

FRANCHISE DISCLOSURE DOCUMENT



Pritikin ICR LLC
a Delaware limited liability company
7733 Forsyth Boulevard, Floor 23
Clayton, Missouri 63105
Telephone: 800-677-0257
E-mail: pritiKinicr@pritikin.com
www.pritikinicr.com

We offer licenses under which health care providers such as hospitals and cardiology practices can become certified to operate a portion of their existing health care business as a “Pritikin-certified” provider. “Pritikin-certified” providers offer and teach intensive cardiac rehabilitation programs to their patients using Pritikin’s proprietary “Pritikin” intensive cardiac rehabilitation program (the “**Pritikin ICR Program**”). These health care providers will conduct the Pritikin ICR Program for patients at their existing health care facilities.

The total investment necessary to begin operation of a Pritikin-certified provider of the Pritikin ICR Program at one location is \$5,730 to \$51,980. Of these initial investment costs, none are fees or expenses paid to Pritikin.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jenny Ray, Sales and Marketing Director, 7733 Forsyth Boulevard, Floor 23, Clayton, Missouri 63105, at 800.677.0257.

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

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as “A Consumer’s Guide to Buying a Franchise,” which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue N.W., Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

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

The issuance date of this disclosure document is April 21, 2025.

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 E.
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 B 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 Pritikin ICR Program in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Pritikin ICR franchisee?	Item 20 or Exhibit E 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 D.

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 litigation only in Delaware. Out-of-state 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 Delaware than in your own state.
2. **Unopened Franchises:** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.

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.

TABLE OF CONTENTS

Item	Page
Item 1 The Franchisor And Any Parents, Predecessors And Affiliates.....	1
Item 2 Business Experience.....	6
Item 3 Litigation.....	7
Item 4 Bankruptcy.....	7
Item 5 Initial Fees.....	7
Item 6 Other Fees.....	8
Item 7 Estimated Initial Investment.....	12
Item 8 Restrictions On Sources Of Products And Services	16
Item 9 Franchisee's Obligations.....	19
Item 10 Financing	21
Item 11 Franchisor's Assistance, Advertising, Computer Systems And Training	21
Item 12 Territory.....	25
Item 13 Trademarks.....	26
Item 14 Patents, Copyrights, And Proprietary Information	28
Item 15 Obligation To Participate In The Actual Operation Of The Franchise Business	28
Item 16 Restrictions On What The Franchisee May Sell.....	29
Item 17 Renewal, Termination, Transfer And Dispute Resolution	29
Item 18 Public Figures	33
Item 19 Financial Performance Representations.....	33
Item 20 Outlets And Franchisee Information.....	40
Item 21 Financial Statements.....	46
Item 22 Contracts.....	46
Item 23 Receipt.....	46

Exhibits:

A	Certification Agreement and Related Exhibits (franchise agreement)
B	Pritikin ICR LLC's Financial Statements
C	List of Administrators
D	Agents for Service of Process
E	List of Current and Former Franchisees
F	Table of Contents to Manuals
G	State-specific Disclosures
H	State-specific Amendments
I	State Effective Dates Page
J	Receipts (2 copies)

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS AND AFFILIATES

Pritikin ICR LLC is the franchisor. To simplify the language in this disclosure document, the terms “**we**”, “**us**”, “**our**”, “**franchisor**,” and “**Pritikin**” also refer to Pritikin ICR LLC. The terms “**you**,” “**your**,” “**licensee**,” and “**franchisee**” refer to the person (or professional company) to whom we grant a license, the licensee. If the licensee is a partnership, corporation, or other entity, “you” includes the licensee’s owners. A copy of the Pritikin ICR Program Master Services Agreement (the “**Certification Agreement**”) is included as Exhibit A of this disclosure document. (For the purpose of this FDD and the Certification Agreement, we use the terms “franchisor” and “licensor” interchangeably, and the terms “franchisee” and “licensee” interchangeably based on industry practice and without any intended difference in the meaning of those terms. The use of these terms does not affect whether the Certification Agreement and our relationship with a provider is a “franchise” under U.S. law regulating franchises.)

We were formed in Delaware on February 5, 2013, and our principal business address is 7733 Forsyth Boulevard, Floor 23, Clayton, Missouri 63105 (tel - 800-677-0257). We do business under the names “Pritikin”, “Pritikin ICR”, and our legal name. To the extent that we have appointed agents for service of process, they are listed in Exhibit D to this disclosure document.

Parents, Predecessors and Affiliates

We and our affiliates have developed programs to promote individuals’ health and wellness through programs that include a healthy eating plan, exercise and lifestyle education (the “**Pritikin Principles**”). Our affiliates and their predecessors have been offering various programs and resources (including residential life change programs, books, and prepared foods featuring the Pritikin Principles and the “Pritikin” name) since 1974. Our parent is Pritikin Enterprises LLC, a Delaware limited liability company, whose principal business address is 8755 NW 36th Street, Miami, Florida 33178. Neither we nor our affiliates have had a predecessor in the past ten years.

We have two affiliates, each of which is a Delaware limited liability company. The Florida Pritikin Center and Pritikin Trademark Company have their principal address at 8755 NW 36th Street, Miami, Florida 33178:

Affiliate	Description
Florida Pritikin Center LLC	The Pritikin Longevity Center first began operating in December 1975. The Pritikin Longevity Center began offering the Pritikin ICR Program, principally as live lectures, in January 2012. This affiliate operates the Pritikin Longevity Center in Doral, Florida, and prepares and sells certain meals to its customers.
Pritikin Trademark Company, LLC and The Pritikin Organization LLC	Our affiliate, Pritikin Trademark Company, LLC (“PTC”) owns the “Pritikin” trademarks and other intellectual property, and The Pritikin Organization LLC (which is the parent of PTC), licenses the trademarks to us.

We do not currently operate businesses similar to the businesses that are offered under this disclosure document. However, as noted above, our affiliate Florida Pritikin Center LLC

operates the Pritikin Longevity Center, which has offered programs similar to those that licensees will conduct since January 2012. In the future, we or our affiliates may provide services at hospitals and other health care facilities that are not our affiliates using the Pritikin Principles. If we or our affiliates do so, these activities and operations may be similar to the businesses we are licensing other health care providers to operate under the Pritikin ICR Program as described below. Additionally, we now offer fully-outsourced virtual ICR services, under which a health care provider can contract with us to provide virtual intensive cardiac rehabilitation services directly to the provider's patients while those patients are in their homes, rather than providing the services to patients at the provider's facilities or the provider using its personnel to provide virtual ICR services (these are "**Fully Outsourced Virtual Services**").

Other than the licenses being offered in this Disclosure Document and providing training materials and certification services on an on-going basis to our licensees as described in this Disclosure Document, we do not and have not in the past offered franchises in this or any other line of business. Other than the activities described in this Item, we are not currently involved in other business activities. We first granted a license to a hospital (in a transaction that was exempt under the FTC Franchise Rule) in March 2013. Except for offerings that were exempt under the FTC Franchise Rule, we began offering the licenses described in this Disclosure Document in August 2013.

On September 20, 2024 we acquired Chanl Health Inc. which became a wholly owned subsidiary of Pritikin ICR LLC and was renamed Chanl Health LLC ("**Chanl Health**"). Chanl Health provides a leading software platform and virtual care management solution designed to empower healthcare providers in delivering home-based and hybrid cardiac rehabilitation programs. This new platform is not part of the franchise model and is not required, but it can be purchased by franchisees separately if they are interested.

The Pritikin Program and Pritikin ICR Program

The program that is offered under this Disclosure Document is unusual in that it is intended primarily for existing hospitals and cardiology practices.

Among the programs that we and our affiliates have developed is our proprietary program that incorporates the Pritikin Principles into an intensive cardiac rehabilitation program. "**ICR**" program refers to a physician-supervised program that furnishes cardiac rehabilitation services with a more comprehensive lifestyle education component than in traditional other cardiac rehabilitation programs. Our ICR program has been approved by federal Centers for Medicare & Medicaid Services ("**CMS**") (an agency within the U.S. Department of Health & Human Services) for reimbursement of up to 72 sessions provided to qualifying patients, based on the current ICR program requirements under Medicare Part B (we refer to our ICR program as the "**Pritikin Program**"). CMS approval of the Pritikin Program was based on the research data derived from patients who participated in the Pritikin Program provided in a residential setting at the Pritikin Longevity Center in Florida and a former location in California.

To further expand the reach of the Pritikin Program, we also developed a program and system (the "**System**") through which health care facilities and other centers (which may include rehabilitation and fitness centers with medical offices) that provide cardiac rehabilitation (each a "**Provider**") to patients can convert their cardiac rehabilitation programs and become licensed and certified by us to offer and teach a program to their ICR patients that complies with the requirements that we have established relating to the Pritikin Program (the "**Pritikin ICR Program**"), and to use our Proprietary Marks (which are further described below) in connection

with these activities. At this time, we anticipate that most Providers will be hospitals, acute care facilities, or cardiology practices, although we may receive inquiries from other providers as well.

As part of the System, we will train a participating Provider's key employees ("**Named Professionals**") in the Pritikin Program and provide our certification once the Provider satisfies all requirements to become certified by us, to provide the Pritikin Program (this is referred to as being "**Pritikin-certified**"). We also provide the Provider with access to resources useful to the Provider in implementing the Pritikin ICR Program and in continuing to meet the requirements to be Pritikin-certified. Additional information regarding the training and certification process is provided in Items 8 and 11 of this disclosure document. Once a Provider is Pritikin-certified, we will provide it with our proprietary informational and resource materials that its Named Professionals and ICR patients will use each time the Provider conducts the Pritikin Program for its patients. These are the "**Administrative Resource Reference Materials**" and the "**Patient Engagement Kit**" (and the current fees for these materials are listed in Item 6). Each Provider that uses the System is referred to as a "**Pritikin-certified Provider**". Each Provider and its health care professionals retain full control and independent judgment regarding all medical, pharmaceutical, professional and ethical aspects of their medical and related health care practices, including all individual patients and their treatments.

In connection with a Pritikin-certified Provider's activities in conducting the Pritikin ICR Program, Providers will use the "Pritikin" name, as well as other trademarks, service marks, trade names, signs, logos, and other indicia of origin that we may periodically designate (together, these are our "**Marks**") to identify itself as being part of the network of health care facilities that offers the Pritikin Program. The license to use the Marks does not extend to the Pritikin-certified Provider's overall medical and health care operations and facilities, but is limited to the portion of its operations that are devoted to conducting the Pritikin ICR Program and to activities that we approve to promote the Provider's participation in the Pritikin Program (together these operations will be referred to as the "**Pritikin ICR Business**"). The features described above are not necessarily all elements of the System. We may change, improve, add to, delete from, and further develop the elements of the System from time to time. We will provide our mandatory and suggested specifications and procedures for the Pritikin Program in a collection of confidential materials (the "**Manuals**").

If you apply to become a Pritikin-certified Provider and we approve you, then we will both sign a license agreement, which is our Pritikin ICR Program Master Services Agreement (the "**Certification Agreement**") (our current form of Certification Agreement is included as Exhibit A to this disclosure document). You will conduct your Pritikin ICR Program at only the facility (or facilities) that we determine acceptable and identify in the Certification Agreement (each facility will be a "**Facility**" and the space(s) at the Facility allotted for your operations of the Pritikin ICR Program with your patients will together be the "**ICR Space**"). This disclosure document describes the licenses we offer for Pritikin ICR Businesses and the support services we provide to Pritikin-certified Providers.

For each approved Facility, a Provider must have at least four "Named Professionals" (these are (1) a Program Director, (2) a Registered Dietitian, (3) a Healthy Mind-Set Facilitator, and (4) a Medical Director) as well as an exercise physiologist or specialist (an "Exercise Physiologist" or nurse), each of whom must meet the profession's standards for qualifications. Additionally, each of your Named Professionals must attend and complete, to our satisfaction, our training program. Additional information regarding the requirements regarding the Named Professionals and Exercise Physiologist positions and requirements or recommendations as to their qualifications and certifications is included in Item 11 under "Training and Personnel".

Additionally, you must provide us with the name(s) of the individual(s) on your staff (of employees or independent contractors) acting as your “Culinary Chef” for the patient cooking instructional classes that are part of our Pritikin ICR Program and a “Patient Liaison”, responsible for talking with patients prior to enrollment in the Pritikin ICR Program to educate the Patients about the program and assist in the enrollment process as necessary.

We do not require that you hire personnel specifically for this function, but rather that you inform us as to who will perform these functions.

Certification Payments payable to us will be based on the reimbursements rates for all ICR and CR services provided. (These fees are discussed in more detail in Item 6 of this disclosure document).

The Market and Competition

The market for medical services generally is well developed and increasingly competitive. The market is well established for cardiac rehabilitation services and is developing for intensive cardiac rehabilitation services. The growing needs of the population have increased the demand for medical services. Under Medicare’s current guidelines, reimbursement is only provided for qualifying patients who receive care from approved ICR programs and have the diagnoses that include the following conditions, also covered under CR: acute myocardial infarction in the last 12 months, coronary artery bypass surgery, current stable angina pectoris, heart valve repair or replacement, coronary angioplasty or coronary stenting, stable chronic heart failure and heart or heart-lung transplant.

The Pritikin ICR Business that you will operate will compete with other medical care providers that offer, or that elect to begin offering, other cardiac rehabilitation services and ICR services, and may include centers operated as part of multi-unit regional or national brands and independent medical practices, hospitals, and hospital outpatient locations. As of the date of this disclosure document, we are aware of three programs approved by CMS as ICR programs: our Pritikin Program, Dr. Ornish’s Program for Reversing Heart Disease, and Benson-Henry Institute Cardiac Wellness Program. In order for a program to gain approval by CMS an ICR program must show, in peer-reviewed published research, that it accomplished one or more of the following for its patients: (1) positively affected the progression of coronary heart disease; (2) reduced the need for coronary bypass surgery; and (3) reduced the need for percutaneous coronary interventions. The ICR program must also demonstrate through peer-reviewed published research that it accomplished a statistically significant reduction in five or more of the following measures for patients from their levels before cardiac rehabilitation services to after cardiac rehabilitation services: (1) low density lipoprotein; (2) triglycerides; (3) body mass index; (4) systolic blood pressure; (5) diastolic blood pressure; and, (6) the need for cholesterol, blood pressure, and diabetes medications. Individual ICR programs must be approved through the national coverage determination process to ensure that they demonstrate these accomplishments. Advances in technology and products may develop that will affect the market for medical services and products. For example, there are over one hundred companies in the market offering remote patient monitoring services for cardiac rehab patients that may try to provide virtual services to patients at home through direct-to-consumer marketing or by becoming preferred providers with certain medical insurance payors. Although these may not be franchise systems, nor are they ICR approved providers by Medicare, they may still compete for eligible patients. Qualified patients, through a physician referral, may choose any service provider, including other Pritikin ICR Businesses, so you and other Pritikin ICR Businesses in other areas in some instances might compete directly with each other for new patients.

Specific Industry Regulations

Any provider of cardiac rehabilitation services must be well-acquainted with the substantial and complex statutory and regulatory requirements that apply to the provision of those services. As described above, CMS issues regulations regarding Medicare's ICR program and specifies the required program components. A program must be certified by CMS to meet these standards in order to be an approved ICR program for Medicare reimbursement. Before any Provider can qualify for Medicare reimbursement of ICR programs, it must follow the CMS regulations and procedures to apply for and receive CMS' approval of the Provider and the facilities. Given the role of CMS and Medicare reimbursement for ICR services, any changes in the CMS payment amounts, CMS program requirements, and CMS restrictions could have a significant impact on ICR programs and businesses offering ICR services, including the Pritikin Program.

In addition to complying with CMS' regulations for ICR program reimbursement, you will be responsible for operating in full compliance with all laws that apply to your overall business and your Pritikin ICR Program. The medical and health care industry is heavily regulated. These laws may include the Patient Protection and Affordable Care Act, and other federal, state and local regulations relating to: the practice of medicine and the operation and licensing of medical services; restrictions or prohibition on fee splitting; physician self-referral restrictions (including the federal "Stark Law" and similar state laws); the relationship of providers and suppliers of health care services, on the one hand, and physicians and clinicians, on the other, including anti-kickback laws (including the Federal Anti-Kickback Statute and similar state laws); payment systems for medical benefits available to individuals through insurance and government resources (including Medicare and Medicaid); privacy and security of patient records (such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA) and the Health Information Technology for Economic and Clinical Health Act of 2009 (the HITECH Act); use of medical devices; and advertising of medical services. It is important to be aware of the regulatory framework.

Each state has medical, nursing, physician assistant, cosmetology, naturopathic, chiropractic 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 (as applicable) medical doctors, registered nurses, nurse practitioners, and physician's assistants in the state (or jurisdiction) where the medical practice is located. Additional requirements for certifications and registrations relating to professional associations and registries may also apply. 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.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of your overall business, your medical and related health care facilities, and your Pritikin ICR Program. You must not employ any person as part of your Pritikin ICR Program in a position that requires a license or certification unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files.

If we license you to operate as a Pritikin-certified Provider, we are not engaging in the practice of medicine, nursing or any other profession that requires specialized training or certification. The Certification Agreement will not interfere, affect or limit the independent exercise of medical judgment by you and your medical staff. Your patients remain as your patients. 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 Certification Agreement with us to determine your legal obligations and evaluate the possible effects on your costs and operations.

In addition, you must operate your Pritikin ICR Program in full compliance with all applicable laws, ordinances and regulations, including, without limitation, government regulations relating to occupational hazards, health, EEOC, OSHA, data collection and use, 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 Pritikin ICR Program.

ITEM 2 BUSINESS EXPERIENCE

Donald Nickelson – Chairman and Interim Chief Executive Officer

Mr. Nickelson has been our Chairman and Interim Chief Executive Officer since December 2022. Mr. Nickelson has also served as a member of the board of directors of our affiliate, Florida Pritikin Center LLC since May 2003.

Terry Rogers – President

Terry Rogers has been our President since October 2018. Prior to joining Pritikin ICR, Mr. Rogers was the Chief Growth Officer of ExactCare in Cleveland, Ohio from November 2017 to October 2018.

Dave Arnold – Vice President

Dave Arnold has been our Vice President since our formation in February 2013. Mr. Arnold is also the Vice President of Finance for Fox Family Office, Inc. in St. Louis, Missouri and has served in that position since November 2004.

Cindy Berner – Vice President of Account Operations

Cindy Berner is our Vice President of Account Operations since March 2023. Previously she was our Senior Director of Account Operations and prior to this role she was our Director, Nutrition & Content since August 2012. Ms. Berner has been a registered dietitian for over 30 years. Additional information regarding her experience is included in Item 11 under "Training Program."

Deanne Marselle – Director of Implementation

Deanne Marselle is our Director of Implementation, previously an Account Manager since February 2016. Ms. Marselle is a MA, RD, LD for over 30 years.

John Cody – Chief Operating Officer

John Cody is our Chief Operating Officer since March 2023. Prior to assuming that position, he served as our Vice President of Operations since joining us in May 2019. Prior to joining Pritikin ICR, Mr. Cody served as Vice President of Operations of Radiologica, LLC in St. Louis, Missouri from December 2016 to March 2019.

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this Item.

**ITEM 4
BANKRUPTCY**

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

**ITEM 5
INITIAL FEES**

We do not charge any initial upfront, pre-opening, or training fees for this franchise, or require that you make any pre-opening purchases from us or our affiliates.

In 2024 franchises who signed a contract prior to our elimination of training fees were charged training fees that ranged from \$3,900 (for an existing multisite licensee that was opening an additional facility) and \$19,500.

**ITEM 6
OTHER FEES**

Type of Fee (Note 1)	Amount	When Due	Remarks
Certification Payments	<p>16% for sessions by hospital outpatient departments and 18.5% for sessions by physician offices of the per session Medicare reimbursement amount for Provider's region for all CR and ICR sessions provided by Provider and the applicable % rate noted above for any other payments Provider receives for services relating to cardiac rehabilitation services provided by the Facility ("Incentive Payments").</p> <p>Tiered certification payments may be available based on the combination of the number of hospitals contracting, contract length, and combined session volume.</p>	<p>Monthly – by the last day of the month for the CR and ICR sessions that you provided during the previous month (see remarks).</p> <p>Except that Incentive Payments (if any) will be due within 30 days of your receipt of revenues for these services.</p>	<p>Certification Payments are based on sessions and rehabilitation services provided during the prior month. By the 3rd business day of each month, you must enter all CR and ICR sessions provided for the previous month in the Pritikin Portal (Notes 2 and 3). For calculation of Certification Payments, ICR & CR sessions include ICR & CR provided to patients participating at a Facility.</p>
Patient Educational Materials fee	<p>Currently \$50 per CR/ICR Patient. Optional cobranding for certain educational materials is available at an additional cost of \$5/patient.</p>	<p>Within 30 Days of Invoice Date</p>	<p>See Note 4.</p>

Type of Fee (Note 1)	Amount	When Due	Remarks
Pritikin Personnel Services	Currently \$100 per Educational Encounter	Monthly with the Certification Payments	This service is optional for purchase on a month-to-month basis during the contract term. See Note 5.
Audit	If there is an understatement, our reasonable costs of conducting the examination or audit, including travel, lodging, expenses and accounting and legal fees.	Upon demand, if incurred	Applies only if an examination or audit of your books reveals an understatement of more than 5% of the fees and charges you were required to pay for the period covered by the examination or audit, or if you are in material breach of the Certification Agreement. See Note 6.
Interest on Late Payments	1.5% per month (or highest rate permitted by law, if less).	With payment of overdue amount	We have the right to charge interest on any payment that is past due. Interest accrues from the date due until paid in full. You must also reimburse us for any costs we incur, including reasonable attorney's fees, to collect amounts you owe us. Unpaid interest charges will compound annually.
Indemnification	Our actual costs	Upon demand, if incurred	You must indemnify us, and reimburse us for our costs, damages, expenses and losses (including any settlement, judgment, as well as our attorneys' fees) if we are sued, otherwise have claims brought against us, or held liable in any claim having anything to do with your business operations, or in connection with any unauthorized or improper disclosure or use of our confidential information.
Taxes and Other Assessments	The amount of taxes and assessments imposed.	Upon demand	You will be responsible for any and all taxes due, assessments or other charges of any kind that may be imposed on us (or you) by any governmental taxing authority as a result of goods or services provided under the Certification Agreement other than any taxes that are based upon our income.

Type of Fee (Note 1)	Amount	When Due	Remarks
Post Termination and Post Expiration Expenses	Our actual costs.	Upon demand.	You must reimburse us for all expenses we incur (including reasonable attorneys' fees) to enforce your post termination obligations.

Notes

1. General - We impose and collect all fees, except as otherwise noted above. For all fees and charges, you must use the payment method we designate, which may include electronic funds transfer. All fees are non-refundable. All fees are uniformly applied to new system licensees (Providers) based on the categories described in Note 2 below and are non-refundable. However, in some instances in which it is appropriate to do so we may in the future waive or modify some or all of these fees for a particular licensee, and the Certification Payment rate was lower for licensees of hospital outpatient settings who were our "pilot" licensees or became involved with our System before the date of this disclosure document.

2. Certification Payments - You must, on a monthly basis, pay to us a certification payment ("**Certification Payment**") based on the ICR and CR sessions provided during a given month. This will be calculated by multiplying the number of ICR and CR sessions provided by the Medicare approved reimbursement rate (including all copays and coinsurance) per session multiplied by the certification rate. As reflected in the table above, the percent rate for the Certification Payment varies depending on whether the Provider Place of Service (POS) is a Facility Based Outpatient Setting or is a Physician Office. You will be responsible for handling all billing of your charges to CMS, private insurance, secondary parties, individuals and others. Pritikin may offer a fixed price per session or per patient in states where revenue sharing is not allowed.

As described in Items 8 and 16, once a Provider joins the System it will convert its program for cardiac rehabilitation patients into the Pritikin ICR Program and offer only the Pritikin ICR Program once it has become a "Pritikin-certified Provider". The exception to this requirement is that, if patients do not have Medicare coverage and their primary insurance coverage does not include reimbursement for the Pritikin ICR Program, you may offer your CR program to any such patient so long as you have submitted for each such patient a request for coverage for the Pritikin ICR Program and used your best efforts to obtain coverage for the Pritikin ICR Program from the patient's primary insurance coverage. If you offer CR sessions under this exception, your requirement to make Certification Payments will include those CR sessions.

You must make these payments by means of check or ACH (electronic fund transfer as we designate). No portion of the Certification Payment is intended to be, or is, an inducement or payment of a patient referral to the Pritikin ICR Business.

3. Reporting. You must input new patient enrollment data into the ICR Portal within three working days of Patient enrollment and submit certain data via the ICR Portal on a daily basis and no later than the 3rd day following the end of the month for the prior month.

4. Patient Engagement Materials. In conducting the Pritikin ICR Program, you must use our proprietary Educational Materials each time you conduct Pritikin educational classes or

workshops, including one Patient Engagement Kit per patient. You will reorder Patient Engagement Kits from us as needed to meet your volume of patients using our online ordering system. See the Certification Agreement (Schedule A to the Program Addendum) for additional details regarding the current items included in our current set of Patient Engagement Materials. The price is currently \$50 per patient for a set of all the materials (Option A). You may also select Option B, which is currently \$30 per patient, that includes select materials with the option to purchase additional items available at separate prices. The prices for these materials are subject to change to cover increases in materials and/or transportation costs on an annual basis. We will provide no less than 90-days' notice if pricing is to change and no price increase will be greater than 5%.

5. Pritikin Personnel Services. In 2022, Pritikin began offering this optional personnel service that allows licensed providers to contract for Pritikin personnel to fill temporary cardiac rehab staffing needs. The Pritikin personnel will administer Pritikin ICR workshops, cooking demonstrations and one-on-one education sessions as mutually agreed upon and scheduled with the Provider. The current price of this optional service is \$100 per Educational Encounter and is subject to change in the future. If you wish to obtain these services, you will sign the Pritikin Personnel Services Addendum (Optional), which is included as an attachment to the Certification Agreement. We may modify or cancel this optional service in the future. This optional service may also be referred to as "PritikinLive."

6. Audit Costs. As noted in above, this applies only if an examination or audit of your books reveals an understatement of more than 5%, or if you are in material breach of the Certification Agreement. The amount of audit costs will be determined by the auditors, legal advisors and other professionals who provide the audit services. These costs will vary based on the fees charged by these professionals, travel costs, the scope of the audit needed, the degree to which you cooperate in terms of providing information, the time it takes the auditors to review your records, and inflation.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

Type of Expenditure (See notes 1, 2)	Amount	Method Of Payment	When Due	To Whom Payment Is Made
Real property - rent and deposit (Note 3)	\$0	Not applicable	Not applicable	Landlord
Leasehold improvements (Note 4)	\$0	Not applicable	Not applicable	Contractors
Furniture, Fixtures, Office Equipment and Supplies (Note 5)	\$0	Not applicable	Not applicable	Vendors
Cooking Equipment (Note 6)	\$0 - \$10,000	As arranged	As incurred	Vendors
Computer and Business Software (Note 7)	\$0	Not applicable	Not applicable	Vendors
CMS Enrollment Application Fee (Note 8)	\$730	Lump Sum	Before beginning operations	Medicare Enrollment Authority
Business Licenses & Permits (Note 9)	\$0	Not applicable	Not applicable	Licensing authorities
Professional Fees – Legal & Accounting (Note 10)	\$5,000 - \$10,000	As arranged	Before beginning operations	Professional advisors
Insurance (Note 11)	\$0 (or unknown)	As Arranged	Before beginning operations	Third parties
Training Expenses (Note 12)	\$0	As Incurred	Before beginning operations	Transportation, and service providers
Additional Funds (3 Months) (Note 13)	\$0 - \$31,250	As Incurred	As Incurred	Patient liaison, employees, Vendors, etc.
Total (Note 14)	\$5,730 - \$51,980			

Notes: You should review the chart in conjunction with the following notes.

1. The chart above describes the estimated initial investment needed for a Provider to prepare its personnel and operations at one facility so that the Provider can become a Pritikin-certified Provider and conduct the Pritikin ICR Program for the Provider's ICR patients at the Provider's already-existing facility.

Of course, the estimates provided in this Item and this disclosure document do not include all of the costs needed to establish a hospital or another health care practice or facility. Among other things, the estimated costs do not include costs to build and equip a hospital in general, or to purchase or lease health care equipment and furnishings and fixtures used in providing health care, costs for build-out and leasehold improvements for the medical office, rent for an office, or supplies, or working capital generally related to operating a medical practice. We anticipate that you would have already incurred these costs in connection with your existing health care facilities and operations if it was not operating in our System.

As described in Item 1, each location at which a Provider will conduct the Pritikin ICR Program is a Facility and the space at the Facility allotted at the Facility for the operations of the Pritikin ICR Program is the "ICR Space." The Provider may have one or more locations that we certify to be a Facility, and each will be identified in the Certification Agreement. The estimates in the table above are for one Facility.

2. None of the estimated expenditures listed in the chart are refundable, unless you are able to negotiate the refunds with the vendors of a particular product or service. We do not offer direct or indirect financing for your initial investment. The availability and terms of financing from other sources will depend on factors such as the availability of financing generally, your creditworthiness, and the policies of lending institutions.
3. Because operating under the Program does not require any additional facilities, the estimates in this Item 7 above do not include amounts for rent, security or utility deposits for the premises or leasehold improvements that are generally incurred in starting or operating a health care facility.

Of course, any Provider wishing to operate a medical office or facility will need a site that is appropriate for the Provider's particular practices or fields of medicine and related health care services, regardless of whether they chose to offer the Pritikin ICR Program as part of our System. Additionally, the square footage, improvements and other aspects of a site that are needed, or desired, will vary among medical providers depending upon a variety of factors. These factors include: practice specialties, health care related services, equipment and rooms needed to perform the services, number of doctors and other medical professionals that will work at the location, characteristics of their patients, doctors' desired type of site (for example, professional building, medical building, professional office suite, office and medical park, or retail centers) and other factors. Therefore, our estimates do not include any amounts for rent and related deposits and build-out of leasehold improvements generally applicable to a medical and health care facility (which would be necessary to operate the Provider's business regardless of whether it offers the Pritikin ICR Program).

4. Providers will conduct the Pritikin ICR Program for their ICR patients at the Provider's existing facilities. As part of the Pritikin ICR Program, Providers will need space that is

suitable for exercise, patient video viewing, cooking demonstrations, and yoga classes. The space does not need to be dedicated solely to these activities and may be multi-purpose rooms. We expect that a Provider's existing facilities include suitable multi-purpose space. We do not expect that Providers will need to make any lease improvements to their existing facilities in order to become a Pritikin-certified ICR Provider, and as such the estimates do not include leasehold improvement expenses. If, however, a Provider elects to develop or improve rooms that it will dedicate to these functions, they may incur costs in doing so. We do not provide estimates for these types of optional expenses because we do not require these types of improvements and the scope of any improvements would be determined entirely by the Providers.

5. Provider will already have office furniture, fixtures, equipment and supplies that are sufficient for their operations. As such, no additional expenses are anticipated for office furniture and fixtures. If however, a Provider does not already possess appropriate items for patients' participation in the activities (such as ergonomic or sufficient weight bearing chairs in video viewing areas), the Provider will need to purchase additional appropriate items.
6. Our program includes patient cooking instructional classes. To conduct the cooking classes, Providers need to have certain items, including tables and cooktops for demonstration purposes. If a Provider does not already have these items (and we expect that many Providers will already have these items), it will need to purchase them. To develop these costs estimates using up to 16 participants in a class, we factored the equipment required to complete the cooking school education template we provide. A patient completing the full program would represent approximately \$13.08 in costs for recipe ingredients (currently estimated at approximately \$1.09 per sample). The costs that a Provider will incur may vary based on a number of factors, including existing vendor relationships for equipment purchases, the availability of existing equipment, and the Provider's choice of brands (should it choose premium items). If a Provider elects to obtain additional cooking equipment or related items to use in the cooking classes and related activities, the Provider's costs may exceed the costs reflected in the table above. Each Provider will be responsible for complying with any health code requirements necessary to provide cooking school.
7. We have developed the ICR Portal, which is designed to assist with data collection, tracking and monitoring. You will access the ICR Portal using web-based software that we will provide at no charge. The software may be used through commonly available PCs, and because each Provider will already be operating a health care facility, we expect that all Providers will already possess the computer related components necessary to access and use the ICR Portal in the manner that we require. As such, we do not expect that you will incur any additional expenses specific to the computers and software needed to operate the Pritikin ICR Business. Videos will be shown on a big screen and/or on individual personal computers (with headphones). We anticipate that Providers will already own these.
8. As described in Items 1 and 8, as part of becoming a Pritikin-certified Provider, you must obtain CMS' approval as an approved ICR supplier for Medicare reimbursement. To do so, you must submit an application to the appropriate CMS authority and pay the application fee, which is currently \$730. This fee applies to providers that are newly-enrolling, re-enrolling/re-evaluating, or adding a new practice location.

9. You must comply with all federal, state, and local licensing requirements at your own expense. See Item 1 regarding the potentially applicable laws and rules, and state professional licensing boards that govern their members. The laws and rules governing your operations, and their possible effects on your costs, may vary significantly. You must comply with these requirements regardless of whether you choose to become a Pritikin-certified Provider and conduct the Pritikin ICR Program in connection with your existing medical facilities and services. Therefore, the chart above does not include costs to comply with these requirements.
10. This estimate is primarily for the services of an attorney, accountant, and other professional advisors to review this disclosure document, the Certification Agreement, and your business plan, and consult with you regarding the laws that may apply to your Pritikin ICR Business. We strongly recommend that you seek the assistance of professional advisors or contact local, state, and federal agencies before signing a Certification Agreement with us to determine your legal obligations and evaluate their possible effects on your costs. You may experience different rates for professional fees in your market. It is best to ask your professional advisors for their fee schedule before engaging them to perform any services.
11. You must obtain the minimum required insurance listed in the Certification Agreement and as necessary to satisfy all legal requirements in your area. Providers must already maintain insurance coverage for their existing practices and facilities, unless they are permitted to self-insure. The range of costs for the insurance maintained by Providers will vary based on their operations and we do not have information about their costs, or the costs to name us as additional insureds. You should check with each carrier for actual premium cost. Cost of coverage will vary based on the area in which the business is located, your claims experience with the insurance carrier, the carrier's loss experience, and other factors beyond our control. See Item 8 for a description of our insurance requirements. Our insurance requirements are minimums and we do not represent or guarantee that they are sufficient for your needs; we strongly recommend that you purchase any additional coverage that you believe you will require.
12. As the training is held remotely and on-site at your facility, there should be no additional travel costs incurred.
13. As described in note 1 above, the estimates above do not include any amounts for working capital generally related to operating a health care facility. Any health care facility will have ongoing expenses and will need funds to cover these expenses or operation such as for rent, financing costs, payroll, or any salary or owner's compensation that you may choose to pay to yourself. These costs may vary significantly between medical facilities based on a variety of factors – including number of doctors and medical professionals working in your facility, and wages in your area for medical professionals. You will incur these expenses in your health care facility regardless of whether you chose to participate in the System. The amounts shown above for working capital funds are limited to the following business and management aspects attributable to operating as a Pritikin-certified Provider. As described in Item 1, you must have at least four Named Professionals (a Program Director, Registered Dietitian, Healthy Mind-Set Facilitator and Medical Director) and an exercise physiologist or specialist (an "Exercise Physiologist" or nurse). You must identify for us the individual on your staff (of employees or independent contractors) who will act as your "Culinary Chef" for the patient cooking instructional classes that are part of our Pritikin ICR Program. We do not require that you hire personnel specifically for this

function, but rather that you inform us as to who will perform this function. You must identify for us the individual on your staff who will act as your Patient Liaison to talk with and enroll patients for ICR. As Providers already operate health care operations with CR or ICR services, Providers may already retain the services of persons who will be qualified to serve as Named Professionals, fulfill the above functions, and serve as a patient liaison for their Pritikin Program. The low end of the estimate shown is for circumstances where a Provider already retains the services of these persons and will not incur incremental, salary or other compensation expenses. The high end of the range includes the hiring of one person to serve as the Registered Dietitian and assumes an annualized salary appropriate to geographic location, experience and expertise in the field of cardiac rehabilitation (including benefits), and an optional person to serve as a part-time Patient Liaison at an annualized salary of \$54,000 (the estimate includes these costs for a three-month period). Additional expenses that you will incur include Certification Payments, but we do not estimate those amounts in this disclosure document. Our estimate is based on our experience with the System, the experience of our affiliate in developing and conducting Pritikin ICR Programs, and on available information regarding the medical industry and cardiac rehabilitation services.

14. You should review these figures carefully with a business advisor before making any decision to invest in this license opportunity.

ITEM 8 RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Each Provider that joins the System will convert its program for cardiac rehabilitation patients into the Pritikin ICR Program, and once becoming a “Pritikin-certified Provider” will offer only the Pritikin ICR Program as its ICR services. (The exception to this requirement is that, if patients do not have Medicare coverage and their primary insurance coverage does not include reimbursement for the Pritikin ICR Program, you may offer your CR program to any such patient so long as you have submitted for each such patient a request for coverage for the Pritikin ICR Program and used your best efforts to obtain coverage for the Pritikin ICR Program from the patient’s primary insurance coverage.) Other than their activities in connection with providing the Pritikin ICR Program, we do not specify restrictions on the services or products that our licensees may use or offer for sale as part of their overall operations as Providers of healthcare services.

Certification Process. There are three general phases in the certification process – Medicare ICR enrollment approval, training in the Pritikin ICR Program, and becoming Pritikin-certified.

1. *Medicare ICR enrollment approval:* In order to operate a Pritikin ICR *Business*, a Provider must already be approved for reimbursement by Medicare based on the current ICR program requirements contained in Medicare Part B. We will issue a Provider letter indicating Provider’s suitability for use of the Pritikin ICR Program for proceeding with enrollment as an ICR supplier (the “**Pre-certification Letter**”). Each Provider will have to submit the appropriate forms with CMS to enroll the Provider and its facilities as an ICR supplier using a Pritikin ICR Program.
2. *Training.* We will provide our training program, which is further described in Item 11.

3. ***Pritikin Certification.*** The Pre-certification Letter does not certify Provider to conduct the Pritikin ICR Program. The requirements to become Pritikin-certified include successful completion of the training program, obtaining CMS approval as an approved ICR supplier for Medicare reimbursement, and providing Pritikin ICR with a Certificate of Insurance listing Pritikin as an additional insured. When we determine that a Provider has met the certification requirements, we will issue a Provider facility specific certification indicating that Provider is Pritikin-certified to offer and teach the Pritikin ICR Program at its Facility ("**Provider Certificate**"). No Provider has been turned down as of the date of this disclosure document.

Once you become Pritikin-certified as a Provider, you must start offering the Pritikin ICR Program as soon as reasonably practicable. Providers must also comply with all requirements issued by CMS regarding ICR Program and CMS certification, including tracking of patient progress in the program. Each Provider must make this information available to us upon our request, both for individual patients and as a collective group of patients that have participated in the Pritikin ICR Program.

- **Educational Materials.** Once a Provider is Pritikin-certified, during the initial training program we will provide the Provider with our proprietary information materials (the Administrative Resource Reference Materials and Patient Engagement Kits), which the Provider's Named Professionals and ICR patients will use each time the Provider conducts the Pritikin Program for its patients. Based upon the number of Named Professionals at your Facility, we will provide you with an initial supply of the Administrative Resource Reference Materials and Patient Engagement Kits to be used during training, at no charge. You will incur a per-patient fee of \$50 per CR and ICR patient to cover Patient Engagement Kits and other educational materials. Optional cobranding for certain educational materials is available at an additional cost of \$5/patient. You must request Patient Engagement Kits and educational materials from us using our online ordering system on an as-needed basis. Updates to the Administrative Resource Reference Materials will be provided for free.
- **Brochures.** We have developed brochures used in connection with offering the Pritikin ICR Program. These will be viewed by your physicians and patients each time you introduce the Pritikin ICR Program. We currently provide the patient informational brochures and the physician brochures to licensees at no charge. You will reorder the brochures from us as needed to meet your volume of patients.
- **Pritikin ICR User Portal.** As described in Item 7, we have developed the ICR Portal, which is a web-based user portal that is designed to assist with delivery of Pritikin ICR educational lectures, data collection, tracking and monitoring patient attendance and progress. Providers must use the ICR Portal on a daily basis and input new patient enrollment data and other information into the Portal according to our standards and required time frames. You must use computer hardware, web browsers, and/or operating software and/or communications equipment that are compatible with the ICR Portal. We expect that all Providers will already possess the computer related components necessary to access and use the ICR Portal in the manner that we require. See Item 11 for additional information.
- **Food Preparation.** Pritikin has established standards and guidelines for foods items and food preparation in order to meet the standards necessary for the Pritikin ICR Program.

We and our affiliate may periodically revise the guidelines. For food served in the ICR Space, you may serve only foods that we have approved or that meet Pritikin guidelines. We have the right to oversee, inspect, and approve the food preparation process. Additionally, we provide Pritikin-approved recipes (“**Pritikin Recipes**”) for you to prepare foods for Patients in cooking workshops. You may also prepare from Pritikin Recipes food for visitors at your Facility, or your cafeteria or for room, and if you do so you must identify the items as “Pritikin Approved” in the manner that we approve in our guidelines. We may discontinue your permission to prepare Pritikin Recipe Foods at any time upon two weeks’ advanced notice.

- **Insurance.** You must obtain and maintain a general commercial liability insurance policy and professional liability/medical liability coverage with an endorsement naming us as additional insureds. These are our standard requirements, which will apply unless you and we agree upon different amounts or coverages. The policy coverage will be primary to any other insurance coverage available to us and must provide for coverage of your obligations in connection with the Pritikin Program with limits of liability (relating solely to those obligations) of not less than \$1,000,000 per occurrence and not less than \$3,000,000 in the aggregate. These insurance policies must be placed with a carrier with an AM Best’s Rating of “A” or better. The coverage amounts required above may be provided by a single policy or combination of primary and excess or umbrella policies. You must have this coverage in effect at the time you sign the Certification Agreement and you must keep the coverage in force at all times. You must maintain this coverage during the term of the Certification Agreement (including any renewals) and for a period of three years following expiration or termination of the Certification Agreement.

In addition, you must obtain any other coverage required by law in your state. You will be responsible for determining what additional coverage is required. You must supply us with a certificate of insurance at the time you sign the Certification Agreement and provide a copy of your annual renewal confirmations through the expiration or termination of the Certification Agreement.

* * *

Other than the items and services described above, we do not require that Providers purchase items or services from us, our affiliates, or designated or approved vendors. The Patient Engagement Kits, brochures, and Pritikin Personnel Services are proprietary to us, and we or our affiliates are the only suppliers of these items.

We estimate that your purchases or leases from us, designated and/or approved suppliers, or otherwise in accordance with our specifications will represent, collectively, 0% of your total purchases of goods and services in preparing your existing medical business to be a Pritikin ICR Business. Similarly, we estimate that these purchases (these ongoing purchases are limited to Patient Engagement Kits; there are no leases) will represent approximately 1% of the ongoing purchases or leases of products and services that you incur to operate your medical business as a Pritikin ICR Business. The above calculations are limited to the purchases or leases of goods and services that are specific to being a Pritikin ICR Program. The calculations do not include any leases, purchases, operating expenses or other costs that apply to your overall business as an operator of medical and health care facilities, which may vary significantly depending on a number of factors including the type of facility and variety of services offered.

During our most recent fiscal year (which ended December 31, 2024), we had revenues of approximately \$816,008 from the sale of items to Providers, which represented approximately 4.0% of our total 2024 revenues of \$20,492,404.

None of our officers owns an interest in any companies that are vendors or suppliers to Pritikin-certified Providers.

We do not receive rebates, credits, monies, payments and benefits offered to us or to our affiliates by suppliers based upon your purchases of products and other goods and services. There are no purchasing or distribution cooperatives that exist at this time relating to the Pritikin ICR Businesses. We currently do not intend to negotiate purchase arrangements with suppliers, as our licensees select all of their products or services, other than the items stated above. As such, we do not provide material benefits to you based upon your use of designated or approved sources or your purchase of particular products or services.

ITEM 9 FRANCHISEE'S OBLIGATIONS

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

Obligation	Section in Certification Agreement	Item(s) in Disclosure Document
a. Site selection and acquisition/lease	Not applicable	Item 11
b. Pre-opening purchases/ leases	Exhibit A (" General Contract Terms "): 1	Items 7 and 8
c. Site development and other pre-opening requirements	General Contract Terms: 4.3 Provider Administered Pritikin Program Addendum (the " Program Addendum "): 1.2, 1.3 and 1.5	Items 8 and 11
d. Initial and ongoing training	Program Addendum: 1.2 and 1.3	Item 11
e. Opening	General Contract Terms: 1 and 5.2 Program Addendum: 6.1	Item 11
f. Fees	General Contract Terms: 3.1 and 3.2 Program Addendum: 3.1 and 3.2 and Schedule A Pritikin Personnel Services Addendum (the " Personnel Addendum "): 3 and Schedule A	Items 5 and 6

Obligation	Section in Certification Agreement	Item(s) in Disclosure Document
g. Compliance with standards and policies/Operating Manual	General Contract Terms: 1, 4.1, 4.2, 4.3, 10 Program Addendum 1 and 2 Personnel Addendum: 2	Items 11 and 14
h. Trademarks and proprietary information	General Contract Terms: 4 and 10 Program Addendum: 1.6 and 2	Items 13 and 14
i. Restrictions on products/services offered	General Contract Terms: 1 and 2 Personnel Addendum: Section 1.1	Item 16
j. Warranty and customer service requirements	Not applicable	Item 16
k. Territorial development and sales quotas	Not applicable	Item 12
l. Ongoing product/service purchases	General Contract Terms: 3.1 Program Addendum: 1.6(e) and 3.2 and Schedule A	Item 8
m. Maintenance, appearance and remodeling requirements	Program Addendum: 1.5 Personnel Addendum: 2.4	Item 8
n. Insurance	General Contract Terms: 8.1	Items 7 and 8
o. Advertising/Promotions	General Contract Terms: 4.1 and 4.2	Items 6 and 11
p. Indemnification	General Contract Terms: 8.3	Item 6
q. Owner's participation/management/staffing	Program Addendum: 1.2 Personnel Addendum: 2.1	Item 15
r. Records/reports	General Contract Terms: 6 and 11.9 Program Addendum: 1.1, 1.4, 3.1 and 4 Personnel Addendum: 2.2 Business Associates Agreement	Item 6
s. Inspections/audits	General Contract Terms: 6 Program Addendum: 1.4, 2.2 and 4	Item 6
t. Transfer	General Contract Terms: 11.4	Item 17
u. Renewal	Program Addendum: 5.1; Personnel Addendum: 4	Item 17
v. Post-termination obligations	General Contract Terms: 5.3 and 10.6	Items 6 and 17
w. Non-competition covenants	General Contract Terms: 2	Item 17
x. Dispute resolution	General Contract Terms: 11.6	Item 17

ITEM 10 FINANCING

We do not offer direct or indirect financing to you. We do not guarantee any promissory note, lease, or other obligation you may make to others.

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

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

Our Pre-Opening Obligations

Before you begin operating your Pritikin ICR Program, we will do the following:

1. We will issue to you an approval letter indicating the Provider's suitability for use of the Pritikin ICR Program, which letter you will use for proceeding with Medicare enrollment to become an ICR supplier (Certification Agreement, General Contract Terms, Section 1).
2. We will provide a training program on the Pritikin ICR Program for your Named Professionals and other required personnel (Certification Agreement, Program Addendum Sections 1.2 and 1.3). See below in this Item under "Training" for additional details.
3. Once we determine that you have met the certification requirements, we will issue a provider certificate, which will indicate that Provider is Pritikin-certified to offer and teach a Pritikin ICR Program (Certification Agreement, General Contract Terms, Section 1).
4. We will provide the Administrative Resource Reference Materials and Patient Engagement Kits that your Named Professionals and other staff will use in conducting the Pritikin ICR Program with each patient. We provide an initial set of the Administrative Resource Reference Materials and Patient Engagement Kits used during training without charge. There is a fee for the additional Patient Engagement Kits on an as needed basis (Certification Agreement, Program Addendum Section 1.3, 1.6, and 3.2 and Schedule A).

Our Obligations after You Begin Operating

During the operation of your Pritikin ICR Business, we will do the following.

1. We will provide you training materials, including patient educational lecture videos (which are currently provided via secure online access). (Certification Agreement, Program Addendum Section 1.)
2. We will provide (at no charge) the Administrative Resource Reference Materials and initial supply of Patient Engagement Kits for use by your staff. We will also provide (at no charge) brochures that we have developed for use in connection with offering the Pritikin ICR Program. (Certification Agreement, Program Addendum Section 1.3 and Schedule A)
3. We will provide you with access to the ICR Portal, which you must use on a regular basis. (Certification Agreement, Program Addendum Section 1.4)

Provider Facilities and Sites

We anticipate that our licensees are and will be existing health care providers who are converting their cardiac rehabilitation services to the Pritikin ICR Program, although we may consider other providers as well. As such, the Providers already possess the location where they will conduct the Pritikin ICR Business and we do not provide any assistance regarding site selection, lease negotiation, or construction. We will designate in the Certification Agreement the locations at which you may conduct the Pritikin ICR Program (each is a Facility) and the space(s) at the Facility where you will conduct the Pritikin ICR Programs for your patients (which together is the “ICR Space”).

Personnel Requirements and Training

For each Facility, a Provider must have at least four “Named Professionals” each of whom must meet professional standards for qualification (as described in the paragraph below). The four Named Professionals consist of: (1) a “Program Director”, who will oversee the Program; (2) a “Registered Dietitian”, authorized to use such title by the Commission on Dietetic Registration of the Academy of Nutrition and Dietetics and (3) a “Medical Director”, who must comply with Medicare’s requirements. These requirements currently include that the Medical Director must: (a) have expertise in the management of individuals with cardiac pathophysiology; (b) have cardiopulmonary training in basic life support or advanced cardiac life support; and (c) be licensed to practice medicine in the state in which the ICR program is offered; and (4) a “Healthy Mind-Set Facilitator” who is your employee or a part-time or full-time contractor who will be responsible for conducting the Healthy Mind-Set Workshops. The Healthy Mind-Set Facilitator may be a wellness coach, a registered nurse, exercise physiologist, clinical social worker, counselor, psychologist or psychiatrist or other individual determined appropriate by Provider to conduct the Healthy Mind-Set Workshops. Additionally, you must provide us with the names of the individuals on your staff (of employees or independent contractors) who will act as your “Culinary Chef” for the patient cooking instructional classes that are part of our Pritikin ICR Program and your Patient Liaison, responsible for talking with patients prior to enrollment in the Pritikin ICR Program to educate the Patients about the program and assist in the enrollment process as necessary. We do not require that you retain the services of personnel specifically for this function, but rather that you inform us as to who will perform these functions. As to the Culinary Chef, a Registered Dietitian may serve as the Culinary Chef for many Providers.

Each of your Named Professionals, Exercise Physiologists, Nurses and other staff members must attend and complete to our satisfaction our training program for the program. We currently conduct our training program through remote, self-paced learning modules and onsite at your facility.

Each person must participate in the program to the greatest degree possible, including remote training calls, completion of self-paced learning, and onsite training. The specific dates on which we conduct the initial training program are determined on an as-needed basis and in coordination with Provider upon signing the Certification Agreement. The following chart summarizes our current initial training program.

TRAINING PROGRAM

Key Personnel and Staff Training:			
Subject	Hours of Classroom Training	Hours of On the Job Training	Location
Video Lecture: Director Registered Dietitian/Chef Healthy Mind-Set Facilitator Medical Director Clinical Staff (Eps, RNs)	8.5 8.5 8.5 8.5 8.5/ Clinical Staff member	0 0 0 0 0	Provider Facility
Conference Calls: Director	6-8	0	Provider Facility
Self-Paced Learning: Director Registered Dietitian/Chef Healthy Mind-Set Facilitator Medical Director Clinical Staff (EPs, RNs)	1 8 4 1 4	0 0 0 0 0	Provider Facility
Video-conferencing Live Lecture: Director Registered Dietitian/Chef Healthy Mind-Set Facilitator Medical Director Clinical Staff (EPs, RNs)	7 4 2 0 4/Clinical Staff member	0 0 0 0 0	Provider Facility
Group Meeting: Director Registered Dietitian Healthy Mind-Set Facilitator Medical Director Clinical Staff (EPs, RNs)	11 8 8 11/Clinical Staff member	1 2 0 0 1	Provider Facility
Total	122.5	4	

Our training program is conducted under the direction of Cindy Berner, MS, RDN, LD, CHWC. Ms. Berner is currently our Vice President of Account Operations and was previously our Senior Director of Account Operations and prior to that Director of our Nutrition and Training since August of 2012. She is a licensed, registered dietitian and has been in the field of Nutrition, Wellness, and Health Promotion for over 30 years. Her experience includes Cardiac Rehabilitation staff, Trials of Hypertension Prevention (TOHP) NIH research grant staff member,

Corporate Health Promotion and as a Nutrition Consultant in private practice in St. Louis, Missouri. We will also use other employees or outside trainers to assist in teaching portions of the training program. All persons conducting training will have typically 5+ years of experience in cardiac rehab. The instructional materials used in training primarily consist of lectures, handouts, videos, and other self-learning presentation tools.

If a Named Professional ceases to be involved in the Pritikin ICR Program, you must identify a qualified replacement to serve in that position, who must complete our training program as soon as possible, but not later than eight weeks after the departure of the former personnel.

Advertising & Promotions

We are not required to conduct any advertising, or spend monies on advertising, regarding the Pritikin ICR Program, although we have the right to do so. If we do conduct advertising of the Pritikin ICR Program, we may use any method and media, which may be local, regional or national in nature and scope. We have not established, and do not expect to establish, any advertising cooperatives, advertising councils or other collective forms of advertising.

We do not require that you undertake any advertising activities or to spend a minimum amount on advertising efforts. When you satisfactorily complete all requirements of the Pritikin Certification Program, you will be authorized to use the Marks as we specify and in accordance with our guidelines. Any use that you make of the Marks and all services and products that you provide or sell under the Marks must be approved in writing by use and must comply with the standards, requirements and quality provisions as we may establish from time to time. Wherever a Provider refers to the Pritikin ICR Program on signage, advertising and other written, audio, video or electronic materials utilized in connection with the Pritikin ICR Program, the Provider must include a reference or notice, in the same character and prominence, that it is Pritikin-certified.

Computer Hardware and Software

We have developed the Pritikin ICR User Portal (“**ICR Portal**”), which is designed to assist with data collection, tracking and monitoring of patient attendance. You must use the ICR Portal in the manner and time frames we specify in the Certification Agreement. You must input new patient enrollment data into the ICR Portal within specified time frames (and before a patient attends his or her first Pritikin ICR Program session), and you must input other patient data on an ongoing basis according to our guidelines. You will access the ICR Portal using web-based software that we will provide and which is proprietary to us. The software may be used through commonly available computers. Other than requiring that you use the ICR Portal, we do not have any requirements relating to computers. As each Provider will already be operating a health care facility and is converting its existing cardiac rehabilitation services into a Pritikin ICR Program, we expect that all Providers will already possess the computer related components necessary to access and use the ICR Portal in the manner that we require. As such, we do not expect that you will incur any additional expenses specific to the computers and software needed to operate the Pritikin ICR Business. There may be small items, such as headphones to use in listening to the program, which a Provider may not have and will need to obtain.

We do not have independent access to your computers. We may access the data entered into the ICR Portal as we deem appropriate (including on a continual basis), and retrieve all information concerning your activities in conducting the Pritikin ICR Program, subject to your and our compliance with HIPAA (the Health Insurance Portability and Accountability Act of 1996) and

HITECH (Health Information Technology for Economic and Clinical Health Act of 2009) or other applicable law relating to confidentiality of patient records. There are no contractual limitations on our right to access the information and data entered into the ICR Portal.

Neither we nor any affiliate is required to provide you with ongoing maintenance, repairs, upgrades or updates. We do not require that you purchase any maintenance, update, upgrade or support contracts for your computer or the ICR Portal. We do not have information about the availability or annual cost of any optional maintenance, upgrading, updating or support contracts.

Manuals

Included in Exhibit F is the Table of Contents to our Manuals (which currently consists of our administrative resource reference materials). There are 437 total pages in our Manuals as of the date of this disclosure document.

Advisory Services

During the term of the Certification Agreement, we may choose to offer and provide additional advisory services to Providers in connection with their operations of the Pritikin ICR Program. We are not required to provide any of these advisory services, and if we do provide these services, we will have the right to determine the scope and duration of the services that we will provide, to the extent consistent with the Medicare rules governing intensive cardiac rehabilitation programs.

Time Between Agreement Signing and Beginning Pritikin ICR Program

We estimate that the time from signing the Certification Agreement until you begin operating the Pritikin ICR Program will be approximately three to six months. Factors that could affect this time period include the time needed to secure CMS approval as an approved ICR supplier for Medicare reimbursement, time to complete the initial training of your Named Professionals, time to ready the facility, and time to hire people. If you do not obtain approval by the applicable Medicare Administrative Contractor (“MAC”) within 12 months after signing the Certification Agreement, we may terminate this Agreement upon 180 days written notice (following the 12 month period).

ITEM 12 TERRITORY

If a Provider signs the Certification Agreement, it will convert its existing cardiac rehabilitation program conducted at location(s) that we approve into the Pritikin ICR Program. We will specify in the Certification Agreement the locations of Provider at which a Provider will be authorized to conduct Pritikin ICR Program with patients (each site will be a “**Facility**” and the space(s) at the Facility where you will conduct the Pritikin ICR Programs for your patients together is the “**ICR Space**”). A Provider may defer its conversion until fourteen days following the later of (a) approval of Provider’s Medicare enrollment application by the applicable MAC, and (b) the date we issue the Provider Certificate to the Provider. Also, if patients do not have Medicare coverage and their primary insurance coverage does not include reimbursement for the Pritikin ICR Program, a Provider may offer its CR program to those patients so long as the Provider has submitted for each of those patients a request for coverage, and used its best efforts to try to obtain coverage with respect to those patients, for the Pritikin ICR Program.

We do not grant territories, but rather only authorize specific locations. You therefore will not receive an exclusive territory. You may face competition from outlets that we own or from other channels of distribution or competitive brands that we control. We retain all other rights and may engage in any activities, including the right to license others to engage in any activities at any location (except your authorized location) or through virtual means, including the Internet, on any terms and conditions that we deem advisable, and without granting you any rights.

Qualifying patients, through their referring physician, have total freedom to select where to obtain services. Neither you nor any other Pritikin-certified Provider is restricted from providing Pritikin ICR Program services at the authorized locations to any patient regardless of where the patient lives. You may not sell or distribute products or services related to the Pritikin ICR Program at wholesale or to third parties for resale, or use alternate channels of distribution, such as the Internet, catalog sales, telemarketing, or direct marketing.

Our affiliates currently sell “Pritikin” brand products through alternative channels of distribution, including on the internet. We, our affiliates, and our designees will have the right to sell and distribute “Pritikin” brand products or services from any location or to any purchaser. As noted in Item 1, we currently offer Fully Outsourced Virtual Services, through which a provider may use Pritikin to provide virtual ICR services to the provider’s patients while the patients are in their homes. To the extent we, our affiliates or designees solicit or sell any service or product related to the Pritikin-certified ICR to any person through any channels of distribution, regardless of where that person is located, we are not required to compensate you.

The Facility will be specified in the Certification Agreement. You may not relocate your operations of the Pritikin Business without our prior written approval. If you ask to relocate your operations of the Pritikin Business, we will evaluate your request on the basis of the same standards that we apply to reviewing the proposed location for a new licensee.

Options and First-Refusal Rights

Your Certification Agreement does not grant you any options, rights of first refusal, or similar rights to acquire additional franchises or licenses at any location.

ITEM 13 TRADEMARKS

As part of the Certification Agreement, we grant you a license to use the trademarks listed below (the “**Marks**”) on signage and other materials that you use in connection with offering and conducting the Pritikin ICR Program. The license to use the Marks does not extend to your overall medical and health care operations and facilities, but is limited to the portion of its operations that are devoted to conducting the Pritikin ICR Program and to activities that we approve to promote the Provider’s participation in the Pritikin Program.

As described in Item 1, our affiliate, Pritikin Trademark Company, LLC (“**PTC**”) owns the following marks that are registered on the Principal Register of the U.S. Patent and Trademark Office (the “**USPTO**”):

Mark	Registration No.	Registration Date
Pritikin	2878133	August 31, 2004
Pritikin Intensive Cardiac Rehab	4713084	March 31, 2015

PTC has filed when due (and intends to do so in the future), all affidavits required to be filed as of the date of this disclosure document relating to the marks above.

There are no currently effective material determinations of the USPTO Trademark Trial and Appeal Board, the trademark administrator of this state or any court; pending infringement, opposition or cancellation proceedings; or pending material litigation involving the principal trademarks.

Our right to use and license others to use the Marks is exercised under a trademark license agreement (the “**TM Agreement**”) between us and The Pritikin Organization LLC (which is the parent of PTC and has the rights to license the Marks to us). Under the TM Agreement, we are granted the right to use and to permit others to use the Marks. The TM Agreement has a term ending February 28, 2026, with automatic one-year renewal terms. If we were ever to lose our rights to the Proprietary Marks, the Provider’s rights to use the Marks under the Certification Agreement would also terminate.

Other than the TM Agreement, there are no agreements in effect which significantly limits our rights to use or license the Proprietary Marks in any state in a manner material to the Certification Agreement.

Your right to use the Marks is limited to the uses that we authorize under the Certification Agreement, and any unauthorized use of the Marks will infringe upon our and PTC’s rights. Once you have completed all requirements and become Pritikin-certified, you may use the Marks in the manner we specify or approve in writing. We may establish guidelines from time to time regarding the use of the Marks in connection with the Pritikin Program.

You must promptly notify us of any unauthorized use of the Proprietary Marks, any challenge to the validity of the Marks, or any challenge to our ownership of, right to use and to license others to use, or your right to use, the Marks. We have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. We have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks. We are not required to defend you against, or to indemnify you for damages relating to, any third-party claim, suit, or demand arising out of your use of the Marks.

We have the right, upon reasonable notice, to change, discontinue, or substitute for any of the Marks and to adopt new Marks for use with the System without any liability for any diminishment of the brand. Neither we nor our affiliates will have any obligation to reimburse you for any expenditures you make because of any discontinuance or modification.

No agreement significantly limits our rights to use or license the Marks in any state in a manner material to the franchise. We have no actual knowledge of superior prior rights or infringing uses that could materially affect your use of the Marks.

ITEM 14

PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

There are no patents or pending patent applications relevant to the Pritikin ICR Program.

We claim copyright protection for all of the Pritikin Program materials, including the, Patient Engagement Kits, Pritikin Recipes, promotional materials, lecture materials, training materials, whether in written and video format, and our website. However, we have not registered the copyright in any of these materials. You may use our proprietary materials and the proprietary Administrative Resource Reference Materials information in these resources only for the purpose of operating as a Pritikin ICR Business under the terms of your Certification Agreement with us.

You must treat the Administrative Resource Reference Materials, Patient Engagement Kits, lectures, training materials, Program materials (and all other materials that we provide) as confidential. You must not reveal or use for the benefit of anyone else any confidential information or trade secrets that you learn through your activities under the Certification Agreement. You must ensure that your employees and anyone else under your direction and control maintain the confidentiality of our proprietary information. You may not offer or develop videos or other materials for an ICR program using the Pritikin Program and may not duplicate, make derivative works of, distribute, perform, display, or use Pritikin's materials, unless you first obtain our prior written authorization.

You must promptly notify us if you learn about any unauthorized use of our copyrighted materials or proprietary information. We have no obligation to take any action in response to this notice. We will take the action that we determine, in our sole discretion, to be appropriate. If your Certification Agreement terminates for any reason, or expires and is not renewed, you must return all proprietary and confidential information to us immediately.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

In the Certification Agreement, we specify four permanent personnel positions that you, as a Provider, must maintain to be Pritikin-certified and to offer the Pritikin ICR Program. These are the Program Director, Registered Dietitian, a Medical Director, and Healthy Mind-Set Facilitator. Each person serving in the role of a Named Professional, and other staff members must meet the professional qualifications for their position and each must be fully trained in the Pritikin ICR Program. (See Item 11 "Personnel and Training" for additional information regarding the qualifications and training required for these positions.) Each of these persons must actively participate in the Pritikin ICR Program. We do not require that the Named Professionals to have any ownership in your facility or the Pritikin ICR Program.

Other than the requirements for the personnel described above, we do not require that you or your owners participate in the direct operation of the Pritikin ICR Program. We do not require that you, any owners or your personnel sign personal guarantees of your obligations under the Certification Agreement.

You will have sole responsibility for all employment decisions and functions related to your medical and health care operations, including hiring, firing, compensation, benefits, work hours, work rules, record-keeping, supervision, and discipline of employees.

ITEM 16 RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

Each Provider that joins the System will convert its program for cardiac rehabilitation patients into the Pritikin ICR Program, and once becoming a “Pritikin-certified Provider”, it will offer only the Pritikin ICR Program as its ICR services. You must not use the Pritikin ICR Program for the treatment of any other ailment (for example, diabetes); or for general wellness; or for any services to individuals not currently enrolled in the Pritikin ICR Program without our prior written consent. However, if patients do not have Medicare coverage and (a) their primary insurance coverage does not include reimbursement for the Pritikin ICR Program and (b) the Provider has used its best efforts to obtain coverage for the Pritikin ICR Program from the patient’s primary insurance coverage and, despite the Provider’s best efforts the patient’s primary insurance coverage does not include reimbursement for the Pritikin ICR Program, then the Provider may offer a CR program to any such patient so long as Provider has for each such patient submitted a request for coverage for the Pritikin ICR Program.

Other than their activities in connection with providing the Pritikin ICR Program, we do not specify restrictions on the services or products that our licensees may use or offer for sale as part of their overall operations as Providers of healthcare services. Each Provider is, and will remain, solely responsible for all aspects of the diagnostic, therapeutic, overall care, and related professional services delivered by the professionals at its facility. Under no circumstances will we provide any actual medical services, nor will we supervise, direct, control or suggest to, you or any professionals the manner in which to provide patient care services to your patients (although this does not limit us from providing training and guidelines regarding the Pritikin ICR Program). The Pritikin ICR Program is based on a 72-session template of ICR services, originally in a residential setting and adapted for other settings. Consistent with health care requirements, you will provide the Pritikin ICR Program in a manner that follows the Pritikin guidelines with customization by you as needed for your individual patients’ conditions.

Patients have total freedom to select where and from whom to obtain health care services and neither you nor any other Pritikin-certified Business is restricted from providing services to any patients regardless of where they reside.

ITEM 17 RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION

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

THE FRANCHISE RELATIONSHIP

Provision	Section(s) In Certification Agreement	Summary
a. Length of the franchise term	3 and 5.1 of Exhibit A “General Contract Terms”	3 years - Expires 3 years following the date set forth on the Provider Certificate (see Item 8) following approval of the Provider’s Medicare enrollment application by the applicable Medicare Administrative Contractor (“MAC”).

Provision	Section(s) In Certification Agreement	Summary
b. Renewal or extension of the term	5.1 of General Contract Terms	The Certification Agreement will automatically renew for successive 3-year renewal periods, unless (a) you are not in compliance with the Certification Agreement or (b) either you or we elect not to renew and give a written non-renewal notice to the other Party at least 180 days before the expiration date (of the then-current initial or renewal period).
c. Requirements for you to renew or extend	5.1 of General Contract Terms, and 5.1 of Program Addendum	You must be in compliance with the Certification Agreement. If the conditions are met, the existing Certification Agreement is automatically renewed.
d. Termination by you	5.1 of General Contract Terms; 5.1 and 5.2 of Program Addendum	<ol style="list-style-type: none"> 1. Either Party may terminate the Certification Agreement for a breach of the material terms of the Agreement if the other party does not cure the breach within the "Cure Period" after the breaching Party receives a written notice as to all outstanding deficiencies and/or complaints. The Cure Period is 30 days for all defaults. If the breaching party does not cure within the Cure Period, the non-breaching party may immediately terminate the Agreement by providing written notice to the breaching party. 2. During the first 12 months following the date we issue the Provider Certificate, you may elect to terminate (without cause) your obligations to conduct ICR Programs under the Certification Agreement by providing us with written notice of early termination. (Program Addendum Section 5.2) <p>These terms are subject to applicable state law.</p>
e. Termination by us without cause	Not applicable	None
f. Termination by us with "cause"	5.1 and 5.2 of General Contract Terms; 5.2 of Program Addendum	<p>See first paragraph in 17.d. above.</p> <p>Additionally, if you do not obtain approval by the applicable MAC within 12 months after submitting the Medicare enrollment application to the applicable MAC, we may terminate the Certification Agreement immediately by giving you written notice within 120 days following the 12-month period.</p>

Provision	Section(s) In Certification Agreement	Summary
g. “Cause” defined – curable defaults	5.1 and 5.2 of General Contract Terms	All defaults other than a failure by you to obtain approval by the applicable MAC within 12 months after submitting the Medicare enrollment application.
h. “Cause” defined – non-curable defaults	5.2 of General Contract Terms	If you do not obtain approval by the applicable MAC within 12 months after submitting the Medicare enrollment application, we may terminate this Agreement by giving you written notice within 120 days following the 12-month period. The termination will be effective immediately upon your receipt of the termination notice.
i. Your obligations on termination/nonrenewal	5.3 of General Contract Terms	Obligations include: pay us any amounts owed; stop using the Pritikin ICR Program, Pritikin Recipes, and any and all related video lectures, documentation and other materials, and know-how, trade secrets, works and confidential information of the Pritikin Program; return confidential materials and maintain confidentiality of information; stop using our trademarks and confidential information; refrain from providing any ICR program using the Pritikin Program or using any functional equivalent program; and maintain tail insurance for a 3-year period. Also see summaries “r” and “q” below.
j. Assignment of contract by us	11.4 of General Contract Terms	We have the right to assign the Certification Agreement or our rights under it.
k. “Transfer” by you – defined	11.4 of General Contract Terms	“Transfer” means any transfer of the Certification Agreement, or any of the rights, interests or obligations under the Certification Agreement, whether by merger or otherwise.
l. Our approval of transfer by you	11.4 of General Contract Terms	You may not assign the Certification Agreement, or any of the rights, interests or obligations under the Certification Agreement without our prior written consent.
m. Conditions for our approval of transfer	Not applicable	Not applicable
n. Our right of first refusal to acquire your business	Not applicable	Not applicable

Provision	Section(s) In Certification Agreement	Summary
o. Our option to purchase your business	Not applicable	Not applicable
p. Your death or disability	Not applicable	Not applicable
q. Noncompetition covenants during the term of the license	2 of General Contract Terms	You agree to offer only the Pritikin ICR Program to your cardiac rehabilitation patients (but this does not restrict you from offering as part of your overall health care operation of any non-ICR and non-CR services that are not part of the Pritikin ICR Business.
r. Non-competition covenants after the franchise is terminated or expires	Not applicable	Not applicable
s. Modification of the agreement	11.1 of General Contract Terms	Amendments must be in writing and signed by you and us. Nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
t. Integration/ merger clause	11.1 of General Contract Terms	Only the terms of the Certification Agreement (including the Program Addendum and any related addenda), are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and Certification Agreement may not be enforceable; provided that nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution	Not applicable	Not applicable
v. Choice of forum	11.6 of General Contract Terms	Federal or state court in Wilmington, Delaware, subject to state law
w. Choice of law	11.6 of General Contract Terms	Delaware law governs. Your state's law may override this provision. Various state disclosure addenda and agreement amendments are attached as an exhibit to this disclosure document and contain additional terms that may be required under applicable state law.

ITEM 18 PUBLIC FIGURES

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

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

At this time, the maximum number of ICR sessions, including Pritikin ICR, approved by CMS exceeds the maximum number of other cardiac rehabilitation ("CR") sessions initially approved for Medicare beneficiaries by CMS. Additionally, the Medicare reimbursement rates currently approved by CMS vary based on a number of factors, including whether the sessions are CR or ICR and whether the Provider is hospital or non-hospital healthcare provider. As used in this disclosure document, the term "session" means each encounter that a patient has with a health care provider under a prescription issued by the patient's physician for the patient to receive cardiac rehabilitation services or, if applicable, intensive cardiac rehabilitation services, consistent with the requirements established by CMS for those services.

Presented below are tables that reflect the 2025 CMS approved Medicare reimbursement rates for CR and ICR when provided in a physician's office (POS code 11) and in a hospital outpatient setting (POS code 22), the maximum number of sessions approved by CMS, as well as certain historical data regarding average patient utilization rates of approved CR sessions. Using this information, the tables reflect the number of sessions and related reimbursement revenue both on a per patient basis and collectively at the stated numbers of patients. Table 1 presents data related to non-facility based physician's office and Table 2 presents data related to facility based outpatient setting. This information is provided as a reference that you may use as you evaluate your operations and your patients for whom your physicians deem appropriate to receive CR and ICR services.

Please read carefully all of the information in this Item 19 (including the tables below in, as well as the notes that follow those tables) for explanation of how the data in the tables were prepared.

**Table 1 – Reimbursement Revenue and Session Data
For Physician's Office (POS code 11)**

A. For Physician's Office - CR	Per Patient	If you have this number of patients enrolled for sessions (Notes 5 and 6)				
		25	50	100	150	200
2024 Medicare national average reimbursement rate (per session) for cardiac rehabilitation (Notes 1 and 1(a))	\$21	\$525	\$1,050	\$2,100	\$3,150	\$4,200
Maximum number of sessions approved by CMS (without KX modifier) (Note 2)	36	900	1,800	3,600	5,400	7,200
Total CR Revenue (using maximum number of sessions)	\$756	\$18,900	\$37,800	\$75,600	\$113,400	\$151,200
National Historical Utilization Rate 52.8% (19 sessions out of a possible max. of 36) (Notes 3 and 4)	19	475	950	1,900	2,850	3,800
Total CR Revenue (using historical utilization rate number of sessions)	\$399	\$9,975	\$19,950	\$39,900	\$59,850	\$79,800

B. Physician's Office – ICR	Per Patient	If you have this number of patients enrolled for sessions (Notes 5 and 6)				
		25	50	100	150	200
2024 Medicare national average reimbursement rate (per session) for ICR (Notes 1 and 1(b))	\$126	\$3,150	\$6,300	\$12,600	\$18,900	\$25,200
Maximum number of sessions approved by CMS for ICR (Note 2)	72	1,800	3,600	7,200	10,800	14,400
Total Revenue with ICR (using maximum number of sessions)	\$9,072	\$226,800	\$453,600	\$907,200	\$1,360,800	\$1,814,400
National Historical Utilization Rate 52.8% (38 sessions out of a possible max. of 72) (Note 4)	38	950	1,900	3,800	5,700	7,600
Total Revenue with ICR (using historical utilization rate number of sessions)	\$4,788	\$119,700	\$239,400	\$478,800	\$718,200	\$957,600

Table 2 – Reimbursement Revenue and Session Data
For Facility Based Outpatient Setting (POS Code 22)

C. For Facility Based Outpatient Setting – CR	Per Patient	If you have this number of patients enrolled for sessions (Notes 5 and 6)				
		25	50	100	150	200
2024 Medicare national average reimbursement rate (per session) for cardiac rehabilitation (Notes 1 and 1(c))	\$126	\$3,150	\$6,300	\$12,600	\$18,900	\$25,200
Maximum number of sessions approved by CMS (without KX modifier) (Note 2)	36	900	1,800	3,600	5,400	7,200
Total CR Revenue (using maximum number of sessions)	\$4,536	\$113,400	\$226,800	\$453,600	\$680,400	\$907,200
National Historical Utilization Rate 52.8% (19 sessions out of a possible max. of 36) (Notes 3 and 4)	19	475	950	1,900	2,850	3,800
Total CR Revenue (using national historical utilization rate number of sessions)	\$2,394	\$59,850	\$119,700	\$239,400	\$359,100	\$478,800

(Table 2 Continued on next page)

Table 2 continued

D. For Facility Based Outpatient Setting – ICR	Per Patient	If you have this number of patients enrolled for sessions (Notes 5 and 6)				
		25	50	100	150	200
2024 Medicare national average reimbursement rate (per session) for ICR (Notes 1 and 1d)	\$126	\$3,150	\$6,300	\$12,600	\$18,900	\$25,200
Maximum number of sessions approved by CMS for ICR (Note 2)	72	1,800	3,600	7,200	10,800	14,400
Total Revenue with ICR (using maximum number of sessions)	\$9,072	\$226,800	\$453,600	\$907,200	\$1,360,800	\$1,814,400
National Historical Utilization Rate 52.8% (38 sessions out of a possible max. of 72) (Note 4)	38	950	1,900	3,900	7,500	10,000
Total Revenue with ICR (using historical utilization rate number of sessions)	\$4,788	\$119,700	\$239,400	\$478,800	\$718,200	\$957,600

Notes to Tables 1 and 2

1 **Reimbursement Rates.** The following notes provide additional information regarding the reimbursement rates that are established by CMS (the federal Centers for Medicare & Medicaid Services, www.cms.gov). These payment rates may vary for each Provider for a number of factors included in CMS methodology, some of which include: place of service (POS code 11 or POS code 22), specific carrier locality, geographic differences, and the mix of services furnished by a particular Provider. Rates for services provided at a Physician's office are available at the Physician Fee Schedule Look-Up page on the CMS website (available at <http://cms.gov/Medicare/Medicare-Fee-for-Service-Payment/PFSlookup/index.html>). Rates for services furnished in a facility-based outpatient setting are available at www.cms.gov. The payment rates that primary insurance providers will pay for these services may vary from rates established by CMS as described above.

1(a): CR in a Physician's Office: Based on the calendar year 2025 Medicare physician fee schedule, the national average payment rates for CR (cardiac rehabilitation) are as follows for the "CPT Codes" ("CPT" stands for the Current Procedural Terminology, a trademark owned by the American Medical Association) and HCPCS Codes ("HCPCS" stands for Healthcare Common Procedure Coding System):

- \$16.50 for CPT Code 93797 (Physician or other qualified health care professional services for outpatient cardiac rehabilitation; without continuous ECG monitoring (per session)); and

- \$24.58 for CPT Code 93798 (Physician or other qualified health care professional services for outpatient cardiac rehabilitation; with continuous ECG monitoring (per session))
- For purposes of Table 1, \$21.00 per session, is based on an average of one exercise session with ECG monitoring and one non-ECG monitored session for patient education, using the two applicable CPT Codes.

1(b): Pritikin ICR in a Physician's Office: Based on the calendar year 2025 Medicare physician fee schedule, the national average payment rates for ICR are as follows based on the HCPCS Codes:

- \$126.15 for HCPCS Code G0422 (Intensive cardiac rehabilitation; with or without continuous ECG monitoring with exercise, per session); and
- \$126.15 for HCPCS Code G0423 (Intensive cardiac rehabilitation; with or without continuous ECG monitoring; without exercise, per session).

1(c): CR in a Facility Based Outpatient Setting: Based on the calendar year 2025 Medicare Hospital Outpatient Prospective Payment System (OPPS), the national average payment rate for CR (cardiac rehabilitation) are as follows based on the CPT Codes.

- \$125.91 for CPT Codes 93797 and 93798: CPT Code 93797 is Physician or other qualified health care professional services for outpatient cardiac rehabilitation; without continuous ECG monitoring (per session). CPT Code 93798 is Physician or other qualified health care professional services for outpatient cardiac rehabilitation; with continuous ECG monitoring (per session).

1(d): Pritikin ICR in a Facility Based Outpatient Setting: Based on the calendar year 2025, the Medicare Hospital Outpatient Prospective Payment System (OPPS), the national average payment rate for Pritikin ICR are as follows based on the HCPCS Codes.

- \$125.91 for HCPCS Codes G0422 and G0423. HCPCS Code G0422 is Intensive cardiac rehabilitation; with or without continuous ECG monitoring with exercise, per session). HCPCS Code G0423 is Intensive cardiac rehabilitation; with or without continuous ECG monitoring; without exercise, per session).

Additional notes regarding reimbursement rates

- These rates listed do not include a 2% reduction in Medicare's share of payments that apply during sequestration, effective as of April 1, 2013.
- For purposes of the calculations in Table 1 and Table 2, the amounts are rounded to the nearest dollar for the CPT or HCPCS Code listed above.
- All rates shown are national averages, not adjusted for geographic variations in costs and other factors considered by Medicare.

2. Maximum Number of Sessions. This reflects the maximum number of covered sessions approved by CMS. CMS has established the maximum number of sessions at 36 sessions initially approved for CR, with an additional 36 sessions covered at contractor discretion; however, Pritikin ICR is subject to a maximum of 72 sessions under CMS' regulations. 42 C.F.R. § 410.49(f)(1) and (f)(2).

3. National Historical Utilization Rate. This data is from 19 sessions/patient; 2017-2018 Medicare data. (Source: CDC Preventing Chronic Disease Volume 20, April 13, 2023.) https://www.cdc.gov/pcd/issues/2023/22_0324.htm#:~:text=Participating%20patients%20averaged%2019.0%20sessions,C1%2C%200.85%E2%80%930.95%5D).

4. Calculation of Pritikin ICR Sessions Using Historical CR Utilization.

A. Calculation Using Historical CR Utilization. In each of Table 1.B and Table 2.D, there is a row titled “*National Historical Utilization Rate 52.8%.*” The calculation in this row uses the same 52.8% average number of sessions (as referenced in Note 3 above) and applies that average utilization rate to the CMS maximum of 72 covered sessions of ICR (52.8% is 38 out of 72 possible covered sessions for the average patient).

B. Potential Utilization - Number of Sessions. We cannot (and do not) make any projections as to the number of ICR sessions that your patients may decide to undertake once starting the Pritikin ICR program with you. As is always the case, patients and health care providers make, and are solely responsible for, decisions as to treatment and as to patients’ participation in any medical program. Note 7 below provides information regarding the reported utilization results of our licensees.

5. Number of Patients. The figures provided are simply placeholders to show the results across a spectrum. They are provided to assist you as a reference that you may use as you evaluate your operations and the number of your patients who you deem to be appropriate for CR and ICR services. We do not have any information regarding the number of patients that you currently have and we cannot (and do not) make any projections as to the number of patients that you may have in the future, or as to those among your patients that may be candidates for CR programs in general, and the Pritikin ICR program in particular.

These figures are estimates only of what we think you may earn. Your individual results may differ. There is no assurance that you’ll earn as much.

7. Licensee Reported Results. The table below presents information for calendar year 2024. For calendar year 2024, we received data from 104 licensees that, as of the end of the year, had been operated using the Pritikin ICR Program for a full twelve-month period. The licensees during these periods reported the number of ICR sessions completed by their patients who were enrolled in Pritikin ICR with a 72-session prescription (the “Completed ICR Sessions”). According to the information that these licensees provided:

Year	Completed ICR Sessions for Medicare patients who were enrolled in Pritikin ICR with a 72-session prescription (see notes a – f below):	
2024	Average number: 46.8	Median number: 48.4

Notes (to Licensee Reported Results):

- a. The averages were calculated at each licensee’s location, not an aggregate of all the patients treated at these licensees’ locations.

- b. For 2024, of these 104 licensees: 63 (61%) had an average number of Completed ICR Sessions that exceeded 46.8, and 41 (39%) had an average number of Completed ICR Sessions that were below 46.8; and the licensees' average number of Completed ICR Sessions ranged from 14.6 to 68.0, and within that range, the median average (*i.e.*, the median of the average results calculated for each of the 104 Licensees) was 48.4 Completed ICR Sessions.
- c. The data in this note 7 was reported to us by our licensees. We did not audit this data and have relied on the accuracy of the information that our licensees provided.
- d. The Pritikin ICR program offered at these licensee's locations is a 72 -session program, which (as described above) is the maximum number of sessions approved by Medicare patients enrolled in ICR. Certain patients may not be prescribed 72 sessions for reasons including, the number of sessions covered by their primary insurance provider if they are non-Medicare patients.
- e. The licensees reported that the data provided to us reflects all Medicare covered patients at their location discharged in the specified time period prescribed 72 sessions.

Some licensees have sold this much. Your individual results may differ. There is no assurance that you'll sell as much.

Additional Notes to Item 19

Substantiation. Written substantiation of the data used in preparing the information in this Item 19 will be made available to you upon reasonable request.

As described in Item 1 of this disclosure document, CMS approval of the Pritikin ICR Program was based on the data derived from patients who participated in the Pritikin ICR Program provided in a residential setting at the Pritikin Longevity Center in Doral, Florida. We developed the System so that additional Providers can conduct Pritikin ICR Programs at the place where they provide medical services to their patients. We do not have any information regarding whether CMS will in the future make any change in the reimbursement rates or the maximum number session for CR or ICR services when CMS reviews these types of services.

The data in this Item 19 relates only to revenue related to Medicare reimbursement rates at various patient participation levels. We do not provide cost information, but as a franchisee you will incur costs in preparing for and conducting Pritikin ICR Programs, such as Patient Engagement Kit costs, certification payments, and related expenses and other fees that you must pay to us (please refer to Items 5 and 6 of this disclosure document for those details). You will also incur various other costs such as rent and occupancy costs; employee salaries and benefits; insurance; facilities and property maintenance; business and regulatory fees and licenses; legal and accounting fees; and bookkeeping and other professional services – although as described in Item 7, we expect that you incur these types of costs in connection with your existing health care facilities and operations, even if you were not providing Pritikin ICR services.

We strongly advise you to conduct an independent investigation of this information and the opportunity to become a licensee so that you can decide whether or not you think the license will meet your financial needs. We suggest that you develop and review with your own

professional advisors a pro forma cash flow statement, balance sheet and statement of operations, and that you make your own financial projections regarding revenues from reimbursements, costs, patient base, and patient utilization rates. Additional factors to consider with your professional advisors in evaluating the Pritikin ICR Program and your business include the economic or market area conditions and demographics in your area, your capitalization level, the amount and terms of any financing that you have or may secure, lease rates, and the experience and skills of you and your staff.

Other than the preceding financial performance representation in this Item 19, 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 any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Terry Rogers, President of Pritikin ICR LLC, at 7733 Forsyth Boulevard, Floor 23, Clayton, Missouri 63105, (800) 677-0257, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table 1:
Systemwide Outlet Summary
for years 2022-2024 (Note 1)**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	69	89	+20
	2023	89	111	+22
	2024	111	145	+34
Company- Owned (Note 2)	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	70	90	+20
	2023	90	112	+22
	2024	112	146	+34

Notes

- (1) All numbers are as of the fiscal year end. Our fiscal year end is December 31st.
- (2) As described in Item 1, our affiliate, Florida Pritikin Center LLC, began to operate a Pritikin ICR Business at the Pritikin Longevity Center in Doral, Florida in January 2012.

Table 2:
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024 (Note 1)

State (Note 2)	Year	Number of Transfers
California	2022	0
	2023	0
	2024	1
Florida	2022	0
	2023	1
	2024	0
Massachusetts	2022	0
	2023	0
	2024	1
Total	2022	0
	2023	1
	2024	2

Notes

- (1) All numbers are as of the fiscal year end. Our fiscal year end is December 31st.
- (2) States not listed had no activity during the relevant time frame.

Table 3:
Status of Franchised Outlets
for years 2022 to 2024 (Note 1)

State (Note 2)	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Re-acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year (Note 3)
Arkansas	2022	8	0	0	0	0	0	8
	2023	8	1	0	0	0	0	9
	2024	9	0	0	0	0	1	8
California	2022	3	1	0	0	0	0	4
	2023	4	1	0	0	0	0	5
	2024	5	3	0	0	0	0	8
Colorado	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Delaware	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1

State (Note 2)	Year	Outlets at Start of Year	Outlets Opened	Term- inations	Non- Renewals	Re- acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year (Note 3)
Florida	2022	1	8	0	0	0	1	8
	2023	8	1	0	0	0	0	9
	2024	9	2	0	0	0	0	11
Georgia	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
	2024	1	1	0	0	0	0	2
Idaho	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Illinois	2022	4	1	0	0	0	0	5
	2023	5	0	0	0	0	0	5
	2024	5	2	0	0	0	0	7
Indiana	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Iowa	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Kansas	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Louisiana	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	1	0	0	0	0	3
Massachu- setts	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
Michigan (Note 3)	2022	5	1	0	0	0	0	6
	2023	6	5	0	0	0	0	11
	2024	11	2	0	0	0	0	13
Minnesota	2022	5	1	0	0	0	0	6
	2023	6	0	0	0	0	0	6
	2024	6	1	0	0	0	0	7
Mississippi	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Missouri	2022	3	1	0	0	0	0	4
	2023	4	0	0	0	0	0	4
	2024	4	4	0	0	0	0	8

State (Note 2)	Year	Outlets at Start of Year	Outlets Opened	Term- inations	Non- Renewals	Re- acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year (Note 3)
Nebraska	2022	1	1	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	1	0	0	0	1
Nevada	2022	1	0	0	0	0	0	1
	2023	1	1	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New Jersey	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
New York	2022	1	1	0	0	0	0	2
	2023	2	2	0	0	0	0	4
	2024	4	0	1	0	0	0	3
North Carolina	2022	1	0	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	1	0	0	0	0	4
Ohio	2022	6	1	0	0	0	0	7
	2023	7	0	0	0	0	0	7
	2024	7	0	0	0	0	0	7
Oklahoma	2022	2	0	0	0	0	0	2
	2023	2	0	0	0	0	0	2
	2024	2	0	0	0	0	0	2
Pennsylva- nia	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	1	0	0	0	0	2
South Carolina	2022	0	0	0	0	0	0	0
	2023	0	3	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Tennessee	2022	6	0	0	0	0	0	6
	2023	6	1	0	0	0	0	7
	2024	7	3	0	0	0	0	10
Texas	2022	8	2	1	0	0	0	9
	2023	9	2	0	0	0	0	11
	2024	11	4	0	0	0	0	15
Virginia	2022	0	1	0	0	0	0	1
	2023	1	2	0	0	0	0	3
	2024	3	11	0	0	0	0	14
Washington	2022	1	0	0	0	0	0	1
	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1

State (Note 2)	Year	Outlets at Start of Year	Outlets Opened	Term- inations	Non- Renewals	Re- acquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year (Note 3)
Wisconsin	2022	3	0	0	0	0	0	3
	2023	3	0	0	0	0	0	3
	2024	3	0	0	0	0	0	3
Totals	2022	69	22	1	0	0	1	89
	2023	89	22	0	0	0	0	111
	2024	111	37	2	0	0	1	145

Notes

- (1) All numbers are as of the fiscal year end. Our fiscal year end falls on December 31st.
- (2) States not listed had no activity during the relevant time frame.
- (3) Due to the coronavirus pandemic, some Facilities temporarily discontinued their operations. As of December 31, 2024, each of the Facilities that temporarily closed had reopened and resumed their operations, except for one facility in Michigan that remained closed. Since 2020, one Facility in Arkansas temporarily closed for relocation and was noted in 2024 in the Ceased Operations column. In 2022, one facility in Arkansas was temporarily closed, but resumed operations during 2023.

Table 4:
Status of Company-Owned Outlets (Note 1)
for years 2022-2024 (Note 2)

State (Note 3)	Year	Outlets at Start of the Year	Outlets Opened	Outlets Re-acquired From Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
Florida	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1
Totals	2022	1	0	0	0	0	1
	2023	1	0	0	0	0	1
	2024	1	0	0	0	0	1

Notes

- (1) As described in Item 1, our affiliate, Florida Pritikin Center LLC began to operate a Pritikin ICR Business at the Pritikin Longevity Center in Doral, Florida in January 2012.
- (2) All numbers are as of the fiscal year end. Our fiscal year end falls on December 31st.
- (3) States not listed had no activity during the relevant time frame.

Table 5:
Projected Openings (as of December 2024) for 2025

State (Note 1)	Franchise Agreements Signed but Outlet Not Opened	Projected New Franchised Outlet in the Next Fiscal Year	Projected New Company-Owned Outlet in the Next Year
Arkansas	4	2	0
Arizona	1	1	0
California	1	1	0
DC	0	1	0
Florida	10	3	0
Georgia	1	0	0
Idaho	1	1	0
Illinois	15	11	0
Indiana	0	3	0
Iowa	1	1	0
Kansas	1	0	0
Michigan	1	1	0
Minnesota	1	0	0
Mississippi	1	0	0
Nevada	1	1	0
New Jersey	1	0	0
New Mexico	1	0	0
North Carolina	3	3	0
South Carolina	2	1	0
Tennessee	6	6	0
Texas	6	2	0
Wisconsin	1	1	0
Total	59	39	0

Notes:

- (1) States not listed had no activity during the relevant time frame.
- (2) Previously, Pritikin ICR Businesses could choose to sign a VICR Addendum to offer Virtual ICR, but we not currently offer this option. Franchisees that signed a VICR Addendum in the past may offer Virtual ICR services.

The names, addresses, and telephone numbers of our franchisees as of December 31, 2024 are listed in Exhibit E.

The name and last known home address and telephone number of every one of our franchisees who has had an agreement terminated, canceled, not renewed, or who otherwise voluntarily or involuntarily ceased to do business under a Certification Agreement during one-year period ending December 31, 2024, or who has not communicated with us within ten weeks of the date of this disclosure document, are also listed in Exhibit E. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.

No franchisees have signed a confidentiality clause in a certification (franchise) agreement, settlement or other contract within the last three years that would restrict their ability to speak openly about their experience with us.

As of the date of this franchise disclosure document, there are no “Pritikin” franchisee associations in existence regardless of whether they use our trademark or not.

ITEM 21 FINANCIAL STATEMENTS

Exhibit B to this disclosure document contains the following financial statements:

Our audited financial statements for the fiscal years ending December 31, 2024, December 31, 2023 and December 31, 2022. Our fiscal years will end on December 31st each year.

ITEM 22 CONTRACTS

Attached to this disclosure document are:

- Exhibit A: a sample copy of our Certification Agreement which includes: General Contract Terms; Business Associates Agreement; Provider Administered Program Addendum; and (Optional) Pritikin Personnel Services Addendum (which applies if you elect to obtain of our Pritikin Personnel Services)

ITEM 23 RECEIPT

The last two pages of this disclosure document, as Exhibit J, are detachable receipt pages. Please sign and date each of them as of the date you received this disclosure document, return one copy to us and retain the other for your records along with this disclosure document.

EXHIBIT A
CERTIFICATION AGREEMENT AND RELATED EXHIBITS

PRITIKIN ICR MASTER SERVICES AGREEMENT

This Pritikin ICR Master Services Agreement (this “Agreement”) dated as of _____ (“Execution Date”) by and between Pritikin ICR LLC, a Delaware limited liability company (“Pritikin”), and _____, an/a _____ (“Provider”). (Each of Pritikin and Provider is herein referred to as a “Party” and, collectively, as the “Parties”). For and in consideration of the following, and the mutual and respective covenants and agreements of the Parties set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

1. **Purpose of Agreement.** Pritikin licenses its Medicare-certified intensive cardiac rehabilitation program, which includes a healthy eating plan, exercise, and lifestyle education (the “Pritikin ICR Program”), and which has been approved for reimbursement by Medicare for the intensive cardiac rehabilitation (“ICR”) program requirements contained in Medicare Part B to providers. Provider desires to offer the Pritikin ICR Program to patients of the facility(ies) set forth below the signature block (each a “Facility”). This Agreement, including all exhibits and addenda hereto, sets forth each Party’s rights and obligations related to Provider’s opportunity to offer and the delivery of the Pritikin ICR Program to its patients (“Patients”).

2. **Agreement.** This Agreement includes and explicitly incorporates by reference the following:

- A. Exhibit A: General Contract Terms
- B. Exhibit B: Business Associate Agreement Terms
- C. Provider Administered Pritikin Program Addendum (the “Program Addendum”)
- D. (Optional) Pritikin Personnel Services Addendum

3. **Term.** The term of this Agreement shall begin on the Execution Date and shall end on the termination of the last Program Addendum then in effect between the Parties.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be executed by their duly authorized representatives as of the Execution Date.

PRITIKIN ICR LLC

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

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

Provider Notice Information:

Address: _____
Attention: _____
Phone: _____
Facsimile: _____
Email: _____

Facility(ies) Name and Address:

- 1. _____
- 2. _____
- 3. _____

EXHIBIT A GENERAL CONTRACT TERMS

1. Certification and Enrollment Requirements. Provider must successfully complete and remain in compliance with the requirements set forth on the relevant Program Addendum (the “Certification Requirements”) to become and remain certified by Pritikin to offer the Pritikin ICR Program to its Patients at the relevant Facility. As part of the certification process, Provider shall enroll the specific Facility location with its local Medicare Administrative Contractor (“MAC”) as an ICR program supplier using CMS Form 855B. To help initiate the enrollment process, Pritikin will issue Provider a Pre-Certification letter indicating Provider’s suitability to use the Pritikin ICR Program. Provider will promptly submit (with a copy simultaneously sent to Pritikin) a Medicare 855B application, along with the Pre-Certification Letter, to the applicable MAC for MAC approval before ICR implementation. Provider will furnish Pritikin a copy of the MAC approval letter indicating the effective date of MAC approval of Provider’s ICR program supplier enrollment for the Facility, upon Provider’s receipt of such MAC approval letter. Provider shall implement the Pritikin ICR Program in accordance with the Medicare statutes, regulations, guidance, and national coverage determinations, as established by CMS. Upon Provider meeting all of the Certification Requirements and following receipt of the MAC approval letter, Pritikin will issue a Facility-specific certificate to Provider (“Provider Certificate”), indicating that Provider is Pritikin-certified and may offer ICR sessions to Patients of the Facility specified on the issued Provider Certificate. Provider shall not offer ICR utilizing the Pritikin ICR Program until it receives the Provider Certificate; provided, however, during the period following completion of the Training Program (as defined in the relevant Program Addendum) and prior to issuance of the Provider Certificate, Provider may begin offering the Pritikin ICR Program on a conditional basis upon Pritikin’s prior written approval.

2. Provider Restrictions and Exclusivity. During the term of this Agreement, Provider may not contract with or offer any other Medicare-certified ICR program at the Facility. Except with the prior written approval of Pritikin, Provider may only offer the Pritikin ICR Program to condition eligible cardiac rehabilitation Patients.

3. Certification Payments, Payment Terms, and Taxes.

3.1 Payment and Payment Terms. All amounts due to Pritikin shall be as set forth in the relevant Program Addendum or any other addendum entered into by the Parties. Unless otherwise set forth in the applicable addendum, Pritikin will invoice Provider on a monthly basis, and payment to Pritikin shall be due by the 30th day following the date of Pritikin’s invoice. Failure to pay any invoiced amounts to Pritikin on or before the due date shall constitute a material breach of this Agreement. Provider’s failure to cure a payment default during the Cure Period (as defined in Section 5.1 of this Exhibit A) shall give Pritikin the right, but not the obligation, to terminate this Agreement, the Provider Certificate and/or the provision of any related services including without limitation any training. Provider shall pay interest on any payments that are not received on or before the due date at an annual rate equal to the lesser of (a) one and one-half percent (1.5%) per month, or (b) the maximum amount permitted by applicable law, calculated from the due date until the date paid. In addition, Provider shall reimburse Pritikin for any and all fees or costs, including, without limitation, reasonable attorneys’ fees incurred in connection with the collection of any amounts due Pritikin.

3.2 Taxes and Other Assessments. Provider shall be responsible for any and all taxes due, assessments or other charges of any kind that may be imposed by any governmental taxing authority as a result of goods or services provided under this Agreement other than any taxes based upon the income of Pritikin.

4. License, Materials, and Services Provided by Pritikin.

4.1 General License. Subject to the terms of this Agreement and receipt of a Provider Certificate, Provider is licensed to furnish the Pritikin ICR Program to its Patients and to use the Pritikin Materials (as defined in Section 10.6 of this Exhibit A), the Platform (as defined in Section 4.3 of this Exhibit A), and the Marks (as defined in Section 4.2 of this Exhibit A).

4.2 License to Use Marks. Subject to the provisions of this Agreement, Provider is hereby granted a terminable, revocable, personal, limited, non-exclusive license to use the Marks for the period commencing upon completion of the Certification Requirements and thereafter during the term of this Agreement, solely for offering the Pritikin ICR Program, without the right to grant sublicenses (the “License”). Immediately upon termination or expiration of this Agreement (or the Provider Certificate with respect to a specific Facility), the License shall automatically terminate. The “Marks” shall mean the mark(s) Pritikin now or in the future may designate from time to time for use in connection with the Pritikin ICR Program. The Marks currently include: PRITIKIN CERTIFIED INTENSIVE CARDIAC REHAB; PRITIKIN INTENSIVE CARDIAC REHAB; PRITIKIN CERTIFIED INTENSIVE CARDIAC REHAB (and design); PRITIKIN INTENSIVE CARDIAC REHAB (and design); A HEALTHIER YOU. SCIENTIFICALLY.; and COMPREHENSIVE LIFESTYLE CHANGE. All use of the Marks by Provider and all services and products provided and sold by Provider under the Marks shall be subject to the written approval of Pritikin and comply with the standards, requirements and quality provisions as may be established by Pritikin from time to time. Provider will use the Marks on signage and other materials utilized in connection with the Pritikin ICR Program. The following requirements shall apply to Provider’s use of the Marks hereunder:

(a) Provider agrees and acknowledges that the Marks are the exclusive property of Pritikin or its licensor, and Provider shall not now or hereafter assert any claim to the goodwill or reputation of Pritikin or its licensor, or the goodwill associated with the Marks. Provider acknowledges all use of the Marks shall inure solely to Pritikin’s benefit. Provider shall not commit, or cause any third party to commit, any act challenging, contesting, or in any way impairing or attempting to impair, Pritikin’s right, title and interest in and to the Marks.

(b) Whenever and wherever Provider promotes its ICR program, it shall always prominently indicate that such program is the “Pritikin ICR Program” or the “Pritikin Intensive Cardiac Rehabilitation Program.”

(c) Provider shall promptly notify Pritikin of any unauthorized use of the Marks, any challenge to the validity of the Marks, or any challenge to Pritikin’s ownership of, right to use, and to license others to use, or Provider’s right to use the Marks. Pritikin shall have the right to direct and control any administrative proceeding or litigation involving the Marks, including any settlement. Pritikin shall have the right, but not the obligation, to take action against uses by others that may constitute infringement of the Marks.

(d) Pritikin shall have the right, upon reasonable notice, to change, discontinue, or substitute any of the Marks and to adopt new Marks for use with the Pritikin ICR Program without any liability for any diminishment of the brand. Neither Pritikin nor its Affiliates (as defined in Section 8.3(a) of this Exhibit A) will have any obligation to reimburse Provider for any expenditures Provider makes because of any such discontinuance or modification.

4.3 Pritikin Platform. Pritikin grants to Provider a limited, nonexclusive, nontransferable, nonsublicensable license to use and access the technology platform supported by Pritikin (the “Platform”) during the term of this Agreement.

(a) Terms and Conditions of Use. Provider and any persons provisioned direct access to the Platform (i.e., persons issued a username and password), as determined by Provider (including clinicians and when applicable, Patients), are referred to herein as “Users.” Users must comply with the Platform’s standard terms of use, and each User will be required to agree to the same upon logging into the Platform. Pritikin reserves the right to terminate a User’s access to and use of the Platform if such User materially breaches any of the applicable terms of use.

(b) General Restrictions. Except as otherwise explicitly provided in this Agreement or as may be expressly required by applicable law, Provider shall not, and will not authorize a User or any other third party to: (a) use or copy the Platform, any component of the Platform, or any of the data, algorithms and calculations, or any portion thereof, except as expressly authorized in this Agreement; (b) copy, modify, or prepare derivative works based upon the Platform; (c) alter, remove, or obscure any copyright or other proprietary notices or labels on or in the Platform; (d) circumvent or disable any

technological features or measures in the Platform; (e) interfere with or disrupt the integrity or performance of the Platform; (f) claim any rights to or ownership of (except through the rights granted under Agreement) the Platform or any derivative thereof; or (g) attempt to gain unauthorized access to the Platform. Additionally, Provider's use of the Platform is explicitly limited to its activities and operations related to the Pritikin ICR Program; the Platform shall not be used by Provider for operations that are unrelated to the Pritikin ICR Program or to conduct personal business.

(c) Provider Obligations. Provider shall procure and maintain the equipment and meet the technical specifications required by Pritikin, as communicated to Provider by Pritikin, for all Users to access and use the Platform.

(d) WARRANTY DISCLAIMER. PRITIKIN MAKES NO REPRESENTATION OR WARRANTY OF ANY KIND WHETHER EXPRESS, IMPLIED (EITHER IN FACT OR BY OPERATION OF LAW), OR STATUTORY, AS TO ANY MATTER WHATSOEVER RELATED TO THE PERFORMANCE OF THE PLATFORM. PRITIKIN EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, QUALITY, ACCURACY, AND TITLE, AND ALL DELIVERABLES HEREUNDER ARE ACKNOWLEDGED TO BE "AS IS" AND "WHERE IS." THE PLATFORM MAY BE SUBJECT TO LIMITATIONS, DELAYS, AND OTHER PROBLEMS INHERENT IN THE USE OF THE INTERNET AND ELECTRONIC COMMUNICATIONS. PRITIKIN IS NOT RESPONSIBLE FOR ANY DELAYS, DELIVERY FAILURES, OR OTHER DAMAGE RESULTING FROM SUCH PROBLEMS OR WHICH MAY ARISE DUE TO A USER'S MISUSE OF THE PLATFORM OR TECHNICAL OR EQUIPMENT LIMITATIONS.

5. Termination.

5.1 Material Breach. Either Party may terminate this Agreement upon written notice to the other Party in the event the other Party breaches any of the material terms of this Agreement. Prior to any termination, however, the non-breaching Party will notify the breaching Party in writing of all outstanding deficiencies and/or complaints, and the breaching Party will have thirty (30) days (the "Cure Period") to cure such deficiencies or complaints. If the breaching Party cures all such deficiencies or complaints within the Cure Period, the material breach will be deemed corrected, and the non-breaching Party shall not be entitled to terminate this Agreement. The termination right pursuant to this Section shall only apply to the General Contract Terms and the relevant Program Addendum and shall not apply to any other addenda entered into by the Parties.

5.2 Failure to Obtain MAC Approval. If Provider has not obtained approval by the MAC within twelve (12) months following Provider's submission of Form 855B for a Facility, Pritikin may terminate this Agreement (with respect to such Facility or in its entirety if such Facility is the only Facility) by giving written notice to Provider within one hundred twenty (120) days following such twelve (12) month period.

5.3 Consequences of Termination. Immediately upon termination or expiration of this Agreement (and subject to any "Run-off Period" (as defined in subparagraph (c) of this Section):

(a) The Provider Certificate and the License (or any Pre-Certification Letter) automatically terminate and are revoked, and Pritikin shall be entitled to provide notice thereof to the MAC and any other third party payors.

(b) Provider shall: (i) stop using the Pritikin ICR Program and all Pritikin Materials; (ii) return to Pritikin all Pritikin Materials any other Pritikin Confidential Information (as defined in Section 10.1 of this Exhibit A); (iii) cease all use of any and all Marks, know-how, trade secrets, works and Pritikin Confidential Information; (iv) refrain from providing, endeavoring to provide, or purporting to provide any ICR program using the Pritikin ICR Program or its functional equivalent; (v) return or destroy all materials bearing the Marks; and (vi) if so requested, certify in writing that it has complied with the foregoing.

(c) For purposes of this Agreement, "Run-off Period" shall mean any Pritikin approved period of time requested by Provider to complete the Pritikin ICR Program sessions for existing Patients following termination of this Agreement. In the event of any termination or expiration of this

Agreement, Provider shall continue to pay all amounts due under this Agreement for the period prior to the effective date of the termination of this Agreement and those incurred by Provider (including all Certification Payments) during any Run-Off period, if applicable.

5.4 Survival of Terms. Terms and conditions which by their nature survive the termination of this Agreement shall survive and continue beyond the term and termination of this Agreement, including without limitation Sections 3, 4, 5.3, 5.4, and 7-12 of this Exhibit A.

6. Records and Audits. Provider shall maintain complete and accurate accounting records in accordance with generally acceptable accounting principles for healthcare institutions to substantiate and verify (a) amounts of payments made or due to Pritikin, and (b) Provider's general compliance with the terms and conditions of this Agreement. Pritikin may, on an ongoing basis and at its cost and expense, audit Provider's compliance with the terms of this Agreement and the Certification Requirements.

7. Representations and Warranties.

7.1 Mutual Representations and Warranties. Each Party represents and warrants to the other Party that:

(a) it is a legal entity, duly organized, validly existing and in good standing under the laws of the jurisdiction where it was organized;

(b) it has full power and authority to enter into this Agreement and to perform its obligations hereunder; and

(c) the execution, delivery and performance of this Agreement by such Party does not constitute or cause a breach of its charter, by-laws, other organic documents, any license or permit, or any other agreement to which it is a party.

7.2 DISCLAIMER OF REPRESENTATIONS AND WARRANTIES.

(a) TO THE MAXIMUM EXTENT PERMITTED BY LAW, EXCEPT AS SET FORTH ABOVE IN SECTION 7.1 OF THIS EXHIBIT A, PRITIKIN DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES, WHETHER EXPRESS, IMPLIED OR STATUTORY, ORAL OR IN WRITING, INCLUDING, WITHOUT LIMITATION, WITH RESPECT TO VALIDITY, ENFORCEABILITY, NON-INTERRUPTION, ERROR-FREE OPERATION, MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, PROFITABILITY, NON-INFRINGEMENT OR THE LIKE WITH RESPECT TO THE PRITIKIN ICR PROGRAM.

(b) Pritikin does not warrant that the Pritikin ICR Program will meet Provider's or Patients' requirements or expectations. Nothing in this Agreement shall be construed to interfere with the independent professional medical judgment of Provider's physicians or the right and duty of Provider and its personnel to advise Patients on appropriate alternate treatment and care options available to them. Accordingly, Provider represents that it accepts sole and complete responsibility for (i) Patient care; (ii) implementation and operation of the Pritikin ICR Program to achieve the intended results for Patients; and (iii) Patient results derived and obtained from using the Pritikin ICR Program, and Provider's use or application of such results in Provider's decision-making for Patients. Pritikin hereby disclaims any responsibility or liability, whether based upon theories of negligence, gross negligence, strict liability, fraud, misrepresentation, or otherwise in connection with the foregoing, except related to issues for which Pritikin has provided a warranty above or agreed to indemnify Provider below in Section 8.3. IN NO EVENT SHALL PROVIDER BE CONSIDERED PRITIKIN'S AGENT OR SUBCONTRACTOR, AND PRITIKIN IS NOT RESPONSIBLE FOR PROVIDER'S PERFORMANCE OF ITS PATIENT CARE PROGRAMS WHETHER OR NOT USING THE PRITIKIN ICR PROGRAM.

8. Insurance, Notification of Claims, and Indemnification.

8.1 Insurance. Provider shall maintain general commercial liability and professional liability/medical malpractice insurance policies with a company having an A.M. Best rating of “A” or better with limits of no less than (a) \$1,000,000 per occurrence, and (b) \$3,000,000 in the aggregate during the term of this Agreement, and for three (3) years thereafter. Provider shall name Pritikin Enterprises LLC, Pritikin LLC, and Pritikin ICR LLC as additional insureds. Provider’s insurance shall be primary and non-contributory over any insurance coverage available to Pritikin. Provider shall furnish Pritikin a certificate of insurance evidencing the required coverage upon execution of this Agreement and within ten (10) days of each annual anniversary of the Execution Date. Pritikin shall maintain general commercial liability insurance or similar coverage with a company having an A.M. Best rating of “A” or better with limits of no less than (a) \$1,000,000 per occurrence, and (b) \$3,000,000 in the aggregate during the term of this Agreement, and for three (3) years following termination of this Agreement.

8.2 Notification of Claims. Provider shall provide written notice to Pritikin within ten (10) business days of any of the following occurrences:

(a) The filing of any suit, administrative or regulatory action against Provider, or the receipt of a government subpoena or notice of government audit or investigation in any way related to the Pritikin ICR Program.

(b) Notice of any claim against or incident involving Provider in any way related to the Pritikin ICR Program.

8.3 Indemnification.

(a) Subject to Section 9 of this Exhibit A below, each Party (an “Indemnifying Party”) agrees to defend, indemnify, reimburse and hold the other Party, and its respective directors, officers, employees, Affiliates and agents (the “Indemnified Party”), harmless from and against any and all costs, damages, expenses, and losses (including reasonable attorneys’ fees) (collectively, “Losses”), resulting from or arising out of third-party claims due to (i) the unauthorized use or disclosure by the Indemnifying Party of any Confidential Information of the Indemnified Party, or (ii) the negligent, intentionally wrongful or illegal acts or omissions of the Indemnifying Party or any of its agents, employees or subcontractors. In addition, Provider agrees to indemnify, reimburse and hold Pritikin harmless from and against all Losses arising out of or related to Provider’s clinical decision-making and other activities or operations of Provider which are not related to the Pritikin ICR Program. For purposes of this Agreement, an “Affiliate” of a Party is a person or entity controlling, controlled by or under common control with such Party.

(b) Infringement. Pritikin, as the Indemnifying Party, agrees to defend, indemnify, and hold Provider, and its respective directors, officers, employees, Affiliates, and agents, as the Indemnified Party, harmless from and against any and all Losses to the extent they arise out of a claim that Provider’s use of the Pritikin ICR Program or Pritikin Program materials for Provider’s ICR Program infringes a patent, copyright, trade secret or other intellectual property right of a third party provided that the requirements of subsection (c) below are followed. Pritikin shall have no obligations under this Section to the extent the claim, liability, loss or damage is attributable to any action or omission of the Indemnified Party including, without limitation, failure of the Indemnified Party to comply with this Agreement or applicable laws and regulations or, to the extent the claim is attributable to the Indemnified Party’s (1) use of the Pritikin ICR Program or Pritikin Program materials in breach of this Agreement; (2) modifications to the Pritikin ICR Program or Pritikin Program materials that are unauthorized by Pritikin; (3) combination of the Pritikin ICR Program or Pritikin Program materials with products or services not provided by Pritikin; (4) continued use of the infringing Pritikin ICR Program or Pritikin Program materials after Pritikin has provided notice that it is satisfied that the alleged infringement has merit; or (5) failure to use modifications to the Pritikin ICR Program or Pritikin Program materials supplied by Pritikin that would have avoided the infringement. In the event there is a finding of infringement, Pritikin may, at its option, obtain the right for Provider to use the Pritikin ICR

Program and/or Program materials, substitute an equivalent, or modify the Pritikin ICR Program and/or Program materials so they are no longer infringing but function in an equivalent manner, to the extent feasible, or, if none of the foregoing remedies are commercially feasible, terminate Provider's right to the allegedly infringing products and refund to Provider any amount paid for those portions of the Pritikin ICR Program and/or Program materials that are no longer usable by Provider. Provider's rights under this section constitute its sole and exclusive remedy and Pritikin's sole and exclusive obligation with respect to any infringement of any intellectual property rights of any third party claimed by virtue of Provider's use of the Pritikin ICR Program or the Pritikin Program materials.

(c) Notice. The Indemnified Party will promptly notify the Indemnifying Party of any indemnifiable claim, demand, suit or proceeding, and upon written request by the Indemnified Party, the Indemnifying Party will promptly defend and continue the defense of such claim, demand, suit or proceeding at the Indemnifying Party's expense. The Indemnified Party will provide the Indemnifying Party all reasonably accessible information regarding such claims in the Indemnified Party's possession. If the Indemnifying Party fails to undertake and continue such defense, the Indemnified Party will have the right (but not the obligation) to make and continue such defense as it considers appropriate, and the expenses and costs thereof, including but not limited to reasonable attorneys' fees, out-of-pocket expenses and the costs of an appeal and bond, together with the amounts of any judgment rendered against the Indemnified Party, will be paid by the Indemnifying Party. The Indemnifying Party shall not enter into any settlement of an indemnified claim that does not provide the Indemnified Party with a general release as a condition of settlement without the prior written approval of the Indemnified Party. Nothing herein will prevent the Indemnified Party from defending any claim, demand, suit or proceeding at its own expense through its own counsel, notwithstanding that the defense thereof may have been undertaken by the Indemnifying Party.

9. Limitation of Liability.

9.1 PRITIKIN SHALL NOT BE LIABLE TO PROVIDER UNDER THIS AGREEMENT FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR EXEMPLARY DAMAGES, SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE, PROFITS, OR BUSINESS EVEN IF INFORMED OF THE POSSIBILITY THEREOF. THESE LIMITATIONS SHALL APPLY TO ALL CAUSES OF ACTION INCLUDING, WITHOUT LIMITATION, BREACH OF CONTRACT, BREACH OF WARRANTY, NEGLIGENCE, STRICT LIABILITY, MISREPRESENTATION, AND OTHER TORTS.

9.2 IN NO EVENT SHALL THE AGGREGATE LIABILITY OF PRITIKIN ARISING UNDER OR IN CONNECTION WITH THIS AGREEMENT EXCEED THE AMOUNT OF FEES ACTUALLY RECEIVED BY PRITIKIN FROM PROVIDER DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT THAT GIVES RISE TO SUCH LIABILITY.

10. Confidentiality.

10.1 Confidential Information. As used in this Agreement, "Confidential Information" means this Agreement and all information, regardless of form or method of communication, disclosed by one Party (the "Disclosing Party") to the other Party (the "Receiving Party") during or prior to the term of this Agreement, in connection with this Agreement, the Pritikin ICR Program, and such Party's operations, regardless of whether such information is marked as "confidential." The Parties acknowledge that all lectures, training, videos, best practices, administrative and Patient resource binders, Pritikin recipes, educational materials, workshop materials, brochures, the Pritikin reporting portal, and other information and materials provided by Pritikin to Provider, other than materials intended to be provided to Patients or otherwise published or publicly disseminated, are deemed "Pritikin Confidential Information."

10.2 Requirements. Each Receiving Party agrees (a) to use the Disclosing Party's Confidential Information only for the purposes of this Agreement and to make such Confidential Information accessible only to those individuals under the Receiving Party's control who have a need to know the Confidential Information (each a "Representative"); (b) not to use or exploit any of the Disclosing Party's Confidential Information directly or indirectly for its own benefit or for the benefit of any third party in a manner inconsistent with that

purpose; and (c) not to disclose the Disclosing Party's Confidential Information in any way or in any form to third parties, without the Disclosing Party's prior specific written authorization. The Receiving Party shall be responsible for any breach of this Agreement by or caused by any of its Representatives, and the Receiving Party agrees, at its own expense, to take all reasonable measures (including but not limited to court proceedings) to restrain its Representatives from disclosures prohibited by this Section 10.

10.3 Exceptions. Confidential Information does not include information which (a) is or becomes publicly available other than through the fault of the Receiving Party or its Representatives; (b) is or becomes available to the Receiving Party on a non-confidential basis from a source (other than the Disclosing Party or its Representatives) which is not prohibited from disclosing such information to the Receiving Party by a legal or contractual obligation; (c) is independently developed by the Receiving Party as demonstrated by written or documented evidence; (d) was known by the Receiving Party prior to the transmission by the Disclosing Party to the Receiving Party, as demonstrated by written or documented evidence; or (e) is required to be disclosed as a result of governmental or judicial action, provided, the Disclosing Party is given prompt written notice of such request in order to afford it an opportunity to seek a protective order.

10.4 Injunctions. In view of the difficulties of placing a monetary value on the Confidential Information, the Disclosing Party shall be entitled to a preliminary and final injunction without the necessity of posting any bond or undertaking in connection therewith to prevent any further breach of Section 10 or further unauthorized use of its Confidential Information. This remedy is separate from and in addition to any other remedy the Disclosing Party may have at law or equity.

10.5 Notice of Certification Status. Each Party shall be permitted to inform MAC, CMS, the Party's customers and prospective customers, and the public, whether directly, via the Party's Web site or otherwise: that Provider is offering, is Pritikin-certified to offer, and/or intends to offer ICR using the Pritikin ICR Program, as the case may be, and, in the event it becomes applicable, that Provider is no longer Pritikin-certified to offer ICR using the Pritikin ICR Program.

10.6 Proprietary Materials. Provider acknowledges that the Pritikin ICR Program, lectures, videos, administrative resources, patient materials, brochures, recipes, workshops and other materials made available to Provider and/or Patients under this Agreement include the works, marks, confidential information, trade secrets and know-how of Pritikin that are subject to copyright, trademark, trade secret and other laws of the United States and foreign countries (the "Pritikin Materials"). Provider shall not offer or develop videos or other materials for an ICR program using the Pritikin Materials and shall not duplicate, make derivative works of, distribute, perform, display, or use the Pritikin Materials, except as authorized under this Agreement. Any new works created by the Provider based on or incorporating any of the Pritikin Materials, including but not limited to developments, research, studies, analyses and surveys made or authorized by Provider, shall belong to Pritikin, and such works and developments shall be treated as Pritikin Materials. Provider shall not permit and shall safeguard against the unauthorized use or duplication of Pritikin Materials.

10.7 Business Associate Agreement. The Parties agree that Pritikin shall serve as a Business Associate (as defined at 45 C.F.R. § 160.103) of Provider in accordance with the Business Associate Agreement Terms set forth on Exhibit B.

11. Miscellaneous.

11.1 Integration, Modification and Waiver. This Agreement, including the attached exhibits and addendums, which are incorporated herein by reference, constitute the entire agreement between the Parties pertaining to its subject matter and supersedes all prior and contemporaneous agreements, representations, and understandings of the Parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by the Parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver, and shall not be binding unless agreed to in writing by the Party making the waiver. However, nothing in this Section is intended as, nor will it be, a disclaimer by Pritikin of any representation made in Pritikin's Franchise Disclosure Document ("FDD"), including the exhibits and any amendments to the FDD.

11.2 Counterparts; Facsimiles. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. All signatures of the Parties may be transmitted by facsimile or other electronic communication, and will, for all purposes, be deemed to be the original signature of such Party whose signature it reproduces and will be binding upon such Party.

11.3 Severability. If any provision of this Agreement is held to be prohibited by or invalid under applicable law, such provision will be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Agreement.

11.4 Rights of Parties; Assignment. This Agreement shall not confer any rights or remedies upon any person other than the Parties and their respective successors and permitted assigns. This Agreement and all of the provisions hereof will be binding upon and inure to the benefit of the Parties and their respective successors and permitted assigns; provided that neither this Agreement nor any of the rights, interests or obligations hereunder may be assigned or otherwise transferred, by merger or otherwise, by Provider without the prior written consent of Pritikin. Pritikin may assign this Agreement and its rights under this Agreement, so long as the acquirer assumes all of Pritikin's obligations under this Agreement.

11.5 Notices. All notices to the Parties concerning this Agreement will be effective only if they are in writing and delivered personally, by fax, by certified mail, by electronic mail, or by overnight courier, to the attention of the person and at the address or fax number designated below. Either Party may change the person to receive notice or the applicable contact information by providing notice to the other. Notices will be deemed to have been given and to have been received when they are properly delivered. Any such notices will be addressed as follows:

If to Pritikin:	with a copy to:	with a copy to:
Terry Rogers, President Pritikin ICR LLC 7733 Forsyth Blvd., Floor 23 St. Louis, MO 63105 Phone: (314) 932-7990 Facsimile: (314) 727-7664 Email: trogers@pritikin.com	Dave Arnold, Vice President Pritikin ICR LLC 7733 Forsyth Blvd., Floor 23 St. Louis, MO 63105 Phone: (314) 727-5550 Facsimile: (314) 727-9167 Email: darnold@harbourgroup.com	Rebecca Romine, Esq. Polsinelli PC 7676 Forsyth Blvd., Suite 800 St. Louis, MO 63105 Phone: (314)889-7013 Email: rromine@polsinelli.com

If to Provider:

As set forth under
the signature block
to this Agreement.

11.6 Choice of Law; Choice of Venue; Waiver of Jury. This Agreement shall be governed by and conducted in accordance with the laws of the State of Delaware without giving effect to any law or rule that would cause the law of any jurisdiction other than the State of Delaware to be applied. The Parties also agree that nothing in this Section is intended to subject this Agreement to any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law and/or regulation of the State of Delaware to which this Agreement would not otherwise be subject were it not for this Section. Any action under, relating to or arising under this Agreement, whether federal or state, must be brought only in the federal or state court in Wilmington, Delaware. Either Party may remove an action from state to federal court; provided, however, that venue will be as set forth above. The Parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. **Each Party irrevocably waives 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.**

11.7 Interpretation. The Parties acknowledge and agree that this Agreement has been freely negotiated and entered into by each Party and that no court should in any manner construe any ambiguity against the draftsman solely by virtue of its role as draftsman.

11.8 Independent Parties. The Parties acknowledge and agree that the Parties are and will remain independent contractors, and nothing in this Agreement, or in the course of conduct of the Parties, is intended (nor may it be construed) to constitute either Party as an agent, fiduciary, legal representative, subsidiary, joint venturer, partner, employee, or servant of the other Party for any purpose whatsoever.

11.9 Access to Records. Until the expiration of four (4) years after the furnishing of the services provided under this Agreement, Pritikin will make available to the Secretary of the U.S. Department of Health and Human Services ("Secretary"), and the U.S. Comptroller General, and their representatives, this Agreement and all books, documents and records necessary to certify the nature and extent of the cost of those services. If Pritikin carries out the duties of this Agreement through a subcontract worth \$10,000 or more over a twelve (12) month period, the subcontract will also contain an access clause to permit access by the Secretary, Comptroller General and their representatives to the subcontractor's books and records.

11.10 Non-Exclusion From a Federal Health Care Program. Pritikin represents and warrants to Provider that neither Pritikin nor any of its owners, officers, directors, employees, or agents: (i) is currently excluded, debarred, suspended, or otherwise ineligible to participate in the federal health care programs as defined in 42 U.S.C § 1320a-7b(f) or in federal procurement or non-procurement programs (the "Federal Health Care Programs"); or (ii) has been convicted of a criminal offense that falls within the ambit of 42 U.S.C. § 1320a-7(a), but has not yet been excluded, debarred, suspended, or otherwise declared ineligible to participate in the Federal Health Care Programs. The foregoing representations and warranties shall be ongoing during the term of this Agreement, and Pritikin shall immediately notify Provider of any change in their status. Any breach of the representations and warranties set forth in this Section shall give Provider the right to terminate this Agreement for cause as of the date of breach.

[THE REMAINDER OF THIS PAGE INTENTIONALLY OMITTED]

EXHIBIT B**BUSINESS ASSOCIATE AGREEMENT TERMS**

In accordance with the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996, Pub. L. 104-191, as amended under the Health Information Technology For Economic and Clinical Health Act, Title XIII of Division A and Title IV of Division B of the American Recovery and Reinvestment Act of 2009, and their implementing regulations at 45 C.F.R. Parts 160 and 164, Subparts A, C, and E (collectively, “HIPAA”), Pritikin ICR LLC (“Business Associate”) shall, to the extent it acts in the capacity of a Business Associate to the Provider (“Covered Entity”) under the Master Agreement to which this BAA is attached, comply to the applicable requirements under this Business Associate Agreement (“BAA”).

1. Definitions. Capitalized terms used, but not otherwise defined, in this Business Associate Agreement shall have the same meaning as those terms as used or defined under HIPAA, including but not limited to the following terms: Breach, Business Associate, Covered Entity, Data Aggregation, Designated Record Set, Individual, Minimum Necessary, Notice of Privacy Practices, Privacy Rule, Protected Health Information (“PHI”) and Electronic Protected Health Information (“EPHI”), Required By Law, Secretary, Security Incident, Security Rule, Subcontractor, Unsecured Protected Health Information, and Workforce.

2. Obligations and Activities of Business Associate.

A. Business Associate agrees not to use or disclose PHI other than as permitted or required by the Master Agreement or this BAA, or as permitted or Required By Law.

B. Business Associate agrees to use appropriate safeguards to protect against any use or disclosure of PHI not provided for herein and to comply, where applicable, with Subpart C of 45 CFR Part 164 with respect to EPHI.

C. In accordance with 45 CFR 164.502 (e)(1)(ii) and 164.308(b)(2), Business Associate agrees to require that any Subcontractor, to whom it delegates any function or activity it has undertaken to perform on behalf of Covered Entity, and to whom it provides PHI received from or created, received, maintained, or transmitted on behalf of Covered Entity, agrees to substantially the same restrictions and conditions on the use or disclosure of PHI as apply through this BAA to Business Associate through a Business Associate Agreement between such Subcontractor and Business Associate.

D. Upon the Covered Entity’s written request, and in a reasonable time and manner, Business Associate agrees to provide to Covered Entity PHI maintained by Business Associate in a Designated Record Set as required for Covered Entity to respond to a request for access under 45 CFR 164.524.

E. Upon the Covered Entity’s written request, and in a reasonable time and manner, Business Associate agrees to make available PHI maintained by it in a Designated Record Set, and to make amendments to PHI, for Covered Entity to respond to a request for amendment under 45 CFR 164.526.

F. Business Associate agrees to make its internal practices, policies, procedures, books, and records relating to the use and disclosure of PHI received from, or created or received by Business Associate on behalf of Covered Entity, available for inspection and copying by the Secretary upon the Secretary’s written request for same for purposes of the Secretary determining the Covered Entity’s compliance with the HIPAA Rules.

G. Business Associate agrees to document such disclosures of PHI made by it, and information related to such disclosures, as would be required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI under 45 CFR 164.528.

H. Upon written request by Covered Entity, and in a reasonable time and manner, Business Associate agrees to provide to Covered Entity information collected in accordance with Paragraph G of this Section for Covered Entity to provide an accounting under 45 CFR 164.528.

I. To the extent Covered Entity specifically delegates to Business Associate one or more of Covered Entity's obligation(s) under Subpart E of 45 CFR Part 164, Business Associate agrees to comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligation(s).

J. As soon as practicable, but in no event later than within ten (10) business days, Business Associate Agrees to report to Covered Entity any use or disclosure of PHI not provided for in this BAA or the Master Agreement of which it becomes aware, including breaches of Unsecured PHI as required under, and in the manner set forth at, 45 CFR 164.410, and any Security Incident of which it becomes aware. The Parties acknowledge and agree that this section constitutes notice by Business Associate to Covered Entity of the ongoing existence and occurrence of attempted but Unsuccessful Security Incidents (as defined below) for which no additional notice to Covered Entity shall be required. "Unsuccessful Security Incidents" shall include, but are not limited to, 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, so long as no such incident results in unauthorized acquisition, access, use, or disclosure of PHI.

3. Permitted Uses and Disclosures by Business Associate.

A. Business Associate may use or disclose PHI to perform functions, activities and services for or on behalf of, Covered Entity as provided in this BAA and the Master Agreement. Such uses and disclosures shall be limited to those that would not violate the Privacy Rule if done by Covered Entity except that Business Associate may use and disclose PHI: (i) for the proper management and administration of Business Associate or to carry out its legal responsibilities; provided that, in the case of any disclosures for this purpose, the disclosure is Required by Law or Business Associate obtains reasonable assurances in writing from the person to whom the information is disclosed, that it will remain confidential and used or further disclosed only as Required By Law or for the purpose for which it was disclosed to the person, and that the person will notify Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached; and (ii) to provide Data Aggregation services to Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B).

B. Business Associate may also use and disclose PHI: (i) to respond on behalf of Covered Entity to requests for PHI accompanied by an authorization that meets the requirements of 45 CFR 164.508; (ii) to de-identify the information or create a limited data set in accordance with 45 CFR §164.514, which de-identified information or limited data set may be used and disclosed by Business Associate as permitted by law, including HIPAA; (iii) to report violations of law to appropriate federal and state authorities, consistent with 45 CFR §164.502(j)(1); and (iv) as authorized in writing by Covered Entity.

C. Business Associate agrees to request, use and disclose PHI in compliance with the Minimum Necessary standard of the HIPAA Rule.

4. Obligations of Covered Entity

A. Covered Entity shall provide PHI to Business Associate in compliance with the Minimum Necessary standard of the Privacy Rule.

B. Covered Entity represents and warrants that its Notice of Privacy Practices permits Covered Entity to use and disclose Protected Health Information in the manner that Business Associate is authorized to use and disclose Protected Health Information under this BAA.

5. Term and Termination.

A. This BAA shall become effective on the Execution Date of the Master Agreement and shall terminate on the same date that the Master Agreement terminates or as described in paragraph B of this Section 5.

B. If either Party knows of a pattern of activity or practice of the other Party that constitutes a material breach or violation of this BAA then the non-breaching Party shall provide written notice of the breach

or violation to the other Party that specifies the nature of the breach or violation. The breaching Party must cure the breach or end the violation on or before thirty (30) days after receipt of the written notice. In the absence of a cure reasonably satisfactory to the non-breaching Party within the specified timeframe, or in the event the breach is reasonably incapable of cure, then the non-breaching Party may terminate this BAA.

C. Upon termination of this BAA for any reason, Business Associate, with respect to PHI from Covered Entity, or created, maintained, or received by Business Associate on behalf of Covered Entity, shall (i) Retain only that PHI which is necessary for Business Associate to continue its proper management and administration or to carry out its legal responsibilities; (ii) Return to Covered Entity, or if agreed to by Covered Entity, destroy, the remaining PHI that Business Associate still maintains in any form; (iii) Continue to use appropriate safeguards and comply with Subpart C of 45 CFR Part 164 with respect to EPHI to prevent use or disclosure of the protected health information other than as provided for in this Section, for as long as Business Associate retains the PHI; (iv) Not use or disclose the PHI retained by Business Associate other than for purposes for which such PHI was retained and subject to the same conditions as set out in Section 3 which applied prior to termination; and (v) 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.

6. Survival. The obligations of Business Associate under Section 5. C. of this BAA shall survive the Termination of this BAA.

7. Miscellaneous.

A. Regulatory References. A reference in this BAA to a section in the HIPAA regulations means the section as in effect or as amended, and as of its applicable compliance date.

B. Changes to this BAA. The Parties agree to negotiate in good faith to amend this BAA or the Master Agreement as necessary to comply with any changes to HIPAA.

C. Interpretation. Any ambiguity in this BAA shall be resolved to permit the Parties to comply with HIPAA.

D. No Third-Party Beneficiaries. Nothing express or implied in this BAA is intended to confer, nor shall anything herein confer, upon any person other than Covered Entity, Business Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

Provider Administered Pritikin Program Addendum

This Provider Administered Pritikin Program Addendum (this “Provider Administered Program Addendum”) dated as of _____ (“Provider Administered Program Addendum Effective Date”), is entered into by and between Pritikin ICR LLC, a Delaware limited liability company (“Pritikin”), and _____ (“Provider”) as an addendum to the Pritikin ICR Master Services Agreement entered into between the Parties, dated as of _____ (the “Master Agreement”).

The purpose of this Provider Administered Program Addendum is to set forth the terms and requirements for Provider’s operation as a facility-based ICR program and, when applicable, as an ICR program that is virtually administered by Provider utilizing the Pritikin Materials (as defined at Section 10.6 of Exhibit A to the Master Agreement (the “General Contract Terms”). In consideration of the mutual promises set forth below and in the Master Agreement, Pritikin and Provider agree to the following:

1. Certification and Operational Requirements. Provider shall comply with all CMS requirements related to the administration of ICR sessions and shall regularly monitor and record each Patient’s progress, including all relevant pre- and post- program biomarkers. Without limiting the generality of the foregoing, in addition to enrolling with the relevant MAC as an ICR program supplier, as required by the General Contract Terms, Provider must meet the following requirements:
 - 1.1. Conversion of CR Program. To the extent that Provider already operates a cardiac rehab (“CR”) program, Provider’s CR program consisting of up to 36 sessions shall be converted into the Pritikin ICR Program consisting of up to 72 sessions during the Provider Administered Program Addendum Term. Provider may defer the conversion to the Pritikin ICR Program until fourteen (14) days following the later of (i) MAC approval of Provider’s Medicare enrollment application, and (ii) the date Pritikin issues the Provider Certificate (as defined at Section 1 of the General Contract Terms).
 - 1.2. Personnel Requirements. Each Facility where the Pritikin ICR Program is offered shall (except as provided in paragraph (f) and (g) below) have the following personnel (Provider may determine the titles of the personnel) (“Required Personnel”):
 - (a) “Program Director” – The Program Director will be in charge of the Pritikin ICR Program. Typically, the Program Director would be an existing manager overseeing the operation of the Provider’s Cardiac Rehabilitation Program.
 - (b) “Registered Dietitian” – The Registered Dietitian will be a Registered Dietitian, authorized to use such title by the Commission on Dietetic Registration of the Academy of Nutrition and Dietetics and licensed as required in the state where the Facility is located. The Registered Dietitian may be assigned by Provider to conduct cooking workshops. The Registered Dietitian may be an employee or a contractor and may be part-time or full-time.
 - (c) “Medical Director” – Subject to Medicare’s requirements, the Medical Director must (i) have expertise in the management of individuals with cardiac pathophysiology, (ii) have cardiopulmonary training in basic life support or advanced cardiac life support, and (iii) be licensed to practice medicine in the state in which the program is offered.
 - (d) “Healthy Mindset Facilitator” – Provider’s employee or contractor responsible for conducting the Healthy Mindset Workshops. For example, the Healthy Mindset Facilitator may be a wellness coach, a registered nurse, exercise physiologist, clinical social worker, counselor, psychologist or psychiatrist, or another individual determined appropriate by Provider to conduct the Healthy Mindset Workshops. The Healthy Mindset Facilitator may be an employee or a contractor and may be part-time or full-time.
 - (e) “Exercise Physiologist or Specialist” – Typically, the Exercise Physiologist or Specialist would be an existing exercise physiologist or nurse working on the floor of the Provider’s cardiac rehabilitation program.

- (f) “Culinary Chef” – If the Registered Dietitian does not assume responsibility for cooking workshops for Patients, Provider shall assign a Culinary Chef to assume such responsibility.
- (g) “Patient Liaison” (Optional) – The Patient Liaison is responsible for visiting patients prior to enrollment in the Pritikin ICR Program to educate the Patients about the program and assist in the enrollment process as necessary.

Such Required Personnel shall be employed or contracted directly by Provider, or to the extent it is executed, made available to Provider by Pritikin pursuant to an executed Pritikin Personnel Services Addendum (aka a PritikinLive Addendum).

If a Program Director, Registered Dietitian, or Medical Director ceases to be involved in the Pritikin ICR Program, a replacement must be substituted as soon as possible but not later than within eight (8) weeks following the departure of the former Program Director, Registered Dietitian, or Medical Director. If two of the three (3) foregoing individuals cease to be involved in the Pritikin ICR Program, then Provider may not be operational for more than eight (8) weeks following the departures, unless Provider has a continuity plan and back up trainees in place.

1.3 Implementation and Training Requirements. Provider’s Required Personnel and all cardiac rehabilitation staff must complete Pritikin’s comprehensive implementation and training program (the “Training Program”). The Training Program will take place prior to Facility’s opening. The exact scheduling of the Training Program’s components will depend upon Facility’s readiness to open and Provider and staff availability.

During the Training Program, Pritikin ICR will:

- Establish expectations for Program Director as the leader of the Pritikin ICR Program
- Gain consensus on the Pritikin ICR Program launch date
- Facilitate comprehensive training that covers all facets of the Pritikin ICR Program, including education materials, additional resources and administrative functions
- Assist as needed with enrollment with Provider’s local Medicare Administrative Contractor (“MAC) as an ICR program supplier (documentation provided)
- Assist as needed with ICR billing codes (documentation provided)
- Provide a Pritikin ICR Marketing kit for program promotion
- Explore operational processes for delivering the Pritikin ICR Program
- Establish Pritikin expectations of ICR patient experiences

Prior to the Facility’s opening, Pritikin will assure readiness and confirm Provider compliance to begin delivery of the Pritikin ICR Program during an on-site training session. Required Personnel and cardiac rehabilitation staff must participate in the Training Program to the greatest degree possible.

During the go-live week, Pritikin will make necessary personnel available in-person, by phone or videoconference to the Facility to provide support and operational guidance.

Provider will make Required Personnel available for updated or refresher training, as determined necessary by Pritikin and Provider. To the extent new Required Personnel are hired, such individuals will be required to go through a certification process with Pritikin, which may include training, at no additional charge to Provider.

1.4 Reporting Requirements. Provider shall enter all required data into the portal designated by Pritikin (“Portal”) on a timely basis. Provider shall input new Patient enrollment data into the Portal within five (5) working days of Patient enrollment and prior to such Patient’s first Pritikin ICR Program session. Patient session attendance for ICR and CR exercise and education sessions shall be input into the Portal every day a session takes place. Pritikin reserves the right to inspect all supporting documentation that is used to enter sessions into the Portal.

1.5 ICR Space and Equipment Requirements.

- (a) Except with the prior written consent of Pritikin, Provider may only utilize the Pritikin ICR Program at the Facility. Provider shall establish and maintain an appropriate location in the Facility to operate the Pritikin ICR Program, including adequate space, equipment, and signage consistent with the requirements of the Pritikin General Contract Terms and the License (the “ICR Space”).
- (b) The ICR Space shall be used exclusively for ICR activities when patients are engaged in ICR exercise or education sessions. Provider agrees to ensure that if and when the ICR Space is used for non-ICR activities, it is clear to those attending that such activities are not part of the Pritikin ICR Program.

1.6 Administration of Sessions and Use of Pritikin Materials.

- (a) Patient Qualification Requirements. If Patients do not have approved Medicare coverage, Provider will use its best efforts to obtain coverage for the full seventy-two (72) sessions included in the Pritikin ICR Program from the Patient’s primary insurance coverage. If despite Provider’s best efforts, a Patient’s primary insurance coverage does not include reimbursement for the Pritikin ICR Program, Provider may offer less than 72 sessions to such Patient.
- (b) Patient Intake and Scheduling. Provider shall be responsible for all patient intake, benefits verification, scheduling, and third-party billing and collections related to the sessions administered by Provider pursuant to this Provider Administered Program Addendum. Provider shall develop and maintain, subject to Pritikin’s approval, the curriculum and educational sessions schedule required for the operation of Provider’s Pritikin ICR Program for sessions administered by Provider (or by Pritikin Personnel on behalf of Provider pursuant to a Pritikin Personnel Services Addendum).
- (c) Patient Consent. Provider will obtain from each patient an informed consent to participate in the ICR Program including, at a minimum, the statements set forth on Schedule B to this Provider Administered Program Addendum.
- (d) Supervision. Provider shall be responsible for fulfilling all Medicare supervision requirements.
- (e) Patient Educational Materials. When administering sessions, Provider shall only use the Pritikin educational materials, as may be modified by Pritikin from time to time. The educational materials are denoted on Schedule A to this Provider Administered Program Addendum. Provider may choose, but is not required, to utilize the materials denoted as “Optional Materials” on Schedule A. Pritikin reserves the right to update the per patient fee for educational materials upon ninety (90) days’ prior written notice to Provider. Such notice may be delivered via email to Provider’s Program Director.
- (f) Mobile Devices. If Provider elects Option C on Schedule A to this Provider Administered Program Addendum, such that Pritikin will provide Patients with a tablet (or other similar mobile device) (“Mobile Device”) when such Patients require a Pritikin-issued Mobile Device in order to participate in ICR sessions. Pritikin’s provision of Mobile Devices shall be subject to the following:
 - i. Neither Provider nor Patients acquire any right, title, or interest in any Mobile Device, including the right to sublease, rent, share, transfer, or otherwise give away the Mobile Devices.

- i. The Mobile Devices are to be used solely to allow Patients to participate in the Pritikin ICR Program (the “Permitted Purpose”) and shall not be permitted to be used for any other purpose, including without limitation, web browsing, streaming music, videos, games, or other content. Any excessive data overages due to Mobile Device user activity beyond the scope of the Permitted Purpose will be borne by Provider.
- ii. Pritikin will have the right to install appropriate Mobile Device Management software (“MDM”) for remote configuration and support on the Mobile Devices, and to the extent such MDM includes transmitting location data to Pritikin, Provider acknowledges that Pritikin may request Patient consent and agreement to the collection of such data, the use of which will be limited to the issuance of the Mobile Device. Additionally, as part of the issuance of the Mobile Devices to Patients, Provider agrees that Pritikin, at its election, may obtain an agreement from relevant Patients related to appropriate use and return of the Mobile Device.

2. Pritikin Food and Pritikin Recipes.

2.1 Pritikin Food. Only Pritikin approved food may be served in the ICR Space during ICR exercise or education sessions. These prepared foods shall meet Pritikin guidelines as may be revised from time to time by Pritikin. Pritikin reserves the right to oversee, inspect, and approve the food preparation process.

2.2 Pritikin Recipes. Pritikin offers Provider Pritikin-approved recipes (“Pritikin Recipes”) for Provider to prepare foods for Patients in cooking workshops. Provider may also prepare from Pritikin Recipes food for visitors at the Facility or its cafeteria or for room service (“Pritikin Recipe Foods”). Pritikin Recipe Foods will be identified by Provider using Pritikin approved signage as “Pritikin Approved” in the serving areas. Pritikin reserves the right to oversee, inspect, and approve the food preparation process for Pritikin Recipe Foods. Provider is encouraged to use existing Pritikin Recipes, however any new recipes or deviations from existing recipes developed by Provider or Provider personnel to be used in Provider’s Pritikin ICR Program or throughout the Facility (when identified as “Pritikin Approved”), shall first be approved by Pritikin, become the property of Pritikin and may be used by Pritikin at Pritikin’s discretion.

3. Fees.

3.1 Certification Payments.

[HOSPITAL OUTPATIENT] As compensation for use of the Pritikin Materials and the License, implementation and training on the Pritikin ICR Program, and Pritikin’s rights under the General Contract Terms and this Provider Administered Program Addendum, Provider will pay Pritikin sixteen percent (16.0%) of the per session Medicare approved reimbursement rate (including all copays and coinsurance) for ICR for Provider’s region for all ICR and CR sessions administered by Provider, including those which are administered virtually by Provider or a non-Pritikin contractor utilizing the Pritikin Materials (“Certification Payments”). The Medicare reimbursement amount used in this calculation will be the geographically adjusted reimbursement rate for Healthcare Common Procedure Coding System billing codes G0422 and G0423, or any replacement thereof, published by CMS annually for the relevant payment system for the Provider. The relevant payment system shall be the Medicare Hospital Outpatient Prospective Payment System. Provider will keep a record in Pritikin’s portal of all ICR and CR sessions administered during a given month. Pritikin reserves the right to inspect all supporting documentation that is used to enter sessions into the portal. For avoidance of doubt, if Provider has entered into a Pritikin Virtual Full-Service Program Addendum, the fees associated with any CR or ICR sessions administered thereunder to Provider’s Patients shall be governed solely by the Pritikin Virtual Full-Service Program Addendum.

[PHYSICIAN OFFICE] As compensation for use of the Pritikin Materials and the License, implementation and training on the Pritikin ICR Program, and Pritikin’s rights under the General Contract Terms and this Provider Administered Program Addendum, Provider will pay Pritikin eighteen and one-half percent (18.5%) of the per session rates, as set forth below for all ICR and CR sessions administered by Provider (“Certification Payments”). For purposes of calculating the Certification Payments, Provider’s per session rate

for all ICR sessions administered shall be considered equivalent to the Medicare approved reimbursement rate (including all copays and coinsurance) for ICR for Provider's region for Healthcare Common Procedure Coding System billing codes G0422 and G0423, or any replacement thereof, published by CMS annually in the Medicare Physician Fee Schedule. For purposes of calculating the Certification Payments, Provider's per session rate for all CR sessions administered shall be the current Medicare national average reimbursement rate (including all copays and coinsurance) for CR services provided with continuous monitoring (i.e., CPT code 93798 or any replacement thereof, published by CMS annually in the Medicare Physician Fee Schedule). The CR per session rate shall be set each year by December 1, and shall become effective immediately on January 1, such that the per session rates for both ICR and CR become effective contemporaneously. For avoidance of doubt, if Provider has entered into a Pritikin Virtual Full-Service Program Addendum, the fees associated with any CR or ICR sessions administered thereunder to Provider's Patients shall be governed solely by the Pritikin Virtual Full-Service Program Addendum.

3.2 Patient Education Materials Charges. The charges for patient education materials and other additional optional Pritikin-branded materials are set forth on Schedule A to this Provider Administered Program Addendum.

4. Audit Rights. Upon fifteen (15) business days' written notice to Provider, Pritikin may annually during the Certificate Term (including any renewal), and during the two (2) year period following termination of this Agreement, audit or hire an independent auditor to audit the books and records of Provider for all matters related to the Pritikin ICR Program. In the event of any underpayment to Pritikin, Provider shall promptly make full payment to Pritikin (including any applicable interest). With respect to charges in connection with any audit, Pritikin shall pay the costs of performing such audit; provided that if the audit determines that Provider has underpaid an amount greater than five percent (5%) of the required fees and charges for the applicable audit period, or is determined to be in material breach of its other obligations under this Agreement, then, in addition to paying any underpayment (including any applicable interest), Provider shall reimburse Pritikin for the reasonable costs of performing such audit. In addition, in the event of an underpayment of greater than five percent (5%) Pritikin may audit Provider on a quarterly basis thereafter.

5. Term and Termination.

5.1 Term. The term of this Provider Administered Program Addendum shall commence on the Provider Administered Program Addendum Effective Date and continue until the expiration or termination of the last Provider Certificate then in effect related to sessions administered by Provider hereunder (the "Provider Administered Program Addendum Term"). The term of each Provider Certificate shall commence as of the date set forth on the relevant Facility specific Provider Certificate ("Provider Certificate Date") and continue for a period of three (3) years unless renewed or terminated as provided herein (the "Certificate Term"). Thereafter, the relevant Provider Certificate shall automatically renew for successive renewal periods of three (3) years, unless either Party elects not to renew and gives written notice thereof to the other Party at least one hundred eighty (180) days prior to the expiration of the relevant Certificate Term or any renewal term.

5.2 Termination. This Provider Administered Program Addendum shall be governed by the termination provisions set forth in the General Contract Terms. Additionally, within the twelve (12) months following the Provider Certificate Date, Provider has the right to provide a written termination notice (a "Notice") to Pritikin that it is exercising a right to early termination of its obligations under this Provider Administered Program Addendum. Upon the giving of such Notice, Provider can no longer enroll new Patients in the Pritikin ICR Program, but shall continue to teach the Pritikin ICR Program to Patients enrolled prior to the date of Notice and to make the corresponding Certification Payments to Pritikin related to such Patients. Notwithstanding the giving of a Notice and except as set forth in the next sentence, all remaining provisions of this Provider Administered Program Addendum and the General Contract Terms, including but not limited to Sections 2, 3.1 (only as to sessions given prior to the giving of a Notice and to Patients enrolled in the Pritikin ICR Program prior to the giving of a Notice), 3.2, 5.3 (except that Subparagraphs (a) and (b) shall become operative upon giving of a Notice), 6, 7.2, 8, 9, 10, and 11 of the General Contract Terms, Exhibit B, and Sections 3.1 (only as to sessions given prior to the giving of a Notice and to Patients enrolled in the Pritikin ICR Program prior to the giving of a Notice), 4, and 5.1 (related to the relevant Provider Certificate's initial Certificate Term only) of this Provider Administered Program Addendum shall remain in full force and effect. Upon the giving

of a Notice, the following provisions of the General Contract Terms shall no longer survive: Sections 3.1 (except related to sessions given prior to the giving of a Notice and to Patients enrolled in the Pritikin ICR Program prior to the giving of a Notice, 4 (with respect to Provider's rights), and 5.2; and the following provisions of this Provider Administered Program Addendum shall remain no longer survive: Sections 1, 2, and 3 (except as required by Paragraph 2 above).

6. Representations and Warranties of Provider Regarding Certain Franchise Laws. Provider represents and warrants to Pritikin that the following is true (with the understanding that Pritikin will rely on these details to claim an exemption from applicable franchise regulations):

6.1 Provider (on its own and/or together with its Affiliates (as defined in Section 8.3(a) of Exhibit A, General Contract Terms)): (i) has been in business (whether a medical practice, hospital, or other business) for at least five (5) years; and (ii) has a net worth and assets equal to at least Six Million, Four Hundred Sixty-Nine Thousand and Six Hundred Dollars (\$6,469,600); and/or

6.2 Provider has more than two (2) years of experience in operating a medical practice and/or hospital that provides cardiac rehabilitation and related services; and Provider does not expect that the annual gross revenue generated by the Pritikin ICR Program will exceed twenty percent (20%) of the Provider's overall gross revenue from all its operations; and the required upfront payment Provider is making to Pritikin (if any) will not exceed ten percent (10%) of Provider's net worth.

7. Application of the Master Agreement. To the extent that they are not inconsistent with this Provider Administered Program Addendum, all other provisions of the Master Agreement (including both rights and obligations) shall remain in full force and effect and apply to this Provider Administered Program Addendum. In the event of a conflict between the Master Agreement and this Provider Administered Program Addendum, the provisions of this Provider Administered Program Addendum shall control.

8. Definitions. Unless otherwise specifically modified by this Provider Administered Program Addendum, all capitalized terms in this Provider Administered Program Addendum shall have the same meanings as assigned in the Master Agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Provider Administered Program Addendum as of the day first set forth above.

PRITIKIN ICR LLC

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

Schedule A to Provider Administered Program Addendum

Per-patient fee of \$50 (Option A) or \$30 (Option B) includes all educational materials as detailed in the respective tables below. During the Training and Implementation, Provider will be asked to indicate in writing to Pritikin whether it chooses Option A or Option B. The above-mentioned charges will not be incurred until the Patient has completed their 5th billable session. Additionally, Provider may elect to add Option C (Virtual Patient Kit) on to its selection of Option A or B.

All items are available in both English and Spanish.

The prices in the tables below are subject to change to cover increases in materials and/or transportation costs on an annual basis. Pritikin will provide no less than 90-days' notice via email to Provider's Program Director if pricing is to change and no price increase will be greater than 5%.

Option A - \$50 Per CR and ICR Patient (includes shipping)	
Included Items	Quantity
Patient Engagement Kit: <i>Patient Guidebook</i> Cardiac Rehab Resource Folder Tote Bag Water Bottle Exercise Band Pens (2)	12/case
Additional Materials: NO CHARGE	Quantity
Cardiac Rehab Resource Folder	12/pack
<i>7-Day Menu and Heart-Healthy Recipes</i> Booklet *	10/pack
<i>Eating for a Healthy Heart</i> Flyer	50/pack
Goal Card *	25/pack
Label Reading Guidelines Card	25/pack
<i>Managing Blood Sugar During Exercise</i> Handout	25/pack
Physician Brochure	25/pack
<i>Pritikin Eating Plan</i> Brochure *	25/pack
Program Overview Card for Patients	50/pack
Program Overview Card for Patients (CUSTOMIZED with contact info)	200/pack
<i>Progressing Toward the Pritikin Eating Plan</i> Brochure	25/pack
<i>Setting Effective Goals</i> Worksheet *	25/pack
<i>Simple Beginning Steps</i> Brochure *	25/pack
<i>Stock Your Pritikin Pantry</i> Handout *	25/pack

** Also included within the Patient Engagement Kit and Cardiac Rehab Resource Folder*

Option B - \$30 Per CR and ICR Patient (includes shipping)		
Included Items	Quantity	
Printed Materials Bundle: <i>Patient Guidebook</i> Cardiac Rehab Resource Folder	12/case	
Additional Materials: INVOICED SEPARATELY	Quantity	Provider Price (incl. shipping)
Tote Bag <u>with</u> Items: Water Bottle Exercise Band Pens (2)	12/case	\$240.00 per case
Cardiac Rehab Resource Folder	12/pack	\$120.00 per pack
<i>7-Day Menu and Heart-Healthy Recipes</i> Booklet *	10/pack	\$25.00 per pack
<i>Eating for a Healthy Heart</i> Flyer	50/pack	\$12.50 per pack
Goal Card *	25/pack	\$5.00 per pack
Label Reading Guidelines Card	25/pack	\$15.00 per pack
<i>Managing Blood Sugar During Exercise</i> Handout	25/pack	\$15.00 per pack
Physician Brochure	25/pack	\$20.00 per pack
<i>Pritikin Eating Plan</i> Brochure *	25/pack	\$25.00 per pack
Program Overview Card for Patients	50/pack	\$10.00 per pack
Program Overview Card for Patients (CUSTOMIZED with contact info)	200/pack	\$50.00 per pack
<i>Progressing Toward the Pritikin Eating Plan</i> Brochure	25/pack	\$27.50 per pack
<i>Setting Effective Goals</i> Worksheet *	25/pack	\$6.25 per pack
<i>Simple Beginning Steps</i> Brochure *	25/pack	\$30.00 per pack
<i>Stock Your Pritikin Pantry</i> Handout *	25/pack	\$12.50 per pack

* Also included within the Patient Engagement Kit and Cardiac Rehab Resource Folder

Option C – Virtual Patient Kit	
Included Items	Provider Price
Virtual Patient Engagement Kit with Mobile Device	\$_____ Per Patient

START-UP MATERIALS / BRANDED ITEMS			
<i>Provided free-of-charge during implementation process regardless of whether Option A or Option B is selected above.</i>			
<i>Initial quantities based upon size of facility.</i>			
<i>Additional quantities available at prices indicated below.</i>			
Motivational Button	Increments of 250	\$0.10	each
Ballpoint Pen	Increments of 100	\$0.25	each
Wristband	Increments of 100	\$0.25	each
Heart-Shaped Jar Opener	Increments of 25	\$0.10	each
Balloon	Increments of 25	\$0.25	each
Pen Holder	Increments of 5	\$5.00	each
Mouse Pad	Increments of 5	\$5.00	each
Exercise Equipment Sign with Chain	Increments of 5	\$5.00	each
<i>Recipe of the Week</i> Holder	Individually	\$15.00	each
Embroidered Apron	Individually	\$15.00	each
Banner Stand (<i>co-branding available</i>)	Individually	\$200.00	each

Schedule B to Provider Administered Program Addendum**Informed Consent Relating to the Pritikin ICR Program**

You understand that while the benefits of the Pritikin Program (the “Program”) have been demonstrated in over 100 peer-reviewed published scientific studies for certain conditions, as in any rehabilitation program, or programs of such nature, results will vary by individual. This means that two individuals who comply with the Program requirements may have very different health outcomes. In addition, the demonstrated benefits of the Program were accomplished with individuals who were resident in a Pritikin facility where they consistently followed the Pritikin eating plan. Individuals who participate in the Program as outpatients and do not consistently follow the Pritikin eating plan guidelines outlined/described in the materials received while in the Program may not achieve the same results as individuals who are resident in a Pritikin facility.

Although the Program is approved by Medicare and qualifies for Medicare reimbursement, there is no guarantee that your health will improve as a result of participating in the Program -- your level of success in attaining the results you want are dependent upon a number of factors including but not limited to adherence and dedication to the Program, personal goals, genetics, your body, levels of support, environmental conditions, and other health conditions. The Program is not a substitute for medicine and medical treatments, as prescribed by a physician.

You should also understand that while participating in any exercise or exercise program obviously has health benefits, it also means putting yourself at risk of suffering physical injury. By engaging in such physical activity, you assume such risk of injury to yourself and waive all claims against [Provider], its instructors and employees and Pritikin ICR LLC, its employees and affiliates for any and all injuries or damages that you may sustain as a result of such physical activity.

Pritikin Personnel Services Addendum

This Pritikin Personnel Services Addendum (this “Personnel Services Addendum”) dated as of _____ (“Personnel Services Addendum Effective Date”), is entered into by and between Pritikin ICR LLC, a Delaware limited liability company (“Pritikin”), and _____ (“Provider”) as an addendum to the Pritikin ICR Master Services Agreement entered into between the Parties, dated as of _____ (the “Master Agreement”).

The purpose of this Personnel Services Addendum is to set forth the terms pursuant to which Pritikin will make the services of certain Required Personnel, as identified and selected on Schedule A to this Personnel Services Addendum (the “Pritikin Personnel”), available to Provider for the administration of certain Pritikin ICR Program workshops and one on one sessions for Provider’s Pritikin ICR Program, including all activities related to planning and follow-up documentation related to administering the workshop or conducting the one-on-one session (each an “Educational Encounter”) regardless of the number of patients attending the Scheduled Educational Encounters, as defined below). In consideration of the mutual promises set forth below and in the Master Agreement (including the Provider Administered Program Addendum), Pritikin and Provider agree to the following:

1 Pritikin Live Personnel Services

1.1 Pritikin Personnel and Qualifications. During the term of this Personnel Services Addendum and subject to the terms and conditions of this Personnel Services Addendum, Pritikin shall make the Pritikin Personnel available to Provider on an exclusive basis (i.e., the Pritikin Personnel will administer Educational Encounters solely for Provider) during Educational Encounters that are scheduled by the Parties in accordance with the procedures set forth on Schedule B to this Personnel Services Addendum (“Scheduled Educational Encounters”). For avoidance of doubt, Pritikin Personnel will not be exclusive to Provider outside of the Scheduled Educational Encounters. All Scheduled Educational Encounters shall be under the supervision of a physician employed or contracted by Provider. The Pritikin Personnel will administer the Scheduled Educational Encounters from a distant, virtual site, to patients who are at the Facility utilizing technology made available by Provider (unless Provider separately contracts with Pritikin for such technology), and such services shall be performed in a professional and competent manner. Pritikin represents and warrants that all Pritikin Personnel are appropriately qualified, licensed, or certified, as required by applicable law to practice in their respective areas of practice, including when applicable, licensed to practice in the state where the Facility and patient are located.

1.2 Compliance with Provider’s Policies and Procedures. When administering the Scheduled Educational Encounters, Pritikin shall require the Pritikin Personnel to follow the direction of the supervising physician, follow all treatment plans developed by Provider related to its patients, and follow applicable policies and procedures of Provider to the extent such policies and procedures have been made available to Pritikin.

1.3 Compensation of Pritikin Personnel. Pritikin shall (a) pay all wages, bonuses, if any, and other remuneration of the Pritikin Personnel and all applicable federal, state, municipal and other governmental taxes with respect to the employment of the Personnel, including without limitation, social security, federal and/or state unemployment compensation taxation; (b) maintain payroll records and reports related to the Pritikin Personnel; (c) have all responsibility for any retirement, health, life, disability or similar employee benefit for the Pritikin Personnel, including vacation, sick days or holidays; and (d) comply with all applicable statutes, rules and regulations of any governmental agencies or departments relative to the employment of the Pritikin Personnel.

1.4 Insurance. Pritikin shall, or shall require each Pritikin Personnel administering Scheduled Educational Encounters hereunder to, maintain professional liability insurance policies in amounts customary of the profession and licensure of the Required Personnel.

1.5 Removal of Pritikin Personnel. If Provider finds that the working relationship with a particular Pritikin Personnel is not satisfactory, Provider shall notify Pritikin in writing and Pritikin shall make commercially reasonable efforts to provide alternative Pritikin Personnel to assist in administering the Scheduled

Educational Encounters. Upon removal of the Pritikin Personnel for any reason, Pritikin shall provide another qualified replacement individual to Provider within [five (5)] days of receiving Provider's request.

2. Provider's Obligations

2.1 Supervision. Despite Pritikin Personnel administering Scheduled Educational Encounters, Provider shall be responsible for ensuring that the requisite physician or other professional supervision is in place during all Scheduled Educational Encounters in accordance with Medicare requirements.

2.2 Patient Intake, Scheduling, and Billing. Provider shall remain responsible for all patient intake, evaluation, patient scheduling, documentation, and discharge evaluations, as well as coding and billing activities for all Scheduled Educational Encounters. Pritikin Personnel shall document all one-on-one sessions and shall provide such documentation to Provider for incorporation in the relevant patient medical record. The method, format, and delivery of the Pritikin Personnel's documentation of one-on-one sessions shall be in a form and manner mutually agreed to by Pritikin and Provider. Provider shall enter all required data into the Pritikin data portal ("Portal") on a timely basis. Irrespective of whether Pritikin Personnel administers an Educational Encounter hereunder, Provider shall continue to be required to enter all CR and ICR sessions into the Portal.

2.3 Exercise Sessions. Provider shall remain responsible for employing or contracting with an exercise physiologist or specialist and for administering all ICR and CR exercise sessions.

2.4 Space and Equipment. Provider shall be responsible for providing and maintaining all space at Facility and equipment, including any technology (unless provided by Pritikin through a separate written agreement), necessary for the Pritikin Personnel to administer a Scheduled Educational Encounters, including in instances where Pritikin Personnel will administer the Scheduled Educational Encounters from a remote location to patients onsite at the Facility.

3. Payment. Payment from Provider to Pritikin for the use of the Pritikin Personnel shall be at the rates set forth on Schedule A to this Personnel Services Addendum. In the event Provider chooses not to schedule any Scheduled Educational Encounters for a given month, in accordance with the scheduling procedures set forth on Schedule B to this Personnel Services Addendum, Provider shall not have any payment obligations to Pritikin. All payment due hereunder is separate and apart from the Certification Payments or any other amounts owed by Provider to Pritikin pursuant to the Master Agreement. Pritikin and Provider acknowledge that the fees have been negotiated at arms-length and represent the fair market value for Provider's exclusive use of the Pritikin Personnel during the Scheduled Educational Encounters. The Parties agree that such amounts shall not be amended prior to the end of each one (1) year term of this Personnel Services Addendum (in which case any such amendments shall be effective for at least one (1) year).

4. Term and Termination. The term of this Personnel Services Addendum shall be one (1) year from the Personnel Services Addendum Effective Date, which shall automatically renew for additional terms of one (1) year each, unless sooner terminated as set forth below (collectively, the "Personnel Services Addendum Term"). Either Party may terminate this Personnel Services Addendum with or without cause upon ninety (90) days' prior written notice to the other Party. This Personnel Services Addendum shall automatically terminate upon termination of the Provider Administered Program Addendum. Termination of this Personnel Services Addendum shall not result in termination of the Master Agreement or the Provider Administered Program Addendum.

5. Compliance. This Personnel Services Addendum shall be construed to be in accordance with any and all federal and state statutes, rules, regulations, principles and interpretations. In the event there is a change in federal or state statutes or regulations or in the interpretation thereof, or in the event a claim or determination is threatened, made or filed by a government agency, which renders any of the material terms of this Personnel Services Addendum unlawful, invalid or unenforceable, or asserts that any such terms are unlawful, invalid or unenforceable, the Parties shall promptly and in good faith renegotiate the affected term or terms to remedy such problem. The Parties further agree to use their good faith efforts to negotiate and execute any amendments hereto that may be deemed necessary or appropriate to maintain compliance with and avoid violation of the terms of any agreement between the Parties and any third party payor. If the Parties are unable to successfully renegotiate the

affected terms(s) under this Section, then either Party may terminate this Personnel Services Addendum upon written notice to the other Party.

6. Application of the Master Agreement. To the extent that they are not inconsistent with this Personnel Services Addendum, all other provisions of the Master Agreement and the Provider Administered Program Addendum (including both rights and obligations) shall remain in full force and effect and apply to this Personnel Services Addendum. In the event of a conflict between the Master Agreement (including any other addenda) and this Personnel Services Addendum, the provisions of this Personnel Services Addendum shall control.

7. Definitions. Unless otherwise specifically modified by this Personnel Services Addendum, all capitalized terms in this Personnel Services Addendum shall have the same meanings as assigned in the Master Agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Personnel Services Addendum on the dates set forth below.

PRITIKIN ICR LLC _____

(Signature)

Print Name: _____

Title: _____

Date: _____

(Signature)

Print Name: _____

Title: _____

Date: _____

Schedule A to Personnel Services Addendum

Pritikin Personnel, Educational Encounters, and Fee

Pursuant to the terms of the Personnel Services Addendum, Provider requires receipt of services from the following (check those that apply). Pritikin may increase the per Educational Encounter fee upon ninety (90) days' notice to Provider's Program Director, which notice may be made via email.

_____ Registered Dietitian: The Registered Dietitian will be a Registered Dietitian, authorized to use such title by the Commission on Dietetic Registration of the Academy of Nutrition and Dietetics and licensed as required in the state where the Facility is located. Educational Encounters by the Registered Dietitian may include cooking workshops, nutrition workshops and 1:1 consultations.

The Registered Dietitian shall be scheduled for Educational Encounters for a fixed fee of \$100 per Encounter.

_____ Healthy Mindset Facilitator: The Healthy Mindset Facilitator will be a licensed professional in the areas of clinical social work, counselor, psychologist or psychiatrist, or certified as a wellness coach, or possess a bachelor's degree with a major or minor emphasis in the area of psychology or social work, and shall be experienced in psychological assessments, administration of behavioral health interventions, and counseling with cardiac rehabilitation/secondary prevention or chronic disease. Educational Encounters by the Healthy Mindset Facilitator may include Healthy Minds workshops and 1:1 consultations.

The Healthy Mindset Facilitator shall be scheduled for Educational Encounters for a fixed fee of \$100 per Encounter.

_____ Exercise Physiologist or Specialist: The Exercise Physiologist or Specialist is an exercise physiologist or nurse familiar with providing care to patients who are part of a cardiac rehabilitation program. Educational Encounters by the Exercise Physiologist or Specialist may include Exercise workshops, including Yoga.

The Exercise Physiologist or Specialist shall be scheduled for Educational Encounters for a fixed fee of \$100 per Encounter.

Schedule B to Personnel Services Addendum**Scheduling Procedure**

- The relevant Pritikin Personnel's administration of Educational Encounters must be scheduled at least one week prior to the date in which the Educational Encounters will be administered. The type of Educational Encounter (e.g., workshop or one-on-one session) must be designated at the time of scheduling.
- Patients' scheduled attendance at the Scheduled Educational Encounters does not have to occur one week in advance, rather, Provider's scheduling of the Scheduled Educational Encounters reserves the Pritikin Personnel for exclusive use during the scheduled time.
- Educational Encounters will be coordinated and scheduled via the Provider and designated Pritikin personnel, including the Pritikin Program Director, so as to ensure that the appropriate supervision is available.
- Patient details and rescheduling of 1:1 Educational Encounters may be handled by Provider via designated Pritikin personnel into designated blocks of time according to the Pritikin Personnel availability. If necessary, Provider can reschedule 1:1 Educational Encounters depending on availability of Pritikin Personnel.

EXHIBIT B
PRITIKIN ICR LLC'S FINANCIAL STATEMENTS

PRITIKIN ICR LLC AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

**Berkowitz
Pollack
Brant** Advisors
+CPAs



PRITIKIN ICR LLC AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

	<u>Page(s)</u>
Independent Auditor's Report	2-3
Consolidated Balance Sheets	4
Consolidated Statements of Income and Member's Equity	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	7-18
Supplementary Information	19
Schedule I - Consolidating Balance Sheets as of December 31, 2024	20
Schedule II- Consolidating Statements of Operations for the year ended December 31, 2024.....	21



INDEPENDENT AUDITOR'S REPORT

To the Member and Management of
Pritikin ICR LLC and Subsidiary

Opinion

We have audited the accompanying consolidated financial statements of Pritikin ICR LLC and Subsidiary ("a Delaware limited liability company"), which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of income and member's equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Pritikin ICR LLC and Subsidiary as of December 31, 2024 and 2023, and the results of their consolidated operations and their 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 Consolidated Financial Statements section of our report. We are required to be independent of Pritikin ICR LLC and Subsidiary and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the 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 Pritikin ICR LLC and Subsidiary's 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 Responsibilities 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 a reasonable user based on the consolidated financial statements.

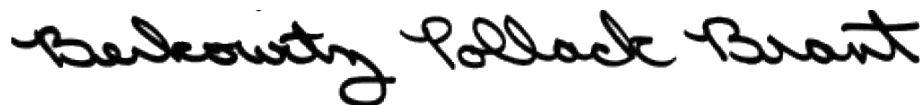
In performing an audit in accordance with generally accepted auditing standards, we:

- 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 Pritikin ICR LLC and Subsidiary'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Pritikin ICR LLC and Subsidiary'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 audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating information in Schedules I and II are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such consolidating 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 consolidating 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 consolidating information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.



Miami, Florida
April 18, 2025

PRITIKIN ICR LLC AND SUBSIDIARY

CONSOILDATED BALANCE SHEETS

	December 31,	
	2024	2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 9,619,330	\$ 5,855,565
Accounts receivable, net	5,275,149	3,550,869
Due from related parties	122,101	86,480
Promissory note receivable from related party	1,470,058	502,209
Prepaid expenses	284,128	202,089
TOTAL CURRENT ASSETS	16,770,766	10,197,212
VIDEO LECTURE COSTS, net	352,584	274,021
PROPERTY AND EQUIPMENT, net	35,498	53,830
WEBSITE DEVELOPMENT COSTS	129,131	71,351
PROMISSORY NOTE RECEIVABLE, net	-	250,000
SOFTWARE, net	2,192,269	-
GOODWILL, net	2,568,668	-
OTHER ASSETS	435,293	329,050
TOTAL ASSETS	\$ 22,484,209	\$ 11,175,464
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 264,001	\$ 160,002
Accrued expenses and other liabilities	2,787,434	1,670,541
Income taxes payable	1,174,551	-
Contract liabilities	304,265	-
TOTAL CURRENT LIABILITIES	4,530,251	1,830,543
COMMITMENTS AND CONTINGENCIES (NOTE H)		
MEMBER'S EQUITY	17,953,958	9,344,921
TOTAL LIABILITIES AND MEMBER'S EQUITY	\$ 22,484,209	\$ 11,175,464

See accompanying notes to consolidated financial statements.

PRITIKIN ICR LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME AND MEMBER'S EQUITY

	For The Years Ended December 31,	
	2024	2023
REVENUES:		
Hospital	\$ 19,008,905	\$ 13,648,406
Printed manuals, binders, VICR, and PritikinLive revenues	1,114,947	774,004
Training	218,400	271,050
Other	150,152	-
TOTAL REVENUES	20,492,404	14,693,460
EXPENSES:		
Program expenses	1,113,617	879,379
Salaries and related benefits	5,616,612	5,070,176
Contractors	37,371	22,651
Consulting	393,382	921,513
Payroll taxes	350,881	323,489
Commission expense	186,517	150,336
Travel and meals	366,194	344,098
Trade shows	106,013	103,514
Recruiting	22,869	9,060
Rent	73,182	146,364
Legal and professional fees	563,374	478,161
Insurance	553,520	482,370
Advertising	448,601	442,367
Research and development	28,606	269,047
Supplies	37,845	23,536
Administrative expenses - related party	30,000	30,000
Depreciation and amortization	330,450	87,743
Provision for credit losses on promissory note receivable	250,000	-
Provision for credit losses	134,827	-
Other general and administrative	205,698	160,810
TOTAL EXPENSES	10,849,559	9,944,614
INCOME FROM OPERATIONS	9,642,845	4,748,846
OTHER INCOME (EXPENSES):		
Interest income	394,311	48,786
Interest expense	(1,621)	(43,865)
Loss on disposal of video costs	(6,256)	(6,552)
TOTAL OTHER INCOME (EXPENSES), net	386,434	(1,631)
INCOME BEFORE PROVISION FOR INCOME TAXES	10,029,279	4,747,215
PROVISION FOR INCOME TAXES	(1,420,242)	-
NET INCOME	8,609,037	4,747,215
Member's Equity -- Beginning of year	9,344,921	2,366,908
Contribution	-	2,230,798
Member's Equity -- End of year	\$ 17,953,958	\$ 9,344,921

See accompanying notes to consolidated financial statements.

PRITIKIN ICR LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For The Years Ended December 31,	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 8,609,037	\$ 4,747,215
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	330,450	87,743
Provision for credit losses on promissory note receivable	250,000	-
Loss on disposal of video costs	6,256	6,552
Provision for credit losses	134,827	-
Changes in assets and liabilities:		
Accounts receivable	(1,816,608)	(1,076,579)
Prepaid expenses	(82,039)	(3,483)
Other assets	139,448	(75,749)
Accounts payable	103,999	(16,411)
Due to related parties	-	(56,521)
Accrued expenses and other liabilities	(562,302)	1,212,717
Income taxes payable	1,174,551	-
Contract liabilities	(27,764)	-
TOTAL ADJUSTMENTS	(349,182)	78,269
NET CASH PROVIDED BY OPERATING ACTIVITIES	8,259,855	4,825,484
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(18,835)	(25,300)
Purchases of video costs	(137,795)	(167,086)
Purchases of website development costs	(97,130)	-
Purchases of software development costs	(59,080)	-
Chanl Health acquisitions, net of cash acquired	(3,179,780)	-
NET CASH USED IN INVESTING ACTIVITIES	(3,492,620)	(192,386)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayments on notes payable - related party	-	(812,576)
Net advances to related parties	(1,003,470)	(577,276)
NET CASH USED IN FINANCING ACTIVITIES	(1,003,470)	(1,389,852)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,763,765	3,243,246
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	5,855,565	2,612,319
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,619,330	\$ 5,855,565
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest:	\$ 1,621	\$ 187,426
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Assignment of notes payable and accrued interest - majority member recognized as capital contributions	\$ -	\$ 2,230,798
Fair value of assets acquired (Note B)	\$ 5,191,004	\$ -
Fair value of liabilities assumed (Note B)	\$ 477,788	\$ -
Post-acquisition payable due to seller (Note B)	\$ 33,436	\$ -
Contingent liability related to acquisition (Note B)	\$ 1,500,000	\$ -

See accompanying notes to consolidated financial statements.

PRITIKIN ICR LLC AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2024 and 2023

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Pritikin ICR LLC ("Pritikin ICR"), a Delaware limited liability company, was formed on February 5, 2013 for the purpose of providing intensive cardiac rehabilitation ("ICR") by utilizing the methods created by Florida Pritikin Center LLC ("Pritikin") d/b/a/ Pritikin Longevity Center and Spa to patients of healthcare providers located in the United States of America. Pritikin is an entity related to the Company through common ownership. Pritikin ICR is 100% owned by Pritikin Enterprises LLC (the "Sole Member"). Pritikin ICR promotes the Pritikin philosophy that is based on science and research and offers an integrated approach that combines lifestyle enhancement education and healthy eating with structured exercise through video lectures with moderators to patients of healthcare providers. The Pritikin ICR program has been approved for reimbursement by Medicare.

As further discussed in Note B, Pritikin ICR acquired 100% of the outstanding shares of Chanl Health Inc. ("Chanl Inc."), a Delaware corporation, during 2024. Chanl Inc. operates a cardiac and pulmonary rehabilitation software platform that partners with cardiac rehabilitation programs, cardiology clinics and health systems to provide virtual and hybrid cardiac rehabilitation and secondary prevention programs to patients. On September 27, 2024, Chanl Inc. was converted into a limited liability company, Chanl Health LLC ("Chanl").

Collectively, Pritikin ICR and Chanl are referred to as the "Company".

Principles of Consolidation: The consolidated financial statements include the accounts of Pritikin ICR and its wholly-owned subsidiary, Chanl. All significant inter-company balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents: Highly liquid investments with original maturities of three months or less at the date of purchase are considered cash equivalents. As of December 31, 2024 and 2023, the Company's cash equivalents consisted of money market accounts aggregating approximately \$8,043,000 and \$5,449,000, respectively.

Accounts Receivable, net: In the normal course of business, the Company provides credit to its customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses which, when realized, have been within the range of management's allowance for credit losses. Collections from customers are continuously monitored and an allowance for credit losses is maintained based on historical experience adjusted for current conditions and reasonable forecasts taking into account geographical and industry-specific economic factors. The Company evaluates its allowance for credit losses as one portfolio segment. At origination, the Company evaluates credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit ratings, probabilities of default, industry trends and other internal metrics. On a continuing basis, data for each major customer is regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses and actual write-offs

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Accounts Receivable, net--Continued: are charged against the allowance. The allowance for credit losses was approximately \$160,000, \$25,000 and \$71,000 as of December 31, 2024, 2023 and 2022, respectively. Write-offs to the allowance for credit losses were approximately \$0 and \$46,000 for the years ended December 31, 2024 and 2023, respectively.

Property and Equipment: Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, ranging from 3 to 6 years. Improvements to leased property are amortized over the life of the lease or the life of the improvement, whichever is shorter.

Website Development Costs: The Company has an intangible asset which consists of website development costs that will be amortized using the straight-line method over the estimated useful life of 5 years. Amortization expense for both years ended December 31, 2024 and 2023 totaled approximately \$39,000.

Video Costs: Video costs represent direct costs incurred in the development of additional video lectures and sell in videos for the Pritikin ICR program. The costs are capitalized once the video will generate probable future economic benefits and costs can be measured reliably. Video costs are amortized over 5 years or less, representing an estimate of the expected operating life cycle of the video. Amortization expense related to the video costs totaled approximately \$59,000 and \$11,000 during the years ended December 31, 2024 and 2023, respectively.

Software: Software represents the acquired software platform from the Chanl acquisition (Note B) and subsequent development by the Company. Software costs are amortized over 5 years or less, representing an estimate of the expected operating life cycle of the software. Amortization expense related to the software totaled approximately \$127,000 during the year ended December 31, 2024.

Goodwill: Goodwill represents the excess of the acquisition cost of Chanl over the fair value of the net assets at the acquisition date (Note B). Chanl is considered to be the reporting unit for goodwill related to this acquisition. The Company adopted the accounting alternative offered to nonpublic entities for the subsequent measurement of goodwill. In accordance with this alternative, the Company amortizes goodwill over 10 years on the straight-line basis and only evaluates goodwill for impairment at the entity level when a triggering event occurs. Amortization expense related to goodwill totaled approximately \$74,000 during the year ended December 31, 2024.

The Company performs an annual analysis to determine if there are any triggering events that indicate the fair value is less than the carrying value of the reporting unit. The Company assesses relevant events and circumstances including macroeconomic conditions, industry and market considerations, cost factors, overall financial performance, changes in the composition of net assets and other relevant factors in determining a triggering event for goodwill impairment. The Company noted no such triggering events as of December 31, 2024.

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Impairment of Long-Lived Assets: The Company assesses, on an annual basis, the recoverability of the carrying amount of long-lived assets used in continuing operations. A loss is recognized when expected future cash flows (undiscounted and without interest) are less than the carrying amount of the asset. The impairment loss is determined as the difference by which the carrying amount of the asset exceeds its fair value. For the years ended December 31, 2024 and 2023, the Company did not believe that there were factors or circumstances indicating impairment of any of its long-lived assets.

Advertising: The Company expenses all advertising costs as they are incurred. Total advertising costs for the years ended December 31, 2024 and 2023 were approximately \$449,000 and \$442,000, respectively.

Use of Estimates: The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported amounts of revenues and expenses, as well as the valuation of goodwill and the fair value and purchase price allocation related to the acquisition of Chanl Health Inc. at the date of the consolidated financial statements. Actual results could differ from those estimates.

Revenue Recognition: The Company accounts for revenue in accordance with Accounting Standards Codification ("ASC") Topic 606 Revenue from Contracts with Customers. Refer to Note C for revenue recognition policy.

Income Taxes: As a limited liability company, Pritikin ICR's taxable income or loss is allocated to its Sole Member. Therefore, no provision for federal or state income taxes has been recorded in these consolidated financial statements, except for a one-time provision related to the taxable liquidation event of Chanl Health, Inc.

The Company accounts for the uncertainty in income taxes in accordance with GAAP, which requires recognition of a tax position in the consolidated financial statements only after determining that the relevant tax authority would more likely than not sustain the tax position following a tax audit. For tax positions meeting the more likely than not threshold, the amount recognized in the consolidated financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company applied this guidance to its tax positions for the years ended December 31, 2024 and 2023. The Company has no material unrecognized tax benefits and no adjustments to its consolidated financial position, results of operations or cash flows were required. The Company's tax returns for the years ended December 31, 2021 through 2023 remain subject to examination by federal and state tax jurisdictions. The Company recognizes accrued interest and penalties related to uncertain tax positions, if any, as income tax expense.

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Income Taxes--Continued: On September 27, 2024, Chanl Inc., originally incorporated as a Delaware C-corporation, was converted into a Delaware limited liability company named Chanl Health LLC. This conversion triggered a taxable liquidation event for federal and state income tax purposes. As a result of this taxable event, Chanl Inc. recognized a deemed liquidation gain, reflecting the difference between the fair market value and the tax basis of its net assets at the date of conversion. The Company recorded an income tax expense of approximately \$1,420,000, representing taxes payable related to the recognized gain upon conversion.

Following the LLC conversion, Chanl is treated as a disregarded entity for income tax purposes, with its income or loss flowing directly to its sole member, Pritikin ICR. Subsequent to the conversion, no income tax provision or liability will be recognized for Chanl in the consolidated financial statements, consistent with the treatment of pass-through entities under applicable tax regulations.

Management has assessed the tax positions related to the conversion event and determined that all positions meet the "more-likely-than-not" recognition threshold required under applicable accounting standards for uncertain tax positions. Accordingly, no additional liabilities for uncertain tax positions have been recognized as of December 31, 2024.

Subsequent Events: The Company has evaluated subsequent events and transactions for potential recognition or disclosure in the consolidated financial statements through April 18, 2025, the date the consolidated financial statements were available to be issued.

NOTE B--ACQUISITION AND BASIS OF PRESENTATION

On September 20, 2024 (the "Acquisition Date") Pritikin ICR executed a Securities Purchase Agreement whereby Pritikin ICR purchased all of the outstanding equity securities of Chanl Inc. (the "Purchase Transaction") from the shareholders of Chanl Inc. (the "Sellers"). As discussed in Note A, Chanl Inc. was converted to a limited liability company in September 2024. In connection with the Purchase Transaction, Chanl's assets and liabilities were adjusted to fair value as of the Acquisition Date by application of "push-down" accounting in accordance with Financial Accounting Standards Board ("FASB") ASC No. 805-50, *Business Combinations*. FASB ASC 805-50 states that the push down basis of accounting should be used in a purchase transaction in which the entity becomes wholly-owned by another entity. Under the push down basis of accounting, certain transactions incurred by the parent company which would otherwise be accounted for in the accounts of the parent are "pushed down" and recorded on the financial statements of the subsidiary.

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE B--ACQUISITION AND BASIS OF PRESENTATION--Continued

Accordingly, certain items resulting from the Purchase Transaction have been recorded in the accounts of Chanl. As a result of the application of "push down" accounting, the consolidated financial statements for the period subsequent to the Acquisition Date of the Purchase Transaction reflect the new basis of accounting that is based on the fair value of assets acquired and liabilities assumed on the Acquisition Date. Additionally, the consolidated financial statements include the operations of Chanl for the period from the Acquisition Date to December 31, 2024.

The consolidated financial statements reflect the allocation of the aggregate purchase price of approximately \$4,736,000, to the assets and liabilities of Chanl based on fair values at the Acquisition Date of the Purchase Transaction in accordance with ASC Topic 805, "Business Combinations." In determining the fair value of assets acquired and liabilities assumed, management used various recognized valuation methods. Further, management made assumptions within certain valuation techniques, including discount rates and the amount and timing of future cash flows. The Company adopted the private company accounting alternative allowed by FASB Accounting Standards Update ("ASU") 2014-18 and will amortize goodwill on a straight-line basis over 10 years.

The following table reconciles the fair value of the acquired assets and assumed liabilities to the total purchase price:

Fair value of consideration transferred	\$	4,736,000
Cash	\$	23,000
Accounts receivable		42,000
Other assets		246,000
Software		2,260,000
Goodwill		<u>2,643,000</u>
Total Assets		5,214,000
Less:		
Contract liabilities		(332,000)
Accrued expenses and other liabilities		<u>(146,000)</u>
Total Net Assets	\$	<u>4,736,000</u>

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE B--ACQUISITION AND BASIS OF PRESENTATION--Continued

The purchase price of the Purchase Transaction consisted of a closing installment of \$3,180,000, post-acquisition payables owed to the Sellers amounting to approximately \$33,000 and certain contingent payments. Under the terms of the Securities Purchase Agreement, additional contingent cash payments totaling approximately \$1,500,000 are payable by Pritikin ICR to the Sellers upon the occurrence of specified legislative events and the achievement of defined performance metrics by Chanl. Given that Pritikin ICR has determined these contingent conditions are certain to be met, the contingent consideration has been included in the total purchase price of the Purchase Transaction. Such contingent payments are included as a component of accrued expenses and other liabilities in the accompanying consolidated balance sheet as of December 31, 2024.

NOTE C--REVENUE RECOGNITION

The majority of the Company's revenue is derived from contracts with customers. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

Pritikin ICR: The Company generates the majority of its revenue from various franchise agreements with certain healthcare providers. The Company considers the franchise benefits to be highly related and all to be a part of one predominant performance obligation, granting a license of symbolic intellectual property for the Pritikin license. In return for use of this license, Pritikin bills the hospitals certification fees. Certification fees at the Company are billed monthly based on healthcare providers' net collections, sessions administered, or enrollments as determined by their agreement and are generally due by the last day of the month following the date of occurrence.

These certification revenues are either a usage-based royalty because they are dependent on the number of sessions that occurred, enrollments during the month, or a sales-based royalty in the case of net collection from healthcare providers. As such, under ASC Topic 606 the Company applies the exception for sales or usage-based royalty from the requirements of accounting for variable consideration and recognizes revenue when the healthcare providers administer the Pritikin-certified ICR program to their patients, rather than estimated at contract inception. This incremental revenue recognition is the most appropriate measure of progress toward complete satisfaction of the performance obligation. For those healthcare providers who report net collections data on a lagging basis, the Company estimates and accrues for those customers as required by ASC Topic 606.

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE C--REVENUE RECOGNITION--Continued

Pritikin ICR--Continued: The Company invoices healthcare providers once or as performance obligations are satisfied, at which point payment becomes unconditional. As the majority of the Company's performance obligations are satisfied over time and customers typically do not make material payments in advance, nor does the Company have a right to consideration in advance of control transfer, the Company had no contract assets or contract liabilities recorded within its consolidated balance sheets at December 31, 2024, 2023 and 2022. The Company recognizes a receivable on its consolidated balance sheets as healthcare providers administer sessions or transfers a product in advance of receiving consideration, and the Company's right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. The Company's policy is to exclude sales taxes collected from providers from the transaction price of the agreements. Accounts receivable includes accrued amounts for those certain net collection customers who report their billing data on a delay.

Total revenues also include other revenues which consist primarily of revenues from the sale of manuals, binders and training sessions. The Company recognizes revenues for these services at a point in time, at the time of transfer of these goods or completion of the training sessions. The Company also provides a remote monitoring and patient engagement platform of its program ("VICR") whereby Pritikin certified providers can make available the ICR program and materials to their patients. The Company offers an optional personnel service ("PritikinLive") that allows licensed providers to have Company personnel fill temporary cardiac rehab staffing needs. The Company's personnel administer Pritikin ICR workshops, cooking demonstrations and one-on-one education sessions as mutually agreed upon and scheduled with the provider.

Commissions are deferred and included as a component of other assets in the accompanying consolidated balance sheets and are amortized over the contractual term of the franchise agreement. Net contract acquisition costs as of December 31, 2024 and 2023 amount to approximately \$435,000 and \$329,000, respectively.

Chanl: Chanl provides a software platform and virtual care management solution designed to empower healthcare providers in delivering home-based and hybrid cardiac rehabilitation programs. Focused on improving patient access and outcomes, Chanl's platform integrates remote patient monitoring, personalized care plans, and video-based rehab sessions to ensure continuous engagement and support throughout the recovery journey. Chanl enters into contracts with healthcare providers to provide access to its healthcare platform. These contracts are subscription-based, granting the customer the right to access the platform's services over a specified period. Revenue from these contracts is recognized ratably over the subscription term, reflecting the continuous transfer of services to the customer. Billings and payments received in advance of service delivery are recorded as contract liabilities on the consolidated balance sheets. As the services are provided over time, the contract liabilities are recognized as revenue in the consolidated statements of income.

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE C--REVENUE RECOGNITION--Continued

Chanl--Continued: This approach ensures that revenue recognition aligns with the period during which the customer benefits from access to the platform. Substantially all contract liabilities, amounting to approximately \$304,000 as of December 31, 2024, are expected to be performed within 12 months.

Disaggregated revenues for the Company are summarized as follows:

	Years Ended December 31,	
	2024	2023
Revenues recognized over time	\$ 19,159,057	\$ 13,648,406
Revenues recognized at a point in time	1,333,347	1,045,054
	<u>\$ 20,492,404</u>	<u>\$ 14,693,460</u>

NOTE D--PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following:

	December 31,	
	2024	2023
Leasehold improvements	\$ -	\$ 115,360
Computer equipment	127,371	108,537
Office furniture	-	11,956
	<u>127,371</u>	<u>235,853</u>
Less: accumulated depreciation and amortization	(91,873)	(182,023)
	<u>\$ 35,498</u>	<u>\$ 53,830</u>

Depreciation and amortization expense for property and equipment amounted to approximately \$31,000 and \$37,000 for the years ended December 31, 2024 and 2023, respectively. Fully depreciated property and equipment consisting of computer equipment amounting to approximately \$127,000 and \$14,000 were disposed during the years ended December 31, 2024 and 2023, respectively.

NOTE E--NOTES PAYABLE-MAJORITY MEMBER

The Company had three promissory notes (collectively referred to as the "Notes") payable to a revocable living trust (the "Trust") established for the majority member of the Sole Member (the "Majority Member") and entitled the Trust to receive all payments of principal, interest and fees of the outstanding notes. The Notes bore interest at a rate of 3.25% per annum, compounded annually. The outstanding principal balance of the Notes, all accrued and unpaid interest, and any other costs, fees or charges payable to the Trust in connection with the Notes were due and payable on demand. The Notes were collateralized by a certain Guaranty and Collateral Agreement. The outstanding principal balance of the Notes as of January 1, 2023 totaled \$2,800,000. Interest incurred on the Notes for the year ended December 31, 2023 totaled

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE E--NOTES PAYABLE-MAJORITY MEMBER--Continued

Notes Payable-Majority Member--Continued: approximately \$46,000. As of January 1, 2023, unpaid interest due to the Trust pertaining to the Notes totaled approximately \$385,000. Effective June 30, 2023, the Trust assigned all of its outstanding notes, inclusive of all unpaid interest to the Sole Member to be treated as a contribution to the capital of the Sole Member. Effective June 30, 2023, the Sole Member terminated its respective notes and accrued interest due from the Company, in exchange for a contribution of capital to the Sole Member, which amounted to approximately \$2,231,000.

NOTE F--RELATED PARTY TRANSACTIONS

Services Agreement: The Company has a Services Agreement (the "Agreement") with Pritikin. In connection with the Agreement, Pritikin will provide the Company with administrative services and training and implementations through a combination of on-site (at the provider) and remote training. The services will be provided by Pritikin for an indefinite period of time and the Company will pay Pritikin the actual cost of providing these services. Administrative expenses in each of the years ended December 31, 2024 and 2023 amounted to approximately \$30,000, and are included in administrative expenses – related party in the accompanying consolidated statements of income and member's equity. As of December 31, 2024, there were no unpaid administrative and other expenses outstanding in the accompanying consolidated balance sheet. As of December 31, 2023, unpaid administrative and other expenses paid by Pritikin on behalf of the Company outstanding amounted to approximately \$7,000 and are included in due from related parties in the accompanying consolidated balance sheet.

The Company has access to the patient lecture ICR videos that are owned by Pritikin. As the videos are utilized by the healthcare providers that the Company has contracted with, the Company will pay Pritikin a service fee amounting to \$1 for each video lecture use by a patient. As of April 2023, the Company is no longer being charged this service fee. Service fees for the year ended December 31, 2023 amounted to approximately \$28,000, and is included in program expenses in the accompanying consolidated statement of income and member's equity.

Operating Lease: The Company entered into a verbal arrangement whereby the Company leases the corporate office space and certain equipment from another entity related by common ownership ("Related Entity #1"). This lease is on a month-to-month basis and requires the Company to pay a monthly fee of approximately \$12,000 per month for the years ended December 31, 2024 and 2023, respectively. The lease was terminated in June 2024. Amounts charged to operations related to the lease arrangement for the years ended December 31, 2024 and 2023 totaled approximately \$73,000 and \$133,000, respectively.

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE F--RELATED PARTY TRANSACTIONS--Continued

Consulting Fees: For the years ended December 31, 2024 and 2023, the Company incurred consulting fees owed to Related Entity #1 in the amount of approximately \$46,800 and \$45,000, respectively. The respective fees were paid in full prior to December 31, 2024 and 2023.

For the years ended December 31, 2024 and 2023, the Company incurred consulting fees owed to a related party under common ownership in the amount of \$38,000 and \$94,000, respectively. The respective fees were paid in full prior to December 31, 2024 and 2023.

Due from Related Parties: As of December 31, 2024 and 2023, amounts due from entities related by common ownership total approximately \$122,000 and \$86,000, respectively and pertain to reimbursements for disbursements paid by the Company on behalf of the related entities.

On December 1, 2023, the Company entered into a \$500,000 promissory note receivable agreement with Pritikin (the "Note") for working capital purposes. The Note is due on demand, and bears interest at 5.13% per annum. The outstanding balance on the Note as of December 31, 2023 is approximately \$502,000, and is included in current assets in the accompanying consolidated balance sheet.

In August 2024 and October 2023, the Company entered into two additional \$500,000 promissory note receivable agreements with Pritikin (the "New Notes", collectively with the 2023 Note, the "Notes") for working capital purposes. The New Notes are due on demand and bear interest at 4.84% and 4.13%, respectively. The outstanding balance on the Notes as of December 31, 2024 is approximately \$1,470,000, and is included in current assets in the accompanying consolidated balance sheet.

NOTE G--EMPLOYEE BENEFIT PLAN

On April 1, 2015, the Sole Member established a multiple employer 401(k) profit sharing plan (the "Pritikin Plan") covering substantially all employees on their date of employment. The Pritikin Plan allows eligible participants to defer a portion of their current compensation and have these amounts contributed to the Pritikin Plan on their behalf. Effective January 1, 2018, the Company started contributing up to 4% of the participating employee's wages. The Company can make discretionary employer contributions to the Pritikin Plan based on a pre-determined formula. Amounts contributed by employees and the Company are fully vested when contributed. The Company made employer contributions to the Pritikin Plan of approximately \$153,000 and \$174,000 during the years ended December 31, 2024 and 2023, respectively.

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE H--SIGNIFICANT CONCENTRATIONS

Cash and Cash Equivalents: Cash and cash equivalents are maintained at a financial institution, which at times may exceed federally insured limits. The Company has not experienced any losses related to these balances. Balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor at the financial institution. The Company believes it is not exposed to any significant risk on its cash and cash equivalents.

Major Customers: There were no customers that represented a major concentration of the Company's total accounts receivable or revenues as of and for the years ended December 31, 2024 and 2023.

Major Vendors: Three and two vendors accounted for approximately 64% and 54% of the Company's accounts payable at December 31, 2024 and 2023, respectively.

NOTE I--COMMITMENTS AND CONTINGENCIES

Provider Agreements: The Company has entered into various agreements (the "Provider Agreements") with certain healthcare providers. In connection with the Provider Agreements, the Company will provide training through a combination of on-site and remote training to the healthcare providers to become Pritikin certified to offer and teach a program to the healthcare provider's ICR patients. Once certified, the healthcare providers will offer the Pritikin certified ICR program to certain of its patients and the healthcare providers will pay the Company a fixed percentage of its net collections or Medicare reimbursement amount (as defined in the related Provider Agreements) for the ICR sessions administered by the healthcare providers. The Provider Agreements generally have initial three-year terms and will automatically renew for successive renewal periods of three years unless either party provides six months notice of termination.

Consulting Agreements: The Company has certain consulting arrangements with unrelated individuals and companies for ICR research and other services. The consulting arrangement requires the Company to pay monthly fees of approximately \$35,000. The arrangements expire through May 2028. Future annual consulting commitments under these arrangements are as follows:

<u>December 31,</u>	
2025	\$ 300,000
2026	50,000
2027	50,000
2028	21,000
	<u>\$ 421,000</u>

These consulting arrangements including other month-to-month consulting arrangements and the related party consulting fees (See Note F) total approximately \$394,000 and \$479,000 for the years ended December 31, 2024 and 2023, respectively.

PRITIKIN ICR LLC AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS--Continued

NOTE J--PROMISSORY NOTE RECEIVABLE, NET

In January 2022, the Company entered into a promissory note agreement (the "Promissory Note") whereby the Company loaned \$500,000 to an unrelated third party (the "Obligor"). The Promissory Note bears interest at 3.9% and principal repayments begin on the earlier of four months after the commencement of a cardiac rehabilitation program by the Obligor or April 1, 2023. The Promissory Note requires monthly principal payments of approximately \$8,300 plus accrued interest and matures 60 months from the date principal repayments commence. The Promissory Note is guaranteed by the President of the Obligor.

Upon receiving information indicating that the repayment of the Promissory Note was uncertain, the Company sued the Obligor and President of the Obligor for recovery of amounts owed under the Promissory Note and personal guarantee, alleging breach under the terms of the Promissory Note. No counterclaims have been filed, or alleged, in either the run up to the actual litigation filing in the District of Arizona, or its aftermath. Accordingly, the Company had recorded an allowance for credit losses for the Promissory Note in the amount of \$250,000 as of December 31, 2023. During the year ended December 31, 2024, with no further indication to provide evidence of the collectability of the Promissory Note, the Company recorded an additional provision for credit losses in the amount of \$250,000. This provision has been included in the accompanying consolidated statement of income and member's equity for the year ended December 31, 2024.

SUPPLEMENTARY INFORMATION

PRITIKIN ICR LLC AND SUBSIDIARY
SCHEDULE I - CONSOLIDATING BALANCE SHEETS
DECEMBER 31, 2024

	<u>Pritikin ICR LLC</u>	<u>Chanl Health LLC</u>	<u>Eliminations</u>	<u>Consolidated</u>
ASSETS				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 9,587,968	\$ 31,362	\$ -	\$ 9,619,330
Accounts receivable, net	5,188,260	86,889	-	5,275,149
Due from related parties	431,367	-	(309,266)	122,101
Promissory note receivable from related party	1,470,058	-	-	1,470,058
Prepaid expenses	284,128	-	-	284,128
TOTAL CURRENT ASSETS	16,961,781	118,251	(309,266)	16,770,766
INVESTMENT IN SUBSIDIARY	3,053,890	-	(3,053,890)	-
VIDEO LECTURE COSTS, net	352,584	-	-	352,584
PROPERTY AND EQUIPMENT, net	35,498	-	-	35,498
WEBSITE DEVELOPMENT COSTS	129,131	-	-	129,131
SOFTWARE	-	2,192,269	-	2,192,269
GOODWILL, net	-	2,568,668	-	2,568,668
OTHER ASSETS	435,293	-	-	435,293
TOTAL ASSETS	\$ 20,968,177	\$ 4,879,188	\$ (3,363,156)	\$ 22,484,209
LIABILITIES AND MEMBERS' EQUITY				
CURRENT LIABILITIES:				
Accounts payable	\$ 264,001	\$ -	\$ -	\$ 264,001
Accrued expenses and other liabilities	2,750,218	37,216	-	2,787,434
Income taxes payable	-	1,174,551	-	1,174,551
Due to related parties, net	-	309,266	(309,266)	-
Contract liabilities	-	304,265	-	304,265
TOTAL CURRENT LIABILITIES	3,014,219	1,825,298	(309,266)	4,530,251
TOTAL LIABILITIES	3,014,219	1,825,298	(309,266)	4,530,251
COMMITMENTS AND CONTINGENCIES				
MEMBERS' EQUITY	17,953,958	3,053,890	(3,053,890)	17,953,958
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 20,968,177	\$ 4,879,188	\$ (3,363,156)	\$ 22,484,209

PRITIKIN ICR LLC AND SUBSIDIARY

SCHEDULE II - CONSOLIDATING STATEMENTS OF OPERATIONS

YEAR ENDED DECEMBER 31, 2024

	<u>Pritikin ICR LLC</u>	<u>Chanl Health LLC**</u>	<u>Eliminations</u>	<u>Consolidated</u>
REVENUES:				
Hospital	\$ 19,008,905	\$ -	\$ -	\$ 19,008,905
Printed manuals, binders, VICR, and PritikinLive revenues	1,114,947	-	-	1,114,947
Training	218,400	-	-	218,400
Other	-	150,152	-	150,152
TOTAL REVENUES	20,342,252	150,152	-	20,492,404
EXPENSES:				
Program expenses	1,113,617	-	-	1,113,617
Salaries and related benefits	5,457,155	159,457	-	5,616,612
Contractors	35,943	1,428	-	37,371
Consulting	393,382	-	-	393,382
Payroll taxes	338,859	12,022	-	350,881
Commission expense	186,517	-	-	186,517
Travel and meals	362,348	3,846	-	366,194
Trade shows	106,013	-	-	106,013
Recruiting	22,869	-	-	22,869
Rent	73,182	-	-	73,182
Legal and professional fees	563,137	237	-	563,374
Insurance	549,230	4,290	-	553,520
Advertising	448,601	-	-	448,601
Research and development	28,606	-	-	28,606
Supplies	20,556	17,289	-	37,845
Administrative expenses - related party	30,000	-	-	30,000
Depreciation and amortization	129,493	200,957	-	330,450
Provision for credit losses on promissory note receivable	250,000	-	-	250,000
Provision for credit losses	134,827	-	-	134,827
Other general and administrative	194,644	11,054	-	205,698
TOTAL EXPENSES	10,438,979	410,580	-	10,849,559
INCOME (LOSS) FROM OPERATIONS	9,903,273	(260,428)	-	9,642,845
OTHER INCOME (EXPENSES):				
Interest income	394,311	-	-	394,311
Interest expense	-	(1,621)	-	(1,621)
Loss on disposal of video costs	(6,256)	-	-	(6,256)
Loss in earnings of subsidiary	(1,682,291)	-	1,682,291	-
TOTAL OTHER INCOME (EXPENSES) , net	(1,294,236)	(1,621)	1,682,291	386,434
INCOME (LOSS) BEFORE PROVISION FOR INCOME TAX	8,609,037	(262,049)	1,682,291	10,029,279
PROVISION FOR INCOME TAXES	-	(1,420,242)	-	(1,420,242)
NET INCOME (LOSS)	\$ 8,609,037	\$ (1,682,291)	\$ 1,682,291	\$ 8,609,037

** Chanl Health LLC is presented for the period from September 20, 2024 to December 31, 2024 (Note B)

Pritikin ICR LLC

Financial Statements

December 31, 2023 and 2022

**Berkowitz
Pollack
Brant** Advisors
+CPAs

PRITIKIN ICR LLC
FINANCIAL STATEMENTS
December 31, 2023 and 2022

INDEX TO FINANCIAL STATEMENTS

	<u>Page(s)</u>
Independent Auditor's Report	2-3
Balance Sheets	4
Statements of Income and Member's Equity.....	5
Statements of Cash Flows	6
Notes to Financial Statements	7-16



INDEPENDENT AUDITOR'S REPORT

To the Member and Management of
Pritikin ICR LLC

Opinion

We have audited the accompanying financial statements of Pritikin ICR LLC ("a Delaware limited liability company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the related statements of income and member's equity, 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 Pritikin ICR 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 Pritikin ICR LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of 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 Pritikin ICR LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Pritikin ICR 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 Pritikin ICR 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.



Miami, Florida
April 11, 2024

PRITIKIN ICR LLC

BALANCE SHEETS

	December 31,	
	2023	2022
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 5,855,565	\$ 2,612,319
Accounts receivable, net	3,550,869	2,474,290
Due from related parties	86,480	11,413
Promissory note receivable from related party	502,209	-
Prepaid expenses	202,089	198,606
TOTAL CURRENT ASSETS	10,197,212	5,296,628
VIDEO COSTS, net	274,021	124,406
PROPERTY AND EQUIPMENT, net	53,830	66,004
WEBSITE DEVELOPMENT COSTS	71,351	110,701
PROMISSORY NOTE RECEIVABLE, net	250,000	250,000
OTHER ASSETS	329,050	253,301
TOTAL ASSETS	<u>\$ 11,175,464</u>	<u>\$ 6,101,040</u>
LIABILITIES AND MEMBER'S EQUITY		
CURRENT LIABILITIES:		
Notes payable - Majority Member	\$ -	\$ 2,800,000
Accounts payable	160,002	176,413
Accrued expenses	1,670,541	701,198
Due to related parties	-	56,521
TOTAL CURRENT LIABILITIES	1,830,543	3,734,132
COMMITMENTS AND CONTINGENCIES (NOTE H)		
MEMBER'S EQUITY	9,344,921	2,366,908
TOTAL LIABILITIES AND MEMBER'S EQUITY	<u>\$ 11,175,464</u>	<u>\$ 6,101,040</u>

See accompanying notes to financial statements.

PRITIKIN ICR LLC

STATEMENTS OF INCOME AND MEMBER'S EQUITY

	For The Years Ended December 31,	
	2023	2022
REVENUES:		
Hospital	\$ 13,648,406	\$ 9,572,798
Printed manuals, binders, VICR, and PritikinLive revenues	774,004	514,588
Training	271,050	278,416
TOTAL REVENUES	14,693,460	10,365,802
EXPENSES:		
Program expenses	879,379	637,894
Salaries and related benefits	5,070,176	4,155,930
Contractors	22,651	13,725
Consulting	921,513	405,878
Payroll taxes	323,489	267,958
Commission expense	150,336	142,312
Travel and meals	344,098	244,782
Trade shows	103,514	71,398
Recruiting	9,060	5,812
Rent	146,364	133,053
Legal and professional fees	478,161	282,229
Insurance	482,370	413,864
Advertising	442,367	449,220
Research and development	269,047	51,200
Supplies	23,536	31,374
Administrative expenses - related party	30,000	30,000
Depreciation and amortization	87,743	81,641
Provision on promissory note receivable	-	250,000
Allowance for credit losses	-	46,115
Other general and administrative	160,810	84,052
TOTAL EXPENSES	9,944,614	7,798,437
INCOME FROM OPERATIONS	4,748,846	2,567,365
OTHER INCOME (EXPENSE):		
Interest income	48,786	1,895
Interest expense	(43,865)	(118,470)
Loss on disposal of video costs	(6,552)	-
TOTAL OTHER EXPENSE, net	(1,631)	(116,575)
NET INCOME	4,747,215	2,450,790
Member's Equity (Deficit) -- Beginning of year	2,366,908	(83,882)
Contribution	2,230,798	-
Member's Equity -- End of year	\$ 9,344,921	\$ 2,366,908

See accompanying notes to financial statements.

PRITIKIN ICR LLC
STATEMENTS OF CASH FLOWS

	For The Years Ended December 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 4,747,215	\$ 2,450,790
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	87,743	81,641
Provision on promissory note receivable	-	250,000
Loss on disposal of video costs	6,552	-
Provision for credit losses	-	46,115
Changes in assets and liabilities:		
Accounts receivable	(1,076,579)	(294,197)
Prepaid expenses	(3,483)	(160)
Other assets	(75,749)	(46,901)
Accounts payable	(16,411)	109,998
Due to related parties	(56,521)	-
Accrued expenses	1,212,717	(79,637)
TOTAL ADJUSTMENTS	78,269	66,859
NET CASH PROVIDED BY OPERATING ACTIVITIES	4,825,484	2,517,649
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(25,300)	(28,826)
Purchases of video costs	(167,086)	(110,475)
Purchases of website development costs	-	(16,739)
NET CASH USED IN INVESTING ACTIVITIES	(192,386)	(156,040)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Advances evidenced by promissory note receivable	-	(500,000)
Repayments on notes payable - related party	(812,576)	(500,000)
Net advances to related parties	(577,276)	(38,326)
NET CASH USED IN FINANCING ACTIVITIES	(1,389,852)	(1,038,326)
NET CHANGE IN CASH AND CASH EQUIVALENTS	3,243,246	1,323,283
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	2,612,319	1,289,036
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 5,855,565	\$ 2,612,319
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest:	\$ 187,426	\$ 96,619
SUPPLEMENTAL SCHEDULE OF NON-CASH INVESTING AND FINANCING ACTIVITY:		
Assignment of notes payable and accrued interest - majority member recognized as capital contributions	\$ 2,230,798	\$ -

See accompanying notes to financial statements.

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS

December 31, 2023 and 2022

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization: Pritikin ICR LLC ("Pritikin ICR" or the "Company"), a Delaware limited liability company, was formed on February 5, 2013 for the purpose of providing intensive cardiac rehabilitation ("ICR") by utilizing the methods created by Florida Pritikin Center LLC ("Pritikin") d/b/a/ Pritikin Longevity Center and Spa to patients of healthcare providers located in the United States of America. Pritikin is an entity related to the Company through common ownership. Pritikin ICR is 100% owned by Pritikin Enterprises LLC (the "Sole Member"). Pritikin ICR promotes the Pritikin philosophy that is based on science and research and offers an integrated approach that combines lifestyle enhancement education and healthy eating with structured exercise through video lectures with moderators to patients of healthcare providers. The Pritikin ICR program has been approved for reimbursement by Medicare.

Cash and Cash Equivalents: Highly liquid investments with original maturities of three months or less at the date of purchase are considered cash equivalents. As of December 31, 2023 and 2022, the Company's cash equivalents consisted of money market accounts aggregating to approximately \$5,449,000 and \$1,809,000, respectively.

Accounts Receivable, net: In the normal course of business, the Company provides credit to its customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses which, when realized, have been within the range of management's allowance for credit losses. Collections from customers are continuously monitored and an allowance for credit losses is maintained based on historical experience adjusted for current conditions and reasonable forecasts taking into account geographical and industry-specific economic factors. The Company evaluates its allowance for credit losses as one portfolio segment. At origination, the Company evaluates credit risk based on a variety of credit quality factors including prior payment experience, customer financial information, credit ratings, probabilities of default, industry trends and other internal metrics. On a continuing basis, data for each major customer is regularly reviewed based on past-due status to evaluate the adequacy of the allowance for credit losses and actual write-offs are charged against the allowance. The allowance for credit losses was approximately \$25,000 and \$71,000 as of December 31, 2023 and 2022, respectively. Write-offs to the allowance for credit losses were approximately \$46,000 and \$0 for the years ended December 31, 2023 and 2022, respectively.

Inventory: Inventory consisting of binders are valued at the lower of cost (first-in, first-out basis) or net realizable value. On a periodic basis, the Company reviews its inventory and identifies that which is excess, slow moving and obsolete by considering factors such as inventory levels, expected product life and forecasted sales demand. Any identified excess, slow moving, and obsolete inventory is written down to its market value through a charge to program expenses. As of December 31, 2023 and 2022, the Company did not have any inventory on hand.

Property and Equipment: Property and equipment are recorded at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the related assets, ranging from 3 to 6 years. Improvements to leased property are amortized over the life of the lease or the life of the improvement, whichever is shorter.

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Website Development Costs: The Company has an intangible asset which consists of website development costs that will be amortized using the straight-line method over the estimated useful life of 5 years. Amortization expense for the years ended December 31, 2023 and 2022 totaled approximately \$39,000 and \$38,000, respectively.

Video Costs: Video costs represent direct costs incurred in the development of additional video lectures and sell in videos for the Pritikin ICR program. The costs are capitalized once the video will generate probable future economic benefits and costs can be measured reliably. Video costs are amortized over 5 years or less, representing an estimate of the expected operating life cycle of the video. Amortization expense related to the video costs totaled approximately \$11,000 and \$8,000 during the years ended December 31, 2023 and 2022, respectively.

Impairment of Long-Lived Assets: The Company assesses, on an annual basis, the recoverability of the carrying amount of long-lived assets used in continuing operations. A loss is recognized when expected future cash flows (undiscounted and without interest) are less than the carrying amount of the asset. The impairment loss is determined as the difference by which the carrying amount of the asset exceeds its fair value. For the years ended December 31, 2023 and 2022, the Company did not believe that there were factors or circumstances indicating impairment of any of its long-lived assets.

Advertising: The Company expenses all advertising costs as they are incurred. Total advertising costs for the years ended December 31, 2023 and 2022 were approximately \$442,000 and \$449,000, respectively.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses at the date of the financial statements. Actual results could differ from those estimates.

Revenue Recognition: The Company accounts for revenue in accordance with ASC Topic 606 Revenue from Contracts with Customers. Refer to Note B for revenue recognition policy.

Income Taxes: As a limited liability company, the Company's taxable income or loss is allocated to its Sole Member. Therefore, no provision or liability for income taxes has been included in the accompanying financial statements.

The Company accounts for the uncertainty in income taxes in accordance with GAAP, which requires recognition of a tax position in the financial statements only after determining that the relevant tax authority would more likely than not sustain the tax position following a tax audit.

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Income Taxes--Continued: For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Company applied this guidance to its tax positions for the years ended December 31, 2023 and 2022. The Company has no material unrecognized tax benefits and no adjustments to its financial position, results of operations or cash flows were required. The Company's tax returns for the years ended December 31, 2020 through 2022 remain subject to examination by federal and state tax jurisdictions. The Company recognizes accrued interest and penalties related to uncertain tax positions, if any, as income tax expense.

Subsequent Events: The Company has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through April 11, 2024, the date the financial statements were available to be issued.

Reclassification: Certain amounts in the prior year financial statements have been reclassified to conform to the current year presentation.

Recently Adopted Accounting Pronouncements: On January 1, 2023, the Company adopted ASU 2016-13, Financial Instruments – Credit Losses (Topic 326) Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including trade receivables, loan receivables and held-to-maturity debt securities, and some off-balance sheet credit exposures such as unfunded commitments to extend credit. The adoption of ASU 2016-13 and the related amendments did not have a significant impact on the Company's financial statements.

Recent Accounting Pronouncements: In March 2023, the FASB issued ASU 2023-01, Leases (Topic 842): Common Control Arrangements, which provides a practical expedient for private companies and not-for-profit entities that are not conduit bond obligors to use the written terms and conditions of a common control arrangement to determine (1) whether a lease exists and, if so, (2) the classification of and accounting for that lease. The practical expedient may be applied on an arrangement-by-arrangement basis and is expected to reduce the costs associated with implementing and applying Topic 842 to those arrangements and also reduce the diversity in practice by entities within its scope when applying lease accounting requirements to common control arrangements. In addition, ASU 2023-01 requires that leasehold improvements associated with common control leases be (1) amortized by the lessee over the useful life of the leasehold improvements to the common control group (regardless of the lease term) as long as the lessee controls the use of the underlying asset (the leased asset) through a lease and (2) accounted for as a transfer between entities under common control through an adjustment to equity (or net assets for not-for-profit entities) if, and when, the lessee no longer controls the use of the underlying asset.

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE A--ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES--Continued

Recent Accounting Pronouncements--Continued: The amendments improve current GAAP by clarifying the accounting for leasehold improvements associated with common control leases, thereby reducing diversity in practice. Additionally, the amendments provide investors and other allocators of capital with financial information that better reflects the economics of those transactions. The amended guidance is effective for fiscal years beginning after December 15, 2023, and for interim periods within those fiscal years. Management is currently evaluating the impact that the adoption of ASU 2023-01 will have on the Company's financial statements.

NOTE B--REVENUE RECOGNITION

The majority of the Company's revenue is derived from contracts with customers. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in ASC Topic 606. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenue when, or as, the performance obligation is satisfied.

The Company generates the majority of its revenue from various franchise agreements with certain healthcare providers. The Company considers the franchise benefits to be highly related and all to be a part of one predominant performance obligation, granting a license of symbolic intellectual property for the Pritikin license. In return for use of this license, Pritikin bills the hospitals certification fees. Certification fees at the Company are billed monthly based on healthcare providers' net collections, sessions administered, or enrollments as determined by their agreement and are generally due by the last day of the month following the date of occurrence.

These certification revenues are either a usage-based royalty because they are dependent on the number of sessions that occurred, enrollments during the month, or a sales-based royalty in the case of net collection from healthcare providers. As such, under ASC 606 the Company applies the exception for sales or usage-based royalty from the requirements of accounting for variable consideration and recognizes revenue when the healthcare providers administer the Pritikin-certified ICR program to their patients, rather than estimated at contract inception. This incremental revenue recognition is the most appropriate measure of progress toward complete satisfaction of the performance obligation. For those healthcare providers who report net collections data on a lagging basis, the Company estimates and accrues for those customers as required by ASC 606.

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE B--REVENUE RECOGNITION--Continued

The Company invoices healthcare providers once or as performance obligations are satisfied, at which point payment becomes unconditional. As the majority of the Company's performance obligations are satisfied over time and customers typically do not make material payments in advance, nor does the Company have a right to consideration in advance of control transfer, the Company had no contract assets or contract liabilities recorded within its balance sheets at December 31, 2023 and 2022. The Company recognizes a receivable on its balance sheets as healthcare providers administer sessions or transfers a product in advance of receiving consideration, and the Company's right to consideration is unconditional and only the passage of time is required before payment of that consideration is due. The Company's policy is to exclude sales taxes collected from providers from the transaction price of the agreements. Accounts receivable includes accrued amounts for those certain net collection customers who report their billing data on a delay.

Total revenues also include other revenues which consist primarily of revenues from the sale of manuals, binders, training sessions. The Company recognizes revenues for these services at a point in time, at the time of transfer of these goods or completion of the training sessions. The Company also provides a remote monitoring and patient engagement platform of its program ("VICR") whereby Pritikin certified providers can make available the ICR program and materials to their patients. In 2022 the Company began offering an optional personnel service ("PritikinLive") that allows licensed providers to have Company personnel fill temporary cardiac rehab staffing needs. The Company's personnel administer Pritikin ICR workshops, cooking demonstrations and one-on-one education sessions as mutually agreed upon and scheduled with the provider.

Commissions are deferred and included as a component of other assets in the accompanying balance sheets and are amortized over the contractual term of the franchise agreement. Net contract acquisition costs as of December 31, 2023 and 2022 amount to approximately \$329,000 and \$253,000, respectively.

Disaggregated revenues for the Company are summarized as follows:

	December 31,	
	2023	2022
Revenues recognized over time	\$ 13,648,406	\$ 9,572,798
Revenues recognized at a point in time	<u>1,045,054</u>	<u>793,004</u>
	<u>\$ 14,693,460</u>	<u>\$ 10,365,802</u>

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE C--PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following:

	December 31,	
	2023	2022
Leasehold improvements	\$ 115,360	\$ 115,360
Computer equipment	108,537	97,479
Office furniture	11,956	11,956
	<u>235,853</u>	<u>224,795</u>
Less: accumulated depreciation and amortization	<u>(182,023)</u>	<u>(158,791)</u>
	<u>\$ 53,830</u>	<u>\$ 66,004</u>

Depreciation and amortization expense for property and equipment amounted to approximately \$37,000 and \$36,000 for the years ended December 31, 2023 and 2022, respectively. Fully depreciated property and equipment consisting of computer equipment amounting to approximately \$14,000 and \$41,000 were disposed during the years ended December 31, 2023 and 2022, respectively.

NOTE D--NOTES PAYABLE-MAJORITY MEMBER

The Company entered into three promissory notes (collectively referred to as the "Notes") with the Majority Member totaling \$3,300,000. In January 2020, the Majority Member assigned all of its outstanding notes with the Company to a revocable living trust (the "Trust") and entitled the Trust to receive all payments of principal, interest and fees of the outstanding notes with the Trust as further defined on the assignment agreement. The Notes bore interest at a rate of 3.25% per annum, compounded annually. The outstanding principal balance of the Notes, all accrued and unpaid interest, and any other costs, fees or charges payable to the Trust in connection with the Notes were due and payable on demand. The Notes were collateralized by a certain Guaranty and Collateral Agreement. The outstanding principal balance of the Notes as of December 31, 2022 totaled \$2,800,000. Interest incurred on the Notes for the years ended December 31, 2023 and 2022 totaled approximately \$46,000 and \$118,000, respectively. As of December 31, 2022, unpaid interest due to the Trust pertaining to the Notes totaled approximately \$385,000 and is included in accrued expenses in the accompanying balance sheets.

Effective June 30, 2023, the Trust assigned all of its outstanding notes, inclusive of all unpaid interest to the Sole Member to be treated as a contribution to the capital of the Sole Member. Effective June 30, 2023, the Sole Member terminated its respective notes and accrued interest due from the Company, in exchange for a contribution of capital to the Company, which amounted to approximately \$2,231,000.

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE E--RELATED PARTY TRANSACTIONS

Services Agreement: The Company has a Services Agreement (the "Agreement") with Pritikin. In connection with the Agreement, Pritikin will provide the Company with administrative services and training and implementations through a combination of on-site (at the provider) and remote training. The services will be provided by Pritikin for an indefinite period of time and the Company will pay Pritikin the actual cost of providing these services. Administrative expenses in each of the years ended December 31, 2023 and 2022 amounted to approximately \$30,000, and are included in administrative expenses – related party in the accompanying statements of income and member's equity. As of December 31, 2023, unpaid administrative and other expenses paid by Pritikin on behalf of the Company outstanding amounted to approximately \$7,000 and are included in due from related parties in the accompanying balance sheet. As of December 31, 2022, unpaid administrative and other expenses paid by Pritikin on behalf of the Company amounted to approximately \$18,000 and are included in due to related parties in the accompanying balance sheet.

The Company has access to the patient lecture ICR videos that are owned by Pritikin. As the videos are utilized by the healthcare providers that the Company has contracted with, the Company will pay Pritikin a service fee amounting to \$1 for each video lecture use by a patient. As of April 2023, the Company is no longer being charged this service fee. Service fees for the years ended December 31, 2023 and 2022 amounted to approximately \$28,000 and \$102,000, respectively, and are included in program expenses in the accompanying statements of income and member's equity.

Operating Lease: The Company entered into a verbal arrangement whereby the Company leases the corporate office space and certain equipment from another entity related by common ownership ("Related Entity #1"). This lease is on a month-to-month basis and requires the Company to pay a monthly fee of approximately \$12,000 and \$11,000 per month for the years ended December 31, 2023 and 2022, respectively. Amounts charged to operations related to the lease arrangement for the years ended December 31, 2023 and 2022 totaled approximately \$146,000 and \$133,000, respectively.

Consulting Fees: For the years ended December 31, 2023 and 2022, the Company incurred consulting fees owed to Related Entity #1 in the amount of \$45,000 and \$42,000, respectively. The respective fees were paid in full prior to December 31, 2023 and 2022.

For the year ended December 31, 2023, the Company incurred consulting fees owed to a related party under common ownership in the amount of \$94,000. The respective fees were paid in full prior to December 31, 2023. For the year ended December 31, 2022, the Company did not incur such consulting fees.

Due from Related Parties: As of December 31, 2023 and 2022, amounts due from entities related by common ownership total approximately \$86,000 and \$11,000, respectively and pertain to reimbursements for disbursements paid by the Company on behalf of the related entities and for disbursements paid by the Sole Member on behalf of the Company.

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE E--RELATED PARTY TRANSACTIONS--Continued

Due from Related Parties--Continued: On December 1, 2023, the Company entered into a \$500,000 promissory note receivable agreement with Pritikin (the "Note") for a principal balance of \$500,000 for working capital purposes. The Note is due on demand, and bears interest of 5.13% per annum. The outstanding balance on the Note as of December 31, 2023 is approximately \$502,000, including accrued interest of approximately \$2,000, and is included in current assets in the accompanying balance sheet.

Due to Related Parties: As of December 31, 2022, amounts due to entities related by common ownership total approximately \$57,000, and pertain to amounts due under the Agreement described above and for disbursements paid by the Sole Member on behalf of the Company. As of December 31, 2023, no such amounts were due to these entities.

NOTE F--EMPLOYEE BENEFIT PLAN

On April 1, 2015, the Sole Member established a multiple employer 401(k) profit sharing plan (the "Pritikin Plan") covering substantially all employees on their date of employment. The Pritikin Plan allows eligible participants to defer a portion of their current compensation and have these amounts contributed to the Pritikin Plan on their behalf. Effective January 1, 2018, the Company started contributing up to 4% of the participating employee's wages. The Company can make discretionary employer contributions to the Pritikin Plan based on a pre-determined formula. Amounts contributed by employees and the Company are fully vested when contributed. The Company made employer contributions to the Pritikin Plan of approximately \$174,000 and \$142,000 during the years ended December 31, 2023 and 2022, respectively.

NOTE G--SIGNIFICANT CONCENTRATIONS

Cash: Cash is maintained at a financial institution, which at times may exceed federally insured limits. The Company has not experienced any losses related to these balances. Balances are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per depositor at the financial institution. As of December 31, 2023 and 2022, the Company maintained cash deposits in excess of FDIC insured limits of approximately \$814,000 and \$2,362,000, respectively. As of December 31, 2023, cash equivalents of \$4,300,000 held in the JPMorgan U.S. Government Money Market Fund are not insured by the FDIC.

Major Customers: There were no customers that represented a major concentration of the Company's total accounts receivable or revenues as of and for the years ended December 31, 2023 and 2022.

Major Vendors: Two vendors accounted for approximately 54% and 50% of the Company's accounts payable at December 31, 2023 and 2022, respectively.

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE H--COMMITMENTS AND CONTINGENCIES

Provider Agreements: The Company has entered into various agreements (the "Provider Agreements") with certain healthcare providers. In connection with the Provider Agreements, the Company will provide training through a combination of on-site and remote training to the healthcare providers to become Pritikin certified to offer and teach a program to the healthcare provider's ICR patients. Once certified, the healthcare providers will offer the Pritikin certified ICR program to certain of its patients and the healthcare providers will pay the Company a fixed percentage of its net collections or Medicare reimbursement amount (as defined in the related Provider Agreements) for the ICR sessions administered by the healthcare providers. The Provider Agreements generally have initial three-year terms and will automatically renew for successive renewal periods of three years unless either party provides six months notice of termination.

Consulting Agreements: The Company has certain consulting arrangements with unrelated individuals and companies for ICR research and other services. The consulting arrangement requires the Company to pay monthly fees of approximately \$40,000. The arrangements expire through May 2028. Future annual consulting commitments under these arrangements are as follows:

<u>December 31,</u>	
2024	\$ 425,000
2025	300,000
2026	50,000
2027	50,000
2028	21,000
	<u>\$ 846,000</u>

These consulting arrangements including other month-to-month consulting arrangements and the related party consulting fees (See Note E) total approximately \$479,000 and \$406,000 for the years ended December 31, 2023 and 2022, respectively.

NOTE I--PROMISSORY NOTE RECEIVABLE, NET

In January 2022, the Company entered into a promissory note agreement (the "Promissory Note") whereby the Company loaned \$500,000 to an unrelated third party (the "Obligor"). The Promissory Note bears interest at 3.9% and principal repayments begin on the earlier of four months after the commencement of a cardiac rehabilitation program by the Obligor or April 1, 2023. The Promissory Note requires monthly principal payments of approximately \$8,300 plus accrued interest and matures 60 months from the date principal repayments commence. The Promissory Note is guaranteed by the President of the Obligor.

Upon receiving information indicating that the repayment of the Promissory Note was uncertain, the Company sued the Obligor and President of the Obligor for recovery of amounts owed under the Promissory Note and personal guarantee, alleging breach under the terms of the Promissory Note. No counterclaims have been filed, or alleged, in either the run up to the actual litigation filing in the District of Arizona, or its aftermath. Accordingly, the Company made a

PRITIKIN ICR LLC

NOTES TO FINANCIAL STATEMENTS--Continued

NOTE I--PROMISSORY NOTE RECEIVABLE, NET--Continued

provision for credit losses for the Promissory Note in the amount of \$250,000. This provision has been included in the accompanying statement of income and member's equity for the year ended December 31, 2022. No further provisions have been made during the year ended December 31, 2023, as management believes the provision established in the prior year is sufficient to cover the risk for credit losses. As of December 31, 2023, the outstanding balance on the Promissory note is \$250,000 and is included in long term assets on the accompanying balance sheet.

EXHIBIT C LIST OF ADMINISTRATORS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by 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 Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	NEW YORK New York State Department of Law Investor Protection Bureau 28 Liberty Street, 21 st Floor New York, New York 10005 (212) 416-8222
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Department 600 East Boulevard Avenue State Capitol, Fourteenth Floor Department 414 Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Office of the Attorney General Franchise Bureau 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Office of the Attorney General Securities Division 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA State Corporation Commission Division of Securities and Retail Franchising 1300 East Main Street, 9th Floor Richmond, Virginia 23219 (804) 371-9051
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Securities Division Department of Financial Institutions PO Box 41200 Olympia, Washington 98504-1200 (360) 902-8760

MINNESOTA Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139
---	---

EXHIBIT D

AGENTS FOR SERVICE OF PROCESS

We intend to register this disclosure document as a “franchise” in some or all of the following states, if required by the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, we will designate the following state offices or officials as our agents for service of process in these states:

CALIFORNIA Commissioner of Financial Protection and Innovation Department of Financial Protection and Innovation 320 West Fourth Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 Toll Free: (866) 275-2677 Email: ASK.DFPI@dfpi.ca.gov Website: http://www.dfpi.ca.gov	NEW YORK New York Secretary of State New York Department of State One Commerce Plaza, 99 Washington Avenue, 6 th Floor Albany, New York 12231-0001 (518) 473-2492
HAWAII Commissioner of Securities Department of Commerce & Consumer Affairs Business Registration Division Securities Compliance Branch 335 Merchant Street, Room 203 Honolulu, Hawaii 96813 (808) 586-2722	NORTH DAKOTA North Dakota Securities Commissioner 600 East Boulevard Avenue State Capitol, Fourteenth Floor Bismarck, North Dakota 58505-0510 (701) 328-4712
ILLINOIS Illinois Attorney General 500 South Second Street Springfield, Illinois 62706 (217) 782-4465	RHODE ISLAND Director of Department of Business Regulation Department of Business Regulation Securities Division, Building 69, First Floor John O. Pastore Center 1511 Pontiac Avenue Cranston, Rhode Island 02920 (401) 462-9527
INDIANA Secretary of State Franchise Section 302 West Washington, Room E-111 Indianapolis, Indiana 46204 (317) 232-6681	SOUTH DAKOTA Division of Insurance Director of the Securities Regulation 124 South Euclid Avenue, 2 nd Floor Pierre, South Dakota 57501 (605) 773-3563
MARYLAND Maryland Securities Commissioner 200 St. Paul Place Baltimore, Maryland 21202-2020 (410) 576-6360	VIRGINIA Clerk of the State Corporation Commission 1300 East Main Street, 1 st Floor Richmond, Virginia 23219 (804) 371-9733
MICHIGAN Michigan Attorney General's Office Corporate Oversight Division, Franchise Section 525 West Ottawa Street G. Mennen Williams Building, 1 st Floor Lansing, Michigan 48913 (517) 335-7567	WASHINGTON Securities Division Department of Financial Institutions 150 Israel Road, Southwest Tumwater, Washington 98501 (360) 902-8760

MINNESOTA Commissioner of Commerce Minnesota Department of Commerce 85 7 th Place East, Suite 280 St. Paul, Minnesota 55101 (651) 539-1600	WISCONSIN Division of Securities 4822 Madison Yards Way, North Tower Madison, Wisconsin 53705 (608) 266-2139
---	---

EXHIBIT E**LIST OF CURRENT AND FORMER FRANCHISEES****Pritikin - Current Franchisees**

(as of December 31, 2024 and as date of this disclosure document)

Arkansas	
Arkansas Heart Hospital 7 Shackleford West Blvd. Little Rock, AR 72211 Amanda Xaysuda 501-978-3780 <i>*Includes both ICR and VCR</i>	South Arkansas Cardiac Rehab – El Dorado 708 South Timberlane Drive El Dorado, AR 71730 Leanne Murphy 870-234-3488 <i>*Not yet operational as of December 31, 2024</i>
South Arkansas Cardiac Rehabilitation 1010 N. Dudney Magnolia, AR 71753 Leanne Murphy 870-234-3488	NEA Baptist Memorial Hospital 4800 East Johnson Ave. Jonesboro, AR 72401 Meagan Ramirez 870-936-0139
Arkansas Heart Hospital Clinic-Russellville 209 S. Portland Ave. Russellville, AR 72801 Amanda Xaysuda 479-317-7010	St. Bernards Medical Center 225 E Oak Ave Jonesboro, AR 72401 Kevin Hawley 870-243-4650
Arkansas Heart Hospital Clinic-Conway 605 Dave Ward Dr. Conway, AR 72034 Amanda Xaysuda 501-978-3780	Arkansas Heart Hospital Clinic-Benton 5 Medical Park Dr. Benton, AR 72015 Amanda Xaysuda 501-978-3780
Arkansas Heart Hospital Clinic-Fayetteville 3211 North Northhills Blvd Fayetteville, AR 72703 Amanda Xaysuda 501-978-3780 <i>*Not yet operational as of December 31, 2024</i>	Arkansas Heart Hospital Clinic-Hot Springs 149 Section Line Rd. Hot Springs, AR 71913 Amanda Xaysuda 501-978-3780 <i>*Not yet operational as of December 31, 2024</i>
Saline Heart Group 1000 HWY 35 North STE 8 Benton, AR 72019 Robyn Henderson 501-303-9139	Med City Rehab LLC 403 W Oak Street STE 306 El Dorado, AR 71730 870-875-1481 <i>*Not yet operational as of December 31, 2024</i>
Arizona	
DMS – Lakeside Heart & Vascular 2849 Maricopa Avenue Lake Havasu City, AZ 86406 <i>*Not yet operational as of December 31, 2024</i>	

California	
Tahoe Forest Hospital 10121 Pine Ave. Truckee, CA 96161 Wendy Buchanan 530-587-6011, 530-582-7419 (Direct)	Eisenhower Medical Center 39000 Bob Hope Drive Rancho Mirage, CA 92270 Melissa Mead 760-340-3911 x3806
Marshall Medical Center 1100 Marshall Way Placerville, CA 95667 Reggie Higashi 530-622-1441 <i>*Includes both ICR and VCR</i>	UC San Diego Medical Center – Hillcrest 9300 Campus Point Drive La Jolla, CA 92037 Wendy Atchley 858-249-1384
Legacy Medical Group 222 East Cole Boulevard Calexico, CA 92231 Victor Murguia 760-352-2551 <i>*2024 Transfer</i>	Adventist Health Lodi Memorial 975 S Fairmount Ave Lodi, CA 95240 Earl Watson 209-334-3411
Imperial Valley Family Medical Care Group 516 West Aten Road STE 1 Imperial, CA 92251 Dr. Vachaspathi Palakodeli 760-355-8300	Infinity Wellness Institute 10780 Santa Monica Blvd STE 350 Los Angeles, CA 90025 Jacob Motawakel 424-274-1550
Mercy Medical Center Redding 2175 Rosaline Ave Redding, CA 96001 Michael Paine 530-225-6000 <i>*Not yet operational as of December 31, 2024</i>	
Colorado:	
AdventHealth-South Denver Cardiology 1000 SouthPark Drive Littleton, CO 80120 Anna Norlin 303-744-1065 303-715-2260 (Direct)	
Delaware	
Progressive Health of Delaware 3411 Silverside Road STE 100 Wilmington, DE 19810 Frank Vera 302-543-5454	

Florida	
AdventHealth – Ocala 1500 SW 1 st Ave Ocala, FL 34471 Bradley Mclarty 352-351-7200	AdventHealth – Timber Ridge 1500 SW 1 st Ave Ocala, FL 34471 Bradley Mclarty 352-351-7200
AdventHealth – Lady Lake 1500 SW 1 st Ave Ocala, FL 34471 Bradley Mclarty 352-351-7200	AdventHealth – Altamonte Springs 601 East Altamonte Drive Altamonte Springs, FL 32701 407-609-3904 <i>*Not yet operational as of December 31, 2024</i>
AdventHealth – Waterman 1000 Waterman Way Tavares, FL 32778 John Bowers 352-253-3333	AdventHealth – Orlando 601 E Rollins St Orlando, FL 32803 Patty Berwager 407-303-6611
AdventHealth – Tampa 3100 E Fletcher Ave Tampa, FL 33613 813-971-6000 <i>*Not yet operational as of December 31, 2024</i>	AdventHealth – Sebring 4200 Sun N Lake Blvd Sebring, FL 33871 863-314-4466 <i>*Not yet operational as of December 31, 2024</i>
AdventHealth – Palm Coast 60 Memorial Medical Parkway Palm Coast, FL 32164 386-586-2000 <i>*Not yet operational as of December 31, 2024</i>	AdventHealth – North Pinellas 1395 S Pinellas Ave Tarpon Springs, FL 34689 727-942-5000 <i>*Not yet operational as of December 31, 2024</i>
AdventHealth – Heart of Florida 40100 Highway 27 Davenport, FL 33837 863-422-4971 <i>*Not yet operational as of December 31, 2024</i>	AdventHealth – Daytona Beach 301 Memorial Medical Parkway Daytona Beach, FL 32117 Adam Cauley 386-231-6000
AdventHealth – Deland 701 W Plymouth Ave Deland, FL 32720 James Hunt 386-943-4522	AdventHealth – Wesley Chapel 2600 Bruce B Downs Blvd Wesley Chapel, FL 33544 813-929-5000 <i>*Not yet operational as of December 31, 2024</i>
AdventHealth – Celebration 400 Celebration Place Kissimmee, FL 34747 Paula Carerra 407-383-3182	AdventHealth – Zephyrhills 7050 Gall Blvd Zephyrhills, FL 33541 813-788-0411 <i>*Not yet operational as of December 31, 2024</i>
AdventHealth – New Smyrna Beach 401 Palmetto St New Smyrna Beach, FL 32168 386-424-5000 <i>*Not yet operational as of December 31, 2024</i>	AdventHealth – Fish Memorial 1055 Saxon Blvd Orange City, FL 32763 386-917-5000 <i>*Not yet operational as of December 31, 2024</i>

South Palm Cardiovascular Assoc. 6238 West Atlantic Avenue Delray Beach, FL 33484 Francisco Nascimento 561-278-1910	Mark J. Pamer, D.O., LLC 573 NW Lake Whitney Place STE 105 Port St. Lucie, FL 34986 Sarah Pamer 772-785-5864
Mease Countryside Hospital 3231 McMullen Booth Rd Safety Harbor, FL 34695 Kristen Stewart 727-725-6111	
Georgia	
AdventHealth – Gordon 1035 Red Bud Rd NE Calhoun, GA 30701 706-602-7800 <i>*Not yet operational as of December 31, 2024</i>	Heart and Vascular Care LLC 3970 Deputy Bill Cantrell Memorial Rd STE 100 Cumming, GA 30040 Sarah Shelton 678-513-2273
AdventHealth Redmond 501 Redmond Rd NW Rome, GA 30165 Brooke Askew 706-291-0291	
Idaho	
North Idaho Cardiac Rehab 30544 Highway 200, Ste. 101 Ponderay, ID 38352 Lori Morris 208-946-5391	Intermountain Medical Clinic 1951 Bench Road STE B Pocatello, ID 83201 <i>*Not yet operational as of December 31, 2024</i>
Illinois	
Graham Hospital Association 180 South Main Canton, IL 61520 Andy French 309-647-5240	UnityPoint Health Trinity 2701 17 th St. Rock Island, IL 61201 Dan Saskowski 309-779-5340
Northwest Community Hospital 21481 North Rand Road Kildeer, IL 60049 Anne Gavic-Ott 847-618-7914	Swedish American Hospital 209 9th Street Rockford, IL 61103 Tanya Eikstadt 779-696-5864
AMITA Health Adventist Medical Center Bolingbrook 500 Remington Blvd Bolingbrook, IL 60440 630-312-5000 <i>*Not yet operational as of December 31, 2024</i>	AMITA Health Adventist Medical Center La Grange 5101 Willow Springs Rd La Grange, IL 60525 708-245-9000 <i>*Not yet operational as of December 31, 2024</i>

<p>AMITA Health Adventist Medical Center Hinsdale 120 N Oak St Hinsdale, IL 60521 630-856-9000 <i>*Not yet operational as of December 31, 2024</i></p>	<p>Genesis Medical Center, Silvis 801 Illini Dr. Silvis, IL 61282 Stephen Hernandez 309-281-4000</p>
<p>Genesis Medical Center, Aldeo 409 9th Ave Aledo, IL 61231 <i>*Not yet operational as of December 31, 2024</i></p>	<p>Carle at the River Front 2300 N. Vermillion Street Danville, IL 61832 Kelly Hatfill 217-383-3311</p>
<p>Carle Champaign on Curtis 611 W Park St Urbana, IL 61801 Kelly Hatfill 217-383-3311</p>	<p>Carle Eureka Hospital 101 S Major St. Eureka, IL 61530 <i>*Not yet operational as of December 31, 2024</i></p>
<p>Carle Health Proctor Hospital 5409 N Knoxville Ave Peoria, IL 61614 <i>*Not yet operational as of December 31, 2024</i></p>	<p>Carle Bromenn Medical Center 1304 Franklin Ave Normal, IL 61761 <i>*Not yet operational as of December 31, 2024</i></p>
<p>Carle Heart and Vascular Hospital 100 Lerna Road South Mattoon, IL 61938 <i>*Not yet operational as of December 31, 2024</i></p>	<p>HSHS St. John's Hospital 800 E Carpenter St Springfield, IL 62769 Christine Bryant 217-544-6464 <i>*Not yet operational as of December 31, 2024</i></p>
<p>HSHS St. Elizabeths Hospital 1 Saint Elizabeth Blvd O'Fallon, IL 62269 Nicole Toennies 618-234-2120 <i>*Not yet operational as of December 31, 2024</i></p>	<p>HSHS St. Joseph's Hospital – Breese 9515 Holy Cross Ln Breese, IL 62230 Patricia Noe 618-526-4511 <i>*Not yet operational as of December 31, 2024</i></p>
<p>HSHS St. Francis Hospital 1215 Franciscan Dr Litchfield, IL 62056 Marlyn Pastrovich 214-324-2191 <i>*Not yet operational as of December 31, 2024</i></p>	<p>HSHS St. Joseph's Hospital – Highland 12866 Troxler Ave Highland, IL 62249 Patricia Noe 618-651-2600 <i>*Not yet operational as of December 31, 2024</i></p>
<p>HSHS Holy Family Hospital – Greenville 200 Health Care Dr Greenville, IL 62246 Erin Steinacher 618-664-1230 <i>*Not yet operational as of December 31, 2024</i></p>	<p>Vitality Physical Therapy PLLC 10384 S Harlem Ave Palos Hills, IL 60465 Ahmad Sabbahi 708-529-7109 <i>*Not yet operational as of December 31, 2024</i></p>

Indiana	
Columbus Regional Hospital 2400 E 17 th St. Columbus, IN 47201 Katie Clark 812-376-5247	
Iowa	
Genesis Medical Center, Davenport 1227 E Rusholme St Davenport, IA 52803 Bruce Mace 563-421-1000	Genesis Medical Center, Dewitt 1118 11 th St DeWitt, IA 52742 TBD <i>*Not yet operational as of December 31, 2024</i>
Kansas	
Olathe Health 20333 W 151st St Olathe, KS 66061 Michele Hobby 913-355-4222	AdventHealth – Shawnee Mission 9100 W 74 th St Shawnee Mission, KS 66204 913-676-2000 <i>*Not yet operational as of December 31, 2024</i>
Louisiana	
Christus Hospital-Shreveport 9425 Healthplex Drive Shreveport, LA 71106 Lillie Harris 318-681-7831	Cardiovascular Institute of the South 425 Settlers Trace Blvd. Suite 200 Lafayette, LA 70508 Thomas Vidal 337-735-8502 <i>*Includes both ICR and VCR</i>
Cardiology Specialists of Acadiana 315 Rue Louis XIV Lafayette, LA 70508 Emily Dressel 337-269-9777	
Massachusetts	
Boston Medical Center 280 Washington Street, Suite 100 Brighton, MA 02135 Diane Gaughran 617-787-7901 <i>*2024 Transfer to Boston Medical Center</i>	
Michigan	
Michigan Heart (St. Joseph Mercy Hospital) 5325 Elliot Drive Ypsilanti, MI 48197 Amy Preston 734-712-8643	ALIVE/Sparrow-Eaton Hospital 800 W. Lawrence Ave. Charlotte, MI 48813 Jacob Campbell 517-543-5800

St. Joseph Mercy Livingston Hospital 620 Byron Rd. Howell, MI 48843 Amy Preston 517-545-6385	Metro Health Hospital 2122 Health Dr SW Wyoming, MI 49519 Jessica Bales 616-252-6703
St. Joseph Mercy Chelsea 775 S. Main St. Chelsea, MI 48118 Amy Preston 734-712-8454 <i>Has not reopened since COVID closure</i>	Corewell Health Hospital 2902 Bradford St NE Grand Rapids, MI 49525 Becky Chappell 616-885-5000
Corewell Health Big Rapids Hospital 605 Oak St. Big Rapids, MI 49307 Becky Chappell 616-885-5000	Corewell Health Ludington 1 Atkinson Dr Ludington, MI 49431 Becky Chappell 616-885-5000
Corewell Health United (Greenville) 615 S Bower St. Greenville, MI 48838 Becky Chappell 616-885-5000	Corewell Health Gerber Memorial 212 S Sullivan Ave Fremont, MI 49412 Becky Chappell 616-885-5000
Corewell Health LakeLand Medical Center 1234 Napier Ave Saint Joseph, MI 49085 Becky Chappell 616-885-5000 <i>*Not yet operational as of December 31, 2024</i>	Advanced Cardiovascular Clinic 6122 West Pierson Road Flushing, MI 48433 Pam Greshock 248-844-1010
West Michigan Cardiology Services, PC 3210 Eagle Run Drive NE Grand Rapids, MI 49525 Megan Taratuta 616-456-9553	Trinity Health Grand Rapids 200 Jefferson Ave Grand Rapids, MI 49503 Sarah Simon 616-685-5000
Minnesota	
St. Cloud Hospital 1406 6 th Ave. N. St. Cloud, MN 56303 Kelijo Fernholz 320-251-2700 <i>*Includes both ICR and VCR</i>	CentraCare Hospital – Melrose 525 Main Street West Melrose, MN 56352 Kevin Kramer 320-256-4231
CentraCare Hospital – Sauk Centre 425 Elm Street North Sauk Centre, MN 56378 Jill Uphus 320-529-31	CentraCare Hospital – Long Prairie 50 CentraCare Drive Long Prairie, MN 56347 Sarah Zastrow 320-732-2141

<p>CentraCare Hospital – Paynesville 200 1st Street West Paynesville, MN 56362 Julie Arnold 320-243-3767</p>	<p>CentraCare Hospital – Monticello 1013 Hart Blvd. Monticello, MN 55362 Tiffany Baune 763-295-2945</p>
<p>Allina Health System – Eden Prairie 775 Prairie Center Drive STE 350 Eden Prairie, MN 55344 Erin Cuta 952-428-0230</p>	<p>Ely Bloomenson Community Hospital 328 W Conan St Ely, MN 55731 <i>*Not yet operational as of December 31, 2024</i></p>
Mississippi	
<p>Baptist Memorial Hospital-North Mississippi 100 Baptist Memorial Cir. Oxford, MS 38655 Shea Johnson 662-636-1266</p>	<p>Baptist Memorial Hospital-Desoto 7601 Southcrest Parkway Southaven, MS 38671 Amber Odle 662-772-2461</p>
<p>Baptist Memorial Hospital-Golden Triangle 2520 Fifth St. North Columbus, MS 39705 662-244-1500 <i>*Not yet operational as of December 31, 2024</i></p>	
Missouri	
<p>St. Luke's Hospital 121 St. Luke's Center Dr. Chesterfield, MO 63017 Amy Holtsclaw 314-205-6100</p>	<p>Heart Care Institute (Barnes) 1020 N. Mason Rd. Creve Coeur, MO 63141 Jennifer Jonagan 314-362-1291</p>
<p>Boone Hospital Center 1601 East Broadway, Boone Medical Plaza 1 Columbia, MO 65201 Hayden Legg 573-815-3874</p>	<p>MU Health Care One Hospital Drive Columbia, MO 65212 Patti Ross 573-882-4141</p>
<p>Capital Region Medical Center 1432 Southwest Boulevard Jefferson City, MO 65109 Jennifer Schmoeger 673-632-5000</p>	<p>Lake Regional Health – Laurie 156 Missouri Blvd Laurie, MO 65038 Jody Corpe 573-302-2253</p>
<p>Lake Regional Health – Osage Beach 54 Hospital Drive Osage Beach, MO 65065 Jody Corpe 573-302-2253</p>	<p>Lake Regional Health – Eldon 416 South Maple Street Eldon, MO 65026 Jody Corpe 573-302-2253</p>

Nebraska	
CHI Health – St. Elizabeth 555 S. 70th Street Lincoln, NE 68510 Paul Daugherty 402-219-8717 <i>*Includes both ICR and VCR</i>	
Nevada	
Renown Regional Medical Center 10085 Double R Blvd. Ste 225 Reno, NV 89521 Lynice Anderson 775-982-4035 775-982-2492 (Direct)	Northern Nevada Medical Center 625 Innovation Drive Reno, NV 89511 Elena Mnatsakanyan 775-799-7355 <i>*Not yet operational as of December 31, 2024</i>
CardiaCare Rehab & Wellness LLC 2435 Fire Mesa St. Las Vegas, NV 89128 Sarah Sarich 725-204-0307	
New Jersey	
Cardio Metabolic Institute 51 Veronica Ave. Somerset, NJ 08873 Jaimie Fusco 732-846-7000	Advocare, Garden State Cardiology 320 Route 73 Voorhees, NJ 08043 Rajendra Patel 856-335-4118
Cardiometabolic Institute Monroe 283 Appegarth Road Monroe Township, NJ 08831 Jaimie Fusco 732-846-7000 <i>*Not yet operational as of December 31, 2024</i>	
New Mexico	
Nor Lea General Hospital 1600 N Main Ave Lovington, NM 88260 <i>*Not yet operational as of December 31, 2024</i>	

New York	
Capital Cardiology Associates PC 7 Southwoods Blvd Albany, NY 12211 Patricia Dickson 518-292-6000	Middletown Medical PC 111 Maltese Drive Middletown, NY 10940 Lori Marl 845-342-4774
North Suffolk Cardiology 45 Research Way STE 108 East Setauket, NY 11733 Jennifer Cain 631-590-2233	
North Carolina	
Mission Hospital – Asheville 509 Biltmore Ave Asheville, NC 28801 Patrick Hickey 828-213-1111	AdventHealth – Hendersonville 100 Hospital Drive Hendersonville, NC 28792 855-774-5433 <i>*Not yet operational as of December 31, 2024</i>
Atrium Health 5025 Airport Center Parkway Charlotte, NC 28208 Tiffany Maxson 704-512-2401	Cone Health Oper Corp (Moses) 1200 North Elm Street Greensboro, NC 27401 Traci Turner 336-832-7000
Sentara Albemarle Medical Center 1144 N Road St Elizabeth City, NC 27909 Kimberly Meador 252-335-0531	DMS – Mecklenburg Heart Specialists 2711 Randolph Road, STE 305 Charlotte, NC 28207 <i>*Not yet operational as of December 31, 2024</i>
ECU Health Physicians – Roanoke Rapids 210 Smith Church Rd, Bldg 2 Roanoke Rapids, NC 27870 Stacey Greenway 252-535-8780 <i>*Not yet operational as of December 31, 2024</i>	
Ohio	
St. Rita's Medical Center 730 W. Market St. Lima, OH 45801 Jonna Wessell 419-227-3361	Joint Township District Memorial Hospital 200 Saint Clair Ave Saint Marys, OH 45885 Carol Modica 419-394-3335
Bon Secours Mercy Health Lorain 3700 Kolbe Road Lorain, OH 43078 Alexis Toohey 440-960-3525	Bon Secours Mercy Health Springfield 200 Medical Center Drive Springfield, OH 45504 Lisa McClure 937-360-5463

Putnam County Ambulatory Care Center 601 State Route 224 Ottawa, OH 45875 Jonna Wessell 419-227-3361	Bon Secours Mercy Health Urbana 904 Scioto St. Urbana, OH 43078 Lisa McClure 937-360-5463
Mercy Health – Defiance Hospital 1404 E. Second Street Defiance, OH 43512 Jeffrey Owens 419-785-3936	
Oklahoma	
Oklahoma Heart Hospital South 5200 E. I-240 Service Rd. Oklahoma City, OK 73135 Darlene Wortham 405-608-6765 <i>*VCR not yet operational as of December 31, 2024</i>	Oklahoma Heart Hospital North 4050 W. Memorial Rd. Oklahoma City, OK 73120 Darlene Wortham 405-608-4646
Pennsylvania	
Atria Health – AMS Cardiology PO Box 0129 East Petersburg, PA 17520 Eric Nichols 215-517-1000	Doylestown Hospital 595 West State Street Doylestown, PA 18901 Terri Long 215-345-2200
South Carolina	
MUSC Health Columbia Med Ctr Downtown 2435 Forest Drive Columbia, SC 29204 Drew Hamer 803-256-5718	MUSC Health Columbia Med Ctr Northeast 120 Gateway Corporate Boulevard Columbia, SC 29203 Drew Hamer 803-256-5718
MUSC Health Kershaw Med Ctr 1315 Roberts Street Camden, SC 29020 Drew Hamer 803-256-5718	MUSC Health Charleston 171 Ashley Avenue Charleston, SC 29425 <i>*Not yet operational as of December 31, 2024</i>
Carolina Cardiology Associates 196 Cardiology Drive Rock Hill, SC 29732 Donnell Hoffman 803-324-5135 <i>*Not yet operational as of December 31, 2024</i>	

Tennessee	
Bristol Regional Medical Center (Wellmont) 271 Medical Park Blvd. Bristol, TN 37620 Susan Byrd 423-274-8680	Baptist Memorial Hospital-Memphis 6019 Walnut Grove Rd. Memphis, TN 38120 Tabetha Polly 901-226-5576
Baptist Memorial Carroll County (Huntingdon) 631 R B Wilson Dr. Huntingdon, TN 38344 Cindy Cole 731-986-7096	Baptist Memorial Hospital-Union City 1201 Bishop St. Union City, TN 38261 Crystal Boyles 731-884-8645
Holston Valley Medical Center (Wellmont) 2050 Meadowview Parkway Kingsport, TN 37660 Susan Byrd 423-230-6940	Parkridge Medical Center, Inc. 2205 McCallie Avenue Chattanooga, TN 37404 Alison Bailey 423-698-6061 <i>*VCR not yet operational as of December 31, 2024</i>
Covenant-Parkwest Medical Ctr 9352 Park West Blvd Knoxville, TN 37923 Jon Dalton 865-531-5581	Covenant - LeConte Medical Center 7625 Chapman Highway Knoxville, TN 37920 Jon Dalton 865-531-5581
Covenant – LeConte Medical Center 742 Middle Creek Rd Sevierville, TN 37862 Jon Dalton 865-446-7000	Covenant-Morristown-Hamblen Healthcare 908 W 4 th North St Morristown, TN 37814 Jon Dalton 865-531-5581
Covenant – Cumberland Medical Center 421 S Main St Crossville, TN 38555 Jon Dalton 865-446-7000 <i>*Not yet operational as of December 31, 2024</i>	Covenant – Fort Loudoun Medical Center 550 Fort Loudoun Medical Center Dr Lenoir City, TN 37772 Jon Dalton 865-531-5581 <i>*Not yet operational as of December 31, 2024</i>
Covenant – Fort Sanders Regional Med Ctr 1901 W Clinch Ave Knoxville, TN 37916 Jon Dalton 865-446-7000 <i>*Not yet operational as of December 31, 2024</i>	Covenant – Methodist Medical Center 990 Oak Ridge Tpke Oak Ridge, TN 37831 Jon Dalton 865-531-5581 <i>*Not yet operational as of December 31, 2024</i>
Covenant – Roane Medical Center 8045 Roane Medical Cener Dr Harriman, TN 37748 Jon Dalton 865-446-7000 <i>*Not yet operational as of December 31, 2024</i>	Covenant – Claiborne Medical Center 1850 Old Knoxville Rd Tazewell, TN 37879 Jon Dalton 865-446-7000 <i>*Not yet operational as of December 31, 2024</i>

Texas	
Modern Heart & Vascular Institute 18980 Memorial Dr, STE5 100 Humble, TX 77338 Kayla Gower 832-644-8930	Premier Family Care (aka Midland Memorial Health) 4214 Andrews Highway, Suite 240 Midland, TX 79701 Jillian Tate 432-689-0291
HCA Medical City Heart & Spine 7777 Forest Ln Dallas, TX 75230 Erica Lax 972-566-7000	Medical City Denton 3535 S I 35 Denton, TX 76210 Danny Albrecht 640-384-3535
(Regency Cardiac Rehab) 74 Regency Parkway Mansfield, TX 76063 Lisa Schweyher 817-345-6225	Medical City Plano (Plano, TX) 3901 West 15th St. Plano, TX 75075 Michelle Hamilton 972-596-6800
Covenant Medical Center 3615 19 th Street Lubbock, TX 79410 Tommy Parrish 806-725-4386	Ardent UT Health 701 Olympic Plaza Circle Tyler, TX 75701 Clint Rivers 903-596-3234
McAllen Heart Hospital 500 East Ridge Road Suite 200 McAllen, TX 78503 (Anna Liza Esguerra) 956-926-4317	Texas Health Huguley Hospital Fort Worth South 11801 South Fwy Burleson, TX 76028 817-293-9110 <i>*Not yet operational as of December 31, 2024</i>
AdventHealth – Central Texas 2201 S Clear Creek Rd Killeen, TX 76549 254-526-7523 <i>*Not yet operational as of December 31, 2024</i>	St. David's Medical Center 900 E 30 th Street Austin, TX 78705 Annie Bennett 512-476-7111
St. David's Georgetown Hospital 2000 Scenic Drive Georgetown, TX 78626 Shane Boff	St. Davids Round Rock Medical Center 2400 Round Rock Ave Round Rock, TX 78681 <i>*Not yet operational as of December 31, 2023</i>
St. Davids North Medical Center 12221 N Mopac Expy N Austin, TX 78758 Paul Pajak 512-901-1000	St Davids South Austin Medical Center 901 W Ben White Blvd Austin, TX 78704 <i>*Not yet operational as of December 31, 2024</i>

Gain Health 3921 Steck Avenue Austin, TX 78759 Angel Villanueva 512-476-9934	RescueMD 945 Stockton Drive STE 6100 Allen, TX 75013 Tochi Okoro 972-390-7667 EXT 101
United Regional Health Care System 1600 11 th St Wichita Falls, TX 76301 Brianna De La Fuente 940-764-7000	Doctors Hospital of Laredo 10700 Mcpherson Rd Laredo, TX 78045 Izar Cantu 956-523-2000 <i>*Not yet operational as of December 31, 2024</i>
International Cardiovascular 2200 George Dieter Dr El Paso, TX 79936 Uzodinma Dim 915-248-2434 <i>*Not yet operational as of December 31, 2024</i>	
Virginia	
Sentara Martha Jefferson Hospital 500 Martha Jefferson Dr Charlottesville, VA 22911 Cathy Reece 434-654-4510	Sentara Careplex Hospital 3000 Coliseum Drive, STE 120 Hampton, VA 23666 Donna Gagnon 757-736-0168
Johnston Memorial (Ballad) 16000 Johnston Memorial Dr Abingdon, VA 24211 Susan Byrd 423-230-6940	Augusta Health 78 Medical Center Drive Fishersville, VA 22939 Justin Hill 540-932-4000
Sentara Halifax Regional Hospital 2204 Wilborn Ave South Boston, VA 24592 Jackie Arnold 434-517-3100	Sentara Leigh Hospital 830 Kempsville Rd Norfolk, VA 23502 Crystal Wheeler 757-261-6000
Sentara Norfolk General Hospital 600 Gresham Dr Norfolk, VA 23507 Jennifer Smith 757-388-3000	Sentara Northern Virginia Medical Center 2300 Optiz Blvd Woodbridge, VA 22191 Meg Spacek 703-523-1000
Sentara Obici Hospital 2800 Godwin Blvd Suffolk, VA 23434 Mike Hill 757-934-4000	Sentara Princess Anne Hospital 2025 Gleen Mitchell Dr Virginia Beach, VA 23456 Dana Kramp 757-507-1000

Sentara RMH Medical Center 2010 Health Campus Dr Harrisonburg, VA 22801 April Eavers 540-689-1000	Sentara Virginia Beach 1060 First Colonial Rd Virginia Beach, VA 23454 Helen McKenna 757-395-8000
Sentara Williamsburg Regional Med Ctr 100 Sentara Cir Williamsburg, VA 23188 Kendall Turner 757-984-6000	Fauquier Hospital 500 Hospital Dr Warrenton, VA 20186 Linda Costello 540-316-5000
Washington	
Virginia Mason Medical Center 925 Seneca Street Seattle, WA 98101 David Cowan 206-625-7256	
Wisconsin	
Froedtert West Bend Hospital 3200 Pleasant Valley Road West Bend, WI Rachel Kenitz 262-836-5533	Froedtert Menomonee Falls Hospital North Hills Health Center Ste. A-200 Menomonee Falls, WI 53051 Rachel Kenitz 262-251-1000
Froedtert Milwaukee Hospital 9200 West Wisconsin Ave. Milwaukee, WI 53226 Rachel Kenitz 414-805-3000	Froedtert Holy Family Memorial Medical Center 2300 Western Ave Manitowoc, WI 54220 Heidi Stradal 920-320-2011 <i>*Not yet operational as of December 31, 2024</i>

Pritikin – Former Franchisees *

(as of December 31, 2024 or who has not communicated with us within
10 weeks of the date of this disclosure document)

Former Franchisees:

Arkansas	
LDC Cardiac Rehab El Dorado, AR 71603 Leanne Murphy 870-234-3488 <i>*Ceased operations due to relocation and signed for new facility in El Dorado, AR (2024).</i>	
California	
Vo Medical Center Calexico, CA 92231 Tien Vo, MD 760-352-2551 <i>*Transferred to another franchisee</i>	
Massachusetts	
Steward Medical Group Brighton, MA 02135 617-787-7901 <i>*Transfer and change of ownership of hospital</i>	
Nebraska	
Kearney Regional Medical Center Kearney, NE 68845 Patrick Henry 308-455-3600 <i>*Terminated in 2024.</i>	
New York	
Sterling Heart Care Amherst, NY 14226 Sara Ponkow 716-221-6097 <i>*Terminated in 2024.</i>	

Franchisees who have not communicated with us within 10 weeks of the date of this disclosure document:

None

***If you join the franchise offered in this disclosure document, your contact information may be disclosed to other buyers when you leave the franchise system.**

EXHIBIT F
TABLE OF CONTENTS TO MANUALS

(Total Number of Pages 437)

ADMINISTRATIVE RESOURCE MATERIALS TABLE OF CONTENTS

TABLE OF CONTENTS

I. PRITIKIN PROVIDER OVERVIEW	1-5
II. CMS OVERVIEW	1-16
III. PROVIDER JOB DESCRIPTIONS	1-9
IV. FACILITY SET-UP	1-13
V. BEST PRACTICES IN ACTION	1-31
VI. PRITIKIN PORTAL GUIDE	1-24
VII. PROVIDER TRAINING CURRICULUM	1-11
VIII. MARKETING	1-20
IX. FREQUENTLY ASKED QUESTIONS	1-5

Total Pages: 214

PATIENT GUIDEBOOK TABLE OF CONTENTS

TABLE OF CONTENTS

I. WELCOME TO CARDIAC REHAB	1-4
II. PRITIKIN'S THREE PILLARS	5-12
III. GETTING STARTED	13-20
IV. RECIPES AND WORKSHOP MATERIALS	21-156
V. CONSULT RESOURCES AND INDIVIDUALIZED TOOLS	157-187
VI. VIDEO NOTES	188-223

Total Pages: 223

EXHIBIT G
STATE-SPECIFIC DISCLOSURES

California Disclosure

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the Disclosure Document for Pritikin ICR LLC in connection with the offer and sale of franchises for use in the State of California shall be amended to include the following:

1. Our website, www.pritikinicr.com has not been reviewed or approved by the California Department of Financial Protection and Innovation. Any complaints concerning the content of the website may be directed to the California Department of Financial Protection and Innovation at www.DFPI.CA.GOV.

2. THE CALIFORNIA FRANCHISE INVESTMENT LAW REQUIRES THAT A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE BE DELIVERED TOGETHER WITH THE DISCLOSURE DOCUMENT.

3. The State Cover Page titled “**Special Risks to Consider About *This Franchise***” is amended by the addition of the following risk factor:

Payments for Services. Changes in Medicare regarding reimbursement for ICR services, payment amounts, program requirements, and restrictions could have a significant impact on the licensed businesses.

4. As described in Item 1, for the purpose of this FDD and the Certification Agreement, we use the terms “franchisor” and “licensor” interchangeably, and the terms “franchisee” and “licensee” interchangeably based on industry practice and without any intended difference in the meaning of those terms. The use of these terms does not affect whether the Certification Agreement and our relationship with a provider is a “franchise” under U.S. law regulating franchises. This means that the use the terms “license” and “licensee” (rather than “franchise” and “franchisee”) does not waive or disclaim any rights that you may have as under applicable laws relating to the franchise offerings, including the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043.

5. In Item 3, “Litigation,” shall be amended by the addition of the following paragraphs:

Pursuant to California law, this Item does not include any information regarding the arrest of any person(s) that did not result in a conviction or plea of nolo contendere.

Neither we, nor any person identified in Item 2 above, is subject to any currently effective order of any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934, 15 U.S.C. § 78a, et seq.) suspending or expelling such person from membership in such association or exchange.

6. Item 6, “Other Fees” is amended by the addition of the following paragraph in the row titled “Interest of Late Payment”:

Interest on Late Payments: The maximum interest rate allowed in California is 10% per annum.

7. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following paragraph(s) at the conclusion of the Item:

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer, or non-renewal of a franchise. If the Certification Agreement contains a provision that is inconsistent with the law, the law will control.

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

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

Prospective franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of a franchise agreement restricting venue to a forum outside the State of California.

The franchisor will not enforce in California the prohibition on franchisee employing or soliciting for employment any current or former employee of franchisor or its affiliates (also known as a no-poach/nonsolicitation provision) in section(s) 13.7 of the Certification Agreement that is disclosed in Item 17, rows q and r.

8. Section 31125 of the California Corporations Code requires us to give you a disclosure document, in a form containing the information that the commissioner may by rule or order require, before a solicitation of a proposed material modification of an existing franchise.

9. The financial performance representations do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Pritikin ICR Business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

10. 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.

Hawaii Disclosure

The following paragraphs are to be added in the state cover page:

THESE FRANCHISES WILL BE FILED UNDER THE FRANCHISE INVESTMENT LAW OF THE STATE OF HAWAII. FILING DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS OR A FINDING BY THE COMMISSIONER OF SECURITIES, DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE FRANCHISE INVESTMENT LAW MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE AT LEAST SEVEN DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE, OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST SEVEN DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THE DISCLOSURE DOCUMENT, AND THIS ADDENDUM, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE SALE OF THE FRANCHISE.

THIS ADDENDUM AND THE DISCLOSURE DOCUMENT CONTAIN A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR A STATEMENT OF ALL RIGHTS, CONDITIONS, RESTRICTIONS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND FRANCHISEE.

In recognition of the requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., the Disclosure Document for Pritikin ICR LLC in connection with the offer and sale of franchises for use in the State of Hawaii shall be amended to include the following:

1. Item 20 "List of Outlets," shall be amended by the addition of the following paragraph:

This proposed registration is effective/exempt from registration or will shortly be on file in California, Hawaii, Illinois, Indiana, Kentucky, Maryland, Michigan, Minnesota, Nebraska, New York, North Dakota, Rhode Island, South Dakota, Texas, Utah, Virginia, Washington, and Wisconsin. No states have refused, by order or otherwise, to register these franchises. No states have revoked or suspended the right to offer these franchises. The proposed registration of these franchises has not been involuntarily withdrawn in any state.

2. Each provision of this Addendum to the Disclosure Document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, et seq., are met independently without reference to this Addendum to the Disclosure Document.

Illinois Disclosure

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44 the Disclosure Document for Pritikin ICR LLC for use in the State of Illinois shall be amended as follows:

1. By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.
2. Illinois law governs the Franchise Agreement.
3. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
4. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
5. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

Maryland Disclosure

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the Disclosure Document for Pritikin ICR LLC for use in the State of Maryland shall be amended as follows:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is amended by the addition of the following language:

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

You may sue in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

Pursuant to the Interpretive Opinion "Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments" dated January 23, 2023, issued by the State of Maryland Office of the Attorney General Securities Division (the "Division"), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to provide the following legend: "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."

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language to the summary of Provision "h":

Termination upon bankruptcy may not be enforceable under federal bankruptcy law, 11 U.S.C. Section 101 et seq.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by the addition of the following language to the summary of Provisions "v" and "w":

, except for claims arising under the Maryland Franchise Registration and Disclosure Law.

4. Each provision of this addendum to the disclosure document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this addendum to the disclosure document.

Michigan Disclosure

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU:

- (A) A PROHIBITION ON THE RIGHT OF A FRANCHISEE TO JOIN AN ASSOCIATION OF FRANCHISEES.
- (B) A REQUIREMENT THAT A FRANCHISEE ASSENT TO A RELEASE, ASSIGNMENT, NOVATION, WAIVER, OR ESTOPPEL WHICH DEPRIVES A FRANCHISEE OF RIGHTS AND 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 SUCH FAILURE.
- (D) A PROVISION THAT PERMITS A FRANCHISOR TO REFUSE TO RENEW A FRANCHISE WITHOUT FAIRLY COMPENSATING THE FRANCHISEE BY REPURCHASE OR OTHER MEANS FOR THE FAIR MARKET VALUE, AT THE TIME OF EXPIRATION, OF THE FRANCHISEE'S INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS. PERSONALIZED MATERIALS WHICH HAVE NO VALUE TO THE FRANCHISOR AND INVENTORY, SUPPLIES, EQUIPMENT, FIXTURES, AND FURNISHINGS NOT REASONABLY REQUIRED IN THE CONDUCT OF THE FRANCHISE BUSINESS ARE NOT SUBJECT TO COMPENSATION. THIS SUBSECTION APPLIES ONLY IF: (i) THE TERM OF THE FRANCHISE IS LESS THAN 5 YEARS; AND (ii) THE FRANCHISEE IS PROHIBITED BY THE FRANCHISE OR OTHER AGREEMENT FROM CONTINUING TO CONDUCT SUBSTANTIALLY THE SAME BUSINESS UNDER ANOTHER TRADEMARK, SERVICE MARK, TRADE NAME, LOGOTYPE, ADVERTISING, OR OTHER COMMERCIAL SYMBOL IN THE SAME AREA SUBSEQUENT TO THE EXPIRATION OF THE FRANCHISE OR THE FRANCHISEE DOES NOT RECEIVE AT LEAST 6 MONTHS ADVANCE NOTICE OF FRANCHISOR'S INTENT NOT TO RENEW THE FRANCHISE.
- (E) A PROVISION THAT PERMITS THE FRANCHISOR TO REFUSE TO RENEW A FRANCHISE ON TERMS GENERALLY AVAILABLE TO OTHER FRANCHISEES OF THE SAME CLASS OR TYPE UNDER SIMILAR CIRCUMSTANCES. THIS SECTION DOES NOT REQUIRE A RENEWAL PROVISION.
- (F) A PROVISION REQUIRING THAT ARBITRATION OR LITIGATION BE CONDUCTED OUTSIDE THIS STATE. THIS SHALL NOT PRECLUDE THE FRANCHISEE FROM ENTERING INTO AN AGREEMENT, AT THE TIME OF

ARBITRATION, TO CONDUCT ARBITRATION AT A LOCATION OUTSIDE THIS STATE.

- (G) A PROVISION WHICH PERMITS A FRANCHISOR TO REFUSE TO PERMIT A TRANSFER OF OWNERSHIP OF A FRANCHISE, EXCEPT FOR GOOD CAUSE. THIS SUBDIVISION DOES NOT PREVENT A FRANCHISOR FROM EXERCISING A RIGHT OF FIRST REFUSAL TO PURCHASE THE FRANCHISE. GOOD CAUSE SHALL INCLUDE, BUT IS NOT LIMITED TO:
 - (i) THE FAILURE OF THE PROPOSED FRANCHISEE TO MEET THE FRANCHISOR'S THEN CURRENT REASONABLE QUALIFICATIONS OR STANDARDS.
 - (ii) THE FACT THAT THE PROPOSED TRANSFEREE IS A COMPETITOR OF THE FRANCHISOR OR SUBFRANCHISOR.
 - (iii) THE UNWILLINGNESS OF THE PROPOSED TRANSFEREE TO AGREE IN WRITING TO COMPLY WITH ALL LAWFUL OBLIGATIONS.
 - (iv) THE FAILURE OF THE FRANCHISEE OR PROPOSED TRANSFEREE TO PAY ANY SUMS OWING TO THE FRANCHISOR OR TO CURE ANY DEFAULT IN THE FRANCHISE AGREEMENT EXISTING AT THE TIME OF THE PROPOSED TRANSFER.
- (H) A PROVISION THAT REQUIRES THE FRANCHISEE TO RESELL TO THE FRANCHISOR ITEMS THAT ARE NOT UNIQUELY IDENTIFIED WITH THE FRANCHISOR. THIS SUBDIVISION DOES NOT PROHIBIT A PROVISION THAT GRANTS TO A FRANCHISOR A RIGHT OF FIRST REFUSAL TO PURCHASE THE ASSETS OF A FRANCHISE ON THE SAME TERMS AND CONDITIONS AS A BONA FIDE THIRD PARTY WILLING AND ABLE TO PURCHASE THOSE ASSETS, NOR DOES THIS SUBDIVISION PROHIBIT A PROVISION THAT GRANTS THE FRANCHISOR THE RIGHT TO ACQUIRE THE ASSETS OF A FRANCHISE FOR THE MARKET OR APPRAISED VALUE OF SUCH ASSETS IF THE FRANCHISEE HAS BREACHED THE LAWFUL PROVISIONS OF THE FRANCHISE AGREEMENT AND HAS FAILED TO CURE THE BREACH IN THE MANNER PROVIDED IN SUBDIVISION (C).
- (I) A PROVISION WHICH PERMITS THE FRANCHISOR TO DIRECTLY OR INDIRECTLY CONVEY, ASSIGN, OR OTHERWISE TRANSFER ITS OBLIGATIONS TO FULFILL CONTRACTUAL OBLIGATIONS TO THE FRANCHISEE UNLESS PROVISION HAS BEEN MADE FOR PROVIDING THE REQUIRED CONTRACTUAL SERVICES.

* * * *

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

* * * *

IF THE FRANCHISOR'S MOST RECENT FINANCIAL STATEMENTS ARE UNAUDITED AND SHOW A NET WORTH OF LESS THAN \$100,000.00, THE FRANCHISOR MUST, AT THE REQUEST OF THE FRANCHISEE, ARRANGE FOR THE ESCROW OF INITIAL INVESTMENT AND OTHER FUNDS PAID BY THE FRANCHISEE UNTIL THE OBLIGATIONS TO PROVIDE REAL ESTATE, IMPROVEMENTS, EQUIPMENT, INVENTORY, TRAINING, OR OTHER ITEMS INCLUDED IN THE FRANCHISE OFFERING ARE FULFILLED. AT THE OPTION OF THE FRANCHISOR, A SURETY BOND MAY BE PROVIDED IN PLACE OF ESCROW.

* * * *

THE NAME AND ADDRESS OF THE FRANCHISOR'S AGENT IN THIS STATE AUTHORIZED TO RECEIVE SERVICE OF PROCESS IS: MICHIGAN ATTORNEY GENERAL'S OFFICE CONSUMER PROTECTION DIVISION, ATTENTION. FRANCHISE SECTION, 525 W. OTTAWA STREET, G. MENNEN WILLIAMS BUILDING, 1ST FLOOR, LANSING, MICHIGAN 48933.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO:

**MICHIGAN ATTORNEY GENERAL'S OFFICE
CONSUMER PROTECTION DIVISION
ATTENTION. FRANCHISE SECTION
525 W. OTTAWA STREET
G. MENNEN WILLIAMS BUILDING, 1ST FLOOR
LANSING, MICHIGAN 48933
(517) 373-7117**

Minnesota Disclosure

In recognition of the requirements of the Minnesota Franchises Law, Minn. Stat. §§ 80C.01 through 80C.22, and of the Rules and Regulations promulgated thereunder by the Minnesota Commissioner of Commerce, Minn. Rules §§ 2860.0100 through 2860.9930, the Disclosure Document for Pritikin ICR LLC for use in the State of Minnesota is amended to include the following:

1. Item 13, "Trademarks," is amended by the addition of the following paragraph at the end of the Item:

Pursuant to Minnesota Stat. Sec. 80C.12, Subd. 1(g), we are required to protect any rights which you have to use our proprietary marks.

2. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is amended by the addition of the following paragraphs:

With respect to franchisees governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4, and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of the Certification Agreement, and that consent to the transfer of the franchise not be unreasonably withheld.

Pursuant to Minn. Rule 2860.4400D, any general release of claims that you or a transferor may have against us or our shareholders, directors, employees and agents, including without limitation claims arising under federal, state, and local laws and regulations shall exclude claims you or a transferor may have under the Minnesota Franchise Law and the Rules and Regulations promulgated thereunder by the Commissioner of Commerce.

Minn. Stat. § 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring you to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to jury trial, any procedure, forum, or remedies as may be provided for by the laws of the jurisdiction.

3. Each provision of this addendum will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Minnesota Franchises Law or the Rules and Regulations promulgated thereunder by the Minnesota Commission of Commerce are met independently without reference to this addendum to the disclosure document.

New York Disclosure

ADDITIONAL RISK FACTORS:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT C OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 120 BROADWAY, 23RD FLOOR, NEW YORK, NEW YORK 10271.

THE FRANCHISOR MAY, IF IT CHOOSES, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, THE FRANCHISOR CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs. tit. 13, §§ 200.1 through 201.16), the Disclosure Document for Pritikin ICR LLC for use in the State of New York is amended as follows:

1. Item 3, "Litigation," is amended by the addition of the following at the beginning of the Item:

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has an administrative, criminal or civil action pending against that person alleging: a felony; a violation of a franchise, antitrust or securities law; fraud, embezzlement, fraudulent conversion, misappropriation of property; unfair or deceptive practices or comparable civil or misdemeanor allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the ten-year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antifraud or securities law; fraud, embezzlement, fraudulent conversion or misappropriation of property, or unfair or deceptive practices or comparable allegations.

Neither we, nor any of our predecessors, nor any person identified in Item 2 above, nor any affiliate offering franchises under our trademark, is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

2. Item 4, "Bankruptcy" is amended by the addition of the following at the beginning of the Item:

Neither we, nor our predecessor or affiliate, nor any of our or their officers or general partners, during the 10-year period immediately before the date of the disclosure document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the bankruptcy code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts under the U.S. Bankruptcy Code during or within 1 year after the officer or general partner of the franchisor held this position in the company or partnership.

3. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," shall be amended by deleting "d", "j", "w" and the following new "d", "j", "w" is substituted in lieu thereof:

Provision	Section in Certification Agreement	Summary
d. Termination by you	5.1 of General Contract Terms; 5.1 and 5.2 of Program Addendum	<p>1. Either Party may terminate the Certification Agreement for a breach of the material terms of the Agreement if the other party does not cure the breach within the "Cure Period" after the breaching Party receives a written notice as to all outstanding deficiencies and/or complaints. The Cure Period is 30 days for all defaults. If the breaching party does not cure within the Cure Period, the non-breaching party may immediately terminate the Agreement by providing written notice to the breaching party.</p> <p>2. During the first 12 months following the date we issue the Provider Certificate, you may elect to terminate (without cause) your obligations to conduct ICR Programs under the Certification Agreement by providing us with written notice of early termination. (Program Addendum Section 5.2)</p> <p>Pursuant to New York General Business Law, the franchisee may terminate the Agreement upon any grounds available by law.</p>
j. Assignment of contract by us	Section 11.4 of General Contract Terms	<p>We have the right to assign the Certification Agreement or our rights under it.</p> <p>No assignment will be made except to an assignee who, in Franchisor's our judgment, is willing and able to assume the Franchisor's obligations under the Certification Agreement.</p>
w. Choice of law	Section 11.6 of General Contract Terms	<p>Delaware law governs. Your state's law may override this provision. Various state disclosure addenda and agreement amendments are attached as an exhibit to this disclosure document and contain additional terms that may be required under applicable state law.</p> <p>The foregoing choice of law should not be considered as a waiver of any right conferred upon the franchisor or the franchisee by the General Business Law of the State of New York, Article 33.</p>

4. There are circumstances in which an offering made by us would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the state of New York. However, an offer or sale is deemed made in New York

if the franchisee is domiciled in or the franchise will be opened in New York. We are required to furnish a New York prospectus to every prospective franchisee who is protected under the New York General Business Law, Article 33.

STATEMENT OF DISCLOSURE DOCUMENT ACCURACY

THE FRANCHISOR REPRESENTS THAT THIS DISCLOSURE DOCUMENT DOES NOT KNOWINGLY OMIT ANY MATERIAL FACT OR CONTAIN ANY UNTRUE STATEMENT OF A MATERIAL FACT.

North Dakota Disclosure

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the disclosure document for Pritikin ICR LLC is amended by the addition of the following language:

1. The North Dakota Securities Commissioner has held the following to be unfair, unjust, or inequitable to North Dakota franchisees (Section 51-19-09, N.D.C.C.):

- A. Restrictive Covenants: Franchise disclosure documents which disclose the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Franchise agreements providing that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Franchise agreements which specify that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Requiring that North Dakota franchisees to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Requiring that North Dakota franchisees to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

2. 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.

3. Each provision of this addendum to the Disclosure Document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-1 through 51-19-17, are met independently without reference to this addendum to the Disclosure Document.

Rhode Island Disclosure

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34 the Disclosure Document for Pritikin ICR LLC for use in the State of Rhode Island is amended to include the following:

1. Item 17, "Renewal, Termination, Transfer and Dispute Resolution," is amended by adding the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "[a] provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. This addendum to the disclosure document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this addendum to the Disclosure Document.

Virginia Disclosure

In recognition of the requirements contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document of Pritikin ICR LLC is amended as follows:

Item 17, Additional Disclosure. The following statement is added to Item 17.h:

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

This addendum to the disclosure document will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Virginia Retail Franchise Act are met independently without reference to this addendum to the Disclosure Document.

Washington Addendum to the Franchise Disclosure Document

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, between the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, and the law chosen in the Franchise Agreement, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** According to a Franchise Act Interpretive Statement adopted by the Washington Department of Financial Institutions (the "DFI"), in any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.
8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related

agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.

9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** Pursuant to WAC 460-80-325 effective September 18, 2023, the DFI adopted the “NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments.” The DFI requires franchisors selling franchises that are subject to the Act to provide the following legend: “No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

**EXHIBIT H
STATE-SPECIFIC AMENDMENTS
TO THE CERTIFICATION AGREEMENT**

California Amendment

In recognition of the requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, the parties to the attached Pritikin ICR LLC Certification Agreement, agree as follows:

1. 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.

2. This Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the California Franchise Investment Law, Cal. Corp. Code §§ 31000-31516, and the California Franchise Relations Act, Cal. Bus. & Prof. Code §§ 20000-20043, are met independently without reference to this Amendment.

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

PRITIKIN ICR LLC

FRANCHISEE

By: _____
Name:
Title:

By: _____
Name:
Title:

Hawaii Amendment

In recognition of the requirements of Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, *et seq.*, the parties to the attached Pritikin ICR LLC Certification Agreement, agree as follows:

1. Section 5 of Exhibit A (the General Contract Terms) of the Certification Agreement is amended by adding the following new Subsection 5.5:

5.5 Notwithstanding anything to the contrary in this Section 5, Pritikin will comply with Hawaii law, which currently requires that Pritikin compensate Provider upon termination or refusal to renew the franchise for the fair market value, at the time of the termination or expiration of the franchise, of any inventory, supplies, equipment and furnishings which were purchased from Pritikin or a supplier designated by Pritikin. Personalized materials which have no value to Pritikin need not be compensated for. If Pritikin refuses to renew a franchise for the purpose of converting Provider's business to one owned and operated by Pritikin, Pritikin, in addition, must compensate Provider for the loss of goodwill. Pritikin may deduct reasonable costs incurred in removing, transporting and disposing of Provider's inventory, supplies, equipment and furnishings pursuant to these requirements, and may offset any moneys due Pritikin.

2. This Amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Hawaii Franchise Investment Law, Hawaii Rev. Stat. §§ 482E, *et seq.*, are met independently without reference to this Amendment.

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

PRITIKIN ICR LLC

FRANCHISEE

By: _____
Name:
Title:

By: _____
Name:
Title:

Illinois Amendment

In recognition of the requirements of the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§ 705/1 to 705/44, the parties to the attached Pritikin ICR LLC Certification agree as follows:

1. Illinois law governs the Franchise Agreement.
2. In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.
3. Your rights upon Termination and Non-Renewal of an agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.
4. In conformance with section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.
5. Section 11.1 of Exhibit A (the General Contract Terms) of the Certification Agreement is deleted and replaced with the following:

11.1 Integration, Modification and Waiver. This Agreement, including the attached Appendices which are integral to and binding parts of this Agreement, constitutes the entire agreement between the Parties pertaining to its subject matter and supersedes all prior and contemporaneous agreements, representations, and understandings of the Parties. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing by all the Parties. No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the Party making the waiver. However, nor will it be, a disclaimer by Pritikin of any representation made in Pritikin's Franchise Disclosure Document ("FDD"), including the exhibits and any amendments to the FDD.
6. No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

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

PRITIKIN ICR LLC

FRANCHISEE

By: _____
 Name:
 Title:

By: _____
 Name:
 Title:

Maryland Amendment

In recognition of the requirements of the Maryland Franchise Registration and Disclosure Law, the parties to the attached Pritikin ICR LLC Certification Agreement agree as follows:

1. Section 11.6 of Exhibit A (General Contract Terms) of the Certification Agreement is deleted and replaced with the following:

11.6 Choice of Law; Choice of Venue; Waiver of Jury; Attorney's Fees. Recognizing the law of the State of Delaware is especially well-developed for the purpose of determining the Parties' respective rights and responsibilities and giving effect to the Parties' contract, this Agreement and the legal relations among the Parties hereto will be governed by and conducted in accordance with the laws of the State of Delaware without giving effect to any law or rule that would cause the law of any jurisdiction other than the State of Delaware to be applied, except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law. The Parties also agree that nothing in this Section 11.6 is intended by the Parties to subject this Agreement to any franchise, business opportunity, antitrust, "implied covenant," unfair competition, fiduciary or any other doctrine of law and/or regulation of the State of Delaware to which this Agreement would not otherwise be subject were it not for this Section 11.6. Any action under this Agreement, or otherwise relating to or arising under the creation or performance by the Parties under this Agreement whether federal or state, must be brought only in the federal or state court in Wilmington, Delaware, except with respect to claims arising under the Maryland Franchise Registration and Disclosure Law. The Parties agree that this Section 11.6 will not be construed as preventing either Party from removing an action from state to federal court; provided, however, that venue will be as set forth above. The Parties hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision. Each Party irrevocably waives 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. In the event of any legal proceeding brought by a Party against another Party under this Agreement, the prevailing Party will be entitled to recover all reasonable costs and expenses incurred in connection with such proceeding at trial or in any appeal, including reasonable attorneys' fees, disbursements and actual costs.

2. The Certification Agreement is amended by the following:

Pursuant to the Interpretive Opinion "Adopting NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments" dated January 23, 2023 (the "Interpretive Opinion"), issued by the State of Maryland Office of the Attorney General Securities Division (the "Division"), the Division requires franchisors selling franchises that are subject to the Maryland Franchise Registration and Disclosure Law to include the following statement in their franchise agreements: "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."

Accordingly, any statement, questionnaire, or acknowledgment in this Agreement that is not permitted under the Interpretive Opinion is deleted in its entirety and shall have no force or effect.

3. Each provision of this amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Maryland Franchise Registration and Disclosure Law are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Maryland amendment on the same date as the Certification Agreement was executed.

PRITIKIN ICR LLC

FRANCHISEE

By: _____
Name:
Title:

By: _____
Name:
Title:

Minnesota Amendment

In recognition of the requirements of the Minnesota Franchise Act, Minn. Stat. § 80C, and of the Rules and Regulations promulgated thereunder by the Commissioner of Commerce, the parties to the attached Pritikin ICR LLC Certification Agreement agree as follows:

1. The Commissioner of Commerce for the State of Minnesota requires that certain provisions contained in franchise documents be amended to be consistent with Minnesota Franchise Act, Minn. Stat. Section 80.01 et seq., and of the Rules and Regulations promulgated under the Act (collectively the “Franchise Act”). To the extent that the Certification Agreement and Franchise Disclosure Document contain provisions that are inconsistent with the following, such provisions are hereby amended:

- a. Minnesota Statutes, Section 80C.21 and Minnesota Rules 2860.4400(J) prohibit the franchisor from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial, or requiring the franchisee to consent to liquidated damages, termination penalties, or judgment notes. In addition, nothing in the Franchise Disclosure Document or agreement(s) can abrogate or reduce (1) any of the franchisee’s rights as provided for in Minnesota Statutes, Chapter 80C or (2) franchisee’s rights to any procedure, forum, or remedies provided for by the laws of the jurisdiction.
- b. With respect to franchises governed by Minnesota law, the franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3-5, which require (except in certain specified cases): (1) that a franchisee be given 90 days’ notice of termination (with 60 days to cure) and 180 days’ notice for non-renewal of the franchise agreement; and (2) that consent to the transfer of the franchise will not be unreasonably withheld.
- c. The franchisor will protect the franchisee’s rights to use the trademarks, service marks, trade names, logotypes, or other commercial symbols, or indemnify the franchisee from any loss, costs, or expenses arising out of any claim, suit, or demand regarding the use of the name.
- d. Minnesota considers it unfair to not protect the franchisee’s rights to use the trademarks. Refer to Minnesota Statutes, Section 80C.12, Subd. 1(g).
- e. Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- f. The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J. Also, a court will determine if a bond is required.
- g. The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

2. Each provision of this Amendment to the Agreement will be effective only to the extent that the jurisdictional requirements of the Minnesota Franchise Act are met independently with respect to each such provision and without reference to this Amendment to the Agreement.

3. Franchisor reserves the right to challenge the applicability of any law that declares provisions in the Agreement void or unenforceable.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Minnesota amendment on the same date as the Certification Agreement was executed.

PRITIKIN ICR LLC

FRANCHISEE

By: _____
Name:
Title:

By: _____
Name:
Title:

New York Amendment

In recognition of the requirements of the New York General Business Law, Article 33, Sections 680 through 695, and of the regulations promulgated thereunder (N.Y. Comp. Code R. & Regs., tit. 13, §§ 200.1 through 201.16), the parties to the attached Pritikin ICR LLC Certification Agreement (the "Agreement") agree as follows:

1. The Certification Agreement is amended by adding the following:

Nothing in this Agreement should be considered a waiver of any right conferred upon Provider by New York General Business Law, Sections 680-695.

2. There are circumstances in which an offering made by Pritikin would not fall within the scope of the New York General Business Law, Article 33, such as when the offer and acceptance occurred outside the State of New York. However, an offer or sale is deemed made in New York (among other things) if Provider is domiciled in New York. Pritikin is required to furnish a New York prospectus to every prospective Provider who is protected under the New York General Business Law, Article 33.

IN WITNESS WHEREOF, the parties have duly executed and delivered this New York amendment on the same date as the Certification Agreement was executed.

PRITIKIN ICR LLC

FRANCHISEE

By: _____
Name:
Title:

By: _____
Name:
Title:

North Dakota Amendment

In recognition of the requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51-19-01 through 51-19-17, and the policies of the office of the State of North Dakota Securities Commission, the Certification Agreement for Pritikin ICR LLC is amended as follows:

1. The Certification Agreement is amended by adding the following Section 12 to Exhibit A (General Contract Terms):

12. The parties acknowledge and agree that they have been advised that the North Dakota Securities Commissioner has determined the following agreement provisions are unfair, unjust or inequitable to North Dakota franchisees:

- A. Restrictive Covenants: Any provision which discloses the existence of covenants restricting competition contrary to Section 9-08-06, N.D.C.C., without further disclosing that such covenants will be subject to this statute.
- B. Situs of Arbitration Proceedings: Any provision requiring that the parties must agree to arbitrate disputes at a location that is remote from the site of the franchisee's business.
- C. Restriction on Forum: Any provision requiring North Dakota franchisees to consent to the jurisdiction of courts outside of North Dakota.
- D. Liquidated Damages and Termination Penalties: Any provision requiring North Dakota franchisees to consent to liquidated damages or termination penalties.
- E. Applicable Laws: Any provision which specifies that any claims arising under the North Dakota franchise law will be governed by the laws of a state other than North Dakota.
- F. Waiver of Trial by Jury: Any provision requiring North Dakota franchisees to consent to the waiver of a trial by jury.
- G. Waiver of Exemplary and Punitive Damages: Any provision requiring North Dakota franchisees to consent to a waiver of exemplary and punitive damages.
- H. General Release: Any provision requiring North Dakota franchisees to execute a general release of claims as a condition of renewal or transfer of a franchise.
- I. Limitation of Claims: Franchise Agreements that require the franchisee to consent to a limitation of claims. The statute of limitations under North Dakota law applies.
- J. Enforcement of Agreement: Franchise Agreements that require the franchisee to pay all costs and expenses incurred by the franchisor in enforcing the agreement. The prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

2. 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.

3. This amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the North Dakota Franchise Investment Law, N.D. Cent. Code, §§ 51 19 01 through 51 19 17, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this North Dakota amendment on the same date as the Certification Agreement was executed.

PRITIKIN ICR LLC

FRANCHISEE

By: _____
Name:
Title:

By: _____
Name:
Title:

Rhode Island Amendment

In recognition of the requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, the parties to the attached Pritikin ICR LLC Certification Agreement agree as follows:

1. Section 11.6 of Exhibit A (General Contract Terms) of the Certification Agreement is amended by adding the following:

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act."

2. This amendment will be effective only to the extent, with respect to such provision, that the jurisdictional requirements of the Rhode Island Franchise Investment Act, §§ 19-28.1-1 through 19-28.1-34, are met independently without reference to this amendment.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Rhode Island amendment on the same date as the Certification Agreement was executed.

PRITIKIN ICR LLC

FRANCHISEE

By: _____
Name:
Title:

By: _____
Name:
Title:

Washington Addendum to the Franchise Agreement and Related Agreements

The provisions of this Addendum form an integral part of, are incorporated into, and modify the Franchise Disclosure Document regardless of anything to the contrary contained therein. This Addendum applies if: (a) the offer to sell a franchise is accepted in Washington; (b) the purchaser of the franchise is a resident of Washington; and/or (c) the franchised business that is the subject of the sale is to be located or operated, wholly or partly, in Washington.

1. **Conflict of Laws.** In the event of a conflict of laws, between the Washington Franchise Investment Protection Act, Chapter 19.100 RCW, and the law chosen in the Franchise Agreement, the provisions of the Washington Franchise Investment Protection Act, chapter 19.100 RCW will prevail.
2. **Franchisee Bill of Rights.** RCW 19.100.180 may supersede provisions in the franchise agreement or related agreements concerning your relationship with the franchisor, including in the areas of termination and renewal of your franchise. There may also be court decisions that supersede the franchise agreement or related agreements concerning your relationship with the franchisor. Franchise agreement provisions, including those summarized in Item 17 of the Franchise Disclosure Document, are subject to state law.
3. **Site of Arbitration, Mediation, and/or Litigation.** According to a Franchise Act Interpretive Statement adopted by the Washington Department of Financial Institutions (the "DFI"), in any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.
4. **General Release.** A release or waiver of rights in the franchise agreement or related agreements purporting to bind the franchisee to waive compliance with any provision under the Washington Franchise Investment Protection Act or any rules or orders thereunder is void except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2). In addition, any such release or waiver executed in connection with a renewal or transfer of a franchise is likewise void except as provided for in RCW 19.100.220(2).
5. **Statute of Limitations and Waiver of Jury Trial.** Provisions contained in the franchise agreement or related agreements that unreasonably restrict or limit the statute of limitations period for claims under the Washington Franchise Investment Protection Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.
6. **Transfer Fees.** Transfer fees are collectable only to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.
7. **Termination by Franchisee.** The franchisee may terminate the franchise agreement under any grounds permitted under state law.

8. **Certain Buy-Back Provisions.** Provisions in franchise agreements or related agreements that permit the franchisor to repurchase the franchisee's business for any reason during the term of the franchise agreement without the franchisee's consent are unlawful pursuant to RCW 19.100.180(2)(j), unless the franchise is terminated for good cause.
9. **Fair and Reasonable Pricing.** Any provision in the franchise agreement or related agreements that requires the franchisee to purchase or rent any product or service for more than a fair and reasonable price is unlawful under RCW 19.100.180(2)(d).
10. **Waiver of Exemplary & Punitive Damages.** RCW 19.100.190 permits franchisees to seek treble damages under certain circumstances. Accordingly, provisions contained in the franchise agreement or elsewhere requiring franchisees to waive exemplary, punitive, or similar damages are void, except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel, in accordance with RCW 19.100.220(2).
11. **Franchisor's Business Judgement.** Provisions in the franchise agreement or related agreements stating that the franchisor may exercise its discretion on the basis of its reasonable business judgment may be limited or superseded by RCW 19.100.180(1), which requires the parties to deal with each other in good faith.
12. **Indemnification.** Any provision in the franchise agreement or related agreements requiring the franchisee to indemnify, reimburse, defend, or hold harmless the franchisor or other parties is hereby modified such that the franchisee has no obligation to indemnify, reimburse, defend, or hold harmless the franchisor or any other indemnified party for losses or liabilities to the extent that they are caused by the indemnified party's negligence, willful misconduct, strict liability, or fraud.
13. **Attorneys' Fees.** If the franchise agreement or related agreements require a franchisee to reimburse the franchisor for court costs or expenses, including attorneys' fees, such provision applies only if the franchisor is the prevailing party in any judicial or arbitration proceeding.
14. **Noncompetition Covenants.** Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provision contained in the franchise agreement or elsewhere that conflicts with these limitations is void and unenforceable in Washington.
15. **Nonsolicitation Agreements.** RCW 49.62.060 prohibits a franchisor from restricting, restraining, or prohibiting a franchisee from (i) soliciting or hiring any employee of a franchisee of the same franchisor or (ii) soliciting or hiring any employee of the franchisor. As a result, any such provisions contained in the franchise agreement or elsewhere are void and unenforceable in Washington.

16. **Questionnaires and Acknowledgments.** Pursuant to WAC 460-80-325 effective September 18, 2023, the DFI adopted the “NASAA Statement of Policy Regarding the Use of Franchise Questionnaires and Acknowledgments.” The DFI requires franchisors selling franchises that are subject to the Act to provide the following legend: “No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.”
17. **Prohibitions on Communicating with Regulators.** Any provision in the franchise agreement or related agreements that prohibits the franchisee from communicating with or complaining to regulators is inconsistent with the express instructions in the Franchise Disclosure Document and is unlawful under RCW 19.100.180(2)(h).
18. **Advisory Regarding Franchise Brokers.** Under the Washington Franchise Investment Protection Act, a “franchise broker” is defined as a person that engages in the business of the offer or sale of franchises. A franchise broker represents the franchisor and is paid a fee for referring prospects to the franchisor and/or selling the franchise. If a franchisee is working with a franchise broker, franchisees are advised to carefully evaluate any information provided by the franchise broker about a franchise.

IN WITNESS WHEREOF, the parties have duly executed and delivered this Washington amendment on the same date as the Certification Agreement was executed.

PRITIKIN ICR LLC

FRANCHISEE

By: _____
 Name:
 Title:

By: _____
 Name:
 Title:

EXHIBIT I**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:

STATES	EFFECTIVE DATE
California	PENDING
Hawaii	PENDING
Illinois	PENDING
Indiana	PENDING
Maryland	PENDING
Michigan	PENDING
Minnesota	PENDING
New York	<i>[See NY-specific FDD]</i>
North Dakota	PENDING
Rhode Island	PENDING
South Dakota	PENDING
Virginia	PENDING
Washington	PENDING
Wisconsin	PENDING

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

EXHIBIT J

RECEIPTS

ITEM 23 • RECEIPT
(Exhibit J)

This Disclosure Document summarizes certain provisions of the franchise agreement (the Certification Agreement) and other information in plain language. Read this disclosure document and all agreements carefully.

If Pritikin ICR LLC 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, us or an affiliate in connection with the proposed franchise sale; or (b) under New York and Rhode Island law, if applicable, 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; or (c) Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship, or (d) Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Pritikin ICR LLC, located at 7733 Forsyth Boulevard, Floor 23, Clayton, Missouri 63105 (tel 800-677-0257). The franchise sellers are **Terry Rogers**, our President and members of our sales team comprised of **Jason Bole, Jim Gardiner, Ryan Hicks, Kathryn Seigel, Barbara Fagan, and Matthew Stroot** all of whom can be reached at Pritikin ICR LLC's offices, 7733 Forsyth Boulevard, Floor 23, Clayton, Missouri 63105 (tel 800-677-0257). Any additional individual franchise sellers involved in offering the franchise are: _____.

The issuance date of this Franchise Disclosure Document is April 21, 2025. Pritikin ICR LLC authorizes the agents listed in Exhibit D to receive service of process for us.

I have received a Franchise Disclosure Document dated April 21, 2025, and with effective dates of state registration as listed on the State Effective Dates Page. This Disclosure Document included the following exhibits:

A	Certification Agreement and Related Exhibits	F	Table of Contents to Manuals
B	Pritikin ICR LLC's Financial Statements	G	State-specific Disclosures
C	List of Administrators	H	State-specific Agreement Amendments
D	Agents for Service of Process	I	State Effective Dates
E	List of Current and Former Franchisees	J	Receipts (2 copies)

By: _____
Prospective Franchisee

Printed Name _____	Date Received _____
Street Address: _____	E-mail Address: _____
_____	Office Phone #: _____
_____	Mobile Phone #: _____

(Please keep this copy.)

ITEM 23 • RECEIPT

This Disclosure Document summarizes certain provisions of the franchise agreement (the Certification Agreement) and other information in plain language. Read this disclosure document and all agreements carefully.

If Pritikin ICR LLC 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, us or an affiliate in connection with the proposed franchise sale; or (b) under New York and Rhode Island law, if applicable, 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; or (c) Iowa requires that we give you this disclosure document at the earlier of the first personal meeting or 14 days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship, or (d) Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

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

The franchisor is Pritikin ICR LLC, located at 7733 Forsyth Boulevard, Floor 23, Clayton, Missouri 63105 (tel 800-677-0257). The franchise sellers are **Terry Rogers**, our President and members of our sales team comprised of **Jason Bole, Jim Gardiner, Ryan Hicks, Kathryn Seigel, Barbara Fagan, and Matthew Stroot** all of whom can be reached at Pritikin ICR LLC's offices, 7733 Forsyth Boulevard, Floor 23, Clayton, Missouri 63105 (tel 800-677-0257). Any additional individual franchise sellers involved in offering the franchise are: _____.

The issuance date of this Franchise Disclosure Document is April 21, 2025. Pritikin ICR LLC authorizes the agents listed in Exhibit E to receive service of process for us.

I have received a Franchise Disclosure Document dated April 21, 2025, and with effective dates of state registration as listed on the State Effective Dates Page. This Disclosure Document included the following exhibits:

A	Certification Agreement and Related Exhibits	F	Table of Contents to Manuals
B	Pritikin ICR LLC's Financial Statements	G	State-specific Disclosures
C	List of Administrators	H	State-specific Agreement Amendments
D	Agents for Service of Process	I	State Effective Dates
E	List of Current and Former Franchisees	J	Receipts (2 copies)

By: _____
Prospective Franchisee

Printed Name	Date Received
Street Address: _____	E-mail Address: _____
_____	Office Phone #: _____
_____	Mobile Phone #: _____

(Please complete, sign, and return this copy to us.)