosures of PHI by Business Associate pursuant to the Underlying Services.

(c) Obligations of Business Associate Upon Termination.

Upon termination of this Agreement for any reason, Business Associate shall return to Covered Entity or, if agreed to by Covered Entity, destroy, all PHI 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 shall retain no copies of the PHI. Upon termination of this Agreement for any reason, Business Associate, with respect to PHI received from Covered Entity, or created, maintained, or received by Business Associate on behalf of covered entity, shall:

1. retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities;
2. return to Covered Entity or, if agreed to by Covered Entity, destroy the remaining PHI that the Business Associate still maintains in any form;
3. continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to electronic PHI to prevent use or disclosure of the PHI, other than as provided for in this Section, for as long as Business Associate retains the PHI;
4. not use or disclose PHI retained by Business Associate other than for the purposes for which such PHI was retained and subject to the same conditions set forth herein; and
5. return to Covered Entity or, if agreed to by Covered Entity, destroy the PHI retained by Business Associate when it is no longer needed by Business Associate for its proper management and administration or to carry out its legal responsibilities.

Notwithstanding the foregoing or anything to the contrary in this Agreement or the Underlying Agreement, if return or destruction of some or all of the PHI is not feasible, in Business Associate's reasonable judgment, Business Associate will furnish Covered Entity with notification, in writing, of the conditions that make return or destruction of such PHI infeasible. In such event, Business Associate will extend the protections of this Agreement to such information for as long as Business Associate retains such information and will limit further uses and disclosures to those purposes that make the return or destruction of the information not feasible.

The provisions of this Section VI(c) shall survive the termination of this Agreement.

VII. Miscellaneous

(a) Regulatory References. A reference in this Agreement to a section in HIPAA means the section as in effect or as amended.

(b) Automatic Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to electronic data security and privacy are rapidly evolving and that amendment of this Agreement may be required to ensure compliance with such developments. Specifically, HITECH, as implemented by the HIPAA Omnibus Rule (78 Fed. Reg. 5566 (January 25, 2013)), imposes new requirements on business associates and covered entities with respect to privacy, security and breach notification. Applicable HIPAA and HITECH provisions, together with any guidance issued by the Secretary, and any applicable amendments to federal and state privacy law, are hereby incorporated by reference and will become part of this Agreement as if set forth in their entirety, effective as of the applicable effective date/s.

(c) Interpretation. Any ambiguity in this Agreement shall be interpreted to permit compliance with HIPAA.

IN WITNESS WHEREOF, the parties have executed this agreement as of the date first written above.

FRANCHISEE	**OLC DEVELOPMENT, INC.**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT D

Intentionally Deleted

EXHIBIT E
STATE SPECIFIC DISCLOSURES, FRANCHISE AGREEMENT ADDENDA AND AREA DEVELOPMENT AGREEMENT ADDENDA

OLC DEVELOPMENT, INC.
ILLINOIS ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the Disclosure Document of OLC Development, Inc. for use in the State of Illinois is amended as follows:

1. Illinois law governs the Franchise Agreement.

2. Section 4 of the Illinois Franchise Disclosure Act provides that any provision in a franchise agreement that designates jurisdiction or venue outside the State of Illinois is void. However, a franchise agreement may provide for arbitration outside of Illinois.

3. Item 5 of the Disclosure Document is amended to provide that all initial franchise fees payable by you shall be deferred until we have satisfied our pre-opening obligations to you under the franchise agreement and you have commenced doing business pursuant to the franchise agreement. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

4. Section 41 of the Illinois Franchise Disclosure Act provides that 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. Your rights upon termination and non-renewal of a franchise agreement are set forth in section 19 and 20 of the Illinois Franchise Disclosure Act.

6. 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.

OLC DEVELOPMENT, INC.
ILLINOIS ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached OLC Development, Inc. Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2(g) and Section 14.3(h) of the Agreement are each amended by adding at the end thereof the following new sentence:

> Section 41 of the Illinois Franchise Disclosure Act provides that 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.

2. Section 2.2 of the Agreement is amended by adding at the end thereof the following new sentence:

> Your rights upon non-renewal of this Agreement are set forth in section 20 of the Illinois Franchise Disclosure Act.

3. Section 4.1 of the Agreement is amended by adding at the end thereof the following sentence:

> All initial franchise fees payable by you shall be deferred until we have satisfied our pre-opening obligations to you and you have commenced doing business. The Illinois Attorney General's Office imposed this deferral requirement due to our financial condition.

4. Section 16 of the Agreement is amended by adding at the end thereof the following new paragraph:

> Your rights upon termination of this Agreement are set forth in section 19 of the Illinois Franchise Disclosure Act.

5. Section 24.1 of the Agreement is amended and restated in its entirety to read as follows:

> Illinois law governs the agreements between the parties to this franchise.

6. Section 24.2 of the Agreement is amended and restated in its entirety to read as follows:

> Any action arising out of, or relating to, this Agreement shall be brought by Franchisor, Franchisee or any Owner in a state or federal court of competent jurisdiction sitting in the State of Illinois and Franchisor, Franchisee and each Owner consent and irrevocably submit to the exclusive jurisdiction and venue of such courts.

7. 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.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this addendum to the Agreement on the same date as the Agreement was executed.

OLC DEVELOPMENT, INC.	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

OLC DEVELOPMENT, INC.
MARYLAND ADDENDUM TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document of OLC Development, Inc. for use in the State of Maryland is amended as follows:

1. Item 5 of the Disclosure Document is amended by adding the following new paragraph:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and other initial payments owed by franchisees shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement.

2. Item 17 of the Disclosure Document is amended by adding the following new paragraphs:

Any general release required as a condition of sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The general release required as a condition of renewal shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

The provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under federal bankruptcy law (11 U.S.C. Section 101, et. seq.).

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

OLC DEVELOPMENT, INC.
MARYLAND ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached OLC Development, Inc. Franchise Agreement (the "Agreement") agree as follows:

1. Section 2.2(g) of the Agreement is amended by adding at the end thereof the following new sentence:

The general release we require you and your owners to execute and deliver as a condition to renewal shall not release us or such other persons from any liability under the Maryland Franchise Registration and Disclosure Law.

2. Section 4.1 of the Franchise Agreement is amended by adding at the end thereof the following sentence:

Based upon the franchisor's financial condition, the Maryland Securities Commissioner has required a financial assurance. Therefore, all initial fees and other initial payments owed by the Franchisee shall be deferred until the Franchisor completes its pre-opening obligations to the Franchisee under this Agreement.

3. Section 14.3(h) of the Agreement is amended by adding at the end thereof the following new sentence:

The general release we require you and your owners to execute and deliver as a condition to our approval of any transfer shall not release us or such other persons from any liability under the Maryland Franchise Registration and Disclosure Law.

4. Section 24.2 of the Agreement is amended by adding at the end thereof the following new sentence:

A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure law.

5. Section 24.5 of the Agreement is amended by adding at the end thereof the following new sentence:

Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

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. 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.

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this addendum to the Agreement on the same date as the Agreement was executed.

OLC DEVELOPMENT, INC.	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

OLC DEVELOPMENT, INC.
VIRGINIA ADDENDUM TO THE TO THE FRANCHISE DISCLOSURE DOCUMENT

In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document for OLC Development, Inc. for use in the Commonwealth of Virginia shall be amended as follows:

Additional Disclosure. The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement or Area Development 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.

OLC DEVELOPMENT, INC.
VIRGINIA ADDENDUM TO THE FRANCHISE AGREEMENT

In recognition of the requirements of the Virginia Retail Franchising Act, the parties to the attached OLC Development, Inc. Franchise Agreement (the "Agreement") agree as follows:

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

IN WITNESS WHEREOF, the parties hereto have duly executed and delivered this addendum to the Agreement on the same date as the Agreement was executed.

OLC DEVELOPMENT, INC.	**FRANCHISEE**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

EXHIBIT F

OPERATIONS MANUAL TABLE OF CONTENTS

The number of pages per section of the Table of Contents may change due to periodic updates of the Operations Manual

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EXHIBIT G
FINANCIAL STATEMENTS

OLC DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2025
(With Independent Auditor's Report Thereon)

DoerenMayhew
ASSURANCE

OLC DEVELOPMENT, INC. AND SUBSIDIARIES

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DoerenMayhew
ASSURANCE

INDEPENDENT AUDITOR'S REPORT

To the Stockholders
OLC Development, Inc. and Subsidiaries

Opinion

We have audited the accompanying consolidated financial statements of OLC Development, Inc. (a Delaware corporation) and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2025, and the related consolidated statements of operations, changes in shareholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the 2025 consolidated financial statements referred to above present fairly, in all material respects, the financial position of OLC Development, Inc. and Subsidiaries as of December 31, 2025, and the results of their operations and their 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 audit 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 Consolidated Financial Statements section of our report. We are required to be independent of OLC Development, Inc. and Subsidiaries, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Prior Period Financial Statements

The financial statements and supplementary information as of December 31, 2024 were audited by RDG + Partners CPAs, PLLC, who merged with Doeren Mayhew Assurance as of January 20, 2026, and whose report dated April 25, 2025, expressed an unmodified opinion on those statements.

"Doeren Mayhew" is the brand name under which Doeren Mayhew Assurance and Doeren Mayhew Advisors, LLC and its subsidiary entities provide professional services. Doeren Mayhew Assurance and Doeren Mayhew Advisors, LLC (and its subsidiary entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. Doeren Mayhew Assurance is a licensed independent CPA firm that provides attest services to its clients, and Doeren Mayhew Advisors, LLC and its subsidiary entities provide tax and business consulting services to their clients. Doeren Mayhew Advisors, LLC and its subsidiary entities are not licensed CPA firms.

Responsibility of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by reasonable user based on the consolidated 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 consolidated 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 consolidated 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 OLC Development, Inc. and Subsidiaries' 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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about OLC Development, Inc. and Subsidiaries' 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.

DoerenMayhew
ASSURANCE

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. Exhibit I is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole.

Doeren Mayhew Assurance

Rochester, New York
March 18, 2026

OLC DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,389,291	$ 4,716,499
Accounts receivable, net	73,902	186,581
Note receivable	-	25,000
Inventory	2,059,735	1,029,546
Current portion of capitalized contract costs	32,766	39,294
Total current assets	5,555,694	5,996,920
PROPERTY AND EQUIPMENT, net	445,733	-
RIGHT OF USE ASSET - OPERATING LEASE	169,291	31,610
CAPITALIZED CONTRACT COSTS, net of current portion	25,669	59,920
DEFERRED INCOME TAXES	920,077	939,252
Total assets	$ 7,116,464	$ 7,027,702
LIABILITIES AND SHAREHOLDERS' EQUITY:		
CURRENT LIABILITIES:		
Current portion of operating lease liability	$ 72,236	$ 14,536
Accounts payable	62,299	49,652
Accrued payroll and payroll taxes	37,625	82,389
Due to related party	750,000	823,031
Current portion of deferred revenue	237,838	350,875
Total current liabilities	1,159,998	1,320,483
NON-CURRENT LIABILITIES:		
Operating lease liability, net of current portion	104,412	17,074
Forgivable loan	25,000	-
Related party notes payable	1,300,000	1,300,000
Deferred revenue, net of current portion	196,683	488,521
Total non-current liabilities	1,626,095	1,805,595
Total liabilities	2,786,093	3,126,078
SHAREHOLDERS' EQUITY:		
Preferred stock, $.001 par value per share; 21,564,626 and 14,761,905 shares authorized at December 31, 2025 and 2024, respectively; 17,264,330 and 14,761,905 shares issued and outstanding at December 31, 2025 and 2024, respectively	17,264	14,762
Common stock, $.001 par value per share; 30,896,191 and 23,809,524 shares authorized at December 31, 2025 and 2024, respectively; 4,285,714 shares issued and outstanding at both December 31, 2025 and 2024	4,286	4,286
Additional paid-in capital	10,533,096	6,857,027
Accumulated deficit	(6,320,698)	(2,974,451)
Noncontrolling interest	96,423	-
Total shareholders' equity	4,330,371	3,901,624
Total liabilities and shareholders' equity	$ 7,116,464	$ 7,027,702

The accompanying notes are an integral part of these consolidated financial statements.

OLC DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUE:		
Franchise fees and area development fees	$ 404,875	$ 361,050
Royalty fees	521,400	508,508
Brand marketing fees	109,420	93,405
Laser sales	450,000	150,000
Laser treatments	101,328	-
Call center program	93,210	120,303
Technology fees	89,375	74,200
Digital ad campaign	90,414	66,773
Branded product sales	11,743	33,378
Total revenue	1,871,765	1,407,617
COST OF REVENUE:		
Franchise development expenses	200,872	82,672
Lasers	293,508	150,000
Branded product costs	92,717	145,682
Software expense	178,945	161,802
Commissions	40,779	26,404
Wellness centers	161,880	-
Other products and services	8,779	36,435
Total cost of revenue	977,480	602,995
Gross profit	894,285	804,622
OPERATING EXPENSES (EXHIBIT I)	4,230,600	3,009,450
Net loss from operations	(3,336,315)	(2,204,828)
OTHER INCOME (EXPENSE):		
Interest income	99,795	75,420
Interest expense	(83,000)	(93,897)
Total other income (expense)	16,795	(18,477)
LOSS BEFORE BENEFIT FROM INCOME TAXES	(3,319,520)	(2,223,305)
(PROVISION FOR) BENEFIT FROM INCOME TAXES	(30,304)	938,721
NET LOSS	(3,349,824)	(1,284,584)
LESS: NET LOSS ATTRIBUTABLE TO NONCONTROLLING INTEREST	(3,577)	-
NET LOSS ATTRIBUTABLE TO OLC DEVELOPMENT, INC.	$ (3,346,247)	$ (1,284,584)

The accompanying notes are an integral part of these consolidated financial statements.

OLC DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	Member Contributions	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Deficit	Noncontrolling Interest	Total
Balance at January 1, 2024	$ 50,000	$ -	$ -	$ -	$ (1,689,867)	$ -	$ (1,639,867)
Conversion of members' equity to common stock	(50,000)	-	-	-	-	-	(50,000)
Shares issued during C- Corporation conversion	-	10,000	4,286	35,714	-	-	50,000
Shares issued during Series A capital raise	-	4,762	-	6,995,238	-	-	7,000,000
Stock issuance costs	-	-	-	(173,925)	-	-	(173,925)
Net loss	-	-	-	-	(1,284,584)	-	(1,284,584)
Balance at December 31, 2024	-	14,762	4,286	6,857,027	(2,974,451)	-	3,901,624
Shares issued during Series A capital raise	-	2,502	-	3,676,069	-	-	3,678,571
Capital contribution - OrthoLazer of Warsaw, LLC	-	-	-	-	-	100,000	100,000
Net loss	-	-	-	-	(3,346,247)	(3,577)	(3,349,824)
Balance at December 31, 2025	$ -	$ 17,264	$ 4,286	$ 10,533,096	$ (6,320,698)	$ 96,423	$ 4,330,371

The accompanying notes are an integral part of these consolidated financial statements.

OLC DEVELOPMENT, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss	$ (3,349,824)	$ (1,284,584)
Adjustments to reconcile net loss		
to net cash flow from operating activities:		
Provision for credit losses	23,187	-
Depreciation	26,477	-
Management services incurred through related party note payable	-	1,000,000
Provision for (benefit from) deferred income taxes	19,175	(939,252)
Changes in:		
Accounts receivable	89,492	(144,200)
Inventory	(1,176,946)	(789,546)
Capitalized contract costs	40,779	26,403
Accounts payable	12,647	(27,249)
Accrued payroll and payroll taxes	(44,764)	38,940
Due to related party - operating expenses	-	823,031
Deferred revenue	(404,875)	(212,550)
Operating leases	7,357	-
Net cash flow from operating activities	(4,757,295)	(1,509,007)
CASH FLOW FROM INVESTING ACTIVITIES:		
Repayments received (borrowings advanced) on notes receivable	25,000	(25,000)
Purchases of property and equipment	(325,453)	-
Net cash flow from investing activities	(300,453)	(25,000)
CASH FLOW FROM FINANCING ACTIVITIES:		
Receipt of Series A capital equity raise	3,678,571	7,000,000
Capital contributions	100,000	(173,925)
Repayments on line-of-credit, net	-	(393,662)
Borrowings on forgivable loan	25,000	-
Repayments to related party	(73,031)	(287,615)
Proceeds from related party note payable	-	100,000
Net cash flow from financing activities	3,730,540	6,244,798
CHANGE IN CASH AND CASH EQUIVALENTS	(1,327,208)	4,710,791
CASH AND CASH EQUIVALENTS - beginning of year	4,716,499	5,708
CASH AND CASH EQUIVALENTS - end of year	$ 3,389,291	$ 4,716,499
NON-CASH OPERATING, INVESTING AND FINANCING ACTIVITIES:		
Recognition of ROU assets and liabilities - operating leases	$ 191,196	$ -
Property and equipment transferred from inventory to subsidiary	$ 146,757	$ -

The accompanying notes are an integral part of these consolidated financial statements.

1. THE COMPANY

OLC Development, LLC ("LLC") was a Delaware limited liability company formed in April 2019. In June 2024, the voting members of OLC Development, LLC converted the LLC to a Delaware corporation named OLC Development, Inc. OLC Development, Inc. ("OLC") develops, owns, and operates a franchise system relating to the establishment and management of business and administrative services of a non-clinical nature for centers that specialize in providing laser therapy for the treatment of pain through licensed medical professionals. The franchise system is trademarked as OrthoLazer™. OLC and independently owned franchises are in the early stages of their operations. Future activities of OLC are subject to significant risks and uncertainties, including the ability of OLC to successfully execute its operating plans.

During 2025, OLC created a limited liability company, OrthoLazer Holdings, LLC ("Holdings"), that owns membership interest in three separate limited liability companies that operate laser treatment facilities. Holdings is a wholly owned subsidiary of OLC. Holdings owns 95% of the membership interest of OrthoLazer of Warsaw, LLC ("Warsaw"). OrthoLazer of Frisco, LLC ("Frisco") and OrthoLazer of Plano, LLC ("Plano") are wholly owned subsidiaries of Holdings. During 2025, Warsaw was the only subsidiary owned by Holdings which began operations. Collectively, OLC, Holdings, Warsaw, Frisco, and Plano are referred to as the "Company" throughout these consolidated financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting –

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States.

Principles of Consolidation –

The consolidated financial statements of the Company include the accounts of OLC Development, Inc., OrthoLazer Holdings, LLC, OrthoLazer of Warsaw, LLC, OrthoLazer of Frisco, LLC, and OrthoLazer of Plano, LLC. All material intercompany accounts and transactions have been eliminated in consolidation.

Non-Controlling Interest –

The Company's non-controlling interest represents ownership of other members related to OrthoLazer of Warsaw, LLC. The Company reports its non-controlling interest as a separate component of equity in the consolidated balance sheets and consolidated statements of changes in shareholders' equity, and reports net income (loss) attributable to the non-controlling interest as a separate component of net income (loss) on the consolidated statements of operations. OLC's equity interest in Warsaw is 95%. The loss attributable to non-controlling interest in Warsaw for the year ended December 31, 2025 totaled $3,577.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents –

Cash and cash equivalents include bank deposit accounts. These accounts may, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk with respect to cash and cash equivalents.

Accounts Receivable –

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Company performs ongoing credit evaluations of its customers and adjusts credit limits based upon customer payment history and current creditworthiness. Management provides for expected credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions, and reasonable and supportable forecasts. The Company uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes the composition of trade receivables is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. Based on management's assessment of the credit history with customers having outstanding balances and current conditions, the Company estimated an allowance for credit losses of $23,187 at December 31, 2025. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that an allowance for credit loss on balances outstanding at December 31, 2024 would be immaterial.

Inventory –

Inventory consists of finished goods and is recorded at the lower of cost, determined on a first in, first out basis, or net realizable value. Inventory values are based upon standard costs which approximate average costs. No reserve for obsolete inventory was deemed necessary as of December 31, 2025 or 2024.

Property and Equipment –

Property and equipment is stated at cost and is depreciated using the straight-line method for financial reporting purposes. Leasehold improvements are amortized over the shorter of the estimated life of the asset or the remaining lease term. The assets are depreciated and amortized over their estimated useful lives, ranging from three to seven years.

Leases –

The Company is a sublessee in noncancellable operating leases for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Company determines if an arrangement conveys the right to use an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Company recognizes a lease liability and right-of-use (ROU) asset at the commencement date of the lease. Operating lease ROU assets and related current and long-term portions of operating lease liabilities have been presented in the balance sheets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued) –

Lease Liabilities –

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Company uses its incremental borrowing rate. The implicit rate of the Company's leases are not readily determinable; accordingly, the Company uses its incremental borrowing rate based on the information available at the commencement date for each lease. The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Company determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases. In the absence of recent incremental borrowing data, the Company uses the risk-free rate respective to the lease commencement date and lease term.

ROU Assets –

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost of lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets, if applicable, are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

Practical Expedients –

The Company has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term. The Company also elected to not separate lease and non-lease components for leases of office space.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued) –

Significant Judgments –

Significant judgements in the recognition of leases include (1) determination of whether a contract contains a lease, (2) allocation of the consideration in a contract between lease and non-lease components, and (3) the determination of the discount rate for the lease.

Revenue Recognition –

Revenues are recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration they expect to be entitled to in exchange for those goods or services. To do this, the Company performs the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies a performance obligation.

Revenue Types –

Franchise Fees and Area Development Fees – OLC has determined that the services provided in exchange for initial franchise fees and area development fees are highly interrelated with the franchise system and are not individually distinct from the ongoing services provided to franchisees throughout the term of the franchise agreement. As a result, OLC recognizes initial franchise fees as revenue over-time as OLC satisfies the performance obligation throughout the term of the franchise agreement, which is generally five years. Initial franchise fee revenue is deferred and recognized on a straight-line basis.

The initial franchise fee is determined on an individual franchise basis and is typically billed and payable upon execution of the franchise agreement. Area development fees generally consist of an obligation to grant exclusive geographic area development rights. As the development rights are not distinct from the franchise agreements, upfront fees paid by franchisees for exclusive development rights are deferred and recognized in income on the straight-line basis over the term of the franchise agreement.

OLC defers and recognizes fees paid to renew a franchise agreement on the straight-line basis over the franchise renewal term. Renewal fees are typically billed and payable at the time of renewal.

Revenues for fees paid for the transfer of the franchise agreements to another franchisee are deferred and recognized on the straight-line basis over the remaining term of the franchise agreement. Transfer fees are typically billed and payable at the time of transfer.

Royalty Fees – The franchise agreements also provide for the franchisee to remit continuing royalty fees to OLC as a percentage of the franchisee's gross sales in exchange for use of the franchise system. Continuing royalty fees are determined on an individual franchise basis, as agreed to in the franchise agreement, and generally are calculated as a percentage of the gross monthly sales of the franchisee. The fees are payable monthly and recognized at that point in time. Certain franchise agreements provide for a flat monthly royalty fee if the structure above is not permitted by law.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued) –

Revenue Types (Continued) –

Brand Marketing Fees – The franchise agreements also typically require the franchisee to pay brand marketing and advertising fees to OLC based on a percentage of the franchisee's gross sales. Brand marketing fees are determined on an individual franchise basis but generally are 2% of the gross monthly sales of the franchisee and are payable monthly and recognized at that point in time. Certain franchise agreements provide for a flat brand marketing fee in lieu of fees as a percentage of sales.

Laser Sales – OLC resells lasers to franchisees. The Company generates revenue by delivering lasers to the franchisees. The Company recognizes revenue at a point in time, which is the date the lasers are received by the franchisee, as the Company has satisfied its performance obligation at that point as that is the date the risk and rewards of ownership are transferred to the franchisee.

Laser Treatments – The Subsidiaries operate laser treatment centers to provide medical treatment services to the general public. The Company generates revenue by providing laser treatments to patients. Based on the level of services provided, customers are billed at the end of treatment sessions, which is when the subsidiaries recognize revenue at that point in time.

Call Center Program – The Company facilitates call center lead generation for certain franchisees. The Company generates revenue by coordinating call center services for franchisees. Based on the level of services provided, franchisees are billed monthly and recognized at that point in time.

Technology Fees – The Company has purchased a subscription to a leading cloud software designed for wellness companies and provides access of this software to franchisees for a monthly fee. Monthly fees are payable monthly and recognized at that point in time.

Branded Product Sales – The Company's product sales are from resale of purchased products. The majority of the Company's revenues are generated by delivery of products to the Company's customers and recognized at a point in time based on the Company's evaluation of when the customer obtains control of the products. Revenue is recognized when all performance obligations under the terms of the contract with the Company's customer are satisfied, and control of the product has been transferred to the customer. Sales of products typically do not include multiple product and/or service elements.

Digital Ad Campaign – The Company facilitates digital advertising and search engine optimization for certain franchisees. The Company generates revenue by coordinating digital advertising services for franchisees. Based on the level of services provided, franchisees are billed monthly and recognized at that point in time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued) –

Revenue was recognized as follows for the year ended December 31:

	2025	2024
Recognized over time	$ 404,875	$ 361,050
Recognized at a point in time	1,466,890	1,046,567
	$ 1,871,765	$ 1,407,617

Practical Expedients –

The Company has applied certain practical expedients as follows:

- The Company does not evaluate a contract for a significant financing component if payment is expected to be received within one year or less from the transfer of the promised items to the customer.

- The Company expenses costs incurred to obtain a contract when the amortization period would have been one year or less. The Company's contracts are generally for a period of one year or less, except as noted for initial franchisee sales above.

- The Company does not disclose the value of unsatisfied performance obligations, as applicable, for contracts with an original expected duration of one year or less.

The Company's contracts with customers have different terms based on the scope, deliverables and complexity of the engagement, which requires the Company to make judgments and estimates about recognizing revenue. The Company's contracts may include promises to transfer multiple services to a customer. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Contract Balances –

The timing of revenue recognition, billings and cash collections may result in deferred revenue (contract liability) on the consolidated balance sheets. Deferred revenue represents amounts billed or received in advance of the revenue being recognized. Generally, billings occur subsequent to revenue recognition other than initial franchisee sales revenue that is recognized over time, as billings occur at the beginning of the franchise period. Amounts received for such initial franchisee sales revenue may lead to recognition of a contract liability.

The Company capitalizes and recognizes as an asset incremental costs incurred to obtain a contract with a customer (contract asset). Those costs, consisting primarily of sales commissions, are initially capitalized and recognized as an asset and expensed over the term of the franchise agreement, which is typically five years.

Sales Tax –

The Company records sales tax collected from customers, as applicable, on a net basis and does not include such taxes in revenue.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising and Promotion –

Advertising costs are expensed as incurred. Advertising expense for the year ended December 31, 2025 and 2024 totaled $365,041 and $243,148, respectively.

Income Taxes –

Prior to June 14, 2024, OLC was treated as a partnership for federal and New York State income tax purposes. As a result, the profit and loss of OLC prior to this date was reported directly on the members' individual tax returns. Effective June 14, 2024, in connection with OLC's conversion to a corporation, income taxes are provided for the tax effects of transactions reported in the consolidated financial statements and consist of taxes currently due and deferred taxes related primarily to differences in timing of reporting certain items for financial and income tax reporting purposes. Holdings, Frisco and Plano are consolidated disregarded entities and are included in the consolidated tax return of OLC. Deferred tax assets and liabilities represent the future tax consequences of book to tax basis differences, which will either be taxable or deductible when the assets and liabilities are recovered or settled.

Warsaw is treated as a partnership for federal and state income tax purposes. As such, the profit and loss of Warsaw is reported in the income tax returns of the respective Company's members. Therefore, no provision for Federal or state taxes has been made for Warsaw.

The Company recognizes interest accrued related to uncertain tax positions in interest expense and recognizes penalties in operating expenses. As of December 31, 2025, the Company has not recorded any provisions for accrued interest and penalties related to uncertain tax positions. The Company is subject to taxation and files a U.S. Federal income tax return and various state jurisdictions. By statute, tax years 2022 through 2025 remain open to examination by the major taxing jurisdictions to which the Company is subject.

Estimates –

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates within these consolidated financial statements include net realizable value of accounts receivable and inventory, realization of deferred taxes, useful lives of property and equipment, and the discount rate used in the calculation of the operating lease liability.

Events Occurring After Reporting Date –

The Company has evaluated events and transactions that occurred between December 31, 2025 and March 18, 2026, which is the date the consolidated financial statements were available to be issued, for possible disclosure and recognition in the consolidated financial statements.

3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consisted of the following at December 31:

	2025	2024
Opening Balance	$ 186,581	$ 42,381
Closing balance	$ 73,902	$ 186,581
Invoiced accounts receivable	$ 97,089	$ 186,581
Allowance for credit losses	(23,187)	-
Accounts receivable, net	$ 73,902	$ 186,581

Activity in the allowance for credit losses account consisted of the following for the year ended December 31:

	2025	2024
Allowance for credit losses, beginning of year	$ -	$ -
Provision for expected credit losses	23,187	-
Current year write-offs	-	-
Allowance for credit losses, end of year	$ 23,187	$ -

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2025	2024
Equipment and furniture	$ 241,890	$ -
Leasehold improvements	230,320	-
	472,210	-
Less: Accumulated depreciation	(26,477)	(-)
	$ 445,733	$ -

Depreciation expense related to property and equipment totaled $26,477 for the year ended December 31, 2025.

5. CAPITALIZED CONTRACT COSTS

The Company capitalizes the incremental costs of obtaining franchise and area development agreements with customers. These costs consist primarily of sales commissions paid to employees in connection with the execution of the franchise or area development agreement with a customer. The costs are capitalized as the Company expects to recover the costs through future franchise fees. The capitalized costs are amortized over the franchise term, which is typically five years.

5. CAPITALIZED CONTRACT COSTS (Continued)

Capitalized contract costs consisted of the following during the years ended December 31:

	2025	2024
Capitalized contract cost – opening balance	$ 99,214	$ 125,618
Amortization of capitalized contract costs	(40,779)	(26,404)
Capitalized contract cost – ending balance	$ 58,435	$ 99,214

Capitalized contract cost assets consisted of the following at December 31:

	2025	2024
Current portion of capitalized contract costs	$ 32,766	$ 39,294
Capitalized contract costs, net of current portion	25,669	59,920
	$ 58,435	$ 99,214

6. DEFERRED REVENUE

Deferred revenue (contract liabilities) represents the unearned revenue associated with partially satisfied franchisor performance obligations of the Company with respect to franchise and area development fees. Amounts for initial franchise and area development fees are typically paid in connection with the franchise agreement execution and are recognized on the straight-line basis over the remaining term of the franchise agreement. Deferred revenue activity consisted of the following during the year ended December 31:

	2025	2024
Deferred revenue – opening balance	$ 839,396	$ 1,051,946
Agreement fees received	-	148,500
Franchise fee revenue recognized	(404,875)	(361,050)
Deferred revenue – ending balance	$ 434,521	$ 839,396

Deferred revenue from franchise agreements consisted of the following at December 31:

	2025	2024
Current portion of deferred revenue	$ 237,838	$ 350,875
Deferred revenue, net of current portion	196,683	488,521
	$ 434,521	$ 839,396

6. DEFERRED REVENUE (Continued)

Future scheduled franchise fee and area development fee revenues are as follows for each of the years ending December 31:

2026	$ 237,838
2027	136,325
2028	45,508
2029	14,850
	$ 434,521

The schedule above does not contemplate future renewals or new franchise agreements for which franchise agreements had not been entered into as of December 31, 2025.

7. NOTE RECEIVABLE

The Company entered into an agreement with a third party to loan $25,000. The loan agreement did not accrue interest and did not require monthly payments. The loan was fully repaid to the Company during 2025.

8. FINANCING ARRANGEMENTS

Long-Term Debt –

Related party notes payable consisted of the following at December 31:

	2025	2024
Note payable to a related party under common ownership requiring monthly interest-only payments of $1,500 beginning May 2025 through June 2029. No monthly payments of principal are required and all unpaid principal and interest is due on the note in June 2029.	$ 300,000	$ 300,000
Convertible note payable to a related party under common ownership requiring monthly interest-only payments of $5,000 at 6% from July 2024 through June 2029, or until a qualified equity financing conversion as defined by the agreement. The principal balance and any remaining accrued interest are due in a balloon payment in June 2029. No amounts were paid towards the principal balance in 2025 or 2024.	1,000,000	1,000,000
	$ 1,300,000	$ 1,300,000

The Company made interest payments totaling $83,000 and $93,897 during the years ended December 31, 2025 and 2024, respectively.

Future scheduled principal payments on the related party note payable for the year ending December 31, 2029 totals $1,300,000.

8. FINANCING ARRANGEMENTS (Continued)

Line-of-Credit –

The Company had a line-of-credit agreement with a bank with a maximum borrowing base of $500,000. The line-of-credit bore interest at the prime rate plus 0.50% throughout 2024 and was collateralized by substantially all assets of the Company. The line-of-credit was fully repaid and closed in November 2024.

Forgivable Loan –

During 2025, the Company entered into a revolving loan agreement with the City of Warsaw, Indiana, Redevelopment Commission ("City of Warsaw"). The agreement provides the Company with $75,000 in financing over a three-year period with $25,000 disbursed annually from 2025 to 2027 and does not bear interest. The loan agreement includes a forgiveness clause in which the Company has to meet employee count and wage requirement metrics to be eligible for forgiveness of the revolving loan. If the metrics stipulated in the agreement are met by January 2029, the loan will be forgiven in full. Total amounts outstanding on the revolving loan with the City of Warsaw amounted to $25,000 as of December 31, 2025.

9. COMMITMENTS

Administrative Services Agreement –

The Company previously entered into an Administrative Services Agreement under which the Vice President of Operations of a related party under common ownership provided implementation support services to the Company which included site selection services, project kickoff and planning, vendor management, layout design services, marketing, accounting, and payroll services. The monthly charges for these services was $12,750 per month. In June 2024, the agreement was amended upon conversion to a C-Corporation. The terms of the new agreement remained the same as the previous agreement whereby monthly charges remained $12,750 per month. The agreement was from June 14, 2024 in perpetuity until either party decides to terminate the agreement. The Company recognized an expense of approximately $25,000 and $153,000 under the terms of the agreement in 2025 and 2024, respectively. The administrative services agreement was terminated during March 2025.

Laser Sales Agreement –

The Company is obligated to promote the franchised business system in a manner which facilitates the purchase or lease of equipment by franchisees from an entity that is controlled by certain members of the Company. The Company's failure or inability to grow the franchised business system to levels which support certain sales quotas may result in termination of the contract. In July 2025, the Company amended the laser purchase agreements to include new lines of lasers to be purchased from the related party and increased the minimum number of lasers to purchase each year. Under the new amended agreements, the minimum annual purchase requirements to retain exclusivity under the agreement is 40, 42, 52, and 60 lasers in the years 2026, 2027, 2028 and 2029, respectively.

10. RELATED PARTY TRANSACTIONS

Due to Related Party –

Due to related party consists of purchases of lasers under the laser sales agreement with a related party under common ownership. Purchases of lasers amounted to $1,340,000 and $920,000 for the years ended December 31, 2025 and 2024, respectively. Amounts due to the related party totaled $750,000 and $823,031 at December 31, 2025 and 2024, respectively. No formal repayment terms have been established and no interest is provided.

The Company has a note payable and had an administrative services agreement with a related party. See details in Note 8 and Note 9. The Company also has an operating lease for office space with a related party. See details in Note 13.

11. CONCENTRATIONS

For the years ended December 31, 2025 and 2024, approximately 34% and 11% of the Company's revenue was derived from two and one customers, respectively. At December 31, 2025 and 2024, approximately $4,000 and $132,500 of accounts receivable, respectively, were outstanding from these customers.

12. EQUITY

C-Corporation Conversion –

On June 14, 2024, OLC Development, LLC converted to OLC Development, Inc., a Delaware Corporation. Upon conversion the Corporation was authorized to issue 27,900,000 shares of capital stock, including 10,000,000 shares of Founder's Preferred Stock, 16,100,000 shares of Class A Voting Common Stock and 1,800,000 shares of Class B Non-Voting Common Stock. Upon conversion, each of the 10,000,000 membership units that were authorized, issued, and outstanding as of June 14, 2024, were converted into 10,000,000 shares of Founder's Preferred Stock and 4,285,714 shares of Class A Voting Common Stock. Holders of preferred stock shall elect the directors of the Company. Holders of preferred and voting common stock shall have one vote per share in how to manage the Company's business affairs and property. There were no dividends declared for the years ended December 31, 2025 or 2024.

Series A Preferred Stock Purchase Agreement –

In September 2024, the Company restated its certificate of incorporation certificate to authorize an additional 4,761,905 shares of Preferred Stock, 4,733,333 shares of Class A Voting Common Stock, and 1,176,191 shares of Class B Non-Voting Common Stock, bringing total authorized shares to 14,761,905 shares of Preferred Stock, 20,833,333 shares of Class A Voting Common Stock and 2,976,191 shares of Class B Non-Voting Common Stock. Immediately after restating the certificate of incorporation the Company entered into agreements with accredited investors (the investors) in a private placement offering providing for the sale and issuance by the Company to the investors of an aggregate of 4,761,905 shares of preferred stock at a purchase price of $1.47 per share.

In August 2025, the Company executed a second restatement to authorize a total of 21,564,626 shares of Preferred Stock. Immediately following the second restatement, the Company entered into agreements with accredited investors to sell and issue an additional 2,502,425 shares of Preferred Stock to accredited investors in a private placement offering at a purchase price of $1.47 per share totaling $3,678,571.

12. EQUITY (Continued)

Stock Options –

The Company has issued three stock option contracts granting a total of 3,035,714 shares available to be exercised. The vesting of options are unique to each contract but generally provide for an initial vested percentage with additional vesting over a 3 to 5 year period. As of December 31, 2025 and 2024, approximately 35% of the options outstanding were vested, none of which were exercised. Some of the options, totaling 2,678,571 shares, have an exercise price of $0.01 per share and have expiration dates from June 2038 to November of 2038, while others, totaling 357,143 shares, have an exercise price of $0.02 per share and have an expiration date of August 2032. No stock options were exercised in 2025 or 2024. At both December 31, 2025 and 2024, there were a total of 3,035,714 exercisable stock options outstanding that were granted as part of the option contracts.

The calculated value of each option is estimated as of the date of issuance using the Black-Scholes option-pricing model and the following assumptions: a risk-free interest rate based on the U.S. Treasury yield curve at the date of issuance; a weighted average expected term, which is derived from the contractual life of the option and historical data used to estimate exercise and termination; and expected volatility based on an evaluation of comparable public companies' measures of volatility. The Company has utilized this measure as a basis for determining the expected volatility used in calculating the value of the options issued as there is not sufficient historical information about past volatility available on which to base a reasonable and supportable estimate of the expected volatility of its share price.

The Company has determined that the value of the options granted are similar to the exercise price and are immaterial for recognition of compensation expense over the vesting period and for additional consolidated financial statement disclosures.

Phantom Preferred Stock –

The Company has issued four phantom preferred stock agreements granting a total of 6,428,571 shares of preferred stock to common stock and stock option holders. The phantom shares are to provide phantom preferred stock holders the opportunity to participate in the net proceeds from a voluntary or involuntary liquidation, dissolution, or winding up of the Company or a majority stock sale in the event that total proceeds are $35,000,000 or less and the holders of common stock will not receive any portion of the sale proceeds. The phantom preferred stock holders will not be entitled to any payment with respect to the phantom shares, and the phantom shares will automatically terminate and be forfeited and cancelled should sale proceeds exceed $35,000,000.

13. LEASE COMMITMENTS

In January 2023, OLC entered into a sublease agreement to lease office space from a related party through January 2027. The lease agreement provides for a four year term with required monthly payments of $1,364, consisting of base monthly rent of $1,007 and additional charges of $357 for common area maintenance, insurance, and property taxes, throughout the entire lease term. The Company elected not to separate non-lease components from the lease and they are therefore included in the operating lease liability.

In May 2025, Warsaw entered into a lease agreement to lease office space from an unrelated third party through April 2028. The lease agreement provides for a three-year term with required monthly payments of $5,062 in the first year, $5,785 in the second year and $7,098 in the third year.

13. LEASE COMMITMENTS (Continued)

The Company's leases do not include any termination or renewal options that either party are reasonably certain to exercise, guaranteed residual values or restrictive financial or other covenants.

The components of lease cost recognized and included in rent expense and cost of revenue in the accompanying financial statements are as follows for the years ended December 31:

	2025	2024
Operating lease cost	$ 64,218	$ 16,641

Supplemental cash flow information and other information related to leases was as follows for the year ended December 31:

	2025	2024
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash flows – operating leases	$ 56,861	$ 16,641
Weighted average remaining lease term:		
Operating leases	2.2 Years	2.1 Years
Weighted average discount rate:		
Operating leases	8.00%	8.00%

Maturities of operating lease obligations were as follows as of December 31:

2026	$ 82,895
2027	81,288
2028	28,392
	192,575
Less: Present Value Adjustment	(15,927)
Present value of minimum lease payments	176,648
Less: current portion	(72,236)
Present value of minimum lease payments, net of current portion	$ 104,412

14. INCOME TAXES

The benefit from (provision for) income taxes consisted of the following for the years ended December 31:

	2025	2024
Current:		
Federal and state	$ (11,129)	$ (531)
Deferred:		
Federal and state	(19,175)	939,252
	$ (30,304)	$ 938,721

14. INCOME TAXES (Continued)

The tax effects of temporary differences that give rise to the deferred tax asset (liability) are as follows at December 31:

	2025	2024
Capitalized organization and start up costs	$ 6,953	$ 14,366
Depreciation	8,266	-
Goodwill amortization	118,516	235,244
Capitalized contract costs	(7,636)	(23,811)
Deferred revenue	62,712	196,897
Allowance for credit losses	3,346	-
Due to related party for operating expenses	137,500	240,000
Net operating loss carryforward	590,420	276,556
	$ 920,077	$ 939,252

The expected tax expense that would result from applying the federal statutory tax rates to income before income taxes differs from the amount reported in the consolidated financial statements as a result of the effect of state income taxes, permanent timing differences, and the impact of the conversion from a partnership to a corporation for tax purposes.

At December 31, 2025, the Company had a net operating loss carryforward of approximately $4,757,000 for federal and $3,541,000 for various state jurisdictions, respectively.

15. RETIREMENT PLAN

Effective in July 2025, the Company created a defined contribution 401(k) plan for employees that meet eligibility requirements. Employees are eligible to contribute to the 401(k) plan and receive employer matching contributions upon earning three months of employment and meeting an age requirement of 18 years. Participants may elect to defer a percentage of their compensation each year. Employer matching contributions equal to 100% of employe contributions which do not exceed 1% of employee compensation, plus 50% of employee contributions which exceed 1% of compensation but does not exceed 6% of employee compensation. Total matching contributions made by the Company during 2025 amounted to approximately $43,000 and are included in payroll, payroll taxes, and benefits expenses on the accompanying consolidated statements of operating expenses. The plan also allows for discretionary profit-sharing contributions. The Company did not make any discretionary profit-sharing contributions during 2025.

SUPPLEMENTARY INFORMATION

OLC DEVELOPMENT, INC. AND SUBSIDIARIES **Exhibit I**

CONSOLIDATED STATEMENTS OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
Payroll, payroll taxes and benefits	$ 2,183,263	$ 985,540
Professional fees	1,070,739	430,118
Advertising and marketing	365,041	243,148
Settlements	152,500	-
Travel, meals and entertainment	149,171	110,180
Computer	104,798	29,113
Lease expense	53,342	16,641
Office supplies	26,578	5,821
Administrative services	24,739	153,000
Depreciation	26,477	-
Credit losses	23,187	-
Utilities	19,577	2,546
Tradeshow expenses	9,625	21,278
Repairs and maintenance	5,328	2,814
Insurance	5,186	8,302
Management services	-	1,000,000
Miscellaneous	11,049	949
	$ 4,230,600	$ 3,009,450

OLC DEVELOPMENT, LLC

Financial Statements
as of December 31, 2023 and 2022
Together with
Independent Auditor's Report

RDG + Partners
ACCOUNTING & CPA SERVICES

RDG + Partners
ACCOUNTING & CPA SERVICES

INDEPENDENT AUDITOR'S REPORT

To the Members of
OLC Development, LLC:

Opinion
We have audited the accompanying financial statements of OLC Development, LLC (a Delaware limited liability company), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of operations, changes in members' deficit, and cash flows for the years 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 OLC Development, LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion
We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 OLC Development, LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about OLC Development, 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 Responsibility 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by reasonable user based on the financial statements.

RDG + Partners CPAs, PLLC
10 Winthrop Street, Rochester, NY 14607 * Tel 585.673.2600
www.rdgandpartners.com

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibility for the Audit of the Financial Statements (Continued)
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 OLC Development, 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 OLC Development, 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.

Report on Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. Exhibit I 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.

RDG+Partners CPAs PLLC

Rochester, New York

April 29, 2024

OLC DEVELOPMENT, LLC

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022

	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 5,708	$ 241,593
Accounts receivable	42,381	26,535
Inventory	240,000	10,511
Prepaid expenses	-	6,142
Current portion of capitalized contract costs	39,770	33,790
Due from related party	-	200,000
Total current assets	327,859	518,571
RIGHT OF USE ASSET - OPERATING LEASE	45,069	-
CAPITALIZED CONTRACT COSTS, net of current portion	85,847	100,116
	$ 458,775	$ 618,687
LIABILITIES AND MEMBERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable	$ 76,901	$ 20,658
Accrued payroll and payroll taxes	43,449	36,831
Due to related party	287,615	86,375
Line-of-credit	393,662	-
Current portion of related party note payable	28,055	6,840
Current portion of operating lease liability	13,459	-
Current portion of deferred revenue	346,200	329,190
Total current liabilities	1,189,341	479,894
NON-CURRENT LIABILITIES:		
Related party note payable, net of current portion	171,945	193,160
Operating lease liability, net of current portion	31,610	-
Deferred revenue, net of current portion	705,746	895,930
Total non-current liabilities	909,301	1,089,090
Total liabilities	2,098,642	1,568,984
MEMBERS' DEFICIT:		
Members' contributed capital	50,000	50,000
Undistributed deficit	(1,689,867)	(1,000,297)
Total members' deficit	(1,639,867)	(950,297)
	$ 458,775	$ 618,687

The accompanying notes are an integral part of these financial statements.

OLC DEVELOPMENT, LLC

STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
REVENUE:		
Franchise fees and area development fees	$ 372,174	$ 240,765
Royalty fees	342,715	228,953
Brand marketing fees	69,654	46,197
Branded product sales	98,977	15,541
Total revenue	883,520	531,456
COST OF REVENUE:		
Franchise development expenses	209,713	150,829
Commissions	38,189	25,798
Branded products	15,015	5,702
Other products and services	17,303	-
Total cost of revenue	280,220	182,329
Gross profit	603,300	349,127
OPERATING EXPENSES (EXHIBIT I)	1,262,001	770,963
Net loss from operations	(658,701)	(421,836)
INTEREST EXPENSE	(30,869)	(3,651)
NET LOSS	$ (689,570)	$ (425,487)

The accompanying notes are an integral part of these financial statements.

OLC DEVELOPMENT, LLC

STATEMENTS OF CHANGES IN MEMBERS' DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	Members' Contributed Capital	Undistributed Deficit	Total
Balance at January 1, 2022	$ 50,000	$ (574,810)	$ (524,810)
Net loss for the year ended December 31, 2022	-	(425,487)	(425,487)
Balance at December 31, 2022	50,000	(1,000,297)	(950,297)
Net loss for the year ended December 31, 2023	-	(689,570)	(689,570)
Balance at December 31, 2023	$ 50,000	$ (1,689,867)	$ (1,639,867)

The accompanying notes are an integral part of these financial statements.

OLC DEVELOPMENT, LLC

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	2023	2022
CASH FLOW FROM OPERATING ACTIVITIES:		
Net loss	$ (689,570)	$ (425,487)
Adjustments to reconcile net loss to net cash flow from operating activities:		
Changes in:		
Accounts receivable	(15,846)	41,957
Inventory	(229,489)	(504)
Prepaid expenses	6,142	(2,042)
Capitalized contract costs	8,289	(72,027)
Accounts payable	56,243	297
Accrued payroll and payroll taxes	6,618	13,969
Due to related party - operating expenses	401,240	96,000
Deferred revenue	(173,174)	550,486
Net cash flow from operating activities	(629,547)	202,649
CASH FLOW FROM INVESTING ACTIVITIES:		
Repayments to related party	-	(30,636)
Advances to related party	-	(200,000)
Net cash flow from investing activities	-	(230,636)
CASH FLOW FROM FINANCING ACTIVITIES:		
Borrowings from line-of-credit, net	393,662	-
Receipt of related party note payable	-	200,000
Net cash flow from financing activities	393,662	200,000
CHANGE IN CASH AND CASH EQUIVALENTS	(235,885)	172,013
CASH AND CASH EQUIVALENTS - beginning of year	241,593	69,580
CASH AND CASH EQUIVALENTS - end of year	$ 5,708	$ 241,593
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Offset of due to/from related party	$ 200,000	$ -

The accompanying notes are an integral part of these financial statements.

1. THE COMPANY

OLC Development, LLC (the "Company") is a Delaware limited liability company ("LLC") formed in April 2019 for the purpose of developing, owning, and operating a franchise system relating to the establishment and management of business and administrative services of a non-clinical nature for centers that specialize in providing laser therapy for the treatment of pain through licensed medical professionals. The franchise system is trademarked as OrthoLazer™.

As an LLC, the members are not personally liable for any of the debts of, obligations, losses, claims, or judgments on any of the liabilities of the Company, whether arising in tort, contract, or otherwise, except as provided by law.

The Company and independently owned franchises are in the early stages of their operations. Future activities of the Company are subject to significant risks and uncertainties, including the ability of the Company to successfully execute its operating plans.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting -

The financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States.

Recently Adopted Accounting Pronouncements –

Effective January 1, 2023, the Company adopted ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments* issued by the FASB in June 2016, as well as the clarifying amendments subsequently issued. The pronouncement changes the impairment model for most financial assets and will require the use of an "expected loss" model for instruments measured at amortized cost. Under this model, entities will be required to estimate the lifetime expected credit loss on such instruments and record an allowance to offset the amortized cost basis of the financial asset, resulting in a net presentation of the amount expected to be collected on the financial asset. Upon adoption of the standard, there was no immediate impact to the Company's financial position, results of operations or cash flows. On an ongoing basis, the Company applies forward-looking economic conditions in recording lifetime expected credit losses for the Company's financial assets measured at cost, such as the Company's accounts receivable.

Revenue Recognition -

Revenues are recognized when control of the promised goods or services is transferred to the Company's customers, in an amount that reflects the consideration they expect to be entitled to in exchange for those goods or services. To do this, the Company performs the following five steps: (i) identify the contract(s) with a customer, (ii) identify the performance obligations in the contract, (iii) determine the transaction price, (iv) allocate the transaction price to the performance obligations in the contract, and (v) recognize revenue when (or as) the Company satisfies a performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued) –

Revenue Types –

Franchise Fees and Area Development Fees – The Company has determined that the services provided in exchange for initial franchise fees and area development fees are highly interrelated with the franchise system and are not individually distinct from the ongoing services provided to franchisees throughout the term of the franchise agreement. As a result, the Company recognizes initial franchise fees as revenue over-time as the Company satisfies the performance obligation throughout the term of the franchise agreement, which is generally five years. Initial franchise fee revenue is deferred and recognized on a straight-line basis. The initial franchise fee is determined on an individual franchise basis and is typically billed and payable upon execution of the franchise agreement. Area development fees generally consist of an obligation to grant exclusive geographic area development rights. As the development rights are not distinct from the franchise agreements, upfront fees paid by franchisees for exclusive development rights are deferred and recognized in income on the straight-line basis over the term of the franchise agreement.

The Company defers and recognizes fees paid to renew a franchise agreement on the straight-line basis over the franchise renewal term. Renewal fees are typically billed and payable at the time of renewal.

Revenues for fees paid for the transfer of the franchise agreements to another franchisee are deferred and recognized on the straight-line basis over the remaining term of the franchise agreement. Transfer fees are typically billed and payable at the time of transfer.

Royalty Fees – The franchise agreements also provide for the franchisee to remit continuing royalty fees to the Company as a percentage of the franchisee's gross sales in exchange for use of the franchise system. Continuing royalty fees are determined on an individual franchise basis, as agreed to in the franchise agreement, and generally are calculated as a percentage of the gross monthly sales of the franchisee. The fees are payable monthly and recognized at that point in time. Certain franchise agreements provide for a flat monthly royalty fee if the structure above is not permitted by law.

Brand Marketing Fees – The franchise agreements also typically require the franchisee to pay brand marketing and advertising fees to the Company based on a percentage of the franchisee's gross sales. Brand marketing fees are determined on an individual franchise basis but generally are 2% of the gross monthly sales of the franchisee and are payable monthly and recognized at that point in time. Certain franchise agreements provide for a flat brand marketing fee in lieu of fees as a percentage of sales.

Branded Product Sales – The Company's product sales are from resale of purchased products. The majority of the Company's revenues are generated by delivery of products to the Company's customers and recognized at a point in time based on the Company's evaluation of when the customer obtains control of the products. Revenue is recognized when all performance obligations under the terms of the contract with the Company's customer are satisfied, and control of the product has been transferred to the customer. Sales of products typically do not include multiple product and/or service elements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued) –

Revenue was recognized as follows for the year ended December 31:

	2023	2022
Recognized over time	$ 372,174	$ 240,765
Recognized at a point in time	511,346	290,691
	$ 883,520	$ 531,456

Practical Expedients –

The Company has applied certain practical expedients as follows:

- The Company does not evaluate a contract for a significant financing component if payment is expected to be received within one year or less from the transfer of the promised items to the customer.
- The Company expenses costs incurred to obtain a contract when the amortization period would have been one year or less. The Company's contracts are generally for a period of one year or less, except as noted for initial franchisee sales above, and they do not expect there to be any costs incurred where the benefit of those costs would be longer than one year.
- The Company does not disclose the value of unsatisfied performance obligations, as applicable, for contracts with an original expected duration of one year or less.

Significant Judgments –

The Company's contracts with customers have different terms based on the scope, deliverables and complexity of the engagement, which requires the Company to make judgments and estimates about recognizing revenue. The Company's contracts may include promises to transfer multiple services to a customer. Determining whether services are considered distinct performance obligations that should be accounted for separately versus together may require significant judgment.

Sales Tax –

The Company records sales tax collected from customers, as applicable, on a net basis and does not include such taxes in revenue.

Contract Balances –

The timing of revenue recognition, billings and cash collections may result in deferred revenue (contract liability) on the balance sheet. Deferred revenue represents amounts billed or received in advance of the revenue being recognized. Generally, billings occur subsequent to revenue recognition other than initial franchisee sales revenue that is recognized over time, as billings occur at the beginning of the franchise period. Amounts received for such initial franchisee sales revenue may lead to recognition of a contract liability.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents -

Cash and cash equivalents include bank deposit accounts. These accounts may, at times, exceed federally insured limits. The Company has not experienced any losses in such accounts and does not believe it is exposed to any significant credit risk with respect to cash and cash equivalents.

Accounts Receivable -

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Company performs ongoing credit evaluations of its customers and adjusts credit limits based upon customer payment history and current creditworthiness. Management provides for expected credit losses through a charge to earnings and a credit to a valuation allowance based on historical experience, current conditions, and reasonable and supportable forecasts. The Company uses historical loss information based on the aging of receivables as the basis to determine expected credit losses for receivables and believes the composition of trade receivables is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that an allowance for credit loss on balances outstanding at both December 31, 2023 and 2022 would be immaterial.

Accounts receivable, net consisted of the following at December 31:

	2023	2022
Opening balance	$ 26,535	$ 68,492
Closing balance	$ 42,381	$ 26,535

Inventory -

Inventory consists solely of finished goods and is recorded at the lower of cost, using an average cost basis, or net realizable value. Inventory values are based upon standard costs which approximate average costs.

Capitalized Contract Costs –

The Company capitalizes and recognizes as an asset incremental costs incurred to obtain a contract with a customer (contract asset). Those costs, consisting primarily of sales commissions, are initially capitalized and recognized as an asset and expensed over the term of the franchise agreement which is typically five years.

Leases –

The Company is a sublessee in a noncancellable operating lease for office space. The Company determines if an arrangement is a lease, or contains a lease, at inception of a contract and when terms of an existing contract are changed. The Company determines if an arrangement conveys the right to use an identified asset and whether the Company obtains substantially all of the economic benefits from and has the ability to direct the use of the asset. The Company recognizes a lease liability and right-of-use (ROU) asset at the commencement date of the lease. Operating lease ROU assets and related current and long-term portions of operating lease liabilities have been presented in the balance sheets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases (Continued) –

Lease Liabilities –

A lease liability is measured based on the present value of its future lease payments. Variable payments are included in the future lease payments when those variable payments depend on an index or rate and are measured using the index or rate at the commencement date. Lease payments, including variable payments made based on an index rate, are remeasured when any of the following occur: (1) the lease is modified (and the modification is not accounted for as a separate contract), (2) certain contingencies related to variable lease payments are resolved, or (3) there is a reassessment of any of the following: the lease term, purchase options, or amounts that are probable of being owed under a residual value guarantee. The discount rate is the rate implicit in the lease if it is readily determinable; otherwise, the Company uses its incremental borrowing rate. The implicit rate of the Company's leases are not readily determinable; accordingly, the Company uses its incremental borrowing rate based on the information available at the commencement date for each lease.

The Company's incremental borrowing rate for a lease is the rate of interest it would have to pay on a collateralized basis to borrow an amount equal to the lease payments under similar terms and in a similar economic environment and geographic location. The Company determines its incremental borrowing rates by starting with the interest rates on recent borrowings and other observable market rates and adjusting those rates to reflect differences in the amount of collateral and the payment terms of the leases. In the absence of recent incremental borrowing data, the Company uses the risk-free rate respective to the lease commencement date and lease term.

ROU Assets –

A ROU asset is measured at the commencement date at the amount of the initially measured liability plus any lease payments made to the lessor before or after commencement date, minus any lease incentives received, plus any initial direct costs. Unless impaired, the ROU asset is subsequently measured throughout the lease term at the amount of the lease liability (that is the present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease cost of lease payments is recognized on a straight-line basis over the lease term. Finance lease ROU assets, if applicable, are amortized on a straight-line basis over the shorter of the lease term or the remaining useful life of the asset.

Practical Expedients –

The Company has elected for all underlying classes of assets, to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes lease cost associated with its short-term leases on a straight-line basis over the lease term. The Company also elected to not separate lease and non-lease components for leases of office space.

Significant Judgments –

Significant judgements in the recognition of leases include (1) the determination of whether a contract contains a lease, and (2) the determination of the discount rate for the lease.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advertising and Promotion –

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2023 and 2022 totaled $303,774 and $107,006, respectively.

Income Taxes -

The Company has elected to be treated as a partnership for Federal and New York State income tax purposes. As a result of this election, the profit of the Company is reported directly on the members' individual tax returns. As of December 31, 2023 and 2022, the Company has not recorded any provisions for accrued interest and penalties related to uncertain tax positions. By statute, fiscal years 2020 through 2023 remain open to examination by the major taxing jurisdictions to which the Company is subject. The Company files income tax returns in the U.S. Federal and New York State jurisdictions.

Estimates –

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Significant estimates within these financial statements include net realizable value of accounts receivable and the discount rate used in the calculation of the operating lease liability.

Reclassifications -

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported members' equity.

Events Occurring After Reporting Date –

The Company has evaluated events and transactions that occurred between December 31, 2023 and April 29, 2024, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

3. CAPITALIZED CONTRACT COSTS

The Company capitalizes the incremental costs of obtaining franchise and area development agreements with customers. These costs consist primarily of sales commissions paid to employees in connection with the execution of the franchise or area development agreement with a customer. The costs are capitalized as the Company expects to recover the costs through future franchise fees. The capitalized costs are amortized over the franchise term which is typically five years.

Capitalized contract costs consisted of the following during the years ended December 31:

	2023	2022
Capitalized contract costs at January 1	$ 133,906	$ 61,879
Capitalized contract costs incurred	29,900	97,825
Amortization of capitalized contract costs	(38,189)	(25,798)
	$ 125,617	$ 133,906

3. CAPITALIZED CONTRACT COSTS (Continued)

Capitalized contract cost assets consisted of the following at December 31:

	2023	2022
Current portion of capitalized contract costs	$ 39,770	$ 33,790
Capitalized contract costs, net of current portion	85,847	100,116
	$ 125,617	$ 133,906

4. DEFERRED REVENUE

Deferred revenue (contract liabilities) represents the unearned revenue associated with partially satisfied franchisor performance obligations of the Company with respect to franchise and area development fees. Amounts for initial franchise and area development fees are typically paid in connection with the franchise agreement execution and are recognized on the straight-line basis over the remaining term of the franchise agreement.

Deferred revenue activity consisted of the following during the years ended December 31:

	2023	2022
Deferred revenue at January 1	$ 1,225,120	$ 674,635
Agreement fees received	199,000	791,250
Revenue recognized	(372,174)	(240,765)
	$ 1,051,946	$ 1,225,120

Deferred revenue from franchise agreements consisted of the following at December 31:

	2023	2022
Current portion of deferred revenue	$ 346,200	$ 329,190
Deferred revenue, net of current portion	705,746	895,930
	$ 1,051,946	$ 1,225,120

Future scheduled franchise fee and area development fee revenues are as follows for each of the years ending December 31:

2024	$ 346,200
2025	321,175
2026	240,538
2027	128,225
2028	15,808
	$ 1,051,946

The schedule above does not contemplate future renewals or new franchise and area development agreements for which franchise agreements had not been entered into as of December 31, 2023.

5. RELATED PARTY NOTE PAYABLE

Related party note payable consisted of the following at December 31:

	2023	2022
Note payable to a related party, under common ownership, required monthly interest-only payments of $1,667 from November 2022 through October 2023, and monthly payments of $5,073 from November 2023 through October 2027, including principal and interest of 10.00%. In 2023, the note was amended to continue interest-only payments of $1,667 through April 2024, and begin monthly payments of $5,073 in May 2024 through April 2028, including principal and interest of 10.00%. No amounts were paid towards the principal balance in 2023.	200,000	200,000
Less: current portion	(28,055)	(6,840)
	$ 171,945	$ 193,160

The Company made interest payments totaling $30,869 and $3,651 during the years ended December 31, 2023 and 2022, respectively.

Future scheduled principal payments on the related party note payable are as follows for each of the years ending December 31:

2024	28,055
2025	45,734
2026	50,523
2027	55,814
2028	19,874
	$ 200,000

6. LINE-OF-CREDIT

During 2022, the Company entered into a line-of-credit agreement with a bank. The line-of-credit had a maximum borrowing base of $100,000. During 2023, the line-of-credit was amended to increase the maximum borrowing base from $100,000 to $500,000. The line-of-credit bears interest at the prime rate plus 0.50% (9.00% and 8.00% at December 31, 2023 and 2022, respectively) and is collateralized by substantially all assets of the Company. Amounts outstanding on the Company's line-of-credit was $393,662 at December 31, 2023. No balance was outstanding at December 31, 2022.

7. COMMITMENTS

Administrative Services Agreement –

Effective January 1, 2022, the Company entered into an Administrative Services Agreement under which the Vice President of Operations of a related party, under common ownership, will provide implementation support services to the Company, which include site selection services, project kickoff and planning, vendor management, layout design services, and operation support services. Monthly charges for the services under this agreement are $8,000 per month. As of January 1, 2023, a new agreement was entered into, with the new monthly charges for the same services as the prior agreement being $12,750 per month. The term of this agreement is from January 1, 2023 through December 31, 2023. The Company recognized an expense of $153,000 and $96,000 under the terms of the agreements in 2023 and 2022, respectively.

Laser Sales Agreement –

The Company is obligated to promote the franchised business system in a manner in which facilitates the purchase or lease of equipment by franchisees from an entity that is controlled by certain members of the Company. The Company's failure or inability to grow the franchised business system to levels which support certain sales quotas may result in termination of the contract. The Company is currently committed to purchasing $240,000 worth of laser backlog as of December 31, 2023.

8. RELATED PARTY TRANSACTIONS

Due from Related Party –

Due from related party consists of cash advances provided to a related party, under common ownership, for working capital needs resulting from failure to meet sales quotas in the Laser Sales Agreement. Advances in the amount of $-0- and $200,000 were remitted during the years ended December 31, 2023 and 2022, respectively. Repayments in the amount of $200,000 and $-0- were received during the years ended December 31, 2023 and 2022, respectively.

Due to Related Party –

Due to related party consists of accrual of monthly administrative services agreement charges, and cash advances provided by a related party, under common ownership, for working capital needs. Accruals for the administrative services agreement amounted to $153,000 and $96,000 for the years ended December 31, 2023 and 2022. Advances in the amount of $8,240 and $-0- were received during the years ended December 31, 2023 and 2022, respectively. Repayments in the amount of $200,000 and $30,636 were made during the years ended December 31, 2023 and 2022, respectively. No formal repayment terms have been established and no interest is provided for.

The Company has a note payable and an administrative services agreement with a related party. See details in Note 5 and Note 7. The Company also has an operating lease for office space with a related party. See details in Note 11.

9. CONCENTRATIONS

For the years ended December 31, 2023 and 2022, approximately 12% and 27% of the Company's revenue was derived from one and two customers, respectively. At December 31, 2023 and 2022 approximately $6,400 and $9,400, respectively, of accounts receivable were outstanding from these customers.

10. EQUITY

Voting Membership Units –

The Company's partnership agreement provides for voting membership units and non-voting membership units. The partnership agreement was amended in February 2022, whereby each of the 200 membership units that were authorized, issued, and outstanding as of December 31, 2021, were converted into 50,000 voting membership units. As of December 31, 2023 and 2022, the Company has 10,000,000 voting membership units authorized, issued, and outstanding. Holders of voting membership units shall manage the Company's business, affairs and property. At least monthly, voting members shall determine the amount of cash available from operations generated by the company to be distributed to the members in accordance with their respective membership interest percentages. Such distributions shall be payable only when, and if, declared by the voting members. There were no distributions declared for the years ended December 31, 2023 and 2022.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company or deemed liquidation event, the holders of voting membership units then outstanding shall be entitled to be paid out of the assets of the Company available for distribution to its members on a pro rata basis according to each member's membership interest.

Non-Voting Membership Units –

As part of the amendment to the partnership agreement in February 2022, the Company authorized 2,500,000 non-voting membership units to be available for issuance under the non-voting membership unit option plan. As of December 31, 2023 and 2022, the Company has 2,500,000 non-voting membership units authorized, of which none are issued or outstanding. Non-voting membership units have no authority over the business, affairs and property of the Company, but otherwise have the same rights in regards to distributions and liquidations as voting membership units.

Membership Unit Options –

Since the Company's inception, the Company has issued one incentive-based non-voting membership unit option contract granting a total of 250,000 non-voting membership units available to be exercised. Originally, the options vest equally over a five year period from the date of grant, with the first 20% of options being vested in March 2023. As of December 31, 2023, the first 20% of options were not exercised. The options have an exercise price of $.02 per unit and have an expiration date of August 2032. No non-voting membership units were exercised during 2023 or 2022. As of December 31, 2023 and 2022, there were a total of 250,000 exercisable non-voting membership units outstanding that were granted as part of the option contract.

The calculated value of each option is estimated as of the date of issuance using an option-pricing model and the following assumptions: a risk-free interest rate based on the U.S. Treasury yield curve at the date of issuance; a weighted average expected term, which is derived from the contractual life of the option and historical data used to estimate exercise and termination; and expected volatility based on an evaluation of comparable public companies' measures of volatility. The Company has utilized this measure as a basis for determining the expected volatility used in calculating the value of the options issued as there is not sufficient historical information about past volatility available on which to base a reasonable and supportable estimate of the expected volatility of its share price.

The Company has determined that the value of the options granted are similar to the exercise price and are immaterial for recognition of compensation expense over the vesting period and for additional financial statement disclosures.

11. LEASE COMMITMENTS

In January 2023, the Company entered into a sublease agreement to lease office space from a related party through January 2027. The lease agreement provides for a four year term with required monthly payments of $1,364, consisting of base monthly rent of $1,007 and additional charges of $357 for common area maintenance, insurance, and property taxes, throughout the entire lease term. The Company elected to not separate non-lease components from the lease and they are therefore included in the operating lease liability.

The Company's lease does not include any further renewal options or termination options that either party are reasonably certain to exercise, guaranteed residual values or restrictive financial or other covenants.

The components of lease cost recognized and included in rent expense in the operating expenses exhibit supplementary information during the year ended December 31, 2023 are as follows:

Operating lease cost	$ 15,000

Supplemental cash flow information related to leases was as follows for the year ended December 31, 2023:

Cash paid for amounts included in measurement of lease liabilities:

Operating cash flows – operating leases	$ 15,000

Right-of-use assets obtained in exchange for lease liabilities:

Operating leases	$ 56,529

Other information related to leases as of the year ended December 31, 2023 are as follows:

Weighted average remaining lease term:

Operating leases	3.1 Years

Weighted average discount rate:

Operating leases	8.00%

Maturities of operating lease obligations were as follows as of December 31, 2023:

2024	$ 16,364
2025	16,364
2026	16,364
2027	1,364
Total lease payments	50,456
Less: present value adjustment	(5,387)
Present value of lease payments, net	$ 45,069

12. ENTITY RESTRUCTURING

As a result of the members' deficit in the accompanying balance sheets, OLC Development, LLC is currently in the process of restructuring the company as a C-Corporation along with a capital raise of $7 million. A new Chief Executive Officer has committed to bringing in $3.5 million of that raise as part of his pending employment agreement. The new CEO has an extensive long-standing network of contacts in the orthopedic market and will be accelerating the sales growth of franchises and area development agreements. The Company has steadily increased recurring monthly royalty revenue while they are also implementing cost-cutting measures as the pending agreements are being finalized.

EXHIBIT H
LIST OF FRANCHISEES

Operating Franchisees

Arizona:	
OLC Scottsdale 13402 North Scottsdale Road, Suite 125 Scottsdale, AZ 85254 (480) 398-8748	
Arkansas	
OLC013 OrthoLazer NWA 3400 SE Macy Rd #18 Bentonville, AR 72712 (479) 268-3811	
Florida:	
OLC Sarasota 6312 S Tamiani Trail Sarasota, FL 34231 (941) 274-4233	
Illinois:	
OLC021 Oak Brook 16000 16th St Oak Brook. IL 60523 (630) 425-0408	
Kentucky:	
OLC022 OrthoLazer Louisville 3600 Springhurst Blvd #3604 Louisville, KY 40241 (502) 384-1043	
Massachusetts:	
OLC001 OrthoLazer Chelmsford 227 Chelmsford Road Chelmsford, MA 01824 (978) 856-7676	OLC017 Dedham 333 Elm St #110 Dedham, MA 02026 (603) 321-6262
Michigan	
OLC018 Grand Rapid 4500 Cascade Rd SE STE 107 Grand Rapids, MI 49546 (616) 608-7363	
Nevada	
OLC019 Henderson 105 N Pecos Rd #100 Henderson, NV 89074 (702) 202-0902	

New Hampshire:	
OLC005 OrthoLazer Portsmouth 1500 Lafayette Road, Ste 10 Portsmouth, NH 03801 (207) 351-6244	OLC012 OrthoLazer Nashua 436 Amherst St Nashua, NH 03063 (603) 566-3194
North Carolina OLC024 Fayetteville Ferncreek Dr STE 201 Fayetteville, NC 28314 (910) 447-5235	
South Carolina	
OLC Spartanburg 2555 Boiling Springs Road Boiling Springs, SC 29316 (864) 327-8001	
Texas:	
OLC010 OrthoLazer Flower Mound 737 International Parkway, Suite 250 Flower Mound, TX 75022 (972) 954-3999	
Virginia	
OLC020 Woodbridge 14901 Potomac Town Pl Fairfax Station,VA 22191 (703) 730-0002	
Wisconsin:	
OLC008 OrthoLazer Franklin 7044 S Ballpark Drive, Ste 202 Franklin, WI 53132 (414) 448-7001	OLC015 OrthoLazer Brookfield 17550 W Bluemound Rd, Ste 208 Brookfield, WI 53045 (262) 289-9455

Franchise Agreements Signed But Location Not Yet Open

None

Former Franchisees in the Past Year:

Lazer Group of Rochester, LLC
Dr. Pete Ronchetti
Rochester, NY
M: 585-820-8328

EXHIBIT I
GENERAL RELEASE

This General Release (this "Release") is being executed and delivered this ___ day of _____, 20____, by _____ ("Franchisee") and _____ ("Owner(s)") (Licensee and Owners are collectively the "Releasing Parties") in favor of OLC DEVELOPMENT, INC., a Delaware corporation (the "Franchisor").

WHEREAS, Franchiser and Licensee are parties to that Franchise Agreement dated _____ (together with all Addenda thereto, the "Franchise Agreement"), pursuant to which the Franchisor granted to the Franchisee, on the terms and subject to the conditions set forth therein, the right to manage the non-medical operations of an OrthoLazer Center using the Franchisor's systems, copyrights and marks at _____ (the "Franchise Business");

WHEREAS, the Owner(s) own the Franchisee and have been engaged in the Franchise Business; and

WHEREAS, [Owner has requested that Franchisor consent to the transfer of the Franchise Business pursuant to Section 14.3 of the Franchise Agreement][Franchisee desires to renew the Franchise Agreement pursuant to Section 3.1 of the Franchise Agreement].

NOW THEREFORE, the Releasing Parties, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound, hereby agrees as follows:

1. To the fullest extent permitted by applicable law, the Releasing Parties, on behalf of themselves and any person claiming by or through them, hereby irrevocably releases, waives and discharges, forever and unconditionally, the Franchisor and all of the Franchisor's past, present and future parents, subsidiaries, affiliates, shareholders, members, partners, managers, directors, officers, employees, assigns, successors, agents, legal representatives and attorneys, and any of the aforementioned persons' estates, heirs, executors or administrators (collectively the "Released Parties"), from any and all charges, complaints, claims, liabilities, obligations, promises, agreements, controversies, judgments, damages, actions, causes of action, suits, rights, demands, costs, sums of money, losses, debts and expenses (including reasonable attorneys' fees and costs actually incurred) of any nature whatsoever, known or unknown, vested or contingent, suspected or unsuspected, arising from or by reason of, any matter, cause, or thing whatsoever, from the beginning of the world to the date of hereof, that the Releasing Parties now have, ever had, or, but for this release, hereafter would or could have had against each or any of the Released Parties.

2. The Releasing Parties irrevocably covenant and agree not to file any claim or complaint or institute or instigate any investigation, lawsuit, arbitration proceeding, or other legal action against any Released Party for claims released herein.

3. The Releasing Parties represent and warrant that they have not heretofore assigned or transferred, or purported to assign or transfer, any claim released herein to any person, firm or other entity. If any suit, claim, demand, action or cause of action shall be made or asserted based on, arising out of, or in connection with any such transfer or assignment or purported transfer or assignment, the Releasing Parties shall indemnify and hold the Franchisor and the Released Parties harmless against any such suit, claim, demand, action or cause of action, including reasonable attorneys' fees and costs incurred in connection therewith.

4. The Releasing Parties expressly accept and assume the risk that the facts and/or law pertaining to the claims released herein may change, or that the facts pertaining to the claims released herein may later be found to be different from that which is now known or believed by him or their counsel to be true. This release shall be and remain effective notwithstanding any such change or difference.

5. The Releasing Parties represent and warrant that they (i) have read and understand and the consequences of the execution and delivery of this Release; (ii) are freely and voluntarily executing and delivering this Release; (iii) have had the opportunity to retain separate counsel in connection with the negotiation and execution of this Release; (iv) have relied on the advice of separate counsel with respect to this Release or made the conscious decision not to retain counsel in connection with the negotiation and execution of this Release; and (v) has not relied upon any inducements, promises or representations made by the Franchisor, or its representatives which have not been specifically incorporated in writing into the terms of this Release.

6. If any provision of this Release is held invalid or unenforceable by any court of competent jurisdiction, the other provisions of this Release will remain in full force and effect. Any provision of this Release held invalid or unenforceable only in part or degree will remain in full force and effect to the extent not held invalid or unenforceable.

7. This Release may be executed in one or more counterparts and all such counterparts so delivered and executed shall constitute one and the same instrument. Any signature page of any such counterpart, any copy thereof delivered by facsimile, e-mail or other means of electronic transmission, may be attached or appended to any other counterpart to complete a fully executed counterpart of this Release, and any copy thereof delivered by facsimile, e-mail or other means of electronic transmission shall be deemed an original and shall bind each party.

[signature page follows immediately]

IN WITNESS WHEREOF, the Releasing Parties have executed this Release as of the date first written above.

FRANCHISEE:

By: _____
Name:
Title:

OWNER(S):

_____

_____

STATE OF)
) SS:
COUNTY OF)

On the _____ day of _____ in the year 20____ before me, the undersigned, a Notary Public in and for said State, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his capacity, and that by his signature on the instrument, the individual, or the person upon behalf of which the individual acted, executed the instrument.

_____
NOTARY PUBLIC

EXHIBIT J

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
Illinois	Pending
Indiana	Pending
Michigan	Pending
Virginia	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.

RECEIPT
(To be retained by Franchisee)

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 OLC Development, Inc. offers you a franchise, it must provide this disclosure document to you: (a) 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; (b) in New York, at the earlier of: (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; (c) in Iowa, at the earlier of: (i) your first personal meeting to discuss the franchise; or (ii) 14 days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (d) in Michigan, at least 10 business days before the earlier of when you sign a binding franchise or other agreement or pay any consideration to us (or an affiliate of ours).

If OLC Development, Inc. does not deliver this disclosure on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit A.

The franchisor is OLC Development, Inc. located at 902 Provident Drive, Warsaw, Indiana 46580. Its telephone number is (888) 652-9199.

Issuance Date: May 1, 2026 (with the effective dates in franchise registration states on Exhibit J of this franchise disclosure document).

We authorize the respective state agents identified on Exhibit B to receive service of process for us in the particular states.

The name, principal business address and telephone number of the franchise sellers offering the franchise are (please check box(es) next to the person who made this offer to you):

Name		Principal Business Address	Telephone Number
Scott Sigman, MD	☐	227 Chelmsford Road Chelmsford, Massachusetts 01824	(978) 856-7676
Ryan Mooney	☐	902 Provident Drive Warsaw, Indiana 46580	(888) 652-9199
Greg Barnett	☐	902 Provident Drive Warsaw, Indiana 46580	(888) 652-9199
Other:	☐	_____	_____

I received a disclosure document from OLC Development, Inc. dated as of May 1, 2026 that included the following Exhibits:

A. Directory of State Administrators
B. Agents for Service of Process
C. Franchise Agreement
D. INTENTIONALLY DELETED
E. State Specific Disclosures and Franchise Agreement Addenda
F. Operations Manual Table of Contents
G. Financial Statements
H. List of Franchisees
I. General Release
J. State Effective Dates and Receipts

Date

Prospective Franchise Location (City and State)

Full Legal Name of Individual

Signature

RECEIPT
(To be returned to Franchisor)

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 OLC Development, Inc. offers you a franchise, it must provide this disclosure document to you: (a) 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; (b) in New York, at the earlier of: (i) your first personal meeting to discuss the franchise, or (ii) 10 business days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; (c) in Iowa, at the earlier of: (i) your first personal meeting to discuss the franchise; or (ii) 14 days before you sign a binding agreement with, or make payment to, us or an affiliate in connection with the proposed franchise sale; or (d) in Michigan, at least 10 business days before the earlier of when you sign a binding franchise or other agreement or pay any consideration to us (or an affiliate of ours).

If OLC Development, Inc. does not deliver this disclosure on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified in Exhibit A.

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J. State Effective Dates and Receipts

Date	Prospective Franchise Location (City and State)
	Full Legal Name of Individual
	Signature