

## FRANCHISE DISCLOSURE DOCUMENT



**iMOVE PT®**  
A MOBILE PHYSICAL THERAPY PROVIDER

iMove PT, LLC  
Missouri limited liability company  
156 Chesterfield Commons Road East  
Chesterfield, MO 63005  
(636)578-3649  
**mike@imovephysicaltherapy.com**

This disclosure document provides information regarding the operation of a physical therapy clinic management system relating to the management of a physical therapy business that provides state-of-the-art physical therapy services either as a mobile business to patients in their homes, workplaces, or other similar settings, or as a traditional business offering the services at a set brick and mortar location, with all of the services provided by a licensed physical therapist.

The total investment necessary to begin operation of a start-up franchised business that manages an iMove PT® Mobile Clinic ranges from \$40,100 to \$57,500. This includes \$30,000 that must be paid to the franchisor or its affiliates. The total investment necessary to begin operation of a start-up franchised business that manages an iMove PT® Brick and Mortar Clinic ranges from \$123,750 to \$244,500. This includes \$37,500 that must be paid to the franchisor or its affiliates.

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 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 Michael Gorman, 156 Chesterfield Commons Road East, Chesterfield, MO 63005, (636)578-3649.

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-FTCHELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at [www.ftc.gov](http://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 Franchise Disclosure Document is April 20, 2024.

## 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
<b>How much can I earn?</b>	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 C.
<b>How much will I need to invest?</b>	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.
<b>Does the franchisor have the financial ability to provide support to my business?</b>	Item 21 or Exhibit A includes financial statements. Review these statements carefully.
<b>Is the franchise system stable, growing, or shrinking?</b>	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
<b>Will my business be the only iMove PT business in my area?</b>	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
<b>Does the franchisor have a troubled legal history?</b>	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
<b>What's it like to be an iMove PT franchisee?</b>	Item 20 or Exhibit C lists current and former franchisees. You can contact them to ask about their experiences.
<b>What else should I know?</b>	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 mediation, arbitration and/or litigation only in Missouri. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Missouri than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Financial Condition.** The franchisor's financial condition, as reflected in its financial statements (see Item 21), calls into question the franchisor's financial ability to provide services and support to you.
4. **Sales Performance Requirement.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise and loss of your investment.

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.

**iMOVE PT  
FRANCHISE DISCLOSURE DOCUMENT**

**TABLE OF CONTENTS**

<b><u>ITEM</u></b>	<b><u>DESCRIPTION</u></b>	<b><u>PAGE</u></b>
ITEM 1.	THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES.....	1
ITEM 2.	BUSINESS EXPERIENCE .....	4
ITEM 3.	LITIGATION.....	4
ITEM 4.	BANKRUPTCY .....	5
ITEM 5.	INITIAL FEES.....	5
ITEM 6.	OTHER FEES .....	6
ITEM 7.	ESTIMATED INITIAL INVESTMENT .....	11
ITEM 8.	RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES .....	14
ITEM 9.	FRANCHISEE’S OBLIGATIONS.....	17
ITEM 10.	FINANCING.....	18
ITEM 11.	FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING .....	19
ITEM 12.	TERRITORY .....	30
ITEM 13.	TRADEMARKS, SERVICE MARKS, TRADE NAMES, LOGOTYPES, AND COMMERCIAL SYMBOLS.....	33
ITEM 14.	PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION .....	34
ITEM 15.	OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS.....	35
ITEM 16.	RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL.....	37
ITEM 17.	RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION .....	38
ITEM 18.	PUBLIC FIGURES.....	41
ITEM 19.	FINANCIAL PERFORMANCE REPRESENTATIONS.....	41
ITEM 20.	OUTLETS AND FRANCHISEE INFORMATION.....	44
ITEM 21.	FINANCIAL STATEMENTS .....	46
ITEM 22.	CONTRACTS .....	46
ITEM 23.	RECEIPTS .....	46

**EXHIBITS:**

A	-	FINANCIAL STATEMENT
B	-	FRANCHISE AGREEMENT
C	-	LIST OF CURRENT AND FORMER FRANCHISEES
D	-	LIST OF STATE ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS
E	-	TABLE OF CONTENTS FOR OPERATIONS MANUAL
F	-	STATE-SPECIFIC AMENDMENTS TO FDD AND FRANCHISE AGREEMENT
G	-	FRANCHISEE COMPLIANCE CERTIFICATION
H	-	RELEASE AGREEMENT
I	-	STATE EFFECTIVE DATES AND RECEIPTS

## **ITEM 1. THE FRANCHISOR, AND ANY PARENTS, PREDECESSORS AND AFFILIATES**

iMove PT, LLC (“us,” “our” or “we”) is the franchisor. “You” or “your” means the person or legal entity that buys the franchise. The term “you” also refers to the direct and indirect owners of a corporation, partnership, limited liability company, or other entity that signs a franchise agreement as the franchisee.

### **The Franchisor, Predecessors and Affiliates**

We are a Missouri limited liability company, and we were organized and formed on June 15, 2020. We maintain our principal place of business at 156 Chesterfield Commons Road East, Chesterfield, MO 63005. We do not maintain sales offices at any location other than our principal place of business. We conduct business under the name and mark “iMove PT” and we do not conduct business under any other name. Our agents for service of process are listed in Exhibit D. We began to offer iMove PT franchised businesses on January 10, 2022.

We do not offer and have not in the past offered any franchises other than as described in this disclosure document. We do not engage in, and have not in the past engaged in, any business activity other than these franchising activities. We have not conducted the type of business to be operated by you, but our affiliate has operated a Mobile Clinic of the type that you will be conducting since 2020, and a Brick and Mortar Clinic since 2023.

We do not have any parents, predecessors, or affiliates that need to be disclosed in this Item 1.

### **The Franchise Offered**

We have developed (and continue to develop and modify) a clinic management system relating to the management of physical therapy clinics (each, a “**Franchised Business**”) that provide state-of-the-art physical therapy services to patients in their homes, workplaces, or other similar settings (“each, a “**Mobile Clinic**”), with all of the services provided by a licensed physical therapist (“**Affiliated Practitioners**”). We have also developed Franchised Business that provide state-of-the-art physical therapy services to patients in a fixed approved brick and mortar location (each, a “**Brick and Mortar Clinic**”). The use of the term “**Clinic**” in this disclosure document refers to both a Mobile Clinics and a Brick and Mortar Clinic. The Franchised Business includes the right to use our marketing, business development, and advertising techniques; operating procedures; product and service quality standards; business methods; and other expertise that we supply (collectively, the “**System**”). We anticipate and expect that you will operate the Franchised Business out of a home office.

#### **Franchise Agreement for a Clinic**

We will offer qualified individuals or legal entities the opportunity to enter into a franchise agreement (the “**Franchise Agreement**”) with us. Under the Franchise Agreement we will grant you the right and license to operate a Franchised Business that will manage a Clinic under the System in a designated Territory (as defined in Item 12 below), under our Marks (as defined below). The Franchise Agreement is attached as Exhibit B.

Clinics are managed according to our System. We identify the System with certain trade names, trademarks, service marks, logos, emblems, and indicia of origin, including but not limited to the mark “iMove PT” and any other trade names, service marks, and trademarks (the “**Marks**”), as are now designated (and may in the future be designated by us in writing) for use in connection with the System. You must operate your Franchised Business and manage the Clinic according to our standards and procedures, as set out in our confidential operating manuals (the “**Operations Manual**”). We will lend you a copy of the Operations Manual for the duration of the Franchise Agreement. In addition, we will grant you the right to use the Marks that we designate in writing for use with the System. We may periodically change and improve parts of the System, and you must promptly comply with all new or changed items.

The Clinic must offer only those products and services we approve, and as approved by the PC. “PC” refers to the professional corporation, professional limited liability company, service corporation, or similar entity that the physical therapists will form that will provide physical therapy services to patients at the Clinic.

The Clinic will be managed on a full-time basis by you or your Operating Principal (as defined in Item 15). You and the PC will have the sole discretion to determine the hours of employment, the compensation and benefits, and any other employment decisions related to all your or your PC’s employees.

You may currently choose to accept payments from patients of the Clinic who purchase services or goods from the Clinic as follows: (a) “private-pay” transactions, (b) using government funding programs, including Medicare, (c) out of network payments under commercial healthcare plans, (d) liens, (e) workers compensation claims, and (f) with our prior written consent, which we may withhold in our sole discretion, using commercial health insurance plans, health maintenance organizations or other types of commercial third-party payor organizations. We may modify the list of acceptable forms of payment in our sole discretion from time to time.

#### Management Agreement

The Clinic will be operated by one or more authorized physical therapists to provide physical therapy in the state in which the Clinic is located. As noted above, the physical therapists will form a professional entity, which is a professional corporation, professional limited liability company, service corporation, or similar entity, referred to as a “PC,” that will provide physical therapy services to patients at the Clinic. We must approve the PC candidate.

Before you begin operating the Franchised Business, you must enter into a management agreement (“**Management Agreement**”) with the PC. You must sign a Management Agreement with a PC to open the Clinic. Under the Management Agreement, you will provide the PC with management and administrative services and support consistent with the System to support the PC’s clinic and its delivery of physical therapy services and related products to patients, consistent with all applicable laws and regulations. The services the Franchised Business will provide to the Clinic include owning, maintaining, and repairing the equipment; business planning; financial management; bookkeeping, accounting, and data processing; maintaining patient records; managing materials used in the Clinic; human resources management; billing and collections (to the extent not conducted by us); administering utilization, cost, and quality management systems; advertising, marketing, and promotional activities; arranging for legal services, when needed; perform credentialing support services; and other business, management, and administrative services the parties agree to. You will be the exclusive provider to the PC of the management services described above, and the PC shall not obtain any management services from any other source. You will never perform physical therapy services; those services will only be performed by the PC.

Attached to the Franchise Agreement as Exhibit J is our standard form of Management Agreement. It is your sole responsibility to ensure the Management Agreement is consistent and in compliance with applicable federal, state, and local health laws, regulations, rules and ordinances. You must retain a lawyer, licensed in the state where your Clinic will be located and familiar with applicable health care laws, to advise you on the Management Agreement and compliance with applicable federal, state, and local health laws, regulations, rules and ordinances. You may negotiate the monetary terms and, with our written consent, certain other terms of the relationship with the PC. You must obtain our written approval of the final Management Agreement prior to its execution, but our approval of the Management Agreement is not a representation or warranty respecting its compliance with any laws or regulations but is merely to ensure it comports with our Brand Standards (as that term is defined in Item 8).

You must have a Management Agreement in effect with a PC at all times during the operation of the Franchised Business. In the event the Management Agreement with the PC is terminated during the initial term of your Franchise Agreement, you must enter into a new Management Agreement with a

replacement PC as soon as practicable, but in no event later than 60 days after you provide or receive notice that the Management Agreement with the original PC is being terminated.

The PC will employ and control the Affiliated Practitioners who will provide the actual physical therapy services for the Clinic. You will not provide any physical therapy services to the patients of the Clinic nor will you supervise, direct, control or suggest to the PC or the PC's Affiliated Practitioners the manner in which they provide or may provide physical therapy services to its patients. Due to various federal and state laws, and state professional licensing board rules, regarding the practice of physical therapy and the ownership and operation of physical therapy practices and health care businesses that provide physical therapy services, it is critical that you do not engage in practices that are, or may appear to be, the practice of medicine.

#### Waiver of Management Agreement

In the event applicable state law does not require the use of a management agreement between you and a PC, as solely determined by you and your legal counsel, we may waive certain requirements and require you to execute our waiver of management agreement (“**Waiver of Management Agreement**”). It is your sole responsibility to determine whether you are eligible to manage and operate the Clinic and enter into the Waiver of Management Agreement, and it is your continued sole responsibility to determine if any changes in applicable laws and regulations will impact your Clinic or that would render your operation of the Clinic under one entity as a violation of any applicable laws or regulations.

#### The Clinic

The Mobile Clinic will service patients and operate in an area identified under the Franchise Agreement (the “**Territory**”). You must operate the Franchised Business and manage the Mobile Clinic in the Territory. The Brick and Mortar Clinic will service patients at the location approved by us, and will be granted a protected Territory surrounding the site of the Brick and Mortar Clinic. You must use the System in operating your Franchised Business and at all times perform your obligations under the Franchise Agreement faithfully, honestly, and diligently, and use your best efforts to promote the Clinic. In addition, you will staff the Franchised Business with the type and number of support staff needed to efficiently support the Franchised Business, and the Clinic and the PC's authorized physical therapists and other personnel.

#### Industry-Specific Regulations

You must comply with all local, state, and federal laws, regulations, rules, and ordinances that apply to your Franchised Business and the Clinic. The healthcare industry is heavily regulated. These applicable laws and regulations may include federal, state and local regulations, as well as state professional licensing board rules, relating to: the practice of physical therapy and the operation and licensing of physical therapy services; the relationship of providers and suppliers of health care services, on the one hand, and physical therapists, on the other, including anti-kickback laws such as the Federal Medicare Anti-Kickback Statute and similar state laws; restrictions or prohibition on fee splitting; self-referral restrictions; privacy of patient records (including the Health Insurance Portability and Accountability Act of 1996, or “**HIPAA**”); use of medical devices; and advertising of physical therapy services. While not all of these laws and regulations will be applicable to all Clinics due to their locations, it is important to be aware of the regulatory framework.

You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and the other licenses applicable to the Clinic and its employees. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files. You must comply with all state and local laws and regulations regarding the management of a physical therapy business.

You must also make sure that your relationship with the PC for which you manage the Clinic complies with all laws and regulations, and that the PC secures and maintains in force all required licenses, permits and certificates relating to the operation of a Clinic. Each state has boards for professionals in the healthcare industry that determine rules and regulations regarding their respective members and the scope of services that may legally be offered by their members. It is your sole responsibility to determine whether the laws and regulations applicable to your Franchised Business and Clinic include requirements for the physical therapists to hold required state licenses and registrations to work in the state where the Clinic is located, and to hold required certifications by, or registrations in, any applicable professional association or registry.

You must ensure that your billing and collections practices comply with all federal and state laws, rules, regulations, and ordinances.

If we grant you the right to operate a Franchised Business, we are not engaging in the practice of physical therapy or any other profession that requires specialized training or certification, and you must not engage in the practice of physical therapy, or any other profession that requires specialized training or certification, with the exception for those franchisees who sign a Waiver of Management Agreement. The Franchise Agreement and Management Agreement will not interfere, affect or limit the independent exercise of physical therapy judgment by the PC and its staff. You must research all applicable laws, and we strongly advise that you consult with an attorney and/or contact local, state and federal agencies before signing a Franchise Agreement with us, or a Management Agreement with a PC, to determine your legal obligations and evaluate the possible effects on your costs and operations.

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

### **Competition**

The market for clinic management businesses is developing and highly competitive. The target market for these services includes the general public. Other competitors include providers of traditional physical therapy services, such as private practice physician offices and health clinics. As a franchisee, the Clinic that you manage will compete with other providers of these services, including franchised and non-franchised businesses, as well as private physical therapy practices.

## **ITEM 2. BUSINESS EXPERIENCE**

### **Michael Gorman, Founder and Manager**

Michael Gorman is our Founder and has been our Manager since our inception in June 2020. He has also been the Owner and Physical Therapist of an iMove PT mobile clinic and brick and mortar clinic in St. Louis, MO since July 2020, and since January 2017, he has been the Owner of PT Expert Witness Edge, LLC in St. Louis, MO. Prior to that, from October 2017 to March 2020, Michael was a Market Manager and Physical Therapist at SSM Health Physical Therapy in St. Louis, MO. From June 2002 to September 2017, he was the owner of St. Louis Physical Therapy, LLC in St. Louis, MO.

## **ITEM 3. LITIGATION**

No litigation is required to be disclosed in this Item.

#### **ITEM 4.    BANKRUPTCY**

No bankruptcy is required to be disclosed in this Item.

#### **ITEM 5.    INITIAL FEES**

##### **Initial Franchise Fees**

When you sign your first Franchise Agreement you must pay us an initial franchise fee of \$30,000 for Mobile Clinic, and \$37,500 for a Brick and Mortar Clinic (the “**Initial Franchise Fee**”). The Initial Franchise Fee will be payable in a lump sum, and is non-refundable for administrative and other expenses incurred by us in granting the franchise and for our lost or deferred opportunity to franchise others. The Initial Franchise Fee is uniform for new franchisees signing Franchise Agreements.

*Discounts for Mobile Clinics Only:* If you meet our qualifications and opt to purchase two or more contiguous Territories, then the initial franchise fee for the second and each additional contiguous franchised Territory is \$15,000 (or a total of \$45,000 if you purchase the two contiguous franchised Territories at the same time). If you meet our qualifications and opt to purchase multiple territories that are not contiguous, then the initial franchise fee for the second and each additional non-contiguous Territory is \$20,000 (or a total of \$50,000 if you purchase two non-contiguous franchised Territories at the same time). If you are an existing franchisee, you will be entitled to the reduced initial franchise fees if you subsequently purchase a second, third, or more franchised Territories as long as you are in good standing and not in default of your franchise agreement(s). You must execute a separate Franchise Agreement for each Territory.

If you meet our credit standards, we will finance up to 91.6% (11/12ths) of the Initial Franchise Fee payable by you for your first Territory under the Franchise Agreement. You must make an initial down payment of at least one-twelfth (1/12th) of the total Initial Franchise Fee at the time you sign your Franchise Agreement. The remainder must be paid over a period of no more than 11 months. The terms of our financing of the initial franchise fee are described in Item 10 of this disclosure document.

##### **Extension Fee**

If you fail to develop the Franchised Business and open and commence operations of the Clinic by the opening deadline, then you may request an extension of up to 6 months to open the Franchised Business. If we grant an extension, then you must pay us a non-refundable \$500 extension fee (the “**Extension Fee**”). You will not receive more than one extension.

##### **Site Evaluation Fee**

*Brick and Mortar Clinic Only:* If you request that we conduct an in-person site evaluation for your proposed site of the Brick and Mortar Clinic, and we agree to do so, then for each in-person site evaluation that we conduct, you must pay us \$1,000 per day plus our out-of-pocket costs and expenses, including travel and lodging costs.

**ITEM 6. OTHER FEES**

<b>Type of Fee (See Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Royalty Fee	Greater of 5% of Gross Revenues or the Minimum Royalty	Monthly	(See Note 2)
Billing Services Fee	5% of Gross Revenue	Monthly	(See Note 3)
Brand Marketing Fee	Currently, 2% of Gross Revenues	Monthly	(See Note 4)
Local Marketing Requirement	Currently, 2% of Gross Revenues	Quarterly	(See Note 5)
Technology Fee	Currently, \$250	Monthly	We reserve the right to increase the Technology Fee to up to \$500 per month upon written notice to you.
Software License Fee	Currently, \$50 per physical therapist (including the franchisee)	Monthly	You must pay us this fee in connection with software licensed to you. We may increase this fee upon notice to you based upon any increases we incur from the then-current vendor.
Additional and Refresher Training	Currently, \$1,000 per day per person, plus our out-of-pocket costs	Upon demand	(See Note 6)
Convention Registration Fee	Our then-current fee, which will not exceed \$1,000 per attendee	Upon demand	If we decide, in our discretion, to hold a convention or designate a third-party sponsored event as the convention, we may require you to attend the convention and to pay our then-current Convention Registration Fee. We reserve the right to charge you a fee to cover the convention expenses in the event you choose not to attend. You will also be responsible for your and your employees travel, lodging, and living expenses to attend the convention.
Extension Fee	\$500	Upon demand	
Insufficient Funds Fee	\$250 per occurrence	Upon demand	If there are insufficient funds which we make a withdrawal by EFT, then we have the right to charge you the fee to compensate us for increased administrative and management costs due to late payment.
Interest on Overdue Payments	The lesser of 1.5% per month or the highest commercial contract interest rate permitted under applicable law	Upon demand	Due if you don't pay us the amounts you owe us. Interest will be charged only on overdue amounts and will start to accrue on the date when the payment was originally due.

<b>Type of Fee (See Note 1)</b>	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Records and Rights of Inspection (Audit)	The under reported amount, plus our costs we incur and the lesser of (a) 1.5% interest per month or (b) highest interest rate permitted by law.	Upon demand	Only applicable if we require you undergo an audit.
New Product and Supplier Evaluation Fee	Currently, \$500 per request, plus our out-of-pocket costs	Upon demand	If you propose a new supplier of products, and we inspect the supplier or test the supplier's products, we may charge you or the supplier for our costs in conducting those inspections or running those tests.
Special and Mystery Patient Program	Currently, \$0	If implemented, upon demand	We may establish and maintain, at your expense, and you agree to fully participate in and honor all loyalty benefit programs we establish (" <b>Special Programs</b> "), and quality control, patient satisfaction surveys, or any other quality control or evaluation programs (" <b>Mystery Patient Program</b> ").
Transfer Fees (controlling interest)	75% of our then-current Initial Franchise Fee if the transferee is a new iMove PT franchisee  50% of our then-current Initial Franchise Fee if the transferee is an existing iMove PT franchisee	At the time of your request for approval of a transfer	If the transfer involves a controlling interest in you, you will pay us this fee at the time you request approval for this transfer.
Transfer Fee (non-controlling interest)	\$1,500	At the time of your request for approval of a transfer	If the transfer involves a non-controlling interest in you, you will pay us this fee at the time you request approval for this transfer.
Renewal/Successor Fee	\$2,500	Before renewal	Payable if you choose to continue operating the Franchised Business for a successor term.

<b>Type of Fee</b> (See <b>Note 1</b> )	<b>Amount</b>	<b>Due Date</b>	<b>Remarks</b>
Costs and Attorneys' Fees	Will vary under circumstances	Upon demand	Only applicable if you fail to comply with the Franchise Agreement, if we are joined in a lawsuit, or administrative or legal proceedings are commenced against us involving you, in which case we may recover our costs and attorneys' fees.
Insurance	Will vary under circumstances	Upon Demand	If you fail to obtain required insurance, we may obtain such insurance at your expense (but are not required to do so) and charge you for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a 10% administrative fee for our time incurred in obtaining the insurance.
Indemnity	Will vary under circumstances	As incurred	You must indemnify us and reimburse us for our costs (including our attorneys' fees) if we are sued or held liable in any case having anything to do with your business operations, and for any acts we perform on your behalf if we exercise our Step-In Rights.
Temporary Management Fee	Will vary under circumstances	As incurred	(See <b>Note 7</b> )
Non-Compliance Fee	Varies, up to \$500 per violation	Upon demand	We may charge you the applicable Non-Compliance Fee, as set forth in the Operations Manual, for your failure to comply with Brand Standards.

Notes:

1. Type of Fee. All fees are payable to us. All fees are uniformly applied to new franchisees and are non-refundable. However, in cases and circumstances in which it may be appropriate or necessary to do so, we reserve the right to modify some of these fees for particular franchisees. It is your sole responsibility to ensure your full compliance with applicable federal and state laws and regulations, including but not limited to those regarding the payment of fees to us.

For the fees we designate, we may draft from your designated bank account, per our electronic funds transfer (“**EFT**”) process, the first Wednesday of each month. If the date on which such payments would otherwise be due is not a business day, then payment shall be due on the next business day. We may change the frequency or method you must pay any and all fees to us in the Operations Manuals or otherwise in writing.

Your payment of the Royalty Fee, Brand Marketing Fee, and all other payments under the Franchise Agreement are not intended to, and shall not be interpreted or implied to permit you to, share fees for medical services.

2. Royalty Fee; Gross Revenue.

The minimum royalty fee (“**Minimum Royalty Fee**”) that you must pay depends on the type of Clinic your Franchised Business manages and how long the Clinic has been open and operating, and is equal to the corresponding amount in the below table:

Operations Year	Monthly Minimum Royalty (Mobile Clinic)	Monthly Minimum Royalty (Brick and Mortar Clinic)
Year 1	\$479	\$542
Year 2	\$1,021	\$1,167
Year 3	\$1,354	\$1,563
Year 4	\$1,688	\$1,938
Year 5	\$2,375	\$2,729

“**Gross Revenue**” means all income or revenue of the Clinic, including the revenue generated from the sale of all treatments, products, and services offered at or from the Clinic, and all other income or revenue of every kind and nature related to, derived from, or originating from the Clinic, whether at retail or wholesale, and regardless of whether the sales are permitted, and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit. “Gross Revenue” does not include any refunds, discounts from coupon sales, sales taxes, and/or other taxes collected from patients by you and actually transmitted to the appropriate taxing authorities. Neither the Franchised Business, Clinic, or Affiliated Practitioners may accept any tips in connection with the services and products offered and sold by the Clinic.

We will have independent access to your operational and financial information and data, and we will access that data to obtain the applicable revenue reports as described in the Operations Manuals (“**Revenue Reports**”). Notwithstanding the foregoing, upon request, you must submit or deliver to us any and all reports, statements and/or other information, which may include electronically pulled data that we obtain from your point-of-sale system in the manner and form that we specify. Our right to access your Computer System directly does not diminish your responsibility to provide us with the Revenue Report.

Due to the nature of collecting claims from Medicare, out of network providers, lien cases, and other non-cash forms of payment, you may continue to receive Gross Revenue after the expiration or termination of your Franchise Agreement for services you performed during the term of the Franchise Agreement. If you collect any such Gross Revenues after the expiration or termination of your Franchise Agreement for services provided during the term of the Franchise Agreement, then you must still pay us all Royalty Fees, Billing Services Fees, and Brand Marketing Fees on those Gross Revenues that you collect.

3. **Billing Services Fee.** You will pay us a billing services fee (“**Billing Services Fee**”) for the cost of preparing and filing billing claims to Medicare, insurance companies (in-network and out of network), workers compensation claims, liens, and for processing certain other kinds of payments that we may specify in the Operations Manual in connection with the services you provide to your patients (collectively, the “**Billing Services Revenues**”). You will not be obligated to pay the Billing Services Fee on any Gross Revenues that you collect from self-pay patients, which are Gross Revenues other than Billing Services Revenues. You will pay us the Billing Services Fee at the same time and in the same manner as the Royalty Fee. We may, but are not required to, provide ongoing billing services for a limited period of time after the expiration or termination of the Franchise Agreement (not to exceed three months) for claims submitted prior to the expiration or termination of the Franchise Agreement. We may require you to sign an agreement in the form we

prescribe in connection with providing those services after the expiration or termination of this Agreement.

4. Brand Marketing Fee. You will pay us a monthly Brand Marketing Fee at the same time and in the same manner as the Royalty Fee. Such amount shall be contributed to a Brand Marketing Fund (“**Brand Marketing Fund**”). We may increase the Brand Marketing Fee upon written notice to you, but we will not increase the Brand Marketing Fee more than once in a consecutive twelve-month period.
5. Local Marketing Requirement. You must spend at least the Local Marketing Requirement on approved local marketing and promotion of your Clinic (the “**Local Marketing Requirement**”). We may, at any time, require you to pay to us the Local Marketing Requirement, and you must pay to us the Local Marketing Requirement in the same manner as the Brand Marketing Fee or as we otherwise specify in writing. If we require you to pay to us the Local Marketing Requirement, we will deposit the Local Marketing Requirement into the Brand Marketing Fund to be spent on local marketing and promotional activities in, around, near or attempting to target your Territory, including marketing and promotional activities on the Internet. If we do not require you to pay us the Local Marketing Requirement, then you must provide us with proof of your local marketing expenditures, and you must deposit with us the difference between what you did spend and the minimum required amount to be deposited in the Brand Marketing Fund.

If you are a member of a Cooperative (as defined in Item 11), Any funds contributed to a Cooperative will be credited against your Local Marketing Requirement; provided, however, that if your contributions to a Cooperative are less than your Local Marketing Requirement, you must still spend the difference locally. The Cooperative may require each of its members to make contributions to it in an amount as agreed upon by the Cooperative members or as we may prescribe. Any Clinic that we or our affiliates manage or operate in the region or area in which a Cooperative has been established will have the same voting rights as those Clinics owned by franchisees. Each Clinic shall be entitled to cast one vote. See Item 11 for more information about Cooperatives.

6. Additional and Refresher Training. For any training that we provide to you and your personnel, you are responsible for expenses incurred while you and your personnel attend training, including salaries, benefits, travel, lodging, meals and other related expenses. We reserve the right to charge you for training additional personnel, for supplemental or additional training programs that we require or that you request, and for retraining persons who are repeating the course or replacing a person who did not pass. You must also pay our out-of-pocket expenses that we incur, including all of our travel, meal, and payroll expenses associated with providing the additional training.
7. Temporary Management Fee. If we determine in our sole judgment that the operation of your Franchised Business is in jeopardy, or if a default occurs, then in order to prevent an interruption of the Franchised Business, which would cause harm to the System and thereby lessen its value, you authorize us to operate your business for as long as we deem necessary and practical. You agree to pay us our then-current fee to manage the Franchised Business (the “Temporary Management Assistance Fee”) and all of our reasonable attorneys’ fees and costs incurred as a consequence of our exercise of the step-in rights, including reasonable compensation and expenses for our representatives.

**ITEM 7. ESTIMATED INITIAL INVESTMENT****YOUR ESTIMATED INITIAL INVESTMENT**

<b>Type of Expenditure</b> (See Note 1)	<b>Mobile Clinic Estimated Low Amount</b>	<b>Mobile Clinic Estimated High Amount</b>	<b>Brick and Mortar Clinic Estimated Low Amount</b>	<b>Brick and Mortar Clinic Estimated High Amount</b>	<b>Method of Payment</b>	<b>When Due</b>	<b>To Whom Payment is to be Made</b>
Initial Franchise Fee (See Note 2)	\$30,000	\$30,000	\$37,500	\$37,500	Lump sum	Upon signing Franchise Agreement	Us
Construction/Buildout (See Note 3)	\$0	\$0	\$30,000	\$100,000	As incurred	As incurred	Suppliers
Exterior Signage	\$0	\$0	\$0	\$6,000	As incurred	As incurred	Suppliers
Rent and Security Deposit (See Note 4)	\$0	\$0	\$8,000	\$16,000	As incurred	As incurred	Landlord
Grand Opening Advertising (See Note 5)	\$750	\$750	\$750	\$750	Lump Sum	Before opening	Us or Suppliers
Equipment (See Note 6)	\$1,000	\$1,500	\$30,000	\$50,000	Lump sum	As incurred	Suppliers
Initial Inventory (See Note 7)	\$250	\$500	\$500	\$500	As incurred	As incurred	Suppliers
Office Equipment, Software, Computers and Supplies (See Note 8)	\$1,000	\$2,000	\$3,500	\$7,000	As incurred	As incurred	Suppliers
Business Licenses and Permits (See Note 9)	\$0	\$1,000	\$0	\$1,000	As incurred	As incurred	Government Agencies
Professional Fees (See Note 10)	\$1,500	\$10,000	\$1,500	\$10,000	As incurred	As incurred	Suppliers
Membership to American Physical Therapy Association (See Note 11)	\$0	\$750	\$0	\$750	As incurred	As incurred	Association
Insurance (See Note 12)	\$3,500	\$4,000	\$3,500	\$4,000	As incurred	As incurred	Insurance Carrier(s)
Travel and living expenses during training (See Note 13)	\$600	\$2,000	\$1,000	\$2,000	As incurred	During training	Suppliers
Additional Funds – 3 Months (See Note 14)	\$1,500	\$5,000	\$7,500	\$9,000	As incurred	As incurred	Various Third Parties
<b>Total Estimated Initial Investment</b> (See Note 15)	\$40,100	\$57,500	\$123,750	\$244,500			

Notes:

1. General Notes. Except as disclosed in Item 10, we do not offer direct or indirect financing to you for any items. The availability and terms of financing from other sources will likely depend on factors such as the availability of financing generally, your creditworthiness, and the policies of lending institutions.  
  
Any amounts paid to us are nonrefundable unless otherwise noted below. For any amounts paid to third parties, the availability and conditions under which you may obtain refunds will depend on the terms offered by those third-party suppliers. These notes apply to both start-up Franchised Businesses and Conversion Franchises.
2. Initial Franchise Fee. The franchise fee must be paid when the Franchise Agreement is signed. The above estimates assume that you pay the Initial Franchise Fee in full upon signing and do not finance any portion of it. You may also be entitled to a reduced initial Franchise Fee if you purchase a second or more Territories.
3. Construction/Buildout. You will need to construct or “build out” the premises at which you will operate the Brick and Mortar Clinic. These improvements may include, for example, wiring, flooring, sheetrock, plumbing, paint, HVAC, lighting, and décor items, which must be constructed according to our specifications. These costs are likely to vary depending upon the size, location, configuration, installation costs, and overall condition of the premises, and other conditions. When a site has been selected, we will provide you with layout, drawings and design of a typical Brick and Mortar Clinic. The services of a licensed architect are usually required to detail the layout into construction plans. You will pay for the architect's services directly. The above amounts include estimates for the architectural drawings, permits, general contractor fees, and construction and buildout costs.
4. Rent and Security Deposit. The typical size of a Brick and Mortar Clinic will range from 1,500 to 2,000 square feet. If you do not own or purchase real estate for the Brick and Mortar Clinic, you will need to lease space from a landlord. The estimates in the above chart reflect the first three months of rent and a security deposit. Rental rates or deposits on an unknown location cannot be predicted in advance. However, the rental rates will most likely depend on the size and location of the Brick and Mortar Clinic. These costs will vary greatly depending on the metropolitan area where the Brick and Mortar Clinic will be located. The estimates in the above chart are based on a Brick and Mortar Clinic in St. Louis, MO.
5. Grand Opening Advertising. You spend a minimum of \$750 on your Grand Opening Campaign.
6. Equipment. You must purchase certain types of equipment for the applicable type of Clinic that will be necessary for the PC to offer the authorized and required services and products, such as for a Mobile Clinic a portable treatment table, therapulley, first aid kit, goniometer (large and small), ankle weights (5# adjustable pair), and other items and equipment. The overall cost of the equipment will vary based upon the number of Affiliated Practitioners that the PC will employ, and the type of Clinic you own and operate.
7. Initial Inventory. You are required to purchase an opening inventory of products and supplies from approved suppliers for the Clinic, such as therapulleys to sell to patients and privately-labeled apparel.
8. Office Equipment, Software, Computers and Supplies. You are required to purchase certain computer hardware and software to operate your computer system, including Microsoft office, other designated software and programs, home printer/scanner, and computer desktop or laptop. We also recommend that you use a Chromebook when treating patients. You must also purchase certain back-office equipment and supplies for the Franchised Business.

9. Business Licensing and Permits. You must obtain any necessary licenses and permits to run the Clinic, and there may be expenses related to your compliance with these licensing and permitting requirements.
10. Professional Fees. You must employ an attorney in the state in which the Clinic will be located who has experience in health law in that state. You may desire to employ an accountant or other consultants.
11. Membership to American Physical Therapy Association. We recommend that you become a member of the American Physical Therapy Association, but your membership is not required. The low estimate assumes that you will not become a member of the American Physical Therapy Association, and the high estimate reflects the estimated annual membership fee.
12. Insurance. The above chart estimates an annual insurance premium for general liability insurance, cyber security insurance, automobile insurance, workers' compensation insurance, umbrella insurance, and professional liability insurance, as further described in Item 8. Your costs will vary depending on your market, the amount of coverage you select, your insurance carrier, and other factors. Workers' compensation insurance must be based on your anticipated payroll.
13. Travel and Living Expenses During Training. As described in Item 11, we provide initial training for you and your Operating Principal (if they are different people). You will need to arrange for transportation, lodging and food for the attendees during training. The cost will depend on the distance you must travel and the type of accommodations you choose.
14. Additional Funds – 3 Months. You will need additional capital to support on-going expenses, such as payroll, insurance, and miscellaneous expenses. The estimate includes payroll costs, but does not include a salary or draw for you, your Operating Principal, or the Affiliated Practitioners. The estimate also includes pre-opening miscellaneous expenses such as organization expenses and other service-related expenses. The estimate does not include Royalty or Brand Marketing Fee payments to us. We estimate that the amount given will be sufficient to cover on-going expenses for the start-up phase of the business, which we calculate to be 3 months. Also, your level of patient engagement will impact your cash flow and the amount of working capital and additional funds that you may need during this start-up phase. This is only an estimate, however, and there is no assurance that additional working capital will not be necessary during this start-up phase or after.

Your credit history could impact the amount (and cost) of funds needed during the start-up phase. If you have no credit history or weak credit history suppliers may give you less favorable lending and payment terms, which might increase the amount of funds you will need during this period.

You should review these figures carefully with a business advisor before making any decision to purchase the franchise. You should take into account the cash outlays that you may incur while you are trying to get established.
15. Total. In preparing the figures in this Item 7, we relied on the experience of the existing Clinics that we own and operate. The figures in the Item 7 chart, including for example, equipment, inventory, and signage, reflect our current branding and image standards. Our standard offering assumes that you already have a vehicle that you will use for your Franchised Business, so the above chart does not include any estimates for purchasing or leasing a vehicle. The figures in the chart and the explanatory notes are only estimates. You should review these estimates on your own, preferably with a business advisor of your own choosing.

## **ITEM 8. RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES**

To ensure that the highest degree of quality and service is maintained, you must operate the Franchised Business in strict conformity with the mandatory and suggested specifications, standards, operating procedures and rules as we may periodically prescribe in the Operations Manual or otherwise in writing (the “**Brand Standards**”). We may periodically modify the Brand Standards, and you must implement any changes in Brand Standards within the time period we request, whether they involve updating or upgrading the Clinic, changes in the Operating Assets, or modifications of any other aspect of the Franchised Business. “**Operating Assets**” include the equipment (including physical therapy, and diagnostic equipment, fixtures and equipment, Computer System, electronic medical records system, or other technology systems), and signs to be used in the Franchised Business and Clinic. At all times during the term of the Franchise Agreement, you must:

- maintain the condition and appearance of the Franchised Business’ Operating Assets in accordance with Brand Standards and consistent with the image of a Clinic as an efficiently operated business offering high quality professional services and products, observing high standards of patient service and care, and providing efficient, courteous service;
- place or display at the Franchised Business or with the Clinic only those signs, photographs, artwork, logos, and display any advertising materials that we approve;
- manage the PC so that it uses the equipment that we require to be used at all Mobile Clinics or Brick and Mortar Clinics and offers only those services and products that we require to be offered at all Mobile Clinics or Brick and Mortar Clinics, or for which we have given our written approval;
- maintain all supplies, equipment and materials, which we prescribe or are required by the PC, in quantities sufficient to meet reasonably anticipated customer demand (however, requirements relating to equipment and products to be used in connection with physical therapy services provided to Patients by the PC will be subject to the PC’s approval);
- not deviate from the Brand Standards, unless you have received our prior written consent; and
- stop selling and offering for sale any services or products that we have later disapproved.

Notwithstanding the foregoing, we acknowledge and agree that the selection and use of any equipment and products used in connection with physical therapy services provided by the PC to its patients will be subject to the PC’s approval based on the professional opinion of the PC’s Affiliated Practitioners.

### **Designated or Approved Products, Suppliers**

We have the right to designate certain products as mandatory or optional and designate certain suppliers from whom you may purchase products. We reserve the right to approve specifications or suppliers of the products that meet our reasonable standards and requirements. You agree to purchase only such products and services meeting those specifications and only from suppliers we have approved.

We may concentrate purchases with one or more designated supplier in an attempt to obtain lower prices or advantageous advertising, support, or services. Approval of a supplier may be conditioned on any requirements we determine in our sole discretion, including but not limited to, product quality, prices, consistency, reliability, financial capability, labor relations, patient relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier. We reserve the right to revoke our approval from any supplier at any time, and you will have to immediately cease ordering from that supplier.

At the time the Franchised Business and Clinic open, you will stock the initial inventory of supplies, equipment and materials prescribed by us and/or required by the PC. Thereafter, you will stock and maintain all types of supplies, equipment and materials which we prescribe or that are required by the PC, in quantities sufficient to meet reasonably anticipated patient demand. Additionally, requirements relating to equipment and products to be used in connection with physical therapy services provided to patient by the PC will be subject to the PC's approval.

If you wish to purchase, lease or use any products that we have not previously approved, or you wish to purchase or lease from a supplier we have not previously approved, you must submit a written request for approval or you must request the supplier to do so. You must pay our then-current New Product and Supplier Evaluation Fee for each product or supplier you request that we evaluate, plus the costs we incur in connection with testing, inspecting, and evaluating the proposed product or supplier. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards in our sole discretion. Our product and supplier approval procedure does not obligate us to approve any particular product or supplier. We will notify you in writing within 30 days after you have requested our approval, and you have provided all information that we might request to evaluate a supplier, whether the proposed product or supplier is, in fact, approved or disapproved. We are not required to make available to you or to any supplier our criteria for product or supplier approval. We are not obligated to approve any specific product or supplier if we believe that approval of that product or supplier is not in the best interests of the System. We may revoke our prior approval of any product or supplier at any time, and after your receipt of written notice from us regarding our revocation you must stop using that product or stop purchasing from that supplier.

As of the issuance date of this disclosure document, neither we nor our affiliates are currently an approved supplier of any product or service used in the operation of the Franchised Business or Clinics. We reserve the right to designate ourselves or our affiliates as approved suppliers, or the sole supplier, of any product or service in the future. We did not derive any revenue from selling products and services to iMove PT franchisees in our fiscal year ended December 31, 2023. Neither we nor our officers maintain an ownership interest in any approved or designated supplier.

We estimate that your purchases from approved suppliers or according to our specifications will represent approximately 75% to 100% of your total purchases in the establishment of the Franchised Business and Clinic, and 50% to 75% of your total purchases in the continuing operation of the Franchised Business and Clinic.

#### **Purchasing Cooperatives, Arrangements, Supplier Rebates and Allowances**

We currently do not have or participate in purchasing or distribution cooperatives or arrangements, but we reserve the right to do so in the future. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products or services to some or all of the Franchised Businesses or Clinics in our System. We reserve the right to limit the number of approved suppliers with whom you may order product, and to require you to use only approved or designated suppliers, including us our affiliates, for some or all products and services.

We have the right to collect and retain any and all allowances, rebates, credits, monies, payments, or benefits (collectively, "**Rebates**") offered by suppliers to us based upon your purchases of approved or designed products. We will have all of your right, title, and interest in and to any and all of these Rebates. We may collect and retain any or all of these Rebates without restriction (unless otherwise instructed by the manufacturer, supplier, or distributor). During our last fiscal year that ended December 31, 2023, neither we nor our affiliates earned revenue from Rebates. Except as described in this Item 8, we do not

provide any material benefits to you (such as preferential renewal rights or granting additional franchises) based on your use of designated or approved suppliers.

### **Insurance**

Under the Franchise Agreement, you must obtain and maintain in force, at your sole expense, the insurance coverages and policies that we prescribe. Your insurance coverage must: (i) be maintained during the term of your Franchise Agreement, (ii) be obtained from a responsible, duly licensed carrier or carriers acceptable to us and having a rating of at least A with A.M. Best Company, (iii) must name us and our affiliates, and their respective officers, directors and employees, as an additional insured, and (iv) contain a waiver of the insurance company's right of subrogation against us. Currently, we require iMove PT franchisees to carry the following insurance policies:

- (a) business interruption insurance covering a minimum of 12 months of income, including coverage for our continuing fees, and with us named as a loss payee with respect to our continuing fees, for Brick and Mortar Clinics only;
- (b) commercial general liability insurance, which includes coverage (or separate policies) for products liability, bodily injury, and property damage with minimum limits of \$1,000,000 per occurrence and \$3,000,000 annual aggregate;
- (c) cyber security insurance, with minimum coverage limits of \$250,000 annual aggregate for a Mobile Clinic, and minimum coverage limits of \$500,000 for a Brick and Mortar Clinic;
- (d) workers' compensation insurance with minimum employers' liability limits of \$1,000,000 each accident, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Clinic is located;
- (e) umbrella liability insurance with minimum limits of \$2,000,000 per occurrence and annual aggregate;
- (f) professional liability insurance with minimum limits of \$250,000 per occurrence and \$1,000,000 annual aggregate (or, if you sign the Waiver of Management Agreement, \$1,000,000 per occurrence and \$3,000,000 annual aggregate); and
- (g) any insurance required by the terms of your lease, by applicable state and local laws and rules, or that we may require in the future.

In addition, you must arrange for the PC to obtain and maintain professional liability coverage with limits of at least \$1,000,000 for each incident and \$3,000,000 annually for itself and naming you and us as an additional insured.

We may periodically modify or increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. The insurance policies must provide for 30 days' prior written notice to us of a policy's material modification, cancellation or expiration. You must routinely furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and payment of premiums, including but not limited to, completed policy endorsements. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain comparable insurance for you and the Franchised Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a 10% administrative fee for our time incurred in obtaining the insurance.

## **ITEM 9. FRANCHISEE'S OBLIGATIONS**

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

<b>Obligation</b>	<b>Section in Franchise Agreement</b>	<b>Disclosure Document Item</b>
a. Site selection and acquisition/lease	Section 2 of the Franchise Agreement	Items 8 and 11
b. Pre-opening purchases/leases	Section 2 of the Franchise Agreement	Items 5, 7, 8, and 11
c. Site development and other pre-opening requirements	Section 2 of the Franchise Agreement	Items 8 and 11
d. Initial and ongoing training	Section 4 of the Franchise Agreement	Item 11
e. Opening	Section 2 of the Franchise Agreement	Item 11
f. Fees	Sections 3, 9, 12, and 13 of the Franchise Agreement	Items 5 and 6
g. Compliance with standards and policies/Operating Manuals	Sections 1, 4, and 8 of the Franchise Agreement	Items 8 and 11
h. Trademarks and proprietary information	Sections 5 and 6 of the Franchise Agreement	Items 13 and 14
i. Restrictions on products/ services offered	Section 8 of the Franchise Agreement	Items 8 and 16
j. Warranty and customer service requirements	Not applicable	Not applicable
k. Territorial development	Section 1 of the Franchise Agreement	Item 12
l. Ongoing product/service purchases	Sections 2 and 8 of the Franchise Agreement	Item 8
m. Maintenance, appearance and remodeling requirements	Sections 8, 12, and 13 of the Franchise Agreement	Item 8
n. Insurance	Section 8 of the Franchise Agreement	Items 7 and 8
o. Advertising	Section 9 of the Franchise Agreement	Items 6 and 11
p. Indemnification	Sections 5 and 16 of the Franchise Agreement	Item 6
q. Owner's participation/ management/staffing	Sections 1 and 8 of the Franchise Agreement	Item 15
r. Records/reports	Sections 3 and 10 of the Franchise Agreement	Item 11
s. Inspection/audits	Section 11 of the Franchise Agreement	Items 6 and 11
t. Transfer	Section 12 of the Franchise Agreement	Item 17
u. Renewal	Section 13 of the Franchise Agreement	Item 17
v. Post-termination obligations	Section 15 of the Franchise Agreement	Item 17
w. Non-competition covenants	Sections 7 and 15 of the Franchise Agreement	Item 17
x. Dispute resolution	Section 18 of the Franchise Agreement	Item 17
y. Other (taxes/permits)	Section 3 and 17 of the Franchise Agreement	Item 7

## **ITEM 10. FINANCING**

We may provide direct financing of the Initial Franchise Fee to you if you purchase one or more Territories at the same time as follows:

Type of Clinic	Down Payment	Amount Financed	Term (Mos.)	Interest Rate (annual)	Monthly Payment	Security Required	Liability Upon Default
Mobile Clinic	\$2,500	\$27,500	11	Greater of 2% over prime rate or 7%	\$2,763*	Personal Guarantee	Loss of Franchise and Repayment of Outstanding Loan Balance
Brick and Mortar Clinic	\$3,125	\$34,375	11	Greater of 2% over prime rate or 7%	\$3,453*	Personal Guarantee	Loss of Franchise and Repayment of Outstanding Loan Balance

*\*Based upon a prime rate of 8.5% as of April 29, 2024*

If you meet our credit standards, we will finance your Initial Franchise Fee(s). You must make an initial down payment of at least one-twelfth (1/12<sup>th</sup>) of the total Initial Franchise Fee(s) at the time you sign the Franchise Agreement. The remainder, plus interest, must be paid over a period of 11 months.

In the table above, prime rate means the most recent consensus prime rate published by the Wall Street Journal (determined on the date you sign the Franchise Agreement).

If you choose to finance the initial franchise fee, you must execute a Promissory Note, using the form attached to the Franchise Agreement as Exhibit J (see Exhibit B to this disclosure document). The only security we require is a personal guarantee of the Promissory Note by you and your spouse, or by all the shareholders or owners of you if you are an entity. The Promissory Note can be prepaid without penalty at any time during its term. If you do not pay on time, we can call the loan and demand immediate payment of the full outstanding balance and obtain court costs and attorney's fees if a collection action is necessary. We also have the right to terminate your franchise if you do not make your payments on time and do not cure your default within 10 days. The Promissory Note requires that you waive your rights to notice of a collection action and to assert defenses to collection against us. It is not our current practice to sell these notes to third parties, although we are not restricted from doing so in the future.

Except as described above for the Initial Franchise Fee, neither we nor any affiliate of ours offers direct or indirect financing to you. We do not guarantee your note, lease or other obligations. We do not currently place financing with anyone and do not receive payment for placement of financing. We do not have any past or present practice or intention to sell, assign, or discount to any third party, any financing arrangements.

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

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

### **Pre-Opening Obligations**

Pursuant to the Franchise Agreement, we will provide certain assistance and services to you. Before you open your Franchised Business and begin managing the Clinic, we will:

- We will provide initial training for you your Operating Principal (if they are not the same person). (Franchise Agreement, Sections 4.1)
- Send one of our representatives to the Franchised Business for up to three days to assist with the opening and initial operations of the Franchised Business, at our expense. (Franchise Agreement, Section 2.5)
- During the term of your Franchise Agreement, loan you or give you electronic access to one copy of our Operations Manual. (Franchise Agreement, Section 4.4)
- For Brick and Mortar Clinics, we will review the location you propose for the Brick and Mortar Clinic and, if the site meets our requirements, we will approve the site. Once we have approved your Franchised Location (as defined below), we will designate the boundaries of your Territory. We will also provide you with prototypical layouts for a Brick and Mortar Clinic. (Franchise Agreement, Section 2.1 and 2.2)

We are not required by the Franchise Agreement to furnish any other service or assistance to you before the opening of your Franchised Business and Clinic. We will not assist you in navigating or complying with any applicable regulatory process that may be applicable to your Clinic or its employees, and it is your sole responsible to ensure such compliance.

### **Continuing Obligations**

Pursuant to the Franchise Agreement, we will provide certain assistance and services to you. During the operation of your Franchised Business:

- We may conduct, as we deem advisable, periodic inspections of the Franchised Business and Clinic. (Franchise Agreement, Section 11)
- We may choose to provide refresher or additional training, in person or in an electronic format, as we deem appropriate. (Franchise Agreement, Section 4.2)
- If we deem advisable, we may send one or more representatives to the Franchised Business to provide you with guidance on the operations of the Franchised Business. (Franchise Agreement, Section 4.3)
- We will advise you regarding the Franchised Business's operation based on your reports to us and/or our direct or indirect observations, and we will provide guidance to you concerning: (a) standards, specifications, and operating procedures and methods regarding the operations of the Franchised Business; (b) advertising and marketing materials and programs; (c) employee training and recruiting programs; and (d) administrative, bookkeeping, and accounting procedures. (Franchise Agreement, Section 4.3)
- We will provide guidance in our Operations Manual, in bulletins or other written materials and/or by electronic media. (Franchise Agreement, Section 4.3)

- We will administer the Brand Marketing Fund as stated in the Franchise Agreement and as described below in this Item 11. (Franchise Agreement, Section 9)
- We may set policies, guidelines, and programs which many require you sell products and services at the prices and discounts we establish. (Franchise Agreement, Section 8.2)

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

### **Development of Franchised Business and Clinic**

For a Mobile Clinic, we anticipate and expect you to operate your Franchised Business from a home office.

For a Brick and Mortar Clinic, you are solely responsible for locating a site for the Brick and Mortar Clinic that meets our then-current standards and specifications and that we have approved in writing (the “Franchised Location”). We may, but are not required to, provide you with general site selection criteria to assist you in locating a prospective site for Franchised Location. You shall submit to us in the form we prescribe a description of the proposed site of the Brick and Mortar Clinic, including evidence reasonably satisfactory to us demonstrating that the site satisfies our site selection guidelines, together with such other information and materials as we may reasonably require. We will have 30 days after we receive this information and materials from you to approve or not approve, in our sole discretion, the proposed site for the Brick and Mortar Clinic. If you request that we conduct an in-person site evaluation for your proposed site of the Brick and Mortar Clinic, and we agree to do so in our sole discretion and subject to our availability, then for each in-person site evaluation you must pay us \$1,000 per day and reimburse us for our out of pocket costs and expenses. No site may be used for the Brick and Mortar Clinic unless it is first approved in writing by us. Our approval of the Franchised Location is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Brick and Mortar Clinic will be profitable. Our acceptance of the Franchised Location only signifies that the location meets our then-current minimum criteria for a Brick and Mortar Clinic. You shall provide us with a copy of the executed lease or purchase agreement for the Franchised Location of the Brick and Mortar Clinic. You must also execute a lease addendum, attached to the Franchise Agreement as Exhibit K, as a condition to us granting our consent to the Franchised Location.

For a Mobile Clinic you are required to open and commence operations of the Franchised Business and Mobile Clinic within 6 months of executing the Franchise Agreement, and for a Brick and Mortar Clinic you are required to open and commence operations of the Franchised Business and Brick and Mortar Clinic within 9 months of executing the Franchise Agreement (the “**Opening Date**”). Factors which may affect this time period include your ability to secure financing, obtain necessary permits and licenses, and obtain all necessary equipment and supplies.

If you fail to develop the Franchised Business and open and commence operations of the Clinic by the Opening Deadline, then you may request an extension of up to 6 months to open the Franchised Business. If we grant you an extension, you must pay us our Extension Fee. The extension will be limited to the period we permit (the “**Extended Opening Date**”). You will not receive more than 1 extension. If you fail to develop the Franchised Business and open the Clinic by the Opening Date, or (if applicable) the Extended Opening Date, we may terminate the Franchise Agreement.

### **Training**

Within 30 days of signing the Franchise Agreement and before your Franchised Business opens, you and your Operating Principal (if they are not the same person) must attend and successfully complete, to our satisfaction, our training program (the “**Initial Training Program**”). If you (or your Operating Principal) fail to fully attend and successfully complete the Initial Training Program, then you (or your

Operating Principal) may repeat the courses. If we determine that you or your Operating Principal cannot complete Initial Training Program to our satisfaction, we may terminate the Franchise Agreement.

Additionally, before the Franchised Business opens, at least 1, but no more than 2, of the Affiliated Practitioners must attend and successfully complete, to our satisfaction, our clinical training program (the “**Clinical Training Program**”). If an Affiliated Practitioner fails to attend and successfully complete the Clinical Training, then the attendee may repeat the course or you may send a substitute to complete the next available Clinical Training Program. We reserve the right to charge you for substitute personnel that attend the next training program. If we determine that the Affiliated Practitioners cannot complete Clinical Training Program to our satisfaction, we may terminate the Franchise Agreement.

During the term of the Franchise Agreement, including during the Initial Training Program and Clinical Training Program, you will have sole responsibility for all employment decisions and functions related to your Franchised Business, including hiring, firing, compensation, benefits, scheduling of employee work hours and shifts, work rules, record-keeping, supervision, and discipline of employees, even though we may offer suggestions, advice, guidelines, or programs. All personnel decisions will be made by you, without any influence or advice from us. As discussed in Item 7 above, you will pay for all travel and living expenses which you incur and for your employees’ wages and workers’ compensation insurance during training.

It is your and the PC’s full responsibility to ensure that the individuals performing any physical therapy services are properly trained and have all required licenses and certifications.

Prior to the opening of the Franchised Business, we will, at no cost to you, send at least one of our representatives to the Franchised Business for a period of up to 3 days to assist with opening and initial operations of the Franchised Business (“**On-Site Training**”). If you request, and we agree to provide, additional or special guidance, assistance, or training during this opening phase, you agree to pay our then-current per diem fee and out-of-pocket expenses, which are currently \$1,000 per day plus our costs. We reserve the right to reduce the duration of our representative’s visit or to not provide opening assistance for your second or subsequent Franchised Business.

If, at any time during the term of the Franchise Agreement, we learn or determine that a person is regarded as no longer complying with our standards and procedures, then we may require that person satisfactorily complete training or a re-training program. If you replace your Operating Principal at any time, then the new Operating Principal must attend and successfully complete our Initial Training Program. We reserve the right to assess our then-current fee (currently, \$1,000 per person per day) for re-training any individuals or training a new Operating Principal. Moreover, we may also require you, your Operating Principal, and/or other personnel, including the PC and its personnel, to attend up to and including four additional training courses each calendar year. In addition, all management personnel and other personnel working at the Franchised Business must satisfactorily complete all state and local government required training and must meet all required licensing and certification requirements.

The following chart outlines our initial training program:

### **TRAINING PROGRAMS**

#### **Initial Training Program (Mobile Clinic):**

<b>Subject</b>	<b>Hours of Classroom Training*</b>	<b>Hours of on the Job Training</b>	<b>Location**</b>
Patient Care Observation	0	4	Chesterfield, MO or other location we designate
A Day in the Life of an iMove PT Owner	1	0	Chesterfield, MO or other location we designate

<b>Subject</b>	<b>Hours of Classroom Training*</b>	<b>Hours of on the Job Training</b>	<b>Location**</b>
QuickBooks Training and Account Setup	4	0	Chesterfield, MO or other location we designate
Setting up of all Vendors for the iMove PT Franchisee	2	0	Chesterfield, MO or other location we designate
Initial Medicare Credentialing	2	0	Chesterfield, MO or other location we designate
Overview of different payor types: Medicare Part B, Out of Network, Self-Pay, and Lien	2	0	Chesterfield, MO or other location we designate
iMove PT Compliance Program	1	0	Chesterfield, MO or other location we designate
iMove PT Operations Manual	1	0	Chesterfield, MO or other location we designate
Software and Portal Training	8	0	Chesterfield, MO or other location we designate
All about HR: Employee Recruitment & Retention	1	0	Chesterfield, MO or other location we designate
iMove PT Franchisee Intro Video Recording	1	0	Chesterfield, MO or other location we designate
iMove PT Franchisee Headshot Picture taken with approved photographer	1	0	Chesterfield, MO or other location we designate
<b>TOTALS</b>	<b>24</b>	<b>4</b>	

**Initial Training Program (Brick and Mortar Clinic):**

<b>Subject</b>	<b>Hours of Classroom Training*</b>	<b>Hours of on the Job Training</b>	<b>Location**</b>
Patient Care Observation	0	4	Chesterfield, MO or other location we designate
Front Desk Observation & Training	0	4	Chesterfield, MO or other location we designate
A Day in the Life of an iMove PT Owner	1	0	Chesterfield, MO or other location we designate
QuickBooks Training and Account Setup	4	0	Chesterfield, MO or other location we designate
Biller Genie and Quickbooks	1	0	Chesterfield, MO or other location we designate
Setting up of all Vendors for the iMove PT Franchisee	2	0	Chesterfield, MO or other location we designate
Initial Medicare Credentialing	2	0	Chesterfield, MO or other location we designate
Overview of different payor types: Medicare Part B, Out of Network, Self-Pay, and Lien	2	0	Chesterfield, MO or other location we designate

<b>Subject</b>	<b>Hours of Classroom Training*</b>	<b>Hours of on the Job Training</b>	<b>Location**</b>
iMove PT Compliance Program	1	0	Chesterfield, MO or other location we designate
iMove PT Operations Manual	1	0	Chesterfield, MO or other location we designate
Software and Portal Training	8	0	Chesterfield, MO or other location we designate
All about HR: Employee Recruitment & Retention	1	0	Chesterfield, MO or other location we designate
All About Your iMove PT Clinic Site Selection and Clinic Buildout	2	0	Chesterfield, MO or other location we designate
Incorporating the Neubie and Other Technology Into Your Practice	2	0	Chesterfield, MO or other location we designate
Selling Supplies in Your Clinic	1	0	Chesterfield, MO or other location we designate
iMove PT Franchisee Intro Video Recording	1	0	Chesterfield, MO or other location we designate
iMove PT Franchisee Headshot Picture taken with approved photographer	1	0	Chesterfield, MO or other location we designate
<b>TOTALS</b>	<b>30</b>	<b>8</b>	

**Clinical Training Program (Both Mobile and Brick and Mortar Clinics):**

<b>Subject</b>	<b>Hours of Classroom Training*</b>	<b>Hours of on the Job Training</b>	<b>Location**</b>
Manual Therapy and iMove PT	1	0	Chesterfield, MO or other location we designate
Incorporating the Therapulley into your iMove PT Practice	1	0	Chesterfield, MO or other location we designate
<b>TOTAL</b>	<b>2</b>	<b>0</b>	

**Notes:**

\*We may adjust the training times based on the participant's knowledge as determined by testing. This is the initial training.

\*\*At our option, we may provide the training over the internet, by videoconferencing, or similar technology.

Our Initial Training Program is conducted under the supervision and direction of our founder, Michael Gorman. Michael Gorman has been with us since our inception, and has been in the physical therapy field since 1993.

We currently offer training programs on an as-needed basis. Instructional materials, including components of the Operations Manual, will be provided to you and used as necessary as you proceed through the training programs. The training materials are subject to change without notice to reflect updates in the materials, methods and Operations Manual, as well changes in personnel. The subjects taught and

the time periods allocated for each subject may vary based on the experience of the people being trained. Our training personnel may utilize other employees to assist them with all aspects of training.

### **Advertising and Marketing**

We may, from time to time, develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all Clinics operating under the System. You must participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including but not limited to the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us will be final and binding upon you.

We may, from time to time, incorporate into the System programs, products or services, which we either develop or otherwise obtain rights to that are offered and sold under names, trademarks and/or service marks other than the Marks and which your Franchised Business, along with other Franchised Businesses, will be required to offer and sell. This activity, referred to as “cobranding”, may involve changes to the Marks and may require you to make modifications to the Clinic and the equipment, signs and Marks of your Clinic. If you receive written notice that we are instituting a co-branding program, you agree promptly to implement that program at your Franchised Business and Clinic at the earliest commercially reasonable time and to execute any and all instruments required to do so. All copyrights in and to marketing and promotional materials you develop (or that are developed for you) will become our sole property.

### **The Brand Marketing Fund**

You must pay to us the then-applicable monthly Brand Marketing Fee, which is currently 2% of your Gross Revenues, and we will deposit the Brand Marketing Fee in the Brand Marketing Fund. We or our designee will maintain and administer the Brand Marketing Fund as follows:

1. The Brand Marketing Fund, all contributions thereto and any earnings from the Brand Marketing Fund shall be used exclusively (except as otherwise provided below), in our sole discretion, to meet any and all costs of maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities, which we believe will enhance the image of the System, including but not limited to the costs of preparing and/or conducting: media advertising campaigns; social media campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; brand research and development; developing and hosting marketing, brand development and enhancement, and customer engagement seminars for iMove PT businesses; purchasing promotional items; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and customer satisfaction surveys; developing and implementing customer membership, loyalty and gift card programs; customer referral and appreciation programs; customer retention programs; patient satisfaction programs, compliance assessment programs, or other programs to determine your compliance with the Brand Standards; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more Websites devoted to the System, the Proprietary Marks and/or the iMove PT brand; and providing promotional and other marketing materials and services to the Clinics operated under the

System. The Brand Marketing Fund may also be used to provide rebates or reimbursements to iMove PT businesses for local expenditures on products, services, or improvements, approved in advance by us, which products, services, or improvements we shall have the right to determine will promote general public awareness and favorable support for the System.

2. We will account for the Brand Marketing Fund separately from our other funds and monies and not use the Brand Marketing Fund for any of our general operating expenses. However, we may use the Brand Marketing Fund to pay administrative costs of the Brand Marketing Fund, including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Brand Marketing Fund, and we may use the Brand Marketing Fund to pay the reasonable salaries and benefits of personnel (including our personnel) who manage and administer the Brand Marketing Fund. We may use the Brand Marketing Fund to pay for other administrative costs, travel expenses of personnel while they are on Brand Marketing Fund business, meeting costs, overhead concerning Brand Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Marketing Fund and its programs. We may use money from the Brand Marketing Fund for collecting the Brand Marketing Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Marketing Fee). If we use a portion of the Brand Marketing Fund toward the cost to develop and maintain one or more Websites (as defined in this Item 11 below), any of them may have a section relating to our franchise opportunity, and all advertising and promotional materials may reflect the availability of iMove PT businesses. Otherwise, we do not use Brand Marketing Fund monies for advertising that is principally a solicitation for the sale of franchises.
3. The Brand Marketing Fund will not be our asset. Although the Brand Marketing Fund is not a trust, we will hold all Brand Marketing Fund contributions for the benefit of the System, the iMove PT brand, and the contributors, and use contributions only for the purposes described in the Franchise Agreement. We do not owe any fiduciary obligation to you for administering the Brand Marketing Fund or any other reason. The Brand Marketing Fund may spend in any fiscal year more or less than the total Brand Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Marketing Fund contributions to pay costs before using the Brand Marketing Fund's other assets.
4. We may prepare an annual, unaudited statement of Brand Marketing Fund collections and expenses. The statement is available for your review upon written request 120 days after our fiscal year end. We may have the Brand Marketing Fund audited annually, at the Brand Marketing Fund's expense, by an independent certified public accountant. We may incorporate the Brand Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.
5. Although we may use the Brand Marketing Fund, or portions of the monies in the Brand Marketing Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in brand enhancement activities that will benefit all Franchised Businesses and iMove PT businesses, we cannot and do not represent or ensure that Brand Marketing Fund expenditures will be made in or affect any specific geographic area, or will be proportionate or equivalent to Brand Marketing Fund contributions by Franchised Businesses operating in that geographic area.

We do not guarantee or assure that any iMove PT Franchised Business will benefit directly or in proportion to its Brand Marketing Fund contribution from the brand enhancement activities of the Brand Marketing Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

6. We have the right to use collection agents and institute legal proceedings to collect Brand Marketing Fund contributions at the Brand Marketing Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Marketing Fund. Except as expressly provided in the Franchise Agreement, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Marketing Fund.
7. Although the Brand Marketing Fund is intended to be perpetual, we may terminate the Brand Marketing Fund at any time. The Brand Marketing Fund will not be terminated until all monies in the Brand Marketing Fund have been spent. If we terminate the Brand Marketing Fund, we have the right to reinstate it at any time and you must again contribute to the Brand Marketing Fund. Any reinstated Brand Marketing Fund will be maintained as described herein.

Our current policy is that the Clinics owned and operated by us or our affiliates will contribute to the Brand Marketing Fund on the same basis as is required of a majority of our franchisees, currently 2% of our and our affiliates Gross Revenues.

In the fiscal year ended December 31, 2023, the Brand Marketing Fund was spent in the following manner: 93% on production and 7% on administrative expenses.

#### Local Advertising and Marketing

Beginning the date you open the Clinic, you must spend at least 2% of your Gross Revenues each calendar quarter on approved local marketing and promotion of your Clinic (the “**Local Marketing Requirement**”). If you open the Clinic in the middle of a calendar quarter, you will spend the pro-rated amount measured from the date you opened the Clinic until the end of the applicable calendar quarter.

Within 30 days of our request, you must provide us with proof of your local marketing expenditures, and if you failed to spend the minimum Local Marketing Requirement, then we may require you to deposit the difference between what you did spend and the minimum required amount in the Brand Marketing Fund. Local marketing and promotional activities are approved if they are included in our recommended media plan for the Franchised Business or otherwise comply with the Operations Manual. (Franchise Agreement, Section 9.3.1)

All advertisements and marketing materials must comply with our then-current standards and specifications, and we must approve all marketing materials before you use them. Except as described under the heading “Website” in this Item 11 below, you must not advertise or use our Marks in any fashion on the internet, world wide web or via other means of advertising through telecommunication, without our express written consent. (Franchise Agreement, Section 9.3)

#### Grand Opening Campaign

In addition to (and not in place of) the Brand Marketing Fees and the Local Marketing Requirement, you must spend, at minimum, \$750 (the “**Grand Opening Fee**”) to market and promote the opening of your Clinic (the “**Grand Opening Campaign**”). You may spend more than the Grand Opening Fee on the Grand Opening Campaign so long as you are in compliance with our standards and specifications.

### Website

We alone may establish, maintain, modify or discontinue all Internet and electronic commerce activities pertaining to the System. We have established one or more Websites, and we may design and provide for the benefit of the Clinic with a “click through” subpage at our Website for the promotion of the Clinic. The term “**Website**” includes, without limitation, pages or other communications that can be accessed through the Internet, social media and networking sites (such as Facebook, Twitter, LinkedIn, YouTube, Instagram, Yelp, Google Business, virtual worlds, file, audio and video-sharing sites, or any other social media and/or networking site we designate, collectively, “**Social Media**”), blogs, vlogs, and other applications.

If we establish one or more Websites or other modes of electronic commerce and if we provide a “click through” subpage at the website(s) for the promotion of the Clinic, we may require you to provide us or our designated vendor with updated copies, photographs and news stories about your Franchised Business and the Clinic in accordance with our standards and specifications as set forth in the Operations Manual or otherwise. We reserve the right to specify the content, frequency and procedure you must follow for updating your “click through” subpage, and to require you to use designated or approved suppliers for the establishment, use, maintenance, and/or updating such “click through” subpage.

You are not permitted to promote the Clinic in any manner on any Websites without our prior written consent, as that promotion is advertising and trademark use that is subject to our review and approval. However, we may require you to establish and maintain Social Media pages or profiles. If we permit or require you to establish Social Media accounts or pages, we may require you to make us administrators and have access to and control of the Social Media accounts or pages. You must comply with our Brand Standards regarding the establishment, use, appearance, maintenance, and updating of Social Media pages and profiles. We reserve the right to conduct collective/national campaigns via local social media on your behalf.

We alone will be, and at all times will remain, the sole owner of the copyrights to all material, which appears on any Website we establish and maintain, including any and all material you may furnish to us for your “click through” subpage.

### Cooperative

We may, in our discretion, create a local or regional marketing cooperative (“**Cooperative**”) in any area, or we may approve the creation of such a Cooperative, and establish the rules and regulations for each Cooperative. Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of your Territory is located. The Franchised Business will not be required to be a member of more than one Cooperative. The Cooperative must be governed in the manner we prescribe. The Cooperative may require each of its members to make contributions to it in an amount as agreed upon by the Cooperative members or as we may prescribe. You must contribute such amounts at the times and in the manner as determined by majority vote of the Cooperative members. Any funds contributed to a Cooperative will be credited against your Local Marketing Requirement; provided, however, that if your contributions to a Cooperative are less than your Local Marketing Requirement, you must still spend the difference locally. The following provisions apply to each Cooperative (if and when organized):

- Cooperatives will be established, organized, and governed in the form and manner that we have approved in advance. Unless we specify otherwise, the activities carried on by each Cooperative will be decided by a majority vote of its members. Any Clinic that we or our affiliates manage or operate in the region or area in which a Cooperative has been established will have the same voting rights as those Clinics owned by franchisees. Each Clinic shall be entitled to cast one vote.

- Cooperatives will be organized for the exclusive purpose of administering regional marketing programs and developing (subject to our approval) standardized promotional materials for use by the members in local advertising and promotion.
- Cooperatives may not use marketing, promotional plans, or materials without our prior written approval, as described below.
- Cooperatives may require the members to periodically contribute to it in such amounts as it determines. Those Clinics owned and operated by us or our affiliates that are members of the Cooperative shall contribute to the Cooperative in the same amount as other members.
- You must submit your required contribution to the Cooperative at the same time as the Local Marketing Requirement is required, together with the statements and reports that may be required by us or by the Cooperative, with our written approval. If requested by us in writing, you must submit your payments and reports for the Cooperative directly to us and we will distribute the money and reports to the Cooperative.
- Although, if established, a Cooperative is intended to be of perpetual duration, we maintain the right to terminate any Cooperative. A Cooperative will not be terminated, however, until all monies in that Cooperative have been expended for marketing or promotional purposes. (Franchise Agreement, Section 9.4)

There are no Cooperatives currently in existence as of the Issuance Date.

#### Franchisee Advisory Council

We may, in our discretion, form a franchisee advisory council to work with us to improve the System, the products and services offered by Clinics, advertising conducted by the Brand Marketing Fund, and any other matters that we deem appropriate. If one is formed, it will act solely in an advisory capacity, and will not have decision making authority. We will have the right to form, change, merge or dissolve any advisory council. We may develop by-laws and other operational documents for any advisory council. If formed, an advisory council may be comprised of our representatives and franchisee representatives and all franchisees are required to participate in council-related activities and meetings, and to pay any dues assessed for the administration of that program. We will also pay dues for our representatives that participate in the advisory council. If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings. No franchisee advisory councils exist as of the Issuance Date of this Disclosure Document. (Franchise Agreement, Section 4.5).

#### Convention

If we decide, in our discretion, to hold a convention or designate a third-party sponsored event as the convention, we may require you to attend the convention and to pay our then-current Convention Registration Fee, which will not exceed \$1,000 per attendee. The convention may be at a time, date, and location to be selected by us and may provide (a) additional training (such as professional continuing education courses), (b) introduce new products or services, (c) provide changes to the System, (d) recognize and award top-performing franchisees, (e) share visions of Brand and System, (f) share national or state campaign efforts, or (g) be held for any other reason we determine. We reserve the right to charge you the Registration Fee to cover the convention expenses in the event you choose not to attend. You will pay for all of the expenses incurred by your attendees at the meeting, including travel, lodging, meals and wages. (Franchise Agreement, Section 4.6)

## Computer Systems

We have the right to specify or require that certain brands, types, makes, and/or models of electronic records software, communications capabilities, computer hardware and software (including cloud-based software systems) to be used by, between, or among Franchised Businesses, and between and among your Franchised Business and us, our designee and/or you, including but not limited to: (a) electronic medical records system and portal; (b) computer hardware and software, (c) cloud-based software systems, applications, and programs; (d) email systems; (e) back office systems; (f) point-of-sale (or POS) systems; (g) membership programs; (h) gift cards and gift card programs; (i) physical, electronic, and other security systems; (j) printers and other peripheral devices; (k) archival back-up systems; and (l) internet access mode (e.g., form of telecommunications connection) and speed (collectively, the “**Computer System**”).

You must purchase the computer hardware and software that we specify and which may include the capability to communicate electronically with our computer system. We currently require that you use our proprietary or designated electronic medical records system and portal. We also currently require you to use our designated CRM system (Keap, \$30 per month). We currently also require you to have a subscription to Quickbooks (\$60 per month), a designated exercise mobile application (currently, \$20 per month for you plus \$20 per month per additional physical therapist) and any other software that we have approved for use in your Franchised Business. We also require you to use our intranet portal and charge you our then-current software license fee (currently, \$50 per month per physical therapist, including the franchisee). We estimate that the initial cost of the Computer System will range between \$1,000 and \$5,000, depending upon whether you will operate a Mobile or Brick and Mortar Clinic, whether you already own any components of the Computer System that meet our Brand Standard or if you opt to pay any required subscriptions on a monthly basis instead of annually. In addition to the foregoing, you must pay us our then-current Technology Fee which **may** be related to the operation of the Computer System, our intranet portal, proprietary software programs, our website, and for any other purpose we determine in our discretion.

We have no obligation to assist you in obtaining any computer hardware, software or related services. We reserve the right to require you to bring any computer hardware and software, or related peripheral equipment, communications systems, into conformity with our then-current Brand Standards for new Franchised Businesses or Clinics. There are no contractual limits on the frequency or cost of to any updates or upgrades that we may require to the Computer System. We estimate that you will spend approximately \$750 annual on maintenance and support contracts for your Computer System, which includes any upgrade.

### Data

Subject to any applicable laws pertaining to the privacy of consumer, employee, and transactional information, including but not limited to the Health Insurance Portability and Accountability Act of 1996 (“**HIPAA**”), you must provide us with certain access to the Data. “**Data**” means the information and data, including but not limited to, access to your financial information and certain customer information, that you must collect, create, store, manage, and maintain through or on the Computer System. We specify the information that you must collect and maintain through the Computer System, and intervals you must collect the data, in the Operations Manual, or otherwise in writing. We reserve the right to have independent access to some or all of the information generated or stored in your Computer System. During any periods that we have independent access, we may access the Computer System as we deem appropriate (including on a continual basis), and retrieve all information concerning your Franchised Business’s operation, subject to your and our compliance with HIPAA or other applicable law relating to confidentiality of patient records. you and we agree to abide by the terms of the Clinic Associate Agreement regarding patients’ protected health information, as provided in the Management Agreement or the Waiver of Management Agreement attached to the Franchise Agreement, whichever is applicable There are no contractual limitations on our right to access your Company System for information and data. You will be responsible

for the collection, storage, management, maintenance, and, from time to time, the deletion or other disposal of the Data.

#### Gift Card Program

You must sell or honor gift cards and memberships only in accordance with our written standards. Future gift card or membership programs may require that you purchase and install software, hardware and other items needed to sell and process gift cards or memberships, as we may specify in the Operations Manual or otherwise communicate to you in writing or through electronic or other formats. You may also be required to pay fees to a third-party vendor to administer the gift card or membership programs.

#### Operations Manual

The table of contents of the Operations Manual is attached to this disclosure document as Exhibit E. The total number of pages in the Operations Manual as of the issuance date of this disclosure document is 181 pages.

### **ITEM 12. TERRITORY**

*Mobile Clinic:* During the term of the Franchise Agreement, and except as otherwise provided in that agreement, we will not establish nor grant anyone else the right to establish, another Mobile Clinic at any location within the Territory that is designated in your Franchise Agreement. We may put another The Territory will be based on a particular area surrounding the Mobile Clinic. The size of the Territory granted will vary from franchise to franchise, but, except in unusual circumstances, will be a geographic area that consists of a minimum of 30,000 residents age 65 or older. We will designate the Territory by zip codes, geographic boundaries, roads, natural boundaries, or any other description in our sole discretion. Your Mobile Clinic may only service patients located within your Territory. However, the Mobile Clinic may, with our prior written consent, provide services to patients located outside of your Territory provided that neither we nor another iMove PT franchisee operates in an adjoining territory. The Territory specified in the Franchise Agreement is a protected territory, but that protection is limited.

*Brick and Mortar Clinic:* During the term of the Franchise Agreement, and except as otherwise provided in that agreement, we will not establish nor grant anyone else the right to establish, another Brick and Mortar Clinic at any location within the Territory that is designated in your Franchise Agreement. The Territory will be based on a particular area surrounding the Brick and Mortar Clinic. The size of the Territory granted will vary from franchise to franchise, but, except in unusual circumstances, will be a geographic area that consists of a minimum of a 1-block radius if your Brick and Mortar Clinic is in a metropolitan urban area, or a 3-mile radius if your Brick and Mortar Clinic is in a suburban or rural area. We will designate the Territory by a radius, zip codes, geographic boundaries, roads, natural boundaries, or any other description in our sole discretion. You are only permitted to offer and sell services from the Franchised Location of the Brick and Mortar Clinic. The Territory specified in the Franchise Agreement is a protected territory, but that protection is limited. You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, or from other channels of distribution or competitive brands that we control. You may not relocate your Brick and Mortar Clinic without our prior written consent, which we may withhold in our sole discretion.

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

For both Mobile Clinics and Traditional Clinis, we and our affiliates have the right (among others), on any terms and conditions that we deem advisable, and without granting you any rights, to do any or all of the following:

- the right to operate, and to grant others the right to operate, Clinic businesses and similar or competing businesses under different names or marks located anywhere outside the Territory;
- if your Franchised Business manages a Mobile Clinic, then we may operate, and grant others the right to operate, a Brick and Mortar Clinic within the Territory;
- if your Franchised Business manages a Brick and Mortar Clinic, then we may operate, and grant others the right to operate, a Mobile Clinic within the Territory;
- the right to establish and operate, and to grant to others the right to establish and operate, any other businesses offering products and services that are different from the products or services offered at Clinics through similar or dissimilar channels of distribution (including, but not limited to: (i) sales through direct marketing through the Internet, catalogs, or telemarketing; (ii) sales through retail stores that do not operate under the Marks; and (iii) sales made at wholesale), at any locations inside or outside the Territory under trademarks or service marks other than the Marks, through similar or dissimilar channels of distribution at any location and on any terms and conditions we deem appropriate;
- the right to sell goods we authorize under the Marks, to any person located inside or outside your Territory, through dissimilar channels of distribution, including but not limited to, through electronic means such as on or through websites we have already established, websites we may establish in the future, websites created by and/or hosted by third-parties, or other similar electronic outlets;
- the right to acquire the assets or ownership interests of one or more businesses that operate, and/or has granted franchises, licenses, or similar rights to one or more third parties to operate, businesses similar to and/or competing with the Clinics and iMove PT businesses under any name or marks, and/or the right to be acquired by a competing business or management business, or by another business, even if such business operates, franchises and/or licenses Competitive Clinics (as defined below) in the Territory, provided, however, that if we acquire, or are acquired by, such a competing business or chain, we will not establish or grant franchises or licenses to establish new or additional competing businesses under the Marks or the acquired chain's marks in your Territory, although we may rebrand such existing businesses in your Territory to use the Marks and the System. "Competitive Clinic" any traditional or mobile physical therapy business, or a business that offers or provides physical therapy and services similar to the services and products authorized to be offered, sold or provided under the Marks and the System, or any business granting franchises or licenses to others to operate the type of business described in the Franchise Agreement;
- the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, iMove PT businesses, the Franchised Business, and Clinics, and the services and products offered, and authorize others to do so, and those materials may appear in media, including but not limited to, the Internet or similar electronic media, or be received by prospective patients located anywhere, including within the Territory; and
- except as provided below, the right to operate, and to grant others the right to operate, Clinic businesses, and similar medical management businesses or similar businesses, in non-traditional locations, within or outside of the Territory.

Notwithstanding the foregoing, if you are in compliance with your Franchise Agreement, then we will grant to you a right of first refusal to manage a Clinic of the same type that you operate in a non-traditional

location (as determined by us in our sole discretion) within your Territory. If we grant you such right of first refusal, then in order to exercise such right, you must accept the offer in writing within 14 days of receiving the written offer from us. If you are not in compliance with your Franchise Agreement, or if you fail to accept the offer within the 14-day period, then we may operate, or grant others the right to operate, Clinic businesses, and similar medical management businesses or similar businesses, in non-traditional locations, within or outside of the Territory without notice or compensation to you.

The rights granted to you with respect to your Territory are dependent on the Clinic achieving the following minimum Gross Revenue requirements (“**Minimum Revenue Requirements**”) for each 12-month period beginning the first full month after you open the Franchised Business and for the duration of the term (the “**Operations Year**”):

<b>Operations Year</b>	<b>Minimum Revenue Requirements (Mobile Clinic)</b>	<b>Minimum Revenue Requirements (Brick and Mortar Clinic)</b>
Year 1	\$115,000	\$130,000
Year 2	\$245,000	\$280,000
Year 3	\$325,000	\$375,000
Year 4	\$405,000	\$465,000
Year 5	\$570,000	\$655,000

If you fail to satisfy the minimum requirements above for any Operations Year, we a) require you or your Operating Principal to attend and complete additional training, at your sole expense, (b) reduce the size of your Territory, (c) allow another Clinic the right to operate in your Territory, (d) terminate this Agreement, and/or € exercise any other rights provided to us under the Franchise Agreement or available to us at law.

You may not, without first obtaining our express prior written consent, deliver, ship, transport, or otherwise send any iMove PT products or merchandise to any person or business, regardless of the destination. You are prohibited from conducting, engaging in, subcontracting to third parties, utilizing on-line or Internet-based marketplaces or delivery companies or applications (such as Amazon, Facebook Marketplace, or other physical or electronic third-party marketplaces), or authorizing or permitting any person, entity, third party, or technology to engage in delivery operations unless you fully describe the proposed terms of the delivery operations or program and give our prior written consent, which may withhold in our sole discretion.

You must not offer or sell products or services authorized under the Franchise Agreement through any other means, including but not limited to, through delivery, satellite locations, temporary locations, via telephone, mail order, the Internet, or through any electronic media, without our prior written approval, and only according to our policies as they may be developed and/or modified periodically.

The Franchise Agreement does not require that we pay any compensation for soliciting or accepting orders for products or services within a franchisee’s Territory.

If you execute a successor Franchise Agreement (the “**Successor Franchise Agreement**”) for an additional term, we reserve the right to re-evaluate your then-existing Territory according to certain demographics, including population. Since your Territory is based upon a population of individuals 65 years or older, your Territory under the Successor Franchise Agreement may be modified to accommodate

shifts and changes in population and demographics. Our intent is to make the target demographics of your successor Territory similar to the target demographics of then-current new franchises being granted. A re-evaluation of your Territory may result in your successor Territory being smaller or larger than your original Territory or with a different population amount. We cannot guarantee that you will achieve any particular level of success with the successor Territory or that your results will be the same as or similar to your results from operating in the original Territory.

**ITEM 13. TRADEMARKS, SERVICE MARKS, TRADE NAMES, LOGOTYPES, AND COMMERCIAL SYMBOLS**

We grant you the right to use certain Marks under the Franchise Agreement. We own and have filed the following Marks for trademark protection with the U.S. Patent and Trademark Office (the “USPTO”):

Name or Mark	Registration Number	Registration/Application Date
iMove PT	6601461	December 28, 2021
iMove PT	6828821	August 23, 2022

We have the right to periodically change the Marks. Your use of the Marks and any goodwill is to our exclusive benefit and you retain no rights in the Marks. You also retain no rights in the Marks when the Franchise Agreement expires or terminates. You are not permitted to make any changes or substitutions respecting the Marks unless we direct so in writing. You may not use any Marks or portion of any Marks as part of any corporate or any trade name, or any modified form or in the sale of any unauthorized product or service, or in any other unauthorized manner.

You acknowledge that we and/or our affiliates are the lawful, rightful and sole owner of the Internet domain name [imovephysicaltherapy.com](http://imovephysicaltherapy.com) as well as any other Internet domain names registered by us, and you unconditionally disclaim any ownership interest in such domain names and any Internet domain names colorably similar thereto. You agree not to register any Internet domain names in any class or category that contains words used in or similar to any brand name owned by us or our affiliates or any abbreviation, acronym, phonetic or visual variation of those words, or any other name that could be deemed confusingly similar.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, the trademark administrator of any state, or any court, and no pending infringement, opposition, or cancellation proceeding, or any pending material litigation, involving the Marks. There is no agreement in effect, which significantly limits our rights to use or license the Marks in any state in a manner material to the franchise, and we know of no superior prior rights or infringing uses that could materially affect your use of the Marks in any state.

You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person’s claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark proceeding, or other administrative proceeding arising from any infringement, challenge, or

claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or U.S. Patent and Trademark or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under the Franchise Agreement, provided you have notified us immediately upon your becoming aware of such infringement, you comply with our directions in responding to the proceeding, and you have used the Mark(s) in compliance with the Franchise Agreement, the Manual, and other directives from us. At our option, we may defend or control the defense of any proceeding arising from your use of any Mark under the Franchise Agreement.

If it becomes advisable at any time in our sole judgment for you to modify or discontinue using any Mark or for you and the Clinic to use one or more additional or substitute trade or service marks, you will have to immediately comply with our directions. Neither we nor our affiliates will have any obligation to reimburse you for any expenditure you make because of any discontinuance or modification.

#### **ITEM 14. PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION**

##### **Patents**

We do not own any patents that are material to the operation of your Franchised Business or management of the Clinic.

##### **Copyrights**

We claim copyright protection covering various materials used in our business and the development and operation of Franchised Businesses and management of Clinics, including the Operations Manual, advertising and promotional materials, and similar materials (discussed below). We have not registered these materials with the United States Registrar of Copyrights, but we are not required to do so. We may register one or more of these items or copyrightable materials in the future.

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

##### **Confidential Information**

Except for the purpose of operating the Franchised Business and managing the Clinic under the Franchise Agreement, you must not (during Franchise Agreement's term or after the term of the Franchise Agreement has expired or is terminated) communicate, disclose, or use for any person's benefit any of the confidential information, knowledge, or know-how concerning the operation or management of the Franchised Business or Clinic that may be communicated to you or that you may learn by virtue of your operation of the Franchised Business and management of the Clinic or your operations under the Franchise Agreement. You may divulge confidential information only to those of your employees who must have

access to it in order to operate the Franchised Business and manage the Clinic. Any and all information, knowledge, know-how, and techniques that we designate as confidential will be deemed confidential for purposes of the Franchise Agreement, including any information gathered through the POS System and/or Computer System. However, this will not include information that you can show came to your attention before we disclosed it to you; or that at any time became a part of the public domain, through publication or communication by others having the right to do so. There may be certain, limited circumstances where applicable law allows for the disclosure of certain trade secrets, as specified in the Operations Manual.

In addition, we may require you, your Operating Principal, and any employee who may have access to any confidential information to sign non-disclosure and non-competition covenants. Every one of these covenants must provide that the person signing will maintain the confidentiality of information that they receive in their employment or affiliation with you, the Franchised Business, or the Clinic. In order to protect the iMove PT Brand Standards and Confidential Information, these agreements must be in a form that we find satisfactory and must include, among other things, specific identification of our company as a third party beneficiary with the independent right to enforce the covenants. Our current form of confidentiality and non-disclosure agreement is attached as Exhibit E to the Franchise Agreement.

### **Confidential Operations Manual**

In order to protect our reputation and goodwill and to maintain high standards of operation under our Marks, you must conduct your business according to the Operations Manual.

You must always treat in a confidential manner the Operations Manual, any other manuals we create (or that we approve) for use with the Franchised Business and the Clinic, and the information contained in the Operations Manual. You may not save, copy, duplicate, record, or otherwise reproduce the Operations Manual and the related materials, or any portion of the Operations Manual (except for the parts of the Operations Manual that are meant for you to copy, which we will clearly mark as such), nor may you otherwise let any unauthorized person have access to these materials. The Operations Manual will always be our sole property. If we provide you with a hard copy of the Operations Manual, you must always keep the Operations Manual in a secure place at the Franchised Business.

We will periodically revise the contents of the Operations Manual, and you must make corresponding revisions to your copy of the Operations Manual and comply with each new or changed standard immediately upon receipt of the revision. If there is ever a dispute as to the contents of the Operations Manual, our master copy of the Operations Manual as maintained at our home office will control.

### **ITEM 15. OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS**

You or your Operating Principal must manage and provide general oversight of the Franchised Business on a full-time basis. Your failure to have the Franchised Business managed on a full-time basis by you or your Operating Principal is a default for which we may terminate the Franchise Agreement if the default persists for 30 days after notice from us.

You, or the majority owner if you are an entity, must be an authorized physical therapist. The “**Operating Principal**” means the person, shareholder, member, or partner that has at least a 25% ownership interest in you and that you designate to be responsible for overseeing and supervising the operation of the Franchised Business, and is the person with whom we will communicate on all major policy, financial, management and operation matters, and the only person from your entity that we will recognize as having authority to communicate for you. You may not change your Operating Principal without our prior written consent.

You must keep us informed at all times of the identity of any supervisory employee(s), including your Operating Principal and the Affiliated Practitioners. You must make sure that the Franchised Business is staffed with adequate personnel to meet the needs of the Clinic, and you must make sure that the Clinic is staffed with adequate Affiliated Practitioners and personnel to efficiently and effectively meet patient needs.

If you own or control more than one Franchised Business, we reserve the right to require you to be a corporate entity, and each Franchised Business must be under the direct, on-premises supervision of one of your principals who is designated as your Operating Principal for that Franchised Business and who has completed our training program to our satisfaction.

All management personnel and any other personnel that we designate must meet minimum qualifications that we may specify and complete such training programs as we may require, before managing the Franchised Business or training other personnel. If we learn or determine that a person is regarded as no longer complying with our standards and procedures, then we may require that person to satisfactorily complete training or a re-training program. We reserve the right to charge for retraining personnel.

In addition, all management personnel and other personnel working at the Franchised Business or the Clinic must satisfactorily complete all state and local government required training and must meet all mandatory licensing and certification requirements.

Your Operating Principal and other personnel we designate must sign a confidentiality and non-competition agreement, in a form that is acceptable to us, which will contain covenants we require, to protect the legitimate business interest we have in protecting the Confidential Information. We will be a third-party beneficiary to the confidentiality agreements with the independent right to enforce the agreement's terms. Moreover, your Operating Principal and each of your owners holding at least a 30% direct or indirect ownership interest in you must execute a personal guaranty attached to the Franchise Agreement.

You will have sole responsibility for all employment decisions and functions related to your Franchised Business, including hiring, firing, compensation, benefits, work hours, work rules, record-keeping, supervision, and discipline of employees, notwithstanding any suggestions, advice, guidelines, programs or training that we may offer. You must comply with all federal, state and local laws and regulations regarding employment-related matters. All personnel decisions must be made by you, and all decisions will be made without any influence or advice from us. All personnel decisions and actions will not be, nor be deemed to be, a decision or action of ours. You must take such steps as are necessary to ensure that your employees preserve good customer relations; render competent, prompt, courteous, and knowledgeable service; and meet any minimum standards that we may periodically establish in the Operations Manual.

You must sign and maintain, during the term of your Franchise Agreement, a Management Agreement with a PC (unless you and we sign a Waiver of Management Agreement). It is your full and sole responsibility to ensure that all Affiliated Practitioners of the PC be duly authorized, licensed and board certified as required in their respective states and has the experience in the skills in which they need to perform the physical therapy services. Attached to the Franchise Agreement as Exhibit H is our standard form of Management Agreement. It is your sole responsibility that the Management Agreement is consistent and in compliance with applicable federal and state laws, regulations, rules and ordinances. You may negotiate the monetary terms and, with our written consent, certain other terms of the relationship with the PC. You must obtain our written approval of the final Management Agreement prior to its execution, but our approval of the Management Agreement is not a representation or warranty respecting its compliance with any laws or regulations but is merely to ensure it comports with our Brand Standards. The PC will employ and control the Affiliated Practitioners and other staff employed by the PC who will provide

the actual physical therapy services required to be delivered at and through the Clinic. You must make sure that the PC offers all physical therapy services in accordance with the Management Agreement and the System.

#### **ITEM 16. RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

You must provide all management services to the Clinic that we specify to support the PC's physical therapy practice and its delivery of various products and services. You must ensure that the PC provides the services and products that we specify, including any membership program. You must offer and sell approved services and products only in the manner we have approved. You must not offer for sale or sell at or from the Franchised Business any services or products we have not approved, and you must make sure that the PC offers and sells only those services and products that we have approved, and that the PC discontinues selling and offering for sale any services or products that we disapprove. You will discontinue selling and offering for sale any services or products that we at any time decide (in our sole discretion) to disapprove in writing.

The Clinic must offer only those products and services we approve, including memberships. We may change the terms, conditions, products, services, and other items included in the memberships from time to time in the Operations Manual, and you must promptly comply with all new or changed items. At no time, however, will the memberships attempt to or actually control, manage or otherwise dictate any physical therapy services to be performed by any Affiliated Practitioners to any patients or otherwise attempt to control the Affiliated Practitioner-patient relationship.

The PC for the Clinic will employ and control the physical therapists and other staff who will provide the actual physical therapy services. You may not provide any actual physical therapy services, nor will you supervise, direct, control or suggest to the PC or its licensed physical therapy professionals the manner in which the PC provides or may provide physical therapy services to the patients. You must ensure that the PC offers all physical therapy services in accordance with the Management Agreement and the System and does not offer any services or products that we have not authorized to be provided in connection with Clinic.

The Mobile Clinic may only offer and sell products and services to patients in the Territory, and the Brick and Mortar Clinic may only offer and sell products and services to patients at the authorized site.

If you determine that it is permissible (or not prohibited) in your state, you and we may enter into a Waiver of Management Agreement. Under the Waiver of Management Agreement, you will both operate the Clinic (including performing all responsibilities and obligations of the "PC"), and manage the Clinic as otherwise required by the Franchise Agreement and the Management Agreement. Any waiver, or any modification of our standards, would be subject to compliance with all applicable laws and regulations.

## **ITEM 17. RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

### **THE FRANCHISE RELATIONSHIP**

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

<b>Provision</b>	<b>Section in Franchise Agreement</b>	<b>Summary</b>
a. Length of the Franchise Term	Definitions, Section 13	Mobile Clinic: Five years. Brick and Mortar Clinic: Seven years.
b. Renewal or extension of the Term	Section 13	Mobile Clinic: Up to three consecutive renewal terms of five years each. Brick and Mortar Clinic: Up to three consecutive renewal terms of seven years each
c. Requirements for you to renew or extend	Section 13	Prior notice; substantial compliance with your Franchise Agreement; current in all payments; sign our then-current form of the Franchise Agreement (which may contain materially different terms and conditions than your original franchise agreement); sign general release; comply with training requirement; pay a successor fee; make modifications and improvements to be in compliance with then-current Brand Standards for new Clinics; maintain a Management Agreement. Brick and Mortar Clinics also need to update and remodel the Franchised Location to bring it in line with applicable standards for new Brick and Mortar Clinics.
d. Termination by you	Not applicable	Franchisee may terminate the franchise agreement under any grounds permitted by law.
e. Termination by us without cause	Not applicable	Not applicable
f. Termination by us with cause	Section 14	We may terminate the franchise agreement if you are in default as outlined and/or referenced in detail in this document and the Franchise Agreement.
g. "Cause" defined – curable defaults	Sections 14	1 day cure period: misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated with the Marks.  5 day cure period: fail to pay us any amounts due upon receipt of notice of required payment from us; fail to maintain licenses, permits, or certifications; failure to comply with any federal, state or local law or regulation; or operate the Franchised Business in an unsafe manner.  10 day cure period: you or any of your employees fail to meet the state and local certifications or other requirements; or PC fails to meet state and local certifications for the operation or employment of physical therapists or management business.  30 day cure period: fail to pay us any amounts due (unless we provide you notice of required payment); unauthorized use of the proprietary software; failure to operate the

Provision	Section in Franchise Agreement	Summary
		Franchised Business at times we require; fail to operate the Clinic within the Territory; failure to pay any taxes; fail to promptly pay your suppliers, including any of our affiliates; fail to manage the Franchised Business full time; fail to comply with any other provision of the Franchise Agreement, Operations Manual, or Brand Standard; fail to maintain the insurance we require; fail to repay us for the insurance that we have paid on your behalf; you or any of your Owners fail to comply with the in-term covenants; or you fail to obtain execution of the covenants and related agreements
h. "Cause" defined - non-curable defaults	Sections 14	Includes: insolvency; assignment for the benefit of creditors; bankruptcy is filed and not opposed within 30 days; adjudicated bankrupt or insolvent; receiver is appointed; creditors proceeding commences; unsatisfied judgment; dissolved; execution levied against the Franchised Business; foreclosure; personal property sold by levy; material misrepresentation or omission in your application; transfer in violation of Section 12 of the Franchise Agreement; felony; dishonest or unethical conduct that adversely affects the Franchised Business's reputation or the goodwill associated with the Marks; unauthorized disclosure of the Operations Manual or Confidential Information; interference with our relationships with third parties; 3 defaults in the same 12 month period; assets are blocked for terrorist activities; in default under another agreement with us; abandon; failure to complete required training; threat to the public safety; license or permit is revoked; default under your lease or lose possession of the Franchised Location; fail to enter into replacement management agreement pursuant to Section 1.2 of the Franchise Agreement.
i. Your obligations on termination/ nonrenewal	Section 15	Stop using Marks; pay amounts due; cancel fictitious or assumed names; stop operating the Franchised Business; comply with covenants not to compete; return materials containing Marks, Operations Manual, and other Confidential Information; provide evidence of compliance with your obligations; and pay damages (if applicable)
j. Assignment of contract by us	Section 12	We have the right to transfer or assign the Franchise Agreement to any person or entity without prior notice to you and without restriction.

Provision	Section in Franchise Agreement	Summary
k. "Transfer" by you – defined	Section 12	<p>Controlling Interest Transfer: Includes any sale, assignment, disposal, obligation, or other encumbrance in one or more transaction, of any interest in the Franchise Agreement, the Franchised Business or a controlling interests (50% or more) in you (if you are not a natural person).</p> <p>Non-Controlling Interest Transfer: Includes any sale, assignment, disposal, obligation, or other encumbrance in one or more transaction, of any interest in the Franchise Agreement, the Franchised Business or a non-controlling interests (less than 50%) in you (if you are not a natural person).</p> <p>To wholly owned corporation: if you are an individual, you can transfer to a wholly-owned entity.</p>
l. Our approval of transfer by you	Section 12	You may not transfer the Franchise Agreement without our prior written consent, which we will not unreasonably withhold.
m. Conditions for our approval of transfer	Section 12	<p>Controlling Interest Transfer: our approval of transferee; you are current in fees owed to us and third party vendors; you correct any deficiencies in the business; transferee doesn't compete with us; transferee completes required training; transfer lease; you remain liable for obligations incurred prior to transfer; transferee signs then-current franchise agreement; transferee signs new management agreement or waiver of management agreement; pay transfer fee; release signed; personal guaranty signed; and you comply with non-competition covenants.</p> <p>Non-Controlling Interest Transfer: you provide us with 30 days' notice, pay a reduced transfer fee, all new owners sign a guaranty, and you provide us with such other information relating to the transfer as we request.</p> <p>To wholly owned corporation: ownership is the same proportions prior to transfer; you provide us with appropriate formation documentation; and execute documents we require.</p>
n. Our right of first refusal to acquire your business	Section 12	We have the right of first refusal if you determine to sell or transfer your interest in the franchisee, the Franchise Agreement or all or substantially all of the assets.
o. Our right to purchase your business	Section 15	Upon termination or expiration of the Franchise Agreement, we have the right to purchase all or a portion of the assets of your Franchised Business at their fair market value.
p. Your death or disability	Section 12	Your estate must transfer your interest in the Franchised Business to a third party we approve within 12 months after death or disability. Your estate must appoint a manager within 30 days of death or disability and an Operating Principal within 90 days after death or disability

Provision	Section in Franchise Agreement	Summary
q. Non-competition covenants during the term of the franchise	Section 7	Prohibits engaging in Competitive Clinics.
r. Non-competition covenants after the franchise is terminated or expires	Section 15	Two year prohibition on engaging in a Competitive Clinic at the Franchised Location, within the Territory, within 15 miles of the border of the Territory, or within the Territory of another Clinic.
s. Modification of the agreement	Section 18	Modified only by written agreement signed by both parties. You must comply with the Operations Manual and Brand Standards as amended.
t. Integration/merger clause	Section 18	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable federal and/or state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 18.5	Before bringing an action in court, the parties must first submit the dispute to non-binding mediation, except that either party can go to court to seek injunctive relief for certain matters). (subject to applicable federal and/or state law)
v. Choice of forum	Section 18.6	Any action must be in the state and judicial district in which we have our principal place of business, which is currently Missouri (subject to applicable federal and/or state law).
w. Choice of law	Section 18.7	Subject to applicable state law, Missouri, without regard to its conflict of laws or rules (except to the extent federal law applies).

## **ITEM 18. PUBLIC FIGURES**

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

## **ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS**

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

Please carefully read all of the information in this Item 19, and all of the notes following the charts, in conjunction with your review of the historical data.

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

A. Number of Monthly Patient Visits

As of December 31, 2023, there were two iMove PT company-outlets and four iMove PT franchised outlets open and in operations. Presented below in Part A are historic financial performance representations for the one company-owned Clinic and three franchised Clinics that were open and operating for at least 12 months as of December 31, 2023. One company-owned outlet is excluded from Part A because it commenced operations in 2023, and one franchised outlet is excluded from Part A because it commenced operations as a franchised Clinic during 2023.

The company-owned Clinic included below is a Mobile Clinic that opened in 2020, and is substantially similar to the franchise being offered under this disclosure document. The three franchised Clinics included below are also Mobile Clinic, each of which commenced operations in 2022.

The below chart reflects the average and median number of patient visits per month during the 2023 calendar year for each of the represented Clinics.

Company Clinic

	<b>Total</b>	<b>Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
<b>2023 Calendar Year</b>	9926	827	908	1136	471

Franchise Clinic 1

	<b>Total</b>	<b>Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
<b>2023 Calendar Year</b>	1058	88	90	113	50

Franchise Clinic 2

	<b>Total</b>	<b>Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
<b>2023 Calendar Year</b>	1609	134	118.5	199	73

Franchise Clinic 3

	<b>Total</b>	<b>Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
<b>2023 Calendar Year</b>	1025	85	89	108	38

B. Aggregate Systemwide, Company-Owned, and Franchised Gross Revenue per Year

As of December 31, 2023, there were two company-owned Clinics (one Mobile Clinic and one Brick and Mortar Clinic) and four franchised Clinics open and in operations. Presented below in Part B are the aggregate Gross Revenues generated by all company-owned Clinics and franchised Clinics that were open and operating for any amount of time during the respective calendar year. There was one company-owned Clinic that was sold to a franchisee in 2023, and the respective Gross Revenues for that outlet are included in the below table based upon when it was a company-owned Clinic or a franchised Clinic.

	2020 Calendar Year	2021 Calendar Year	2022 Calendar Year	2023 Calendar Year
<b>Aggregate Systemwide Gross Revenue</b>	\$40,910	\$359,251	\$1,137,870	\$1,784,822
<b>Aggregate Gross Revenue Of Company-Owned Outlets</b>	\$40,910	\$359,251	\$1,048,874	\$1,250,845
<b>Aggregate Gross Revenue Of Franchised Outlets</b>	N/A	N/A	\$88,996	\$533,977

“Gross Revenue” means all income or revenue of each outlet that was open and operating during the respective year, including the revenue generated from the sale of all treatments, products, and services offered at or from each outlet, and all other income or revenue of every kind and nature related to, derived from, or originating from the each outlet, whether at retail or wholesale, and regardless of whether the sales are permitted, and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit. “Gross Revenue” does not include any refunds, discounts from coupon sales, sales taxes, and/or other taxes collected from patients by you and actually transmitted to the appropriate taxing authorities.

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you in our main office upon reasonable request. Prospective franchisees should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form.

Other than the preceding financial performance representation, we do not make any financial performance representations. We do not authorize our employees or representatives to make any representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Michael Gorman, 156 Chesterfield Commons Road East, Chesterfield, MO 63005, (636)578-3649 the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table 1**  
**Systemwide Outlet Summary for years 2021 to 2023**

<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	0	0	0
	2022	0	3	3
	2023	3	4	1
Company-Owned <sup>(1)</sup>	2021	1	2	1
	2022	2	2	0
	2023	2	2	0
<b>Total Outlets</b>	2021	1	1	1
	2022	2	5	3
	2023	5	6	1

Notes:

1. “Company-Owned” outlets include any Clinics owned by the franchisor entity, its affiliates, and iMove PT executives or employees listed in Item 2.

**Table 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2021 to 2023**

State	Year	Number of Transfers
<b>Total</b>	<b>2021</b>	<b>0</b>
	<b>2022</b>	<b>0</b>
	<b>2023</b>	<b>0</b>

**Table 3**  
**Status of Franchised Outlets**  
**For years 2021 to 2023**

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations Other Reasons	Outlets at End of the Year
Illinois	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Missouri	2021	0	0	0	0	0	0	0
	2022	0	2	0	0	0	0	2
	2023	2	0	0	0	0	0	2
Oklahoma	2021	0	0	0	0	0	0	0
	2022	0	1	0	0	0	0	1
	2023	1	0	0	0	0	0	1
<b>Total</b>	<b>2021</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>2022</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3</b>
	<b>2023</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4</b>

[Remainder of Page Intentionally Left Blank]

**Table 4**  
**Status of Company-Owned<sup>1</sup> Outlets**  
**For years 2021 to 2023**

State	Year	Outlets at Start of the Year	Outlets Opened	Outlets Reacquired From Franchisee	Outlets Closed	Outlets Sold to Franchisees	Outlets at End of the Year
Missouri	2021	1	0	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	1	0	0	0	2
Illinois	2021	0	1	0	0	0	1
	2022	1	0	0	0	0	1
	2023	1	0	0	0	1	0
Total	2021	1	1	0	0	0	2
	2022	2	0	0	0	0	2
	2023	2	1	0	0	1	3

**Table 5**  
**Projected Openings as of December 31, 2023**

State	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
Illinois	0	1	0
Missouri	1	2	0
Total	1	3	0

A list of the names of all franchisees the addresses and telephone numbers of the franchises will be provided in Exhibit C to this disclosure document when applicable.

The name, city, state and current business telephone number (or if unknown, the last known home telephone number) of every franchisee who had a franchise terminated, cancelled, not renewed or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the issuance date of this disclosure document will be listed on Exhibit C to this disclosure document when applicable. **If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system.**

During the last three fiscal years, we have not had any franchisees sign confidentiality provisions that would restrict their ability to speak openly about their experience with the iMove PT System.

There are no trademark-specific franchisee organizations that are required to be disclosed in this disclosure document.

## **ITEM 21. FINANCIAL STATEMENTS**

Attached as Exhibit A is our audited financial statement for the fiscal year ended December 31, 2023, December 31, 2022 and December 31, 2021.

Our fiscal year end is December 31.

## **ITEM 22. CONTRACTS**

The following contracts are attached to this disclosure document:

- Franchise Agreement (Exhibit B)
- Release Agreement (Exhibit H)

## **ITEM 23. RECEIPTS**

The last two pages of this disclosure document (Exhibit I) are identical pages acknowledging receipt of this entire document (including the exhibits). Please sign and return to us one copy; please keep the other copy along with this disclosure document.

**EXHIBIT A**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**  
**FINANCIAL STATEMENTS**

# **iMove PT, LLC**

**(A Missouri Limited Liability Company)**

**Financial Statements with Report of Independent Auditors  
December 31, 2023 and 2022**

## Table of Contents

Report of Independent Auditors.....	Page 1
Financial Statements.....	Page 3
Notes to the Financial Statements.....	Page 7

Report of Independent Auditors

To the Member of  
iMove PT, LLC:

*Opinion*

We have audited the accompanying financial statements of iMove PT, LLC, a Missouri limited liability company, which comprise the balance sheet as of December 31, 2023, and December 31, 2022 and the related statements of operations, changes in member's capital and cash flow 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 the Company as of December 31, 2023, and December 31, 2022, and the results of its operations and its cashflows for the year ended December 31, 2023, and December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management for the Financial Statements*

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after April 20, 2024.

*Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore not a guarantee that an audit conducted in accordance with GAAS 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 aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 the Company'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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

*DA Advisory Group PLLC*

Troy, MI  
April 20, 2024

iMove PT, LLC  
BALANCE SHEETS  
As of December 31, 2023 and December 31, 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 352	\$ 2,067
Royalties receivable	7,123	2,119
Related party receivable	<u>58,800</u>	<u>68,039</u>
Total current assets	66,276	72,225
 Total assets	 <u>\$ 66,276</u>	 <u>\$ 72,225</u>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accrued payroll	\$ 188	\$ 350
Accounts payable	5,349	-
Related party payable	28,650	4,000
Short-term loan from owner	<u>25,356</u>	<u>18,856</u>
Total current liabilities	59,543	23,206
 Noncurrent liabilities:		
Line of credit	<u>42,280</u>	<u>99,018</u>
Total noncurrent liabilities	42,280	99,018
 Total liabilities	 <u>101,823</u>	 <u>122,224</u>
 Member's equity	 <u>(35,547)</u>	 <u>(49,999)</u>
 Total liabilities and member's equity	 <u>\$ 66,276</u>	 <u>\$ 72,225</u>

see accompanying notes

iMove PT, LLC  
STATEMENTS OF OPERATIONS  
For the Years Ended December 31, 2023 and December 31, 2022

	<u>2023</u>	<u>2022</u>
REVENUE		
Royalty income	\$ 43,847	\$ 6,315
Franchise fee income	60,800	90,000
Marketing income	32,966	18,194
Other	<u>-</u>	<u>2,119</u>
Total revenue	137,613	116,628
OPERATING EXPENSES		
Selling and administrative expenses	<u>115,340</u>	<u>118,008</u>
OTHER (INCOME) / EXPENSE		
Interest expense	<u>7,821</u>	<u>5,330</u>
Net other (income) / expense	<u>7,821</u>	<u>5,330</u>
Net income/(Loss)	<u>\$ 14,452</u>	<u>\$ (6,710)</u>

see accompanying notes

iMove PT, LLC  
 STATEMENTS OF CHANGES IN MEMBER'S EQUITY  
 For the Years Ended December 31, 2023 and December 31, 2022

	Total Member's Equity
BALANCE, January 1, 2022	<u><u>\$ (43,289)</u></u>
Capital contributions	-
Capital distributions	-
Net loss	<u>(6,710)</u>
BALANCE, December 31, 2022	<u><u>\$ (49,999)</u></u>
Capital contributions	-
Capital distributions	-
Net income	<u>14,452</u>
BALANCE, DECEMBER 31, 2023	<u><u>\$ (35,547)</u></u>

see accompanying notes

iMove PT, LLC  
STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2023 and December 31, 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income/(Loss)	\$ 14,452	\$ (6,710)
Change in:		
Related party loans	9,239	(20,539)
Accounts payable	5,349	-
Accounts receivable	-	(2,119)
Royalty receivable	(5,004)	-
Accrued payroll	(163)	(16,988)
Related party payable	24,650	4,000
Short term loan	6,500	18,856
Net cash provided (used) by operating activities	<u>55,022</u>	<u>(23,500)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in debt	<u>(56,738)</u>	<u>25,387</u>
Net cash provided (used) by financing activities	<u>(56,738)</u>	<u>25,387</u>
Net change in cash and cash equivalents	\$ (1,716)	\$ 1,887
Cash and cash equivalents at beginning of year	<u>2,067</u>	<u>180</u>
Cash and cash equivalents at end of year	<u><u>\$ 352</u></u>	<u><u>\$ 2,067</u></u>

see accompanying notes

iMove PT, LLC  
Notes to the Financial Statements  
December 31, 2023, and 2022

**1. ORGANIZATION**

iMove PT, LLC (“The Company”) is a Missouri limited liability company organized and formed on June 15, 2020, for the purpose of franchising its unique physical therapy concept nationally in the United States. The Company has developed a clinic management system relating to mobile clinics that provide state-of-the-art physical therapy services to patients in their homes, workplaces, or other similar settings. All services are provided by a licensed physical therapist.

The Company is a sole member LLC owned by one individual “Member”. For the years ended December 31, 2023, and 2022, there have been no contributions or distributions.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting*** – The accompanying financial statements have been prepared under the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. Under the accrual method, revenues are recognized when earned and expenses are recognized when a liability is incurred, without regard to disbursement of cash.

***Franchise Arrangements*** – The Company’s franchise arrangements generally include a license which provides for payments of initial fees as well as continuing royalties to the Company based upon a percentage of sales.

***Concentration of Credit Risk*** – Financial instruments that potentially expose the Company to concentration of credit risk primarily consist of cash and cash equivalents. The Company considers all highly liquid investments with maturities of three months or less to be cash equivalents. The balances in the Company’s cash accounts did not exceed the Federal Deposit Insurance Company’s insurance limit of \$250,000. The Company maintains its cash and equivalents with an accredited financial institution.

***Advertising Costs*** – The Company will expense costs for advertising as the costs are incurred. Advertising and marketing costs were \$28,778 and \$30,768 for the years ended December 31, 2023 and 2022, respectively.

***Use of Estimates*** – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets

iMove PT, LLC  
Notes to the Financial Statements  
December 31, 2023, and 2022

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting period. Actual results could vary from those estimates.

***Income Taxes*** – The Company’s entity was organized as a single member limited liability company. Accordingly, under the Internal Revenue Code, all taxable income or loss flows through to its member. Therefore, no income tax expense or liability is recorded in the accompanying financial statements.

**3. REVENUE RECOGNITION**

In May 2014, the FASB issued a new accounting standard ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)”, that attempts to establish a uniform basis for recording revenue to virtually all industries’ financial statements. The revenue standard’s core principle is to recognize revenue when promised goods or services are transferred to customers in an amount that reflects the consideration expected to be received for those goods or services.

In accordance with Topic 606, we account for the following pre-opening services as distinct from the franchise license:

- Assistance in the selection of a site.
- Assistance in obtaining facilities and preparing the facilities for their intended use, including related financing, architectural, and engineering services, and lease negotiation.
- Training of the franchisee’s personnel or the franchisee.
- Preparation and distribution of manuals and similar material concerning operations, administration, and record-keeping.
- Bookkeeping, information technology, and advisory services, including setting up the franchisee’s records and advising the franchisee about income, real estate, and their taxes or about regulations affecting the franchisee’s business; and
- Inspection, testing, and other quality control programs.

The transaction price attributable to performance obligations are recognized as the performance obligations are satisfied. The portion of the franchise fee, if any, that is not attributable to a distinct performance obligation is amortized over the life of the related franchise agreement. During the year ended December 31, 2023 and 2022, franchisee fee revenue was \$60,800 and \$90,000, respectively.

iMove PT, LLC  
Notes to the Financial Statements  
December 31, 2023, and 2022

**4. RELATED PARTY TRANSACTIONS**

The due from related party balance represents advances to a company whose member is related to the member of the Company. The Company had an outstanding receivable due from the related party totaling \$58,800 and \$68,039 on December 31, 2023 and December 31, 2022, respectively.

Due to related party represents advances to the member from a company whose member is related to the member of the Company. The Company had an outstanding payable due to the related party totaling \$28,650 and \$4,000 on December 31, 2023, and December 31, 2022, respectively.

The Company also obtained a loan from the Member of the Company in 2022 and increased the balance in 2023. The note bears no interest and does not have a maturity date. As of December 31, 2023 and 2022, the balance of the note payable was \$25,356 and \$18,856, respectively.

**5. DEBT**

The Company has a line of credit with CNB Bank and Trust that provides a borrowing capacity of \$100,000. Interest on outstanding advances is due monthly and accrues at a variable rate of 0.75% plus the US Prime index rate. Under the terms of the revolver, all outstanding principal and interest are due upon maturity on July 8, 2024. The line of credit note is secured by a personal guaranty of the member. The Company had outstanding advances on the line of credit totaling \$42,280 and \$99,018 at December 31, 2023 and 2022, respectively.

**6. SUBSEQUENT EVENTS**

The Company evaluates events that have occurred after the financial statement date but before the financial statements are issued. Based upon the evaluation, the Company did not identify any recognized or non-recognized subsequent events that would have required further adjustment or disclosure in the financial statements through April 20, 2024, the date the financial statements were available to be issued.

# **iMove PT, LLC**

**(A Missouri Limited Liability Company)**

**Financial Statements with Report of Independent Auditors  
December 31, 2022**

## Table of Contents

Report of Independent Auditors.....	Page 3
Balance Sheets.....	Page 4
Statements of Operations .....	Page 5
Statements of Equity.....	Page 6
Statements of Cash Flows.....	Page 7
Notes to the Financial Statements.....	Page 8

Report of Independent Auditors

To the Member of  
iMove PT, LLC:

*Report on the Financial Statements*

We have audited the accompanying financial statements of iMove PT, LLC, a Missouri limited liability company, which comprise the balance sheet as of December 31, 2022 and the related statement of operations, changes in member's capital and cash flow for the year ended December 31, 2022 and the related notes to the financial statements.

The financial statements of the Company as of December 31, 2021 and for the year then ended were audited by other auditors. The auditors expressed an unqualified opinion in their report dated August 29, 2022.

*Management's Responsibility for the Financial Statements*

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

*Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company's preparation and fair presentation of the financial statements 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 the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of iMove PT, LLC as of December 31, 2022, and the results of its operations and its cash flows for the year ended December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

*DA Advisory Group*

Troy, MI  
April 10, 2023

iMove PT, LLC  
BALANCE SHEETS  
As of December 31, 2022 and December 31, 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,067	\$ 180
Royalties receivable	2,119	-
Related party receivable	68,039	47,500
	<hr/>	<hr/>
Total current assets	72,225	47,680
 Total assets	 \$ 72,225	 \$ 47,680
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND MEMBER'S EQUITY		
Current liabilities:		
Accounts payable	\$ -	\$ -
Accrued expenses	-	17,338
Accrued payroll	350	-
Related party payable	4,000	-
Line of credit	99,018	73,631
Short-term loan from owner	18,856	-
	<hr/>	<hr/>
Total current liabilities	122,224	90,969
 Total liabilities	 122,224	 90,969
	<hr/>	<hr/>
Member's equity	(49,999)	(43,289)
	<hr/>	<hr/>
Total liabilities and member's equity	\$ 72,225	\$ 47,680
	<hr/> <hr/>	<hr/> <hr/>

see accompanying notes

iMove PT, LLC  
STATEMENTS OF OPERATIONS  
For the Years Ended December 31, 2022 and December 31, 2021

	<u>2022</u>	<u>2021</u>
REVENUE		
Royalty income	\$ 6,315	\$ -
Franchise fees	90,000	-
Marketing income - see notes	18,194	-
Accrued revenue	<u>2,119</u>	<u>-</u>
Total revenue	116,628	-
OPERATING EXPENSES		
Selling and administrative expenses	<u>123,338</u>	<u>42,338</u>
OTHER (INCOME) / EXPENSE		
Interest expense	<u>-</u>	<u>951</u>
Net other (income) / expense	<u>-</u>	<u>951</u>
Net income	<u><u>\$ (6,710)</u></u>	<u><u>\$ (43,289)</u></u>

see accompanying notes

iMove PT, LLC  
STATEMENT OF CHANGES IN MEMBER'S EQUITY  
For the Years Ended December 31, 2022 and December 31, 2021

	Total Member's Equity
BALANCE, January 1, 2021	<u>\$ -</u>
Capital contributions	-
Capital distributions	-
Net loss	<u>(43,289)</u>
 BALANCE, December 31, 2021	 <u>\$ (43,289)</u>
Capital contributions	-
Capital distributions	-
Net loss	<u>(6,710)</u>
 BALANCE, DECEMBER 31, 2022	 <u>\$ (49,999)</u>

see accompanying notes

iMove PT, LLC  
STATEMENTS OF CASH FLOWS  
For the Years Ended December 31, 2022 and December 31, 2021

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ (6,710)	\$ (43,289)
Change in:		
Related party loans receivable	(20,539)	(47,500)
Accounts receivable	(2,119)	-
Other current liabilities	(12,988)	17,338
Net cash provided by (used in) operating activities	<u>(42,356)</u>	<u>(73,451)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Change in debt	44,243	73,631
Net cash provided by (used in) financing activities	<u>44,243</u>	<u>73,631</u>
Net change in cash and cash equivalents	\$ 1,887	\$ 180
Cash and cash equivalents at beginning of year	<u>180</u>	<u>-</u>
Cash and cash equivalents at end of year	\$ 2,067	\$ 180

see accompanying notes

iMove PT, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

1. Organization

iMove PT, LLC is a Missouri limited liability company organized and formed on June 15, 2020 for the purpose of franchising its unique physical therapy concept nationally in the United States. The Company has developed a clinic management system relating to mobile clinics that provide state-of-the-art physical therapy services to patients in their homes, workplaces, or other similar settings. All services are provided by a licensed physical therapist.

The Company is a sole member LLC owned by one individual "Member". For the year ended December 31, 2022, there have been no contributions or distributions.

2. Summary of significant accounting policies and nature of operations

Basis of accounting

The Company prepares its financial statements on the accrual basis of accounting consistent with accounting principles generally accepted in the United States of America.

Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Revenue and expenses

Operating income consists of contractual franchise royalties and marketing royalties based on a percentage of monthly sales which are recognized as revenue in the month earned as well as revenue from other contractual agreements. For the year ended December 31, 2022, franchise royalties and marketing royalties were \$8,049 and \$19,928, respectively. Of the \$19,928 in marketing royalties, \$16,791 is attributed to a related party affiliate that operates a business similar to that offered by the Company.

Initial franchise fees are recognized as revenue once substantially all of the initial services of the Company required by franchise agreement have been performed and no other material conditions or obligations related to the determination of substantial performance exist, typically this is the date by which a new location is operational and available to serve customers. For the year ended December 31, 2022, initial franchise fees were \$90,000.

Cash and cash equivalents

Cash and cash equivalents include all cash balances on deposit with financial institutions and highly liquid investments with a maturity of three months or less at the date of acquisition.

The Company maintains its cash in bank deposit accounts which, could exceed federally insured limits. The Company has not experienced an instance where cash held in the account exceeded insured limits since their inception and have not had losses in such accounts. The Company believes it is not exposed to any significant credit risk on cash and cash equivalents.

iMove PT, LLC  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2022

2. Summary of significant accounting policies and nature of operations (continued)

Income taxes

Income taxes on Company income are levied on the Member at the individual level. Accordingly, all profits and losses of the Company are recognized by the Member on their tax return.

Subsequent events

Subsequent events have been evaluated through April 10, 2023, which is the date the financial statements were available to be issued. No significant events or transactions were identified that would require adjustment to the balance sheet or disclosure.

3. Due from Related Party

Due from related party represents advances to a company whose member is related to the member of the Company. The Company had an outstanding receivable due from the related party totaling \$68,039 at December 31, 2022.

4. Debt

The Company has a line of credit with CNB Bank and Trust that provides a borrowing capacity of \$100,000. Interest on outstanding advances is due monthly and accrues at a variable rate of 0.75% plus the US Prime index rate. Under the terms of the revolver, all outstanding principal and interest are due upon maturity on July 8, 2024. The line of credit note is secured by a personal guaranty of the member. The Company had outstanding advances on the line of credit totaling \$99,018 at December 31, 2022.

5. Due to Related Party

Due to related party represents advances to the member from a company whose member is related to the member of the Company. The Company had an outstanding payable due to the related party totaling \$4,000 at December 31, 2022.

6. Loan from Member

In 2022 the Company obtained a related party payable totaling \$18,856 from the Member of the Company. The note bears no interest and does not have a maturity date. As of December 31, 2022, the balance of the note payable was \$18,856.

**EXHIBIT B**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**  
**FRANCHISE AGREEMENT**

**iMove PT, LLC**  
**FRANCHISE AGREEMENT**

---

**FRANCHISEE**

---

**DATE OF AGREEMENT**

## ***TABLE OF CONTENTS***

<u>SECTION</u>	<u>DESCRIPTION</u>	<u>PAGE</u>
DEFINITIONS .....		2
SECTION 1 GRANT OF FRANCHISE; TERRITORY .....		4
SECTION 2 TERRITORY APPROVAL; BUSINESS DEVELOPMENT .....		8
SECTION 3 FEES .....		12
SECTION 4 TRAINING AND ASSISTANCE.....		15
SECTION 5 MARKS .....		18
SECTION 6 CONFIDENTIAL INFORMATION.....		19
SECTION 7 EXCLUSIVE RELATIONSHIP .....		21
SECTION 8 BRAND STANDARDS.....		21
SECTION 9 MARKETING.....		26
SECTION 10 RECORDS, REPORTS AND FINANCIAL STATEMENTS.....		30
SECTION 11 INSPECTIONS AND AUDITS .....		31
SECTION 12 TRANSFER .....		32
SECTION 13 TERM OF THIS AGREEMENT; RENEWAL .....		36
SECTION 14 TERMINATION OF AGREEMENT .....		37
SECTION 15 OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THE AGREEMENT ..		40
SECTION 16 RELATIONSHIP OF THE PARTIES; INDEMNIFICATION .....		42
SECTION 17 COMPLIANCE WITH LAWS; NOTIFICATION OF ACTION OR PROCEEDING.....		43
SECTION 18 ENFORCEMENT .....		44
SECTION 19 NOTICES AND PAYMENTS.....		49
SECTION 20 ACKNOWLEDGMENTS.....		49

## **EXHIBITS**

A	DATA SHEET
B	LISTING OF OWNERSHIP INTERESTS
C	ELECTRONIC FUNDS TRANSFER AUTHORIZATION
D	GUARANTY AND ASSUMPTION OF OBLIGATIONS
E	CONFIDENTIALITY AND NON-COMPETITION AGREEMENT
F	TRANSFER TO A CORPORATION OR LIMITED LIABILITY COMPANY
G	TELEPHONE LISTING, INTERNET WEBSITES, AND OTHER LISTINGS AGREEMENT
H	MANAGEMENT AGREEMENT
I	WAIVER OF MANAGEMENT AGREEMENT
J	PROMISSORY NOTE
K	LEASE ADDENDUM

## iMOVE PT FRANCHISE AGREEMENT

**THIS FRANCHISE AGREEMENT** (the “**Agreement**”) is made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”) (regardless of the dates of the parties’ signatures) by and between iMove PT, LLC, a Missouri limited liability company, located at 156 Chesterfield Commons Road East, Chesterfield, MO 63005 (“**we**,” “**us**,” or “**our**”) and \_\_\_\_\_, a \_\_\_\_\_ located at \_\_\_\_\_ (“**you**” or “**your**”).

### BACKGROUND

A. We, as a result of the expenditure of time, skill, and effort, have developed (and continue to develop and modify) a physical therapy clinic management system (“**System**”) relating to the management of a two different models of a physical therapy business, one that offers and sells physical therapy services to patients in their homes, workplaces, or other similar settings (“each, a “**Mobile Clinic**”) and the other that offers and sells therapy services to patients in a fixed approved brick and mortar location (each, a “**Brick and Mortar Clinic**”), each of which provide state-of-the-art physical therapy services to patients with all of the services provided by a licensed physical therapist under the Marks.

B. The Mobile Clinic and Brick and Mortar Clinic management businesses using the System (each, a “**Clinic**”) operate under the iMove PT® name and Marks and will be managed according to the System. The business that will manage an iMove PT® Clinic under the System is referred to in this Agreement as the “**Franchised Business**.” The System has characteristics and standards that currently include preferred vendor relationships for equipment and supplies, procedures for monitoring operations and quality of services offered, procedures for management, training and assistance, advertising and promotional programs, business formats, methods, procedures, standards, and specifications, all of which we may change, improve, and further develop.

C. We use, promote, and license certain Marks in operating and managing Clinics, which have gained and will continue to gain public acceptance and goodwill, and we may create, use, and license other trademarks, service marks, and commercial symbols for Clinics.

D. We grant to those individuals who meet our qualifications, and are willing to undertake the investment and effort, a license to own and operate a Franchised Business using our System and Marks that will manage a Clinic. The individuals who are granted a license must form an entity and operate the Franchised Business as an entity.

E. You have applied to us for the right to use the System. Your application has been approved by us in reliance upon all of the representations made in your application. You acknowledge that you have read this Agreement and the accompanying Franchise Disclosure Document (“**FDD**”), and you have been given an opportunity to obtain clarification of any provision that you did not understand. You also understand and agree that the terms and conditions contained in this Agreement are necessary to maintain the System’s high standards of quality and service, that the consistency of those standards at all Clinics is necessary to protect and preserve the goodwill of the Marks, and that you must comply with this Agreement and all Brand Standards (as defined below) in order to maintain the high and consistent quality that is critical for the Clinics.

## DEFINITIONS

**“Brand Standards”** – the mandatory and suggested specifications, standards, operating procedures and rules that we prescribe for the management and operation of the Franchised Business and Clinic.

**“Claims”** – all obligations, damages (actual, consequential, or otherwise), and costs that any Indemnified Party incurs in defending itself, including reasonable accountants’, attorneys’, and expert witness’ fees, costs of investigation and proof of facts, court costs, travel and living expenses, and other expenses of litigation or alternative dispute resolution, whether or not it has commenced.

**“Competitive Clinic”** – any traditional or mobile physical therapy business, or a business that offers or provides physical therapy and services similar to the services and products authorized to be offered, sold or provided under the Marks and the System, or any business granting franchises or licenses to others to operate the type of business specified in this Agreement.

**“Computer System”** – the computer hardware, software, point-of-sale and reporting systems, electronic medical records software, data storage, cloud-based systems, printers and peripheral devices, communication methods and capabilities we specify, and any other related hardware or software we designate.

**“Disability”** – a mental or physical disability, impairment, or condition that is reasonably expected to prevent or actually does prevent you or the Operating Principal from supervising the Franchised Business’s management and operations.

**“EFT”** – electronic funds transfer, which is the manner in which you will remit all payments due to us during the term of this Agreement.

**“Entity”** – a corporation, limited liability company, general or limited partnership or legally recognized form of organized business structure.

**“Franchised Business”** – the business that will manage the Clinic, which includes all of the assets of the Franchised Business you operate under this Agreement, including its revenue.

**“Franchised Location”** – the location that we approve for the Brick and Mortar Clinic.

**“Gross Revenue”** – all income or revenue of the Clinic, including the revenue generated from the sale of all treatments, products, and services offered at or from the Clinic, and all other income or revenue of every kind and nature related to, derived from, or originating from the Clinic, whether at retail or wholesale, and regardless of whether the sales are permitted under this Agreement, and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit. “Gross Revenue” does not include any refunds, discounts from coupon sales, sales taxes, and/or other taxes collected from patients by you and actually transmitted to the appropriate taxing authorities. Neither the Franchised Business, Clinic, or Affiliated Practitioners may accept any tips in connection with the services and products offered and sold by the Clinic.

**“Immediate Family Members”** – includes spouses, domestic partners, children aged 18 years or older, and such other persons as we specify.

**“Indemnified Parties”** – us, our affiliates, and our and their respective members, shareholders, directors, officers, employees, agents, successors, and assignees or designees.

**“Initial Term”** – five (5) years from the Effective Date of this Agreement.

**“Management Agreement”** – the agreement that you enter into with a PC prior to opening the Franchised Business whereby you agree to manage the Clinic on the PC’s behalf.

**“Marks”** – the “iMove PT” word mark and logo, and any other trademarks, service marks, and commercial symbols we or our affiliates may create and/or use, and/or that we license to the Clinics.

**“Operating Assets”** – the equipment (including physical therapy, and diagnostic equipment, fixtures and equipment, Computer System, electronic medical records system, or other technology systems), and signs to be used in the Franchised Business and Clinic.

**“Operating Principal”** – the person, shareholder, member, or partner who has at least a 25% ownership interest in you and that you designate to be responsible for overseeing and supervising the operation of the Franchised Business.

**“Operations Manual”** – the confidential operations manual that we loan to you to assist you in setting up and establishing the operations of your Franchised Business.

**“Operations Year”** – means each 12-month period beginning the first full month after you open the Franchised Business. Each Operations Year is the subsequent set of twelve months after the prior Operations Year ends.

**“Owner”** – any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in you, this Agreement, or the Franchised Business, and any person who has any other legal or equitable interest, or the power to vest in himself or herself any legal or equitable interest, in their revenue, profits, rights or assets.

**“PC”** – the professional corporation, professional limited liability company or other professional entity as permitted by law in your state to operate the Clinic.

**“Person”** – any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

**“Rebates”** – manufacturing allowances, marketing allowances, rebates, credits, monies, payments or benefits that are offered by suppliers to us based upon your purchases of Operating Assets and other approved or designated products. You understand and acknowledge that you have no right to any Rebates we or our affiliate may receive.

**“Royalty Fee”** – the royalty fee that you agree to pay us, as set forth in Section 3.2.

**“Supplier”** – our approved or designated distributors and/or suppliers for any approved products or services, and we or our affiliate may be a designated supplier.

**“Territory”** – the geographic area in which the Clinic may be operated, as identified in Exhibit A to this Agreement.

“**Website**” – one or more related documents, designs, pages, or other communications that can be accessed through electronic means, including but not limited to the Internet, World Wide Web, social media and networking sites (such as Facebook, LinkedIn, Twitter, Instagram, YouTube, virtual worlds, file, audio and video-sharing sites, and other similar social networking or media sites or tools), blogs, vlogs, and other applications.

The definitions provided above are in addition to other defined terms set forth in this Agreement. The background and definitions are incorporated into the terms of this Agreement.

## **SECTION 1**

### **GRANT OF FRANCHISE; TERRITORY**

**1.1. Grant of Franchise.** You have applied for a license to own and operate one (1) Franchised Business that will manage either a Mobile Clinic or a Brick and Mortar Clinic as identified in Exhibit A. Subject to terms and conditions set forth in this Agreement, we grant you the right and license to develop and manage a Mobile Clinic in the Territory, or a Brick and Mortar Clinic at the Franchised Location, and to use the System for the Initial Term, until the expiration of the Initial Term unless sooner terminated as provided herein. You agree at all times to perform the obligations of this Agreement faithfully, honestly, and diligently and to use your best efforts to promote the Franchised Business.

**1.2. Professional Corporation Under Management; Management Agreement; Services.** Prior to commencing operations of the Franchised Business, you must enter into a Management Agreement with a PC that we approve of, whereby you will provide the PC with management and administrative services and support consistent with the System and as outlined in our form of Management Agreement to support the PC’s delivery of physical therapy services to patients, consistent with all applicable laws and regulations. Subject to applicable law and physical therapy licensing board regulations, the PC will employ and control the licensed physical therapists who will provide the actual physical therapy services at the Clinic (collectively, the “**Affiliated Practitioners**”). You will not provide any actual physical therapy services, nor will you supervise, direct, control or suggest to the PC or its Affiliated Practitioners in the manner in which the PC or its Affiliated Practitioners provide or may provide physical therapy services to its patients. You acknowledge and agree that we will not provide any physical therapy services, nor will we train, supervise, direct, control or suggest to the PC or its Affiliated Practitioners the manner in which the PC or the Affiliated Practitioners provide physical therapy services to its patients. We have provided you with a standard form of Management Agreement attached here as Exhibit H; *however*, you understand and agree that it is your sole responsibility that the Management Agreement between you and the PC is consistent and in compliance with applicable federal, state and local laws, regulations, licensing boards, rules and ordinances. You acknowledge and agree that you must retain a lawyer, licensed in the state where the Clinic will be located and familiar with applicable health care laws, to advise you on the Management Agreement and compliance with applicable federal and state health laws and regulations. You may negotiate the monetary and certain other terms of the relationship and Management Agreement with the PC, provided you understand and agree that you must obtain our written approval of the final Management Agreement prior to its execution. You understand and agree that our approval of the final Management Agreement is not a representation or warranty respecting its compliance with any laws or regulations but is merely to ensure it comports with our Brand Standards. We must approve the PC candidate. You must ensure that the types of services available through the PC are limited to those in accordance with and pursuant to the System and that the PC is operated in accordance with the Management Agreement. You must have a Management Agreement in effect with a PC at all times during the operation of the Franchised Business. In the event the Management Agreement with the PC is terminated during the Initial Term, for any reason, then you must: (i) provide us with written notice no later than fourteen (14) days from the date the Management Agreement was terminated, and (ii) enter into a new Management Agreement with a

replacement PC as soon as practicable, but in no event later than sixty (60) days after you provide or receive notice that the Management Agreement with the original PC is being terminated.

**1.2.1.** In the event applicable state law does not require the use of a management agreement between you and a PC, as solely determined by you and your counsel, we may waive certain requirements and require you to execute our waiver of management agreement (“**Waiver of Management Agreement**”) attached here as Exhibit I. You acknowledge, understand, and agree that it is your sole responsibility to determine whether you are eligible to manage and operate the Clinic and enter into the Waiver of Management Agreement, and it is your continued sole responsibility to determine if any changes in applicable laws and regulations will impact your Clinic or that would render your operation of the Clinic under one entity as a violation of any applicable laws or regulations.

**1.3. Territorial Rights.** If you are granted a Mobile Clinic, then the Territory is set forth in Exhibit A at the time you sign this Agreement. If you are granted a Brick and Mortar Clinic and you do not have a Franchised Location at the time we sign this Agreement, then we will designate your Territory in Exhibit A once you have obtained an approved Franchised Location. Except as provided for in Sections 1.4, 1.5, 1.6, and 1.7 below, we will not operate or grant others the right to operate the same type (Mobile or Brick and Mortar) of iMove PT Clinic that you are granted the right to operate under this Agreement within the Territory during the Initial Term of this Agreement *provided* you are in full compliance with this Agreement.

**1.4. Minimum Revenue Requirements.** The rights granted to you by the terms of this Agreement are dependent on you achieving certain minimum Gross Revenue requirements for each 12-month period beginning the first full month after you open the Franchised Business and for the duration of the term (the “**Operations Year**”) as follows:

<b>Operations Year</b>	<b>Minimum Revenue Requirements (Mobile Clinic)</b>	<b>Minimum Revenue Requirements (Brick and Mortar Clinic)</b>
Year 1	\$115,000	\$130,000
Year 2	\$245,000	\$280,000
Year 3	\$325,000	\$375,000
Year 4	\$405,000	\$465,000
Year 5	\$570,000	\$655,000

If you fail to satisfy the minimum requirements above for any Operations Year, we may: (a) require you or your Operating Principal to attend and complete additional training, at your sole expense, (b) reduce the size of your Territory, (c) allow another Clinic the right to operate in your Territory, (d) terminate this Agreement, and/or (e) exercise any other rights provided to us under this Agreement or available to us at law.

**1.5. Rights We Reserve.** We and our affiliates retain all rights with respect to iMove PT Clinic, the System, the Marks, the sale of similar or dissimilar products and services, and any other activities we deem appropriate, including, but not limited to:

**1.5.1.** the right to operate, and to grant others the right to operate, iMove PT Clinic businesses and similar medical management businesses or similar businesses under different names or marks located anywhere outside the Territory;

- 1.5.2.** if your Franchised Business manages a Mobile Clinic, then we may operate, and grant others the right to operate, a Brick and Mortar Clinic within the Territory;
- 1.5.3.** if your Franchised Business manages a Brick and Mortar Clinic, then we may operate, and grant others the right to operate, a Mobile Clinic within the Territory;
- 1.5.4.** the right to establish and operate, and to grant to others the right to establish and operate, any other businesses offering products and services that are different from the products or services offered at Clinics through similar or dissimilar channels of distribution (including, but not limited to: (i) sales through direct marketing through the Internet, catalogs, or telemarketing; (ii) sales through retail stores that do not operate under the Marks; and (iii) sales made at wholesale), at any locations inside or outside the Territory under trademarks or service marks other than the Marks, through similar or dissimilar channels of distribution at any location and on any terms and conditions we deem appropriate;
- 1.5.5.** the right to sell goods we authorize under the Marks, to any Person located inside or outside your Territory, through dissimilar channels of distribution, including but not limited to, through electronic means such as on or through websites we have already established, websites we may establish in the future, websites created by and/or hosted by third-parties, or other similar electronic outlets;
- 1.5.6.** the right to acquire the assets or ownership interests of one or more businesses that operate, and/or has granted franchises, licenses, or similar rights to one or more third parties to operate, businesses similar to and/or competing with Clinics and iMove PT Clinic businesses under any name or marks, and/or the right to be acquired by a competing physical therapy business or medical management business, or by another business, even if such business operates, franchises and/or licenses Competitive Clinics in the Territory, provided, however, that if we acquire, or are acquired by, such a competing business or chain, we will not establish or grant franchises or licenses to establish new or additional competing businesses under the Marks or the acquired chain's marks in your Territory, although we may rebrand such existing businesses in your Territory to use the Marks and the System, and it is expressly acknowledged by you and us that any such business operations of the same or similar business that existed or operated at the time of such acquisition or transaction will not constitute a breach of Section 1.3;
- 1.5.7.** the right to create, place, and/or distribute any advertising and promotional materials related to the System, the Marks, iMove PT Clinic businesses, the Franchised Business, and Clinics, and the services and products offered, and authorize others to do so, and those materials may appear in media, including but not limited to, the Internet or similar electronic media, or be received by prospective patients located anywhere, including within the Territory; and
- 1.5.8.** the right to operate, and to grant others the right to operate, iMove PT Clinic businesses and similar medical management businesses or similar businesses, in non-traditional locations, within or outside of the Territory. Notwithstanding the foregoing, if you are in compliance with your Franchise Agreement, then we will grant to you a right of first refusal to manage a Clinic of the same type that you operate in a non-traditional location (as determined by us in our sole discretion) within your Territory. If we grant you such right of first refusal, then in order to exercise such right, you must accept the offer in writing within 14 days of receiving the written offer from us. If you are not in compliance with your Franchise Agreement, or if you fail to accept the right of first refusal within the 14-day period, then we may exercise the rights described in this Section 1.5.6 without notice or compensation to you.
- 1.6. Sale of Products and Merchandise.** You acknowledge and agree you will not, without first obtaining our express prior written consent, deliver, ship, transport, designate another party to, or otherwise send any iMove PT Clinic products or merchandise to any person or business, regardless of the destination. You acknowledge and agree that you are prohibited from conducting, engaging in, subcontracting to third parties, utilizing on-line or Internet-based marketplaces or delivery companies or applications (such as Amazon, Facebook Marketplace, or other physical or electronic third-party marketplaces), or authorizing or permitting any person, entity, third party, or technology to engage in delivery operations unless (a) you

fully describe the proposed terms of the delivery operations or program and (b) we give our prior written consent to such operation or program, which we may withhold in our sole discretion.

**1.7. Payments; Insurance.** You may choose to accept payments from persons who purchase goods or services from the Clinic as follows: (a) “private-pay” transactions, (b) using government funding programs, including Medicare, and (c) with our prior written consent, which we may withhold in our sole discretion, using commercial health insurance plans, health maintenance organizations or other types of commercial third-party payor organizations. You are responsible for compliance with all laws and regulations that govern the relationship between you and any professionals you employ, contract with, or otherwise engage to provide services, including those laws and regulations which apply to providers who participate in the Medicaid programs. This includes, but is not limited to, the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)) and the federal Civil Monetary Penalties Law (42 U.S.C. § 1320a-7a) and its prohibition against providing inducements to beneficiaries of the Medicare and Medicaid programs. You will establish and enforce procedures to ensure that proper and complete records are completed and maintained by professionals for all of your residents as required by applicable law and by the rules and regulations of any applicable governmental agency.

**1.8. Modification of the System.**

**1.8.1.** You understand and agree that the System must not remain static if it is to meet, without limitation, presently unforeseen changes in technology, competitive circumstances, health care, medical management practices, demographics, populations, consumer trends, societal trends and other marketplace variables, and if it is to best serve the interests of us, you and all other iMove PT Clinic businesses. Accordingly, you expressly understand and agree that we may from time to time change the components of the System including, but not limited to, altering the products, programs, services, methods, standards, forms, policies and procedures of that System; abandoning the System altogether in favor of another system in connection with a merger, acquisition, other business combination or for other reasons; adding to, deleting from or modifying those products, programs and services which your Franchised Business is authorized and required to offer; modifying or substituting entirely the equipment, signage, trade dress, décor, color schemes and uniform specifications and all other unit construction, design, appearance and operation attributes which you are required to observe hereunder; and changing, improving, modifying, or substituting other words or designs for, the Marks. You expressly agree to comply with any such modifications, changes, additions, deletions, substitutions and alterations; provided, however, that such changes will not unreasonably increase your obligations hereunder.

**1.8.2.** You must accept, use and effectuate any such changes or modifications to, or substitution of, the System as if they were part of the System at the time that this Agreement was executed.

**1.8.3.** We will not be liable to you for any expenses, losses or damages sustained by you as a result of any of the modifications contemplated hereby. You hereby covenant not to commence or join in any litigation or other proceeding against us or any third party complaining of any such modifications or seeking expenses, losses or damages caused thereby. You expressly waive any claims, demands or damages arising from or related to the foregoing activities including, but not limited to, any claim of breach of contract, breach of fiduciary duty, fraud, and/or breach of the implied covenant of good faith and fair dealing.

**1.9. Corporation, Limited Liability Company, or Partnership.** If you are, at any time during the Initial Term, an Entity, you agree and represent that:

**1.9.1.** You have the authority to execute, deliver, and perform your obligations under this Agreement and all related agreements and are duly organized or formed, validly existing, and in good standing under the laws of the state of your incorporation or formation;

**1.9.2.** You will not alter, change, or amend your organizational documents, operating agreement, or partnership agreement, as applicable, without obtaining our prior written approval, which approval we will not unreasonably deny or withhold, and will grant if such changes will not prevent you from performing your obligations under this Agreement;

**1.9.3.** Your organizational documents, operating agreement, partnership agreement, or stock certificates, as applicable, will recite that this Agreement restricts the issuance and transfer of any ownership interests in you, and all certificates and other documents representing ownership interests in you will bear a legend referring to this Agreement's restrictions;

**1.9.4.** Exhibit B to this Agreement completely and accurately describes all of your Owners and their interests in you as of the Effective Date. You agree to sign and deliver to us revised Exhibits C to reflect any permitted changes in the information that Exhibit B now contains;

**1.9.5.** Your Operating Principal and each of your Owners holding at least a thirty percent (30%) direct or indirect ownership interest during the Initial Term must execute a guaranty in the form attached hereto as Exhibit D, undertaking personally to be bound, jointly and severally, by all provisions of this Agreement and any ancillary agreements between you and us;

**1.9.6.** At all times the Owner with a majority ownership interest in the Entity must be a certified physical therapist;

**1.9.7.** The Operating Principal, as of the Effective Date, is identified in Exhibit B. The Operating Principal will be the person with whom we will communicate on all major policy, financial, management and operational matters, and the only person from your Entity that we will recognize as having authority to communicate for and on your behalf and on behalf of your Entity. You may not change the Operating Principal without our prior written consent, which we will not unreasonably withhold provided that the proposed new Operating Principal meets our then-current qualifications and standards and successfully completes our then-current training programs as we may require; and

**1.9.8.** The Franchised Business will be the only business that the Entity may operate, and the Clinic will be the only business that the Entity may manage, and your organizational documents must reflect this (although the Owners in the Entity may have other business interests subject to any restrictions on Competitive Clinics in Sections 7 or 15.4).

## **SECTION 2**

### **TERRITORY; BUSINESS DEVELOPMENT**

#### **2.1. Territory; Franchised Location.**

**2.1.1. Mobile Clinics.** Subject to the provisions contained in this Agreement, you shall only operate the Franchised Business and Clinic in the Territory within the Territory identified in Exhibit A. Your Territory may be described in terms of zip codes, by street, by town or other similar boundaries, or we may depict your Territory on a map that is attached to Exhibit A of this Agreement. However, if neither we nor another franchisee operates a Franchised Business or Clinic in an area adjacent to your Territory, then upon your receipt of our prior written consent, you may offer and sell services and products to customers located outside of your Territory.

**2.1.2. Brick and Mortar Clinics.** You are solely responsible for locating a site for the Franchised Business and Brick and Mortar Clinic that satisfies our then-current standards and specifications. You must submit to us in the form specified by us a description of the site, including evidence reasonably satisfactory to us demonstrating that the site satisfies our site selection guidelines, together with such other information and materials as we may reasonably require. We will have thirty (30) days after receipt of this information and materials to approve or not approve, in our sole discretion, the proposed site as the Franchised Location for the Brick and Mortar Clinic. No site may be used for the Franchised Location of the Brick and Mortar

Clinic unless it is first approved in writing by us. You acknowledge and agree that our approval of the Franchised Location for the Brick and Mortar Clinic is not a warranty or guaranty, express or implied, that you will achieve any particular level of success at the location or that your Franchised Business or the Brick and Mortar Clinic will be profitable. Our acceptance of a location for the Franchised Location for the Brick and Mortar Clinic only signifies that the location meets our then-current minimum criteria for a Franchised Business and Brick and Mortar Clinic. You and your landlord must execute the Lease Addendum attached as Exhibit K to this Agreement as a condition to granting our consent to your proposed site. You must provide us with a copy of the executed lease or purchase agreement. Once we have approved the proposed location, the location will be designated as the Franchised Location and we will establish the boundaries of your Territory in our sole discretion in Exhibit A. You acknowledge and agree that you are not granted any territorial rights or protections until we have designated your Territory in Exhibit A. You may only operate the Franchised Business from the Franchised Location, and you must not relocate the Franchised Business except with our prior written approval which we may withhold in our sole discretion. The Franchised Location must only be used for the operation of a Franchised Business and other related activities we approve in writing. You must not allow the Franchised Location to be used for any other purpose.

## **2.2. Franchised Business Development.**

**2.2.1.** You are responsible for developing the Franchised Business.

**2.2.2.** You must work diligently to develop the Franchised Business in the Territory. A Mobile Clinic must open and commence operations no later than six (6) months from the Effective Date, and a Brick and Mortar Clinic must open and commence operations no later than nine (9) months from the Effective Date (the “**Opening Date**”). Time is of the essence. You may only open the Clinic for business after you have completed all pre-opening requirements and you receive our prior written approval.

**2.2.3.** If you cannot develop the Franchised Business in the Territory and have the Clinic ready by the Opening Date, then you may request in writing that we approve an extension of up to six (6) months within which you must open the Clinic. If we grant an extension pursuant to your request, you must pay us a non-refundable extension fee of five hundred dollars (\$500), and the extension will be limited to the period we permit (the “**Extended Opening Date**”). You will not receive more than one (1) extension for the Clinic. If you fail to develop the Franchised Business and open the Clinic by the Opening Date, or (if applicable) the Extended Opening Date, we may terminate this Agreement.

**2.2.4. *Brick and Mortar Clinics:*** We will give you suggested and/or mandatory specifications and layouts for your Franchised Location. You acknowledge that such specifications may not contain the requirements of any federal, state, or local law, code, or regulation (including but not limited to those concerning the medical clinics, the Americans with Disabilities Act (the “**ADA**”) or similar rules governing clinics, public accommodations, or commercial facilities), nor will such plans contain the requirements of, or be used for, construction drawings or other documentation necessary to obtain permits or authorization to build a specific Brick and Mortar Clinic, compliance with all of which shall be your sole responsibility and expense. We reserve the right to provide guidance to assist you in working with architects, designers, contractors, and suppliers to complete the development and build out of the Brick and Mortar Clinic you will manage. You must engage the services of a designer or architect to develop plans for the build-out of your Franchised Business that are specific to the Franchised Location. You must adapt, at your expense, the standard specifications to the Brick and Mortar Clinic location, subject to our approval, provided that such plans and specifications conform to our general criteria. Upon your written request, we will provide you or your architect with a hard copy of general or prototypical plans for a Brick and Mortar Clinic. You must also: (a) obtain all required zoning changes and all required building, driveway, utility, health, sanitation, and sign permits and any other required permits, and such permits and approvals must be maintained by you at all times; (b) arrange for the installation and delivery of equipment, fixtures, furniture

and signs; and (c) complete the construction and/or remodeling, equipment, fixture, furniture and sign installation and decorating of the Clinic in full and strict compliance with plans and specifications approved by us and all applicable ordinances, building codes and permit requirements.

### **2.3. Operating Assets.**

**2.3.1.** You agree to only use those Operating Assets that we approve for Clinics which meet our Brand Standards for quality, design, appearance, function, and performance in operating the Franchised Business; *provided*, that you and we acknowledge and agree that the selection and use of any equipment and products used in connection with physical therapy services provided by the PC to its patients will be subject to the PC's approval based on the professional opinion of the PC and/or its Affiliated Practitioners. You agree to place or display in connection with the operation of your Clinic only the signs, logos, and display materials that we approve, subject to and in strict compliance with the state and local rules and regulations regarding the operation, management and advertising of or for a physical therapy business. You agree to purchase or lease approved brands, types, or models of Operating Assets only from suppliers we designate or approve (which may include or be limited to us or our affiliate).

**2.3.2.** Upon your written request, we may aid you in placing your initial order for the Operating Assets and other such goods, products, merchandise, and other items we require all new iMove PT Clinic franchisees to include in the Franchised Business's initial inventory.

### **2.4. Computer System.**

**2.4.1.** You agree to obtain and use the Computer System we specify. We may modify specifications for and components of the Computer System. Our modification of specifications for the Computer System, and/or other technological developments or events, might require you to purchase, lease, and/or license new or modified computer hardware and/or software and/or communications capabilities and to obtain service and support for the Computer System. Although we cannot estimate the future costs of the Computer System or required service or support, you agree to incur the costs of obtaining the computer hardware, software, and/or communications capabilities comprising the Computer System (or additions and modifications) and required service or support. You will be responsible for any costs that you incur in connection with the Computer System. Within sixty (60) days after you receive notice from us, you agree to obtain and install the Computer System components that we designate.

**2.4.2.** You agree that we may condition any license of proprietary software to you, or your use of technology that we develop or maintain, upon you signing a software license agreement or similar document with us or an approved vendor. We or our approved vendor may charge you a fee for any proprietary software or technology that is licensed to you and for other maintenance and support services provided.

**2.4.3.** You will have sole and complete responsibility for: (a) the acquisition, operation, maintenance, and upgrading of the Computer System; (b) the manner in which your Computer System interfaces with our and any third party's computer system; and (c) any and all consequences if the Computer System is not properly operated, maintained, and upgraded. You may not install any software, other than authorized upgrades, or make any hardware modifications to the Computer System that might hamper or interfere with the operation of the Computer System in the manner we require, *unless* such modifications are necessary for cyber security purposes and you provide us with prior written notice of the modification and its purpose, and you maintain our access to data as required in this Agreement, the Operations Manual.

**2.4.4.** We reserve the right to specify in the Operations Manual, or otherwise in writing, the information that you must collect and maintain through the Computer System and to do so at the intervals we designate. Subject to any applicable laws pertaining to the privacy of consumer, employee, and transactional information, including but not limited to HIPAA, you agree to provide us, or designated suppliers of support services that use such data to provide services to the Franchised Business, with the reports that we may reasonably request. We reserve the right to have independent access to some or all of

the information generated or stored in your Computer System. During any periods that we have independent access, we may access the Computer System as we deem appropriate (including on a continual basis), and retrieve all information concerning your Franchised Business's operation, subject to your and our compliance with HIPAA or other applicable law relating to confidentiality of patient records. There are no contractual limitations on our right to access your Company System for information and data.

**2.4.5.** By execution of this Agreement, you and we agree to abide by the terms of the Clinic Associate Agreement regarding patients' protected health information, as provided in the Management Agreement at Exhibit H or the Waiver of Management Agreement at Exhibit I, whichever is applicable, the terms of which are hereby incorporated into and become effective with the execution of this Agreement. You agree to execute an amended Clinic Associate Agreement to the extent we determine such an amended agreement is necessary.

**2.4.6.** You will use an email address we designate for communication with us and anyone else in the operation of your Franchised Business, and you must maintain and check your Clinic email account in accordance with the Operations Manual. You must participate in any required software and other programs we deem necessary, as we may determine in our sole discretion in accordance with the Operations Manual.

## **2.5. Opening of the Franchised Business.**

**2.5.1.** During the period beginning thirty (30) days before and ending sixty (60) days following the Opening Date (or the Extended Opening Date, if we granted you an extension pursuant to Section 2.2.3 above), you must spend, at minimum, \$750 (the "**Grand Opening Fee**") to market and promote the opening of your Clinic (the "**Grand Opening Campaign**"). You may spend more than the Grand Opening Fee on the Grand Opening Campaign so long as you are in compliance with Section 9 of this Agreement, the Operations Manual, and any other specifications we designate relating to advertising and marketing.

**2.5.2.** You may not open the Franchised Business until:

- (a) the Franchised Business meets our Brand Standards and specifications, as described in the Operations Manual;
- (b) you have received all required state and local government certifications, permits, and licenses necessary for the management of a Clinic, and the PC has certified to you that it has received all required state and local government certifications, permits and licenses necessary for the operation of a Clinic, including any required licenses and certifications for its personnel;
- (c) you and your Operating Principal, have satisfactorily completed all training that we require for each such person;
- (d) you pay the Initial Franchise Fee and other amounts then due to us;
- (e) you have executed all agreements required prior to the opening of the Franchised Business, including, but not limited to, this Agreement, the Management Agreement or Waiver of Management Agreement, Clinic Associate Agreement, and any software license agreements;
- (f) you are not in default under, or in violation of, any agreements by and between you and us or any suppliers;
- (g) you provide us certificates of insurance for all required insurance policies; and
- (h) you receive our written consent to open the Franchised Business.

**2.5.3.** We will provide, at no cost to you, the services of at least one of our representatives (the "**Opening Team**") for up to three (3) calendar days to assist you in the opening and initial operations of the Clinic. The Opening Team will travel to the Clinic after we have approved the opening date and once you have completed all pre-opening requirements under this Agreement. You will fully cooperate with the

Opening Team as they assist you in opening the Clinic, including providing additional training, support services, and other services as required under this Agreement or requested by you. If this Agreement is for your second or subsequent Franchised Business, we reserve the right to reduce the duration of our representative's visit or to not provide opening assistance.

### **SECTION 3**

#### **FEES**

**3.1. Initial Franchise Fee.** You agree to pay us a non-refundable initial fee in the amount set forth on Exhibit A (the “**Initial Franchise Fee**”). The Initial Franchise Fee is payable in a lump sum when you sign this Agreement, is fully earned by us when paid, and is non-refundable under any circumstances. However, if you are financing any portion of the Initial Franchise Fee, you must execute the promissory note attached to this Agreement as Exhibit J (the “**Promissory Note**”) and make all payments in accordance with the Promissory Note.

**3.2. Royalty Fee.**

**3.2.1.** In consideration of the license granted to use the Marks and the System, and for the services provided to enable you to provide management services to the PC, you agree to pay us a monthly Royalty Fee of equal to the greater of (a) 5% of Gross Revenue generated during the immediately preceding calendar month, or (b) the applicable Minimum Royalty Fee. We may draft from your designated bank account, per our EFT process, the first Wednesday of each month. If the date on which such payments would otherwise be due is not a business day, then payment shall be due on the next business day. We may change the frequency or method you must pay the Royalty Fee to us in the Operations Manuals or otherwise in writing.

**3.2.2.** The minimum royalty fee (“**Minimum Royalty Fee**”) that you must pay depends on the type of Clinic your Franchised Business manages and how long the Clinic has been open and operating, and is equal to the corresponding amount in the below table:

<b>Operations Year</b>	<b>Monthly Minimum Royalty (Mobile Clinic)</b>	<b>Monthly Minimum Royalty (Brick and Mortar Clinic)</b>
Year 1	\$479	\$542
Year 2	\$1,021	\$1,167
Year 3	\$1,354	\$1,563
Year 4	\$1,688	\$1,938
Year 5	\$2,375	\$2,729

**3.2.3.** We will have independent access to your operational and financial information and data, and we will access that data to obtain the applicable revenue reports as described in the Operations Manuals (“**Revenue Reports**”). Notwithstanding the foregoing, upon request, you must submit or deliver to us any and all reports, statements and/or other information, which may include electronically pulled data that we obtain from your point-of-sale system in the manner and form that we specify. Our right to access your Computer System directly does not diminish your responsibility to provide us with the Revenue Report.

**3.3. Billing Services Fee.**

**3.3.1.** You will pay us a billing services fee equal to 5% of your Gross Revenues (“**Billing Services Fee**”) for the cost of preparing and filing billing claims to Medicare, insurance companies (in-network and out of network), workers compensation claims, liens, and for processing certain other kinds of payments that we may specify in the Operations Manual

in connection with the services you provide to your patients (collectively, the “Billing Services Revenues”). You will not be obligated to pay the Billing Services Fee on any Gross Revenues that you collect from self-pay patients, which are Gross Revenues other than Billing Services Revenues. You will pay us the Billing Services Fee at the same time and in the same manner as the Royalty Fee.

- 3.3.2.** We may, but are not required to, provide ongoing billing services for a limited period of time after the expiration or termination of the Franchise Agreement (not to exceed three months) for claims submitted prior to the expiration or termination of the Franchise Agreement. We may require you to sign an agreement in the form we prescribe in connection with providing those services after the expiration or termination of this Agreement.

### **3.4. Brand Marketing Fee.**

**3.4.1.** In addition to the Royalty Fee, you must pay to us a monthly Brand Marketing Fee of 2% of Gross Revenues for that month. Such amount shall be contributed to a Brand Marketing Fund (“**Brand Marketing Fund**”) maintained by us, as described in Section 9.2 below. The Brand Marketing Fee is payable to us at the same time and in the same manner as the Royalty Fee. We may increase the Brand Marketing Fee upon written notice to you, but we will not increase the Brand Marketing Fee more than once in a consecutive twelve-month period. We may change the frequency or method you must pay the Brand Marketing Fee to us in the Operations Manuals or otherwise in writing.

**3.4.2.** We may periodically receive allowances, rebates or other payments from approved suppliers based on purchases from such suppliers by other iMove PT Clinic businesses, and we may elect to contribute such allowances, rebates or other payments to the Brand Marketing Fund. You understand and acknowledge, however, that any such contribution of these amounts by us to the Brand Marketing Fund does not in any manner diminish or eliminate your responsibility to pay the Brand Marketing Fee. You must pay the Brand Marketing Fee in addition to your local advertising requirement.

**3.5. Technology Fee.** You are required to pay us our then-current technology fee (the “Technology Fee”), which may be related to the operation of the Computer System, our intranet portal, proprietary software programs, our website, and for any other purpose we determine in our discretion. The Technology Fee is due and payable at the same time and in the same manner as the Royalty Fee. We may increase the Technology Fee upon notice to you.

**3.6. No Withholding Payment.** You are not entitled to withhold payments due to us under this Agreement on grounds of alleged non-performance by us hereunder or for any other reason. We will deem any amount overdue if we fail to receive such payment or report before or on the date it is due to us. Time is of the essence with respect to any payment you owe to us, our affiliates, and our approved or designated suppliers.

**3.7. Interest.** All amounts which you owe us or our affiliates for any reason which are not paid when due will bear interest accruing as of their original due date at one and one-half percent (1.5%) per month or the highest commercial contract interest rate permitted by law, whichever is less. If for any reason interest in excess of the maximum rate allowed by applicable law shall be deemed charged, required or permitted, any such excess shall be applied as a payment and reduction of any other amounts which may be due and owing hereunder, and if no such amounts are due and owing hereunder then such excess shall be repaid to the party that paid such interest. You acknowledge and agree that this Section does not constitute our or our affiliates’ agreement to accept such payments after they are due or a commitment to extend credit to or otherwise finance the operation of the Clinic. The collection of any late fee and the acceptance of any late payment will not diminish our or our affiliates’ right to any other remedies available under this Agreement.

**3.8. Insufficient Funds.** In addition to interest charges on late payments, you must pay to us a fee of two hundred fifty dollars (\$250) when there are insufficient funds in your bank account for us to collect the payment by a transfer of funds on or after the date it is due to us (the “**Insufficient Funds Fee**”). The Insufficient Funds Fee is not interest or a penalty, it is only to compensate us for increased administrative and management costs due to late payment. Notwithstanding anything to the contrary, no provision of this Agreement shall require the payment or permit the collection of interest in excess of the maximum rate allowed by applicable law.

**3.9. Application of Payments.** We may apply any of your payments to any of your past due indebtedness to us as we determine, regardless of your designation for such payment. We may set off any amounts you owe us or key suppliers against any amounts we owe you. You may not withhold payment of any amounts you owe us due to our alleged non-performance of any of our obligations under this Agreement.

**3.10. Method of Payment.** By executing this Agreement, you agree that we shall have the right to withdraw funds from your designated bank account by EFT in the amount of the Royalty Fee, Brand Marketing Fee, and any other payments due to us and/or our affiliates. You shall, upon execution of this Agreement or at any time thereafter at our request, execute such documents or forms as we or your bank determine are necessary for us to process EFTs from your designated bank account for the payments due hereunder. If payments are not received when due, we will charge you an Insufficient Funds Fee, we may charge interest in accordance with Section 3.7 above, and we may require that future payments be made by certified, bank, or cashier’s check, or another form of payment that we specify. Upon written notice to you, you may be required to pay such fees directly to us in lieu of EFT, at our sole discretion. We may require the payments, or automatic debits, be made more or less frequently than specified in Section 3.2, but not more frequently than once a week. You agree to comply with our payment instructions as they may be modified from time to time.

**3.11. Payment of Taxes.** You must pay in a timely manner all local, state and federal sales, business, property, goods and services taxes and all other taxes, and fees levied or assessed by any governmental authority directly or indirectly in connection with the Franchised Business. You are responsible for all taxes levied or assessed on you or the Franchised Business in connection with your activities under this Agreement, including but not limited to, income taxes, sales taxes, unemployment taxes, and all other indebtedness of any kind incurred by you in the conduct of the Clinic. If you are required to deduct any sales tax, gross receipts tax, income tax, withholding tax or similar tax from any payment to us, then, to the extent that we are not able to successfully obtain and utilize a tax credit from the applicable taxing authorities, the amount payable by you shall be increased by such amount as is necessary to make the actual amount received (after such withholding of taxes) equal to the amount that we would have received had no tax payment been required, provided that such shortfall is not caused by our negligence in filing the claims, or for reasons that can be solely attributable to us. You shall submit a copy of all tax filings sent to federal, state and local tax authorities to us within ten (10) business days after such filing has been made with the appropriate taxing authority.

**3.12. Payment of Additional Fees.** You must pay any other fees as we require and in amounts described in this Agreement, including the Non-Compliance Fee described in Section 8.7.4 below.

**3.13. No Fee Splitting; Restructuring of Fees.** Payment of the Royalty Fee, Brand Marketing Fee, and all other payments hereunder are not intended to, and shall not be interpreted or implied to permit you to, share fees for physical therapy services. The Parties acknowledge and agree that you and we negotiated fair market value compensation for the services and licenses we furnish to you pursuant to this Agreement. You acknowledge and agree that it is your sole responsibility to ensure your full compliance with applicable federal and state laws and regulations, including but not limited to, those regarding the payment of fees to us as contemplated under this Agreement. You acknowledge and agree that each payment you make to us

under this Agreement shall constitute and be deemed a representation by you that such payment complies with all applicable local, state, and federal laws. If at any time during the Initial Term, you interpret a change to applicable federal or state laws or regulations that, in either case, would cause (a) the reduction, prevention, or restriction upon you to pay us the full amount of the fees intended to be payable hereunder, including Royalty Fees and System Advertising Fees, or (b) the imposition of unintended or unanticipated obligations on us (e.g., joint employment with you or your employees), then (i) you must immediately notify us in writing of the change in the law or regulation, and (ii) we may add to, modify or restructure the arrangements and payment obligations under this Agreement to allow the full or comparable amount of the payments intended hereunder to be paid by you to us and for any and all new costs imposed on us to be reimbursed or paid by you. You shall cooperate with us in connection with any required or necessary changes. The parties further agree that if in our sole discretion, a restructuring or modification of the terms of, and/or relationship established by, this Agreement is not reasonably practical, then the parties agree to cooperate to terminate this Agreement. Neither you, the Clinic, or any Affiliated Practitioners may accept any tips in connection with the Services and Products offered or sold by the Clinic.

**3.14. No Payment for Referrals.** You shall not pay for or otherwise compensate any business, individual, or service in exchange for patient referrals for the PC in violation of any applicable federal or state law or regulation. You agree and acknowledge that it is your sole responsibility to ensure your full compliance with applicable federal and state laws or regulations with respect to anti-kickback statutes.

**3.15. Collection of Gross Revenues after Expiration or Termination.** If you collect any such Gross Revenues after the expiration or termination of your Franchise Agreement, then you must still pay us all Royalty Fees, Billing Services Fees, and Brand Fund Fees on those Gross Revenues that you collect.

## **SECTION 4**

### **TRAINING AND ASSISTANCE**

#### **4.1. Initial Training for Franchised Business and Opening Assistance.**

**4.1.1.** We or our designee will conduct an initial training program for you and your Operating Principal which will address the material aspects of managing and operating your Franchised Business (the “**Initial Training Program**”). We or our designee will provide the Initial Training Program at our headquarters or other location that we or our designee may specify, and at our option, we may provide the training by the internet, videoconferencing or similar technology. We and our designee reserve the right to charge a training fee for any additional trainees that attend initial training. You agree to pay for all travel and living expenses which you incur and for your employees’ wages and workers’ compensation insurance during training. You must attend and successfully complete the Initial Training Program within 30 days of the date of this Agreement and before you commence operations of your Franchised Business.

**4.1.2.** We or our designee, certified in the delivery of applicable health care services, will conduct an initial clinical training for up to two (2) Affiliated Practitioners at the same time, which will address the material aspects of approved products and services that the PC can offer and sell to patients (the “**Clinic Training Program**”). The Clinic Training Program will not direct, control or suggest to the PC or the Affiliated Practitioners in the manner in which the PC or the Affiliated Practitioners provide or may provide physical therapy services to its patients. We or our designee will provide the Clinic Training Program at our headquarters or other location that we may specify, and at our option, we may provide the training by internet, videoconferencing or similar technology. We and our designee reserve the right to charge a training fee for any additional trainees that attend the Clinic Training Program. You or the PC will be responsible for paying for all travel and living expenses which you incur and for your employees’ wages and workers’ compensation insurance during training.

**4.1.3.** You and your Operating Principal must complete the Initial Training Program, and the designated Affiliated Practitioners must complete the Clinic Training Program, to our satisfaction prior to

commencing operations of your Franchised Business. If you or your Operating Principal fail to complete the Initial Training Program, or the designated Affiliated Practitioners fail to complete the Clinic Training Program, then those attendees may repeat the course or send a substitute to complete the next available training program. We and our designee reserve the right to charge you for substitute personnel that attend the next training program.

**4.1.4.** If we determine that you or your Operating Principal or the designated Affiliated Practitioners cannot complete Initial Training Program or Clinic Training Program to our satisfaction, we may terminate this Agreement.

**4.1.5.** Any other personnel that we designate, must meet the minimum qualifications set forth in the Operations Manual, and they must complete any training programs that we may require before they may work in a managerial role at the Clinic or train other personnel. If, at any time during the Initial Term, we learn or determine that a person is regarded as no longer complying with our standards and procedures, then we may require that person satisfactorily complete training or a re-training program. If you change the Operating Principal at any time, then the new Operating Principal must attend and successfully complete our Initial Training Program. We reserve the right to charge our then-current fee for re-training any personnel or training any new Operating Principals. In addition, all management personnel and other personnel working at the Clinic for you and the PC must satisfactorily complete all state and local government required training and must meet all required licensing and certification requirements.

**4.1.6.** You acknowledge and agree that any training we provide for your employees is intended only to impart to those employees the various procedures, protocols, systems, and operations of a Franchised Business and in no fashion reflects any employment relationship between us and such employees. You understand and agree that you are the sole employer of your employees, and that you and we are not joint employers of any persons. If it is ever asserted that we are the employer, joint employer or co-employer of any of your employees in any private or government investigation, action, proceeding, arbitration or other setting, you irrevocably agree to assist us in defending said allegation, appearing at any venue requested by us to testify on our behalf; participating in depositions or other appearances; or preparing affidavits rejecting any assertion that we are the employer, joint employer or co-employer of any of your employees.

## **4.2. Additional Training.**

**4.2.1.** We may require you, your Operating Principal, and/or other personnel, including the PC and its personnel, to attend up to and including four additional training courses each calendar year. All attendees that we require to attend additional training must complete the additional training to our satisfaction. You must pay to us or our designee the then-current training fee for any additional training course we require, and you will be responsible for any expenses incurred by your trainees, including travel, lodging, meals and wages.

**4.2.2.** We may offer additional training in person or in an electronic format in various forms. If we provide you with access to additional electronic training videos or other materials, then you must review those videos and other materials within a reasonable time or as provided in the Operations Manual.

**4.2.3.** You understand and agree that any specific ongoing training or advice we provide does not create an obligation (whether by course of dealing or otherwise) to continue to provide such specific training or advice, all of which we may discontinue or modify from time to time.

## **4.3. General Guidance.**

**4.3.1.** If we determine, in our sole discretion, that the Franchised Business needs additional guidance, we may send one or more representatives to your Franchised Business to provide you with guidance on the operations of the Franchised Business, and you agree to fully cooperate with such representative(s). Such topics for discussion and guidance may include your marketing strategy,

compliance with Brand Standards, operations management, financial management, and other topics as determined by the representative(s). We may require you to reimburse us for our travel and lodging costs and expenses in providing this training to you, plus our then-current per diem fee.

**4.3.2.** We may advise you regarding the Franchised Business's operation based on your reports to us and/or our direct or indirect observations, and we may provide guidance to you with respect to: (a) standards, specifications, and operating procedures and methods regarding management of the Clinic; (b) advertising and marketing materials and programs; (c) employee training and recruiting programs; and (d) administrative, bookkeeping, and accounting procedures.

**4.3.3.** We will provide guidance in the Operations Manual, bulletins or other written materials; by electronic communications or media; by telephone consultation; and/or at the Franchised Business. Upon written request, we may provide additional or special guidance, assistance, or training.

#### **4.4. Operations Manual.**

**4.4.1.** We will loan you during the Initial Term one (1) copy of our Operations Manual, which may be in electronic form, and may include audiotapes, videotapes, compact disks, computer software, other electronic media, information distributed electronically or via the Internet or our portal (if one is developed) and/or written materials. The Operations Manual contains our Brand Standards that we periodically prescribe for the management and operation of a Franchised Business and a Clinic and information on your other obligations under this Agreement. We may modify the Operations Manual periodically to reflect changes in Brand Standards. You agree and acknowledge that our Operations Manual and other guidelines as we set forth in writing from time to time include some mandatory requirements, and some recommended practices.

**4.4.2.** You agree to keep your copy of the Operations Manual current and in a secure location, electronically or otherwise. If there is a dispute over its contents, our master copy of the Operations Manual controls. You agree that the Operations Manual's contents are confidential and that you will not disclose the Operations Manual to any person other than Franchised Business employees who need to know its contents. You may not at any time copy, duplicate, record, or otherwise reproduce any part of the Operations Manual. If your copy of the Operations Manual is lost, destroyed, or significantly damaged, you agree to obtain a replacement copy from us.

**4.4.3.** At our option, we may post some, or all, of the Operations Manual, marketing materials, exchanges of franchisee email, System discussion forums and System-wide communications (among other activities) on a restricted Website or extranet to which you will have access. If we do so, you agree to monitor and access the Website for any updates to the Operations Manual or Brand Standards. Any passwords or other digital identifications necessary to access the Operations Manual on a Website will be deemed to be part of the Confidential Information (as defined in Section 6.1 of this Agreement).

#### **4.5. Advisory Council.**

**4.5.1.** We may, in our discretion, form one or more an advisory councils to work with us to improve the System, the products and services offered by Clinics, advertising conducted by the Brand Marketing Fund, and any other matters that we deem appropriate. If an advisory council is formed, it will act solely in an advisory capacity, and will not have decision making authority. We reserve the right to form, develop by-laws for, change, merge or dissolve any advisory council.

**4.5.2.** If formed, an advisory council may be comprised of our representatives and iMove PT Clinic franchisee representatives. We may require all franchisees to participate in council-related activities and meetings, and to pay any dues assessed for the administration of that program. We will pay dues for our representatives that participate in the advisory council. If you participate on an advisory council, you will pay any expenses you incur related to your participation, such as travel and living expenses to attend council meetings.

#### **4.6. Franchisee Convention.**

**4.6.1.** We may, in our discretion, hold a convention, or designate a third-party sponsored event as the convention, not more than once per calendar year, at a time, date, and location to be selected by us (the “**Convention**”). We will determine the topics and agenda for the Convention to serve the purpose, among other things, of updating you and other iMove PT Clinic franchisees on developments affecting franchisees, exchanging information regarding operations and programs, recognizing franchisees for their achievements, and others as we determine. We may require you to attend the Convention and pay our then-current registration fee, not to exceed one thousand dollars (\$1,000) per attendee (the “**Convention Registration Fee**”). We reserve the right to charge you the Convention Registration Fee to cover the convention expenses in the event you choose not to attend the Convention. All expenses, including your and your employees’ transportation to and from the Convention, as well as lodging, meals, and salaries during the Convention are your sole responsibility. We may use Brand Marketing Fees for purposes related to the Convention, including costs related to productions, programs, and materials.

### **SECTION 5**

#### **MARKS**

**5.1. Ownership and Goodwill of the Marks.** You understand and acknowledge that we are the owner of the Marks and System, and that we have a licensee to use and sublicense the System and Marks used in connection with iMove PT businesses and your Franchised Business and Clinic. Your right to use the Marks is derived only from this Agreement and limited to your operation of the Franchised Business pursuant to this Agreement and all Brand Standards. Your unauthorized use of the Marks is a breach of this Agreement and infringes on our affiliates’ rights in the Marks and our rights to use and sublicense the Marks. You acknowledge and agree that your use of the Marks, and any goodwill established by that use, are exclusively for our and our affiliates’ benefit and that this Agreement does not confer any goodwill or other interests in the Marks upon you. All provisions of this Agreement relating to the Marks apply to any additional proprietary trade and service marks we authorize you to use. You may not, at any time, use, contest or assist any other person in contesting the validity of our ownership of the Marks.

#### **5.2. Limitations on Your Use of the Marks.**

**5.2.1.** You agree to use the Marks as the Franchised Business’s sole identification, except that you agree to identify yourself or the Entity as the independent contractor in the manner we prescribe. Your use of the Marks will be limited to uses related to the management and administrative support of the Clinic, and you may not in any way use the Marks to explicitly or implicitly state or suggest that you or the Franchised Business is providing any physical therapy services. You may not use any Mark, any derivatives of the Marks or similar mark: (a) as part of any corporate or legal business name, (b) with any prefix, suffix, or other modifying words, terms, designs, or symbols (other than logos we have licensed to you), (c) in selling any unauthorized services or products, (d) as part of any domain name, homepage, electronic address, or otherwise in connection with a Website, or (e) in any other manner that we have not expressly authorized in writing.

**5.2.2.** You may not use any Mark in advertising the transfer, sale, or other disposition of the Franchised Business or an ownership interest in you without our prior written consent, which we will not unreasonably withhold. You agree to display the Marks prominently as we prescribe at the Franchised Business and on forms, advertising, supplies, and other materials we designate. You agree to give the notices of trade and service mark registrations that we specify and to obtain any fictitious or assumed name registrations required under applicable law.

**5.3. Notification of Infringements and Claims.** You agree to notify us immediately of any apparent infringement or challenge to your use of any Mark, or of any person’s claim of any rights in any Mark, and not to communicate with any person other than us, our attorneys, and your attorneys, regarding any

infringement, challenge, or claim. We may take the action we deem appropriate (including no action) and control exclusively any litigation, U.S. Patent and Trademark proceeding, or other administrative proceeding arising from any infringement, challenge, or claim or otherwise concerning any Mark. You agree to sign any documents and take any other reasonable action that, in the opinion of our attorneys, are necessary or advisable to protect and maintain our interests in any litigation or U.S. Patent and Trademark or other proceeding or otherwise to protect and maintain our interests in the Marks. We will reimburse you for your costs of taking any action that we have asked you to take.

#### **5.4. Discontinuance of Use of the Marks.**

**5.4.1.** If it becomes advisable at any time for us and/or you to modify or discontinue using any Mark and/or to use one or more additional or substitute trademarks or service marks, you agree to comply with our directions within a reasonable time after receiving notice. We are not required to reimburse you for your expenses of changing the Franchised Business's signs, for any loss of revenue due to any modified or discontinued Mark, or for your expenses of promoting a modified or substitute trademark or service mark.

**5.4.2.** Our rights apply to any and all of the Marks (and any portion of any Mark) that we authorize you to use in this Agreement. We may exercise these rights at any time and for any reason. You acknowledge both our right to take such action and your obligation to comply with our directions.

**5.5. Indemnification for Use of the Marks.** We agree to reimburse you for all damages and expenses that you incur in any trademark infringement proceeding disputing your authorized use of any Mark under this Agreement, provided you have notified us immediately upon your becoming aware of such infringement, you comply with our directions in responding to the proceeding, and you have used the Mark(s) in compliance with this Agreement, the Operations Manual, and other directives from us. At our option, we may defend or control the defense of any proceeding arising from your use of any Mark under this Agreement.

### **SECTION 6** **CONFIDENTIAL INFORMATION**

**6.1.** We possess (and will continue to develop and acquire) certain Confidential Information, some of which constitutes trade secrets under applicable law, relating to developing and operating iMove PT Clinic businesses and your Franchised Business and Clinic. “**Confidential Information**” includes the following:

**6.1.1.** our trade secrets, Operations Manual, System, and all other information that you are given access to by virtue of this Agreement that is not a matter of public knowledge

**6.1.2.** site selection and territorial criteria;

**6.1.3.** training and operations materials and manuals;

**6.1.4.** methods, formats, specifications, standards, systems, procedures, sales and marketing techniques, knowledge, and experience used in developing and managing Clinics and offering or selling certain modern physical therapy products and services;

**6.1.5.** marketing and advertising programs for Clinics;

**6.1.6.** knowledge of, specifications for, and suppliers of Operating Assets, and other products and services;

**6.1.7.** any computer software or similar technology which is proprietary to us or the System, including but not limited to, digital passwords and identifications and any source code of, and data, reports, and other printed materials generated by, the software or similar technology;

**6.1.8.** knowledge of the operating results and financial performance of iMove PT Clinic businesses and your Clinic and Franchised Business (subject to compliance with HIPAA and other requirements);

**6.1.9.** graphic designs and related intellectual property; and

**6.1.10.** any passwords or other digital identifications necessary to access the Operations Manual on a Website.

**6.2.** You acknowledge and agree that you will not acquire any interest in the Confidential Information by virtue of this Agreement or otherwise, other than the right to use it as we specify in operating the Franchised Business during the Initial Term, and that the Confidential Information is proprietary and is disclosed to you only on the condition that you agree that you:

**6.2.1.** will not use Confidential Information in any other business or capacity;

**6.2.2.** will keep each item deemed to be part of Confidential Information absolutely confidential, both during the Initial Term and then thereafter for as long as the item is not generally known in the employment and/or health care industries;

**6.2.3.** will not make unauthorized copies of any Confidential Information disclosed via electronic medium or in written or other tangible form; and

**6.2.4.** will adopt and implement reasonable procedures to prevent unauthorized use or disclosure of Confidential Information, including restricting disclosure to your Franchised Business's personnel and others and using non-disclosure and non-competition agreements (in the form attached as Exhibit E to this Agreement) with those having access to Confidential Information. We have the right to regulate the form of agreements that you use and to be a third-party beneficiary of those agreements with independent enforcement rights. You are obligated to maintain in your files those executed confidentiality agreements we specify and make them available to us upon request.

**6.3.** Confidential Information does not include information, knowledge, or know-how which you can demonstrate lawfully came to your attention before we provided it to you directly or indirectly; which, at the time we disclosed it to you, already had lawfully become generally known in the health care management through publication or communication by others (without violating an obligation to us); or which, after we disclose it to you, lawfully becomes generally known in the health care management through publication or communication by others (without violating an obligation to us). However, if we include any matter in Confidential Information, anyone who claims that it is not Confidential Information must prove that one of the exclusions provided in this paragraph is fulfilled.

**6.4.** All ideas, concepts, techniques, or materials relating to your Franchised Business, whether or not protectable intellectual property and whether created by or for you or your employees, must be promptly disclosed to us and will be deemed to be our sole and exclusive property, part of the System, and works made-for-hire for us. To the extent that any item does not qualify as a "**work made-for-hire**" for us, by this paragraph you assign ownership of that item, and all related rights to that item, to us and agree to take whatever action (including signing an assignment or other documents) we request to evidence our ownership or to help us obtain intellectual property rights in the item. Notwithstanding the generality of the foregoing, in the event the PC has assigned to you any ideas, concepts, techniques, or materials relating to your Franchised Business, as contemplated herein, then ownership of any item assigned by the PC to you shall then be assigned by you to us.

## **SECTION 7**

### **EXCLUSIVE RELATIONSHIP**

**7.1.** You acknowledge that we have granted you the right to develop and operate the Franchise Clinic in consideration of and in reliance upon your agreement to deal exclusively with us. You therefore agree that during the Initial Term, you and any of your Immediate Family Members who have attended any of our training programs, or have participated in any aspects of the operation or management of the Franchised Business or otherwise may have access to Confidential Information, will not directly or indirectly:

**7.1.1.** own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or non-controlling interest as an Owner – whether of record, beneficially, or otherwise – in a Competitive Clinic, wherever located or operating (except that an equity ownership of less than five percent (5%) of a Competitive Clinic whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this subparagraph);

**7.1.2.** be or perform services as a director, officer, manager, employee, consultant, representative, or agent for a Competitive Clinic, wherever located or operating;

**7.1.3.** divert or attempt to divert any actual or potential business or patients of the Franchised Business to a Competitive Clinic; or

**7.1.4.** engage in any other activity which might injure the goodwill of the Marks or System.

**7.2.** You agree to obtain similar covenants from the personnel and persons we specify including your directors, managers and other employees attending our training program or having access to the Confidential Information and Immediate Family Members, subject to and in compliance with applicable state law in the State where the Franchised Business is located. We have the right to regulate the form of agreement that you use and to be a third-party beneficiary of those agreements with independent enforcement rights.

## **SECTION 8**

### **BRAND STANDARDS**

#### **8.1. Condition and Appearance of the Franchised Business.**

You must maintain the condition and appearance of the Franchised Business' Operating Assets in accordance with Brand Standards and consistent with the image of a Clinic as an efficiently operated business offering high quality professional services and products, observing high standards of patient service and care, and providing efficient, courteous service.

#### **8.2. Franchised Business Services, Specifications, Standards, and Procedures.** You agree that:

**8.2.1.** the Franchised Business will provide all of the management services to the Clinic and that the PC (and not you or the Franchised Business) will offer physical therapy and patient care services;

**8.2.2.** the Franchised Business will offer and sell approved services and products only in the manner we prescribe;

**8.2.3.** you will not offer for sale or sell at or from the Franchised Business, any services or products we have not approved;

**8.2.4.** you must follow our policies, guidelines, and programs for advertising and promotion, and to the extent allowed by law, this includes a requirement that you sell the memberships, products and services at the prices and discounts advertised or promoted pursuant to programs we establish;

**8.2.5.** we have the right to revoke our approval of services or products to be offered or sold at or from the Franchised Business, and you will discontinue selling and offering for sale any services or products that we revoke or disapprove in writing; and

**8.2.6.** you will be responsible for the PC operating in accordance with the Management Agreement (or if you sign a Waiver of Management Agreement, operating the Clinic in accordance with the Waiver of Management Agreement).

### **8.3. Approved Products and Suppliers.**

**8.3.1.** We have the right to designate certain products as mandatory or optional, and you acknowledge and agree that we or our affiliates may be designated suppliers. We reserve the right to approve specifications or suppliers of the products that meet our reasonable standards and requirements. You agree to purchase only such products meeting those specifications, and if we require it, only from suppliers we have approved.

**8.3.2.** We may concentrate purchases with one or more suppliers in an attempt to obtain lower prices or advantageous advertising support or services. Approval of a supplier may be conditioned on any requirements we determine in our sole discretion, including but not limited to, product quality, prices, consistency, reliability, financial capability, labor relations, patient relations, frequency of delivery, concentration of purchases, standards of service, including prompt attention to complaints, or other criteria and may be temporary, pending our continued evaluation of the supplier.

**8.3.3.** At the time the Clinic opens for business, you will stock the initial inventory of supplies, equipment and materials prescribed by us and/or required by the PC. Thereafter, you will stock and maintain all types of supplies, equipment and materials which we prescribe or are required by the PC, in quantities sufficient to meet reasonably anticipated patient demand. Additionally, requirements relating to equipment and products to be used in connection with physical therapy services provided to patient by the PC will be subject to the PC's approval.

**8.3.4.** You acknowledge and agree that we may establish one or more preferred vendor programs. In this event, we may limit the number of approved suppliers with whom you may deal, designate sources that you must use for some or all products, and/or refuse any of your requests if we believe that this action is in the best interest of the System and other iMove PT Clinic businesses. We will have unlimited rights to approve or disapprove the suppliers who may be permitted to sell products to you.

**8.3.5.** You acknowledge and agree that we will have the right to collect and retain all Rebates offered by suppliers to us based upon your purchases of products. These Rebates may be based on System-wide purchases of products. You assign to us or our designee all of your right, title and interest in and to any and all such Rebates and authorize us or our designee to collect and retain any and all such Rebates without restriction (unless otherwise instructed by the supplier). If we do so, then you hereby acknowledge that you will not assert any interest in such monies.

**8.4. Approval of New Products and Suppliers.** If you wish to purchase, lease or use any products that we have not previously approved, or you wish to purchase or lease from a supplier we have not previously approved, you or the supplier must submit to us a written request for approval. You must pay our then-current evaluation fee for each product or supplier you request that we evaluate, plus the costs we incur in connection with testing, inspecting, and evaluating the proposed product or supplier. We must approve any product or supplier in writing before you make any purchases of that product or from that supplier. We can require that our representatives be permitted to inspect the supplier's facilities and that samples from the supplier be delivered, either to us or to an independent laboratory, for testing. We reserve the right to re-inspect the facilities and products of any approved supplier and to revoke our approval if the supplier fails to continue to meet any of our then-current standards in our sole discretion. Our supplier approval procedure does not obligate us to approve any particular supplier. We will notify you in writing

within thirty (30) days after you have requested our approval whether the proposed product or supplier is, in fact, approved or disapproved. We are not required to make available to you or to any supplier our criteria for product or supplier approval. We are not obligated to approve any specific product or supplier if we believe that approval of that product or supplier is not in the best interests of the System. We may revoke our prior approval of any product or supplier at any time, and after your receipt of written notice from us regarding our revocation you must stop using that product or stop purchasing from that supplier.

## **8.5. Management of the Franchised Business; Conflicting Interests.**

**8.5.1.** You or your Operating Principal must manage and provide general oversight of the Franchised Business on a full-time basis. Your failure to have the Franchised Business managed on a full-time basis by you or your Operating Principal is a default for which we may terminate this Agreement if such default continues for thirty (30) days after receiving notice from us. You must keep us informed at all times of the identity of any supervisory employee(s), including your Operating Principal and the Affiliated Practitioners. You must make sure that the Franchised Business is staffed with adequate personnel to meet the needs of the Clinic, and you must make sure that the Clinic is staffed with adequate personnel to meet patient needs efficiently and effectively.

**8.5.2.** If you own or control more than one iMove PT Clinic business, we reserve the right to require you to be an Entity, and each iMove PT Clinic business must be under the direct supervision, of one of your principals who is designated as the Operating Principal for that Franchised Business and who has completed our training program to our satisfaction.

## **8.6. Insurance.**

**8.6.1.** You must maintain in force, at your sole expense, the insurance coverages that we require, as described below. We reserve the right to designate the insurance agent you must use to assist you in obtaining the required insurance and the required coverage minimums. We may also, in the future, establish a company-owned package of insurance coverages in which you and all other iMove PT Clinic businesses must participate, and in this event, you would pay insurance premiums to us.

**8.6.2.** Your insurance coverage must: (i) be maintained during the Initial Term, (ii) be obtained from a responsible, duly licensed carrier or carriers acceptable to us and having a rating of at least A with A.M. Best Company, (iii) must name us and our affiliates, and their respective officers, directors and employees, as an additional insured, and (iv) contain a waiver of the insurance company's right of subrogation against us. Currently you must maintain the following insurance:

- (a) commercial general liability insurance, which includes coverage (or separate policies) for products liability, bodily injury, and property damage with minimum limits of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) annual aggregate;
- (b) coverage limits of \$250,000 annual aggregate for a Mobile Clinic, and minimum coverage limits of \$500,000 for a Brick and Mortar Clinic;
- (c) workers' compensation insurance with minimum employers' liability limits of one million dollars (\$1,000,000) each accident, as well as such other disability benefits type insurance as may be required by statute or rule of the state in which the Clinic is located;
- (d) umbrella liability insurance with minimum limits of two million dollars (\$2,000,000) per occurrence and annual aggregate;
- (e) professional liability insurance with minimum limits of two hundred fifty thousand dollars (\$250,000) per occurrence and one million dollars (\$1,000,000) annual aggregate (or, if you sign the Waiver of Management Agreement and do not have a PC, limits of at least one million dollars (\$1,000,000) for each incident and three million dollars (\$3,000,000) annually); and

(f) *Brick and Mortar Clinics only*: business interruption insurance covering a minimum of twelve (12) months of income, including coverage for our continuing fees, and with us named as a loss payee with respect to our continuing fees;

(g) any insurance required by applicable state and local laws and rules, or that we may require in the future.

**8.6.3.** In addition, you must arrange for the PC to obtain and maintain professional liability coverage with limits of at least one million dollars (\$1,000,000) for each incident and three million dollars (\$3,000,000) annually for itself and naming you and us as an additional insured.

**8.6.4.** We may periodically increase the amounts of coverage required under these insurance policies and/or require different or additional insurance coverage at any time to reflect inflation, identification of new risks, changes in law or standards of liability, higher damage awards or other relevant changes in circumstances. The insurance policies must provide for thirty (30) days' prior written notice to us of a policy's material modification, cancellation or expiration. You must routinely furnish us copies of your certificates of insurance or other evidence of your maintaining this insurance coverage and payment of premiums, including but not limited to, completed policy endorsements. If you fail or refuse to obtain and maintain the insurance we specify, in addition to our other remedies, we may obtain comparable insurance for you and the Franchised Business on your behalf, in which event you shall cooperate with us and reimburse us for all premiums, costs and expenses we incur in obtaining and maintaining the insurance, plus a ten percent (10%) administrative fee for our time incurred in obtaining the insurance.

## **8.7. Compliance with Brand Standards.**

**8.7.1.** You acknowledge and agree that operating and maintaining the Franchised Business according to Brand Standards is essential to preserve the goodwill of the Marks, the System, all iMove PT Clinic businesses, and your Franchised Business and Clinic, and you agree at all times to operate and maintain the Franchised Business according to all of our Brand Standards. Although we retain the right to establish and periodically modify Brand Standards, you retain the right to and responsibility for the day-to-day management and operation of the Franchised Business and implementing and maintaining Brand Standards at the Franchised Business. If you fail to implement, maintain, and/or comply with Brand Standards, we may terminate your right to operate the Franchised Business, and/or take other actions to enforce the Brand Standards.

**8.7.2.** The following are examples, and by no means an exhaustive list, of recommended and mandatory Brand Standards we may regulate, in addition to the items described in Sections 8.1 through 8.6 above:

(a) all management and administrative services provided to the Clinic or otherwise used in connection with operating the Franchised Business;

(b) maintaining a competent, conscientious, trained staff in numbers sufficient to promptly service patients. You shall comply with all applicable employment and wage and hour laws and regulations. You are solely responsible for all employment decisions and functions of the Franchised Business including but not limited to, those related to hiring, firing, training, compliance with wage and hour requirements, personnel policies, scheduling, benefits, recordkeeping, supervision, and discipline of employees, regardless of whether you receive advice from us on these subjects. You acknowledge and agree that all personnel decisions, including hiring, firing, disciplining, compensation, benefits, and scheduling, shall be made by you, without any influence or advice from us, and such decisions and actions shall not be, nor be deemed to be, a decision or action of us. Further, it is the intention of the parties to this Agreement that we shall not be deemed a joint employer with you for any reason;

- (c) sales, marketing, advertising, and promotional programs and materials and media used in these programs;
- (d) use and display of the Marks at the Franchised Business and with the Clinic, and on signs, contracts, products and supplies;
- (e) days and hours of operation;
- (f) participation in market research and testing and product and service development programs as well as participation in, and dues assessed for, advisory councils;
- (g) accepting credit and debit cards, other payment systems, and check verification services;
- (h) participation in, and compliance with, private and government-sponsored insurance and reimbursement programs;
- (i) bookkeeping, accounting, data processing, and recordkeeping systems and forms; formats, content, and frequency of reports to us of sales, revenue, financial performance, and condition; and providing us copies of tax returns and other operating and financial information concerning the Franchised Business;
- (j) submitting to us all press releases relating to the Clinic for our prior written approval;
- (k) minimum and maximum rates for the products and services you are permitted to advertise and/or offer at the Clinic (subject to applicable law);
- (l) membership reciprocity and reconciliation policies and procedures between your Franchised Business and other iMove PT Clinic businesses (as described more fully in Sections 8.10 and 8.11 below); and
- (m) any other aspects of operating and maintaining the Franchised Business that we determine to be useful to preserve or enhance the efficient operation, image, or goodwill of the Marks, System, other iMove PT Clinic businesses, and your Franchised Business and Clinic.

**8.7.3.** You acknowledge and agree that as part of the Brand Standards, we have the right to designate products as mandatory or optional for use in connection with the operation of the Franchised Business, and that you obtain such products only from suppliers that we approve or designate. You agree that Brand Standards we prescribe in the Operations Manual, or otherwise communicate to you in writing, are part of this Agreement as if fully set forth within its text. All references to this Agreement include all Brand Standards as periodically modified.

**8.7.4.** Not including any monetary defaults, we may charge you our then-current non-compliance fee (“**Non-Compliance Fee**”), as set forth in the Operations Manual or otherwise, in the event you fail to fully comply with any of our then-required Brand Standards. The Non-Compliance Fees are in addition to all other rights or remedies available to us under this Agreement or applicable law.

**8.8. Modification of Brand Standards.** We may periodically modify Brand Standards, and these modifications may obligate you to invest additional capital in the Franchised Business and/or incur higher operating costs. You agree to implement any changes in Brand Standards within the time period we request.

**8.9. Power of Attorney for Internet, Telephone and Other Listings.** Upon the execution of this Agreement or at any time thereafter, you must, at our option, execute such forms and documents as we deem necessary, including the agreements attached hereto as Exhibit G, to appoint us as your true and lawful attorney-in-fact with full power and authority for the sole purpose of assigning to us only upon the termination or expiration of this Agreement: (i) all rights to the telephone numbers of the Franchised

Business and any related and other business listings; and (ii) Internet listings, domain names, Internet or social media Accounts, advertising on the Internet or World Wide Web, Websites, listings with search engines, e-mail addresses or any other similar listing or usages related to the Franchised Business. You agree that you have no authority to and shall not establish any Website, social media account, or listing on the Internet or World Wide Web without our express written consent, and we may withhold our consent without reason.

**8.10. Participation in Special Programs.** We reserve the right to establish and maintain, and you agree to, at your expense, fully participate in and honor all, (a) designated, sponsored, and approved loyalty benefit programs we establish or modify as set forth in the Operations Manual or otherwise in writing (collectively, the “**Special Programs**”), and (b) “patient satisfaction” quality control, patient satisfaction surveys, or any other quality control or evaluation programs with respect to iMove PT Clinics (“**Patient Satisfaction Program**”). You must participate in Special Programs and Patient Satisfaction Programs in accordance with our Brand Standards, subject to your compliance with all applicable federal, state, and local laws and regulations. If we establish such program(s), we may require you to pay for the costs and fees and such program(s).

## **SECTION 9**

### **MARKETING**

#### **9.1. Marketing Contributions and Expenditures; Participation in Marketing.**

**9.1.1.** You acknowledge and recognize the value of the System and Marks, the need to develop, enhance, and promote the System and Marks, and the need to advertise and market the System and Clinics. You also acknowledge and recognize the importance of the standardization of advertising programs to the furtherance of the goodwill and public image of the System, Franchised Business and Clinics. Therefore, you agree to: (a) contribute to the Brand Marketing Fund, (b) make local advertising and marketing expenditures, and (c) join and make contributions to a Cooperative, if and when established.

**9.1.2.** We may from time to time develop and create advertising and sales promotion programs designed to promote and enhance the collective success of all iMove PT Clinic businesses. You shall participate in all such advertising and sales promotion programs in accordance with the terms and conditions established by us for each program. In all aspects of these programs, including but not limited to, the type, quantity, timing, placement and choice of media, market areas and advertising agencies, the standards and specifications established by us shall be final and binding upon you.

**9.1.3.** We may, from time to time, incorporate into the System programs, products, or services which we either develop or otherwise obtain rights to, which are offered and sold under names, trademarks and/or service marks other than the Marks and which your Franchised Business, along with other iMove PT Clinic businesses, will be required to offer and sell. This activity, referred to as cobranding, may involve changes to the Marks and may require you to make modifications to your Franchised Business. If you receive written notice that we are instituting a cobranding program, you agree promptly to implement that program at your Franchised Business at the earliest commercially reasonable time and to execute any and all instruments required to do so. Under no circumstance will any cobranding program increase your Royalty Fees, Brand Marketing Fee or Local Marketing Requirement under this Agreement.

#### **9.2. Brand Marketing Fund.**

**9.2.1.** The image held by the public, patients, and employees of the iMove PT Clinic brand, Marks, and your Franchised Business and Clinic is important to the System and the Marks. We reserve the right to establish a Brand Marketing Fund for the enhancement and protection of the iMove PT Clinic brand and Marks, and for the advertising, marketing, and public relations programs and materials.

**9.2.2.** The Brand Marketing Fund, all contributions thereto, and any earnings thereon, shall be used exclusively (except as otherwise provided in this Section 9.2), in our sole discretion, to meet any and all costs of maintaining, administering, directing, conducting, creating and/or otherwise preparing advertising, marketing, public relations and/or promotional programs and materials, and any other activities which we believe will enhance the image of the System, including but not limited to, the costs of preparing and/or conducting: media advertising campaigns; social media campaigns; direct mail advertising; marketing surveys and other public relations activities; employing advertising and/or public relations agencies to assist therein; brand research and development; developing and hosting marketing, brand development and enhancement, and patient engagement seminars for iMove PT Clinic businesses; purchasing promotional items; developing new or modified trade dress and marks; point-of-purchase (POP) materials; design and photographs; conducting and administering visual merchandising, and other merchandising programs; purchasing media space or time (including all associated fees and expenses); administering regional and multi-regional marketing and advertising programs; market research and patient satisfaction surveys; developing and implementing membership, loyalty and gift card programs; customer referral and appreciation programs; patient retention programs; patient surveys and brand standard compliance programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, contests, public relation events, and charitable or non-profit events; developing, implementing and maintaining an electronic commerce website and/or related strategies; maintaining and developing one or more Websites devoted to the System, the Proprietary Marks and/or the iMove PT Clinic brand; and providing promotional and other marketing materials and services to the Clinics operated under the System. The Brand Marketing Fund may also be used to provide rebates or reimbursements to iMove PT Clinic businesses for local expenditures on products, services, or improvements, approved in advance by us, which products, services, or improvements we shall have the right to determine will promote general public awareness and favorable support for the System.

**9.2.3.** We will account for the Brand Marketing Fund separately from our other funds and monies and not use the Brand Marketing Fund for any of our general operating expenses. However, we may use the Brand Marketing Fund to pay administrative costs of the Brand Marketing Fund including managing the advertising, marketing, and promotional programs and payment of outside suppliers utilized by the Brand Marketing Fund, and we may use the Brand Marketing Fund to pay the reasonable salaries and benefits of personnel (including our personnel) who manage and administer the Brand Marketing Fund. We may use the Brand Marketing Fund to pay for other administrative costs, travel expenses of personnel while they are on Brand Marketing Fund business, meeting costs, overhead concerning Brand Marketing Fund business, and other expenses that we incur in activities reasonably related to administering or directing the Brand Marketing Fund and its programs. We may use money from the Brand Marketing Fund for collecting the Brand Marketing Fee (including attorneys', auditors' and accountants' fees and other expenses incurred in connection with collecting any Brand Marketing Fee). If we use a portion of the Brand Marketing Fund toward the cost to develop and maintain one or more Websites, any of them may have a section relating to our franchise opportunity, and all advertising and promotional materials may reflect the availability of iMove PT Clinic businesses. Otherwise, we do not use Brand Marketing Fund monies for advertising that is principally a solicitation for the sale of franchises.

**9.2.4.** The Brand Marketing Fund will not be our asset. Although the Brand Marketing Fund is not a trust, we will hold all Brand Marketing Fund contributions for the benefit of the System, the iMove PT Clinic brand, and the contributors, and use contributions only for the purposes described in this Section 9.2. We do not owe any fiduciary obligation to you for administering the Brand Marketing Fund or any other reason. The Brand Marketing Fund may spend in any fiscal year more or less than the total Brand Marketing Fund contributions in that year, borrow from us or others (paying reasonable interest) to cover deficits, or invest any surplus for future use. We will use all interest earned on Brand Marketing Fund contributions to pay costs before using the Brand Marketing Fund's other assets.

**9.2.5.** We may prepare an annual, unaudited statement of Brand Marketing Fund collections and expenses. The statement is available for your review upon written request, one hundred twenty (120) days after our fiscal year end. We may have the Brand Marketing Fund audited annually, at the Brand Marketing Fund's expense, by an independent certified public accountant, but we are not required to do so. We may incorporate the Brand Marketing Fund or operate it through a separate entity whenever we deem appropriate. The successor entity will have all of the rights and duties specified in this Section.

**9.2.6.** Although we may use the Brand Marketing Fund, or portions of the monies in the Brand Marketing Fund, to create, develop, use and/or place advertising and promotional marketing materials and programs, and we may try to engage in brand enhancement activities that will benefit all iMove PT Clinic businesses, we cannot and do not represent or ensure that Brand Marketing Fund expenditures will be made in or affect any specific geographic area, or will be proportionate or equivalent to Brand Marketing Fund contributions by iMove PT Clinic businesses operating in that geographic area. We do not guarantee or assure that any iMove PT Clinic business will benefit directly or in proportion to its Brand Marketing Fund contribution from the brand enhancement activities of the Brand Marketing Fund or the development of advertising and marketing materials or the placement of advertising and marketing.

**9.2.7.** We have the right to use collection agents and institute legal proceedings to collect Brand Marketing Fund contributions at the Brand Marketing Fund's expense. We also may forgive, waive, settle, and compromise all claims by or against the Brand Marketing Fund. Except as expressly provided in this Section, we assume no direct or indirect liability or obligation to you for collecting amounts due to, maintaining, directing, or administering the Brand Marketing Fund.

**9.2.8.** Although the Brand Marketing Fund is intended to be perpetual, we may terminate the Brand Marketing Fund at any time.

**9.2.9.** The Brand Marketing Fund will not be terminated until all monies in the Brand Marketing Fund have been spent in the manner as described in this Section 9.2. If we terminate the Brand Marketing Fund, we have the right to reinstate it at any time and you must again contribute to the Brand Marketing Fund. Any reinstated Brand Marketing Fund will be maintained as described herein.

### **9.3. Local Marketing.**

**9.3.1.** Beginning the date you open the Clinic, you must spend at least 2% of your Gross Revenues per calendar quarter on approved local marketing and promotion of your Clinic (the "**Local Marketing Requirement**"). If you open the Clinic in the middle of a calendar quarter, you will spend the pro-rated amount measured from the date you opened the Clinic until the end of the applicable calendar quarter. Within 30 days of our request, you must provide us with proof of your local marketing expenditures. If the report demonstrates you failed to spend the required amount on approved local marketing and promotional activities, you must deposit with us the difference between what you did spend and the minimum required amount to be deposited in the Brand Marketing Fund. For purposes of this Section, local marketing and promotional activities are approved if they are included in our recommended media plan for the Franchised Business or otherwise comply with the Operations Manual.

**9.3.2.** All advertising and marketing materials you use must comply with our then-current standards, and we must approve all advertising and marketing materials before you use them. Except as described in Sections 9.6 below, you must not advertise or use our Marks in any fashion on the internet, social media, world wide web, or via other means of advertising through telecommunication, without our express written consent.

**9.4. Cooperative Marketing.** We may, in our discretion, create a local or regional marketing cooperative ("**Cooperative**") in any area, or we may approve the creation of such a Cooperative by iMove PT Clinic businesses, and establish the rules and regulations therefor. Immediately upon our request, you must become a member of the Cooperative for the area in which some or all of your Territory is located.

In no event may the Franchised Business be required to be a member of more than one Cooperative. The Cooperative must be governed in the manner we prescribe. The Cooperative may require each of its members to make contributions thereto in an amount as agreed upon by the Cooperative members or as we may prescribe. You shall contribute such amounts at the times and in the manner as determined by majority vote of the Cooperative members. Any funds contributed to a Cooperative will be credited towards your Local Marketing Requirement; provided, however, that if your contributions to a Cooperative are less than your Local Marketing Requirement, you shall nevertheless spend the difference locally. The following provisions apply to each Cooperative:

**9.4.1.** Each Cooperative shall be organized (including but not limited to bylaws and other organic documents) and governed in a form and manner, and shall commence operations on a date, approved in advance by us in writing. Unless otherwise specified by us, the activities carried on by each Cooperative shall be decided by a majority vote of its members. Any iMove PT Clinic businesses that we or our affiliate operate in the region shall have the same voting rights as those owned by iMove PT Clinic franchisees, and each will be entitled to cast one (1) vote;

**9.4.2.** the Cooperative must be organized for the exclusive purpose of administering advertising programs and developing, subject to our approval, standardized promotional materials for the members' use in local marketing within the Cooperative's area;

**9.4.3.** without our prior written approval, the Cooperative may not use, nor furnish to its members, any advertising or promotional plans or materials; all such plans and materials must be submitted to us in accordance with the Manual;

**9.4.4.** the Cooperative may require its members to periodically contribute to it in such amounts as it determines. Clinics owned and operated by us or our affiliates that are members of the Cooperative shall contribute to the Cooperative in the same amount as other members;

**9.4.5.** You shall submit your required contribution to the Cooperative at the time required under Section 9.3 above, together with such statements or reports as may be required by us or by the Cooperative with our prior written approval. If we request in writing, you shall submit your payments and reports to the Cooperative directly to us for distribution to the Cooperative.

**9.4.6.** Although once established each Cooperative is intended to be for a perpetual duration, we maintain the right to terminate any Cooperative. A Cooperative will not be terminated, however, until all monies in that Cooperative have been expended for marketing and/or promotional purposes.

## **9.5. Approvals.**

**9.5.1.** Any marketing that you propose to use that has either not been prepared by us or has not been approved by us in the immediately preceding three (3) month period must be submitted to us for our review no later than twenty (20) business days before you intend to use it or the deadline for running the advertisement. Unless we provide our disapproval of the proposed materials within ten (10) business days after we have received them, the materials are deemed approved. Any materials you submit to us for our review will become our property, and there will be no restriction on our use or distribution of these materials.

**9.5.2.** We reserve the right to require you to include certain language in your local marketing and/or Cooperative marketing, such as "Franchises Available" and our website address and phone number.

## **9.6. Websites.**

**9.6.1.** We alone may establish, maintain, modify or discontinue all internet, world wide web, and electronic commerce activities pertaining to the System. We have established one or more Websites accessible through one or more uniform resource locators ("URLs") and we may design and provide for the benefit of your Clinic a click through subpage at our website for the promotion of your Clinic. If we

establish one or more Websites, or other modes of electronic commerce and if we provide a click through subpage at the website(s) for the promotion of your Clinic, we may require you to provide us or our designated vendor with updated copies, photographs, and news stories about your Franchised Business and Clinic in accordance with our standards and specifications as set forth in the Operations Manual or otherwise in writing. We reserve the right to specify the content, frequency, and procedure you must follow for updating your click through subpage, and to require you to use designated or approved suppliers for the establishment, use, maintenance, and/or updating such click through subpage.

**9.6.2.** Any Websites or other modes of electronic commerce that we establish or maintain may, in addition to, but without limitation, advertising and promoting the products, programs or services available at iMove PT Clinic Clinics, be used by us to exploit the electronic commerce rights which we alone reserve.

**9.6.3.** You are prohibited from promoting, advertising, marketing, or otherwise an online presence for your Clinic in any manner on any Websites without our prior written consent. We may require you to establish and maintain social media pages or profiles, which may include, without limitation, Facebook, Twitter, LinkedIn, YouTube, Instagram, Yelp, Google Clinic, or any other social media and/or networking site we designate (“**Social Media**”). If we permit or require you to establish Social Media accounts or pages, we may require you to make us administrators and have access to and control of the Social Media accounts or pages. You must comply with our Brand Standards regarding the establishment, use, appearance, maintenance, and updating of social media pages and profiles. We reserve the right to require you to use designated or approved suppliers for the establishment, use, maintenance, and/or updating of such social media pages or profiles. We reserve the right to conduct collective or national campaigns via local social media on your behalf.

**9.6.4.** We alone will be, and at all times will remain, the sole owner of the copyrights to all material which appears on any website we or you establish and maintain that uses the Marks, including any and all material you may furnish to us for your click through subpage.

## **SECTION 10**

### **RECORDS, REPORTS AND FINANCIAL STATEMENTS**

#### **10.1. Reports.**

**10.1.1.** You must establish and maintain at your own expense a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats we prescribe, and you must use the accounting software we determine in the Operations Manual to establish and maintain such bookkeeping, accounting and recordkeeping system, which may be accessible to us at all times in accordance with Section 2.4.4 above. We require you to use a Computer System to maintain certain sales data and other information. You agree to prepare and provide the following to us in the manner and format that we prescribe:

- (a) in addition to the weekly Revenue Report required by Section 3.2, a monthly operating report, income statement, and balance sheet;
- (b) quarterly profit and loss statement for the Franchised Business as of the end of the prior calendar quarter;
- (c) not later than April 15<sup>th</sup> of each year, the operating statements, financial statements, and other information we request regarding you and the Franchised Business covering the previous calendar year; and
- (d) within ten (10) calendar days after our request, exact copies of federal and state income tax returns, sales tax returns, and any other forms, records, books, and other information we periodically require relating to the Franchised Business and the Owners.

**10.1.2.** You agree to verify and sign each report and financial statement that we require, as we designate in the Operations Manual or otherwise in writing. We may disclose data derived from these reports. You understand and agree that we may use the data derived from these reports with identifying information for use within the System as further described in the Operations Manual; *provided*, we will not, without obtaining your prior consent (unless required by law), disclose your identity in any materials that we circulate publicly.

**10.2. Default in Reporting Obligation.** If you have been in default of any financial or reporting obligation under this Agreement, more than two (2) times during the Initial Term, we reserve the right to require that you prepare, and provide us, audited financial statements on an annual basis. In addition, you must provide us with audited financial statements in the event you prepare them for any other purpose.

**10.3. Books and Records.** You must preserve and maintain all records in a secure location and in any method or medium we prescribe, which may include digital or cloud-based data storage, for at least seven (7) years or otherwise required by law (including, but not limited to, billings, purchase orders, invoices, payroll records, patient lists, check stubs, sales tax records and returns, cash receipts and disbursement journals, and general ledgers). In addition, you must comply with all federal and state laws that may require that you maintain certain records respecting patient data and other information (including record retention periods applicable to providers and suppliers in the Medicare and Medicaid programs) for a longer period of time.

## **SECTION 11**

### **INSPECTIONS AND AUDITS**

**11.1. Our Right to Inspect the Franchised Business.** We and our designated agents or representatives may at any time and without prior notice to you: (a) inspect and observe the operation of the Franchised Business; (b) interview the Franchised Business's personnel; and (c) inspect and copy any books, records, and documents relating to the Franchised Business's operation. You agree to cooperate with us fully. If we exercise any of these rights, we will not interfere with the Franchised Business's operation.

**11.2. Our Right to Audit.** We may, with ten (10) days' notice, examine the business, bookkeeping, and accounting records, sales and income tax records and returns, and other records of the Franchised Business. You agree to cooperate fully with us, our representatives, accountants, auditors, representatives, and/or contractors in any examination. We may conduct our audit or examination at our location or the location of our representative, accountant, auditor, or contractor. If any examination discloses an understatement of the any amount owed to us, you agree to pay us, within ten (10) days after receiving the examination report, the understated amounts plus interest on the understated amounts from the date originally due until the date of payment. Furthermore, if an examination is necessary due to your failure to furnish reports, supporting records, or other information as required, or to furnish these items on a timely basis, or if our examination reveals an understatement of any fees you are required to pay to us under this Franchise Agreement or any other agreement between you and us, then: (a) you agree to reimburse us for the costs of the examination, including but not limited to, the charges of attorneys and independent accountants, and the travel expenses, room and board, and compensation of our employees; and (b) we may require you to provide us with periodic audited statements. These remedies are in addition to any other remedies and rights provided us under this Agreement and applicable law.

**11.3. Correction of Errors.** You understand and agree that our receipt or acceptance of any of the statements furnished or royalties or other fees paid to us (or the cashing of any checks or processing of any EFTs) will not preclude us from questioning the correctness thereof at any time or constitute any waiver of rights. In the event we discover any inconsistencies or mistakes in such statements or payments, you must immediately make any appropriate payment to us, our affiliate, or our designated suppliers.

**11.4. Authorization of Us.** You hereby authorize (and agree to execute any other documents deemed necessary to effect such authorization) all banks, financial institutions, businesses, suppliers, manufacturers, contractors, vendors and other persons or entities with which you do business to disclose to us any requested financial information in their possession relating to you or the Franchised Business. You authorize us to disclose data from your reports, if we determine, in our sole and absolute discretion, that such disclosure is necessary or advisable, which disclosure may include disclosure to prospective or existing franchisees or other third parties.

## **SECTION 12** **TRANSFER**

### **12.1. Transfer by Us.**

**12.1.1.** We have the right to assign this Agreement and any or all of our attendant rights and privileges to any person, firm, corporation or other entity, without prior notice to you, and we do not need your consent or approval to do so.

**12.1.2.** Further, with regard to any or all of the sales, assignments and dispositions described in Section 12.1.1, you expressly and specifically waive any claims, demands, or damages arising from or related to the loss of the Marks (or any variation thereof) and/or the loss of association with or identification of iMove PT Clinic. Nothing contained in this Agreement shall require us to remain in the same business or to offer the same products and services, whether or not bearing the Marks, in the event that we exercise our right to assign our rights in this Agreement.

**12.2. Transfer by You.** You understand and acknowledge that the rights and duties this Agreement creates are personal to you and that we have granted you the right to develop and operate the Franchised Business in reliance upon our perceptions of your individual or collective character, skill, aptitude, attitude, business ability, and financial capacity. Any transfer without our approval is a breach of this Agreement and it will be null and void and have no effect.

**12.2.1.** You (and your Owners) will not transfer (whether voluntary or involuntary), assign, dispose of, oblige, or otherwise encumber, in one or more transactions, your business, the Franchised Business, substantially all or all of the assets of the Franchised Business, this Agreement, or any controlling interest in you, unless you obtain our prior written consent. For purposes of this Section 12, “**controlling interest**” includes, among other things, a proposed transfer of fifty percent (50%) or more of the common (voting) stock in a corporation, or of the ownership interest in a limited liability company or partnership, not including a transfer to existing Owners, or the transfer of equity interests, in one or more transactions, such that the actual control or ability to control you has been transferred to a person or entity not previously owning or holding the right to exercise control. You must comply with any or all of the following conditions which we may, in our discretion, deem necessary:

(a) The transferee is approved by us and demonstrates to our satisfaction that he/she meets our then-current standards for new iMove PT Clinic businesses, and possesses sufficient business experience, aptitude, and financial resources to operate the Franchised Business;

(b) You have paid all Royalty Fees, Brand Marketing Fees, and other amounts owed to us and third party vendors (other than amounts payable to third party vendors that are the subject of a good faith dispute with such vendor), have submitted all required reports and statements, and are not in violation of this Agreement at the time of transfer;

(c) You have corrected any existing deficiencies of the Franchised Business of which we have notified you in writing or by electronic communications;

(d) Neither the transferee nor its owners (if the transferee is an Entity) or affiliates have an ownership interest (direct or indirect) in or perform services for a Competitive Clinic;

(e) All required personnel of the transferee satisfactorily complete our training program;

(f) The transferor agrees to remain liable for all of the obligations to us in connection with the Franchised Business incurred prior to the effective date of the transfer and shall execute any and all instruments reasonably requested by us to evidence such liability;

(g) The transferee must sign our then current form of franchise agreement and related documents, any and all of the provisions of which may differ materially from those contained in this Agreement, provided, however, that the term of the new franchise agreement signed will be the remaining amount of time left in the Initial Term;

(h) The transferee must execute either (a) a new Management Agreement with the PC (or a new PC for the Clinic, if applicable), which Management Agreement shall be subject to our prior approval, or (b) a Waiver of Management Agreement if the transferee and its counsel determine a Management Agreement is not required pursuant to Section 1.2 above;

(i) If the transferee is an existing iMove PT Clinic franchisee, then you pay us a transfer fee equal to fifty percent (50%) of our then-current Initial Franchise Fee. If the transferee is a new iMove PT Clinic franchisee, then you pay us a transfer fee equal to seventy-five percent (75%) of our then-current Initial Franchise Fee. You must pay the applicable transfer fee at the time you submit your request to us for consideration of the proposed transfer, and such amount shall be non-refundable;

(j) You (and your transferring Owners) sign a general release, in a form satisfactory to us, of any and all claims against us, our affiliates, and our and their members, officers, directors, employees, and agents;

(k) If you finance any part of the purchase price, you agree that all of the transferee's obligations under promissory notes, agreements, or security interests reserved in the Franchised Business are subordinate to the transferee's obligation to pay Royalty Fees, Brand Marketing Fees, and other amounts due to us and third-party vendors and otherwise to comply with this Agreement;

(l) You (and your transferring Owners) will not, for two (2) years beginning on the effective date of the transfer, engage in any of the activities prescribed in Section 15.4;

(m) You (and your transferring Owners) will not directly or indirectly at any time or in any manner (except as we may otherwise approve, and except with respect to other Clinics you may own and manage or as required by law, or as necessary to accurately respond to any inquiry regarding your business operations prior to the expiration or termination) identify yourself or any business as a current or former Clinic or as a iMove PT Clinic franchisee; use any Mark, any colorable imitation of a Mark, or other indicia of a Clinic in any manner or for any purpose; or utilize for any purpose any trade name, trade or service mark, or other commercial symbol that suggests or indicates a connection or association with us;

(n) The transferee must enter into a written agreement, in a form reasonably satisfactory to us, assuming full, unconditional joint and several liability for, and agreeing to perform from the date of the transfer, all obligations, covenants and agreements contained in this Agreement; and

(o) If the transferee is an entity, the transferee's shareholders, partners or other investors, as applicable, shall execute such agreement as transferee's principals and guarantee the performance of all such obligations, covenants and agreements.

**12.2.2.** If the transfer involves less than a controlling interest in you (considering any prior changes of ownership or transfers), or if the transfer is between existing Owners for any percentage ownership in

you, you must obtain our prior written consent, provided you comply with any or all of the following conditions which we may deem necessary:

- (a) You provide us with 30 days' advance written notice of the transfer;
- (b) You pay us a reduced transfer fee of one thousand five hundred dollars (\$1,500). You must pay the applicable transfer fee at the time you submit your request to us for consideration of the proposed transfer, and such amount shall be non-refundable;
- (c) Any new Owner signs a personal guaranty in the form we designate; and
- (d) You provide us with such other information relating to the transfer as we request.

**12.2.3.** You must submit a written request to us for any proposed transfer under this Agreement. If you are in full compliance with this Agreement, including our policies and Brand Standards, then we will not unreasonably withhold our consent to a transfer that meets all of the requirements in this Section.

**12.2.4.** We may review all information regarding the Franchised Business that you give the transferee, correct any information that we believe is inaccurate, and give the transferee copies of any reports that you have given us or that we have made regarding the Franchised Business.

**12.2.5.** You are prohibited from granting a security interest in the Franchised Business or in any of your assets without our prior written consent, which shall not be unreasonably withheld. In connection therewith, the secured party will be required to agree that in the event of any default by you under any documents related to the security interest, we will have the right and option to be substituted as obligor to the secured party and to cure any default of yours.

**12.2.6.** You acknowledge and agree that each condition which must be met by the transferee is reasonable and necessary to assure such transferee's full performance of the obligations hereunder.

### **12.3. Transfer to a Wholly Owned Corporation or Limited Liability Company.**

**12.3.1.** In the event you are comprised of one or more individuals and you desire to transfer your interests herein to an Entity formed by you solely for the convenience of ownership, you must submit a written request and obtain our prior written consent of such transfer, which consent shall be granted if:

- (a) You are the Owner of all the voting stock of the corporation or all of the membership interests, as applicable, or, if you comprise more than one individual, each such individual shall have the same proportionate ownership interest in the Entity as it held in Franchised Business prior to the contemplated transfer;
- (b) Appropriate forms of corporate resolutions, minutes and/or consents, which have been duly adopted, are furnished to us prior to the transfer; and
- (c) You execute any documents we require to evidence such transfer, including but not limited to, our form of Transfer to a Corporation or Limited Liability Company, attached hereto as Exhibit G.

**12.3.2.** A transfer under this Section 12.3 may only occur once without payment of a transfer fee, and is not subject to our right of first refusal as described in Section 12.6. You will remain liable under this Agreement as if the transfer to the Entity did not occur.

### **12.4. Your Death or Disability.**

**12.4.1.** Upon your, or the Operating Principal's, death or Disability, your, or the Operating Principal's, executor, administrator, conservator, guardian, or other personal representative must transfer your interest in this Agreement, or the Operating Principal's ownership interest in you, to a third party (which may be your, or the Operating Principal's, heirs, beneficiaries, or devisees). That transfer must be

completed within a reasonable time, not to exceed twelve (12) months from the date of death or Disability and will subject to all of the terms and conditions in this Section 12. A failure to transfer your interest in this Agreement or the Operating Principal's ownership interest in you within this time period is a breach of this Agreement. If the transferee(s) of a majority legal ownership interest in you or this Agreement, or a majority of the Operating Principal's legal ownership interest in you, is an immediate family member of you or the Operating Principal, then notwithstanding Section 1.9.6 of this Agreement, that immediate family member do not need to be a certified physical therapist.

**12.4.2.** Upon your or the Operating Principal's death or Disability, your, or the Operating Principal's, executor, administrator, conservator, guardian, or other personal representative must within a reasonable time, not to exceed thirty (30) days from the date of death or Disability, appoint a manager to assume your or the Operating Principal's obligations under this Agreement. The manager, at your estate's expense, must complete our standard training program. A new Operating Principal acceptable to us also must be appointed for the Franchised Business, and that new Operating Principal must complete our standard training program within ninety (90) days after the date of death or Disability. If all of your or the Operating Principal's interest is transferred to one or more immediate family members upon your or the Operating Principal's death or Disability, then the newly appointed Operating Principal under this Section 12.4.2 will not be required to own a legal ownership interest in the Franchised Business. However, in addition to meeting our then-current standards to be an Operating Principal, we may also require a non-Owner Operating Principal (a) to be a certified physical therapist, and (b) sign a confidentiality and non-compete agreement in the form we prescribe.

## **12.5. Our Right of First Refusal.**

**12.5.1.** If you or any Owner desires to accept any *bona fide* offer from a third party to purchase you, all or substantially all of your material assets, or a direct or indirect majority interest in you, you or such Owner shall promptly notify us of such offer and must provide such information and documentation relating to the offer as we may require. We have the right, exercisable within thirty (30) days after receipt of notice, to send written notice to you that we intend to purchase the seller's interest on the same terms and conditions offered by the third party. We may assign our right of first refusal to someone else either before or after we exercise it. If we elect to purchase the seller's interest, the closing on such purchase shall occur within ninety (90) days from the date of notice to the seller of the election to purchase by us. If we cannot reasonably be expected to furnish the same consideration as the third party, then we may substitute the reasonable equivalent in cash. If the parties cannot agree within 30 days on the reasonable equivalent in cash, we will designate, at our expense, an independent appraiser and the appraiser's determination will be final.

**12.5.2.** Any material change in the terms of the *bone fide* offer from a third-party after we have elected not to purchase the seller's interest will constitute a new offer subject to the same right of first refusal as the third party's initial offer. Our failure to exercise the option afforded by this Section 12.5 shall not constitute a waiver of any other provision of this Agreement, including all of the requirements of this Section 12, with respect to a proposed transfer, or a waiver of any subsequent offer.

**12.5.3.** If a transfer is proposed to be made by gift, we will designate, at our expense, an independent appraiser to determine the fair market value of the interest proposed to be transferred and we may purchase the interest at the fair market value determined by the appraiser. Closing on the purchase will occur within 30 days after our notice to the transferor of the appraiser's determination of fair market value.

**12.5.4.** Our right of first refusal will not apply with regard to a transfer under Section 12.4 or a transfer to your parents, spouse, son, daughter, or mother or father in-law (including transfers to your parents, spouse, son, daughter, or mother or father in-law as a result of death or incapacity as described in Section 12.5).

**12.5.5.** If we elect not to exercise our rights under this Section, you must complete the transfer within sixty (60) calendar days of our election not to exercise our rights (or such longer period as applicable law may require) and you must comply with Sections 12.2 above.

**12.6. Effect of Consent to Transfer.** Our consent to a transfer of this Agreement and the Franchised Business, or any interest in you, is not a representation of the fairness of the terms of any contract between you and the transferee, a guarantee of the Franchised Business's or transferee's prospects of success, or a waiver of any claims we have against you or of our right to demand the transferee's full compliance with this Agreement.

## **SECTION 13**

### **TERM OF THIS AGREEMENT; RENEWAL**

**13.1. Initial Term.** As stated in the “**Definitions**” above, the Initial Term of this Agreement shall be for a period of five (5) years from the Effective Date for a Mobile Clinic, and for a period of seven (7) years from the Effective Date for a Brick and Mortar Clinic, unless earlier terminated as provided in this Agreement.

**13.2. Renewal.** When the Initial Term of this Agreement expires, you will have the option to continue the Franchised Business granted hereunder us for three (3) additional consecutive successor terms of five (5) years each for a Mobile Clinic, and for three (3) additional consecutive successor terms of seven (7) years each for a Brick and Mortar Clinic. We may require you to satisfy any or all of the following as a condition of continuing the franchise relationship with us for each successor term:

**13.2.1.** You have given us written notice of such election to renew not less than one hundred eighty (180) days, nor more than two hundred seventy (270) days before this Agreement expires;

**13.2.2.** You are not in default of any provision of this Agreement, any amendment hereof or successor hereto, or any other agreement between you and us, and have substantially complied with all the terms and conditions of such agreements during the terms thereof;

**13.2.3.** You have satisfied all monetary obligations owed by you to us and have timely met these obligations throughout the term of this Agreement;

**13.2.4.** You execute our then-current form of franchise agreement (“**Successor Franchise Agreement**”), which agreement shall supersede in all respects this Agreement, and the terms of which may differ from the terms from this Agreement;

**13.2.5.** You sign a general release, in the form we require, of any and all claims against us, our parent, and ours and their respective members, shareholders, officers, directors, agents and employees;

**13.2.6.** You comply with our then-current qualification and training requirements;

**13.2.7.** You make such modifications and improvements to the Franchised Business to bring it into compliance with applicable Brand Standards for new Clinics;

**13.2.8.** You pay to us a successor fee equal to \$2,500;

**13.2.9. *Brick and Mortar Clinics only:*** You maintain your right to use the Franchised Location, and you make such modifications, upgrades, remodels, and improvements to the Franchised Location to bring it into compliance with applicable Brand Standards for new Brick and Mortar Clinics;

**13.2.10.** You maintain the Management Agreement with the PC, or enter into a new Management Agreement with a replacement PC, which Management Agreement and replacement PC (if applicable) shall be subject to our prior approval; and

**13.2.11.** As part of the process of executing the Successor Franchise Agreement, we reserve the right to re-evaluate your then-existing Territory according to certain demographics, including population and demographics. Since your Territory is based upon a population of a certain demographic, your Territory under the Successor Franchise Agreement may be modified to accommodate changes in population. Our intent is to make the target demographics of your successor Territory similar to the target demographics of then-current new franchises being granted. A re-evaluation of your Territory may result in your successor Territory being smaller or larger than your original Territory. We cannot guarantee that you will achieve any particular level of success with the successor Territory or that your results will be the same as or similar to your results from operating in the original Territory.

**13.3. Refusal to Execute Successor Franchise Agreement.** We can refuse to execute any Successor Franchise Agreement with you if we are no longer offering iMove PT Clinic franchises. We may refuse to execute any Successor Franchise Agreement with you in our discretion, including, but not limited to, your failure to substantially comply with the terms of this Agreement, your failure to pay amounts owed to us when due, or your failure to cure of any defaults incurred during the Initial Term, if applicable.

**13.4. Renewal Under Law.** Even though we may decline to grant you a successor term for the Franchised Business, it is possible that we can be required to do so under a law, rule, regulation, statute, ordinance, or legal order that is applicable at the time. If that happens, to the extent it is allowed by the applicable law, rule, regulation, statute, ordinance or order, your successor term will be subject to the conditions of the then-current franchise agreement we are using for new iMove PT Clinic franchises at the time the successor period begins. If we are not then offering new iMove PT Clinic franchises, your successor period will be subject to the terms in the then-current franchise agreement that we indicate. If for any reason that is not allowed, the successor term will be governed by the terms of this Agreement and all references to Initial Term will apply to the successor term granted thereunder.

**13.5. Your Election Not to Renew.** For the purposes hereof, you shall be deemed to have irrevocably elected not to enter into a successor term for your Franchised Business (and the option to do so shall thereupon terminate) if you fail to provide notice of intent to renew per Section 13.2 above.

## **SECTION 14**

### **TERMINATION OF AGREEMENT**

**14.1. Automatic Termination.** You shall be deemed to be in default under this Agreement, and all rights granted herein shall automatically terminate without notice to you for any of the following defaults:

**14.1.1.** You become insolvent or make a general assignment for the benefit of creditors;

**14.1.2.** A petition in bankruptcy is filed by you or such a petition is filed against and not opposed by you within thirty (30) days;

**14.1.3.** You are adjudicated a bankrupt or insolvent;

**14.1.4.** A bill in equity or other proceeding for the appointment of a receiver of you or other custodian for your business or assets is filed and consented to by you;

**14.1.5.** A receiver or other custodian (permanent or temporary) of your assets or property, or any part thereof, is appointed by any court of competent jurisdiction;

**14.1.6.** Proceedings for a composition with creditors under any state or federal law should be instituted by or against you;

**14.1.7.** A final judgment remains unsatisfied or of record for thirty (30) days or longer (unless appealed or a bond is filed);

**14.1.8.** You are dissolved; or

**14.1.9.** Execution is levied against your business or property; or

**14.2. Termination Upon Notice Without Opportunity to Cure.** You shall be deemed to be in default and we may terminate this Agreement and all rights granted hereunder, without affording you any opportunity to cure the default, effective immediately upon the delivery of written notice to you by us, upon the occurrence of any of the following events:

**14.2.1.** you have made or make any material misrepresentation or omission in your application for, or in acquiring, the franchise rights or in operating the Franchised Business;

**14.2.2.** you make or attempt to make any transfer in violation of Section 12;

**14.2.3.** you fail to obtain or maintain any required licenses, permits, or certifications to open or operate the Franchised Business, or fail to comply with any federal, state, or local law or regulation, or you operate the Franchised Business in an unsafe manner, and you do not cure or commence to cure this failure within five (5) days after you receive notice;

**14.2.4.** you or any of your employees fail to meet the state and local certifications or other requirements for operation of a physical therapy or management business, or the PC fails to meet state and local certifications or other requirements for the operation or employment of physical therapists and other professionals in a physical therapy business, and you fail to cure this default within ten (10) days after you receive notice, or, alternatively, you fail to prohibit any such employees from working in the Franchised Business until the requirements are met;

**14.2.5.** you or your Operating Principal are or have been convicted of, or plead or have pleaded no contest to, a felony;

**14.2.6.** you engage in any dishonest or unethical conduct which, in our opinion, adversely affects the Franchised Business's reputation or the goodwill associated with the Marks;

**14.2.7.** you knowingly make any unauthorized use or disclosure of any part of the Operations Manual or any other Confidential Information;

**14.2.8.** you interfere with our relationships with third parties and the ability to operate and/or grant franchises under our System;

**14.2.9.** you fail to maintain the insurance we require, or you fail to repay us for the insurance that we have paid on your behalf and you do not correct the failure within thirty (30) days after we deliver written notice of that failure to you;

**14.2.10.** you fail to pay us any amounts due and do not correct the failure within five (5) days after we deliver written notice of that failure to you, or immediately if payment has not been made within thirty (30) days of its due date;

**14.2.11.** you fail on three (3) or more separate occasions within any consecutive twelve (12) month period to comply with this Agreement for which we notified you of the failures, whether or not you correct the failures after our delivery of notice to you;

**14.2.12.** your assets, property, or interests are blocked under any law, ordinance, or regulation relating to terrorist activities, or you otherwise violate any such law, ordinance, or regulation;

**14.2.13.** you are in default of any other agreement with us, and you have failed to cure the default within the time period, if any, provided for such cure under such agreement(s);

**14.2.14.** you abandon or fail actively to operate the Franchised Business for three (3) or more consecutive business days, unless you close the Franchised Business for a purpose you received our prior written approval or due to casualty, *force majeure* or government order;

**14.2.15.** if any required trainee is not able to complete our initial training program to our satisfaction, after having given you the opportunity to designate a replacement trainee;

**14.2.16.** if you fail to open the Franchised Business within the timeframes required herein;

**14.2.17.** if a threat or danger to public health or safety results from the construction, maintenance or operation of the Franchised Business;

**14.2.18.** if you or any of your Owners fail to comply with the in-term covenants in Section 7 hereof or you fail to obtain execution of the covenants and related agreements required hereunder within thirty (30) days following notice from us;

**14.2.19.** if you misuse or make any unauthorized use of the Marks or otherwise materially impair the goodwill associated therewith or our rights therein; provided that, notwithstanding the above, you shall be entitled to notice of such event of default and shall have twenty-four (24) hours to cure such default;

**14.2.20.** any license or permit you are required to maintain for the operation of the Franchised Business is revoked;

**14.2.21.** the Management Agreement you have entered into with the PC is terminated and you have failed to enter into a new Management Agreement with a replacement PC within the timeframe required in Section 1.2; or

**14.2.22.** if you default under the terms of your lease for the Franchised Location, or if you lose possession of the Franchised Location.

**14.3. Termination with Opportunity to Cure.** Except as otherwise provided in Sections 14.1 and 14.2 above, any other default by you of your obligations hereunder, including those identified below, upon written notice from us, you will have thirty (30) days to cure such default. If any such default is not cured within the specified time, this Agreement shall terminate without further notice to you effective immediately upon the expiration of the thirty (30) day period or such longer period as applicable law may require. The following is a non-exclusive list of illustrative events of default for which you may have an opportunity to cure the default to avoid termination:

**14.3.1.** you make any unauthorized use of the proprietary software;

**14.3.2.** you fail to operate the Franchised Business during the days and hours specified in the Operations Manual without our prior approval, which we will not unreasonably withhold;

**14.3.3.** you fail to operate the Franchised Business;

**14.3.4.** you fail to pay when due any federal or state income, service, sales, or other taxes due on the Franchised Business's operation, unless you are in good faith contesting your liability for these taxes;

**14.3.5.** you fail to promptly pay your suppliers, including any of our affiliates, when such payments are due, except in connection with a good faith dispute that you have with third-party suppliers;

**14.3.6.** you fail to have the Franchised Business managed on a full-time basis by you or your Operating Principal; or

**14.3.7.** you fail to comply with any other provision of this Agreement, the Operations Manual, or any Brand Standard.

**14.4. Extended Notice of Termination.** If any local or state law where the Territory is located is applicable to this Section 14, or Section 13 above, which requires a longer notice period prior to termination of this Agreement, or prior to a refusal to renew the franchise agreement then is specified in this Agreement, a different standard of good cause, or the taking of some other action not required under this Agreement,

the prior notice, good cause standard, and/or other action required by such law will be substituted for the comparable provisions in this Agreement.

**14.5. Remedies Other Than Termination.** If you commit any act, or any other event occurs, which constitutes grounds for termination of this Agreement by us under any provision of this Agreement, we may instead (a) charge you a Non-Compliance Fee, (b) elect to reduce your Territory, and/or (c) terminate your territorial protection. Such actions will take effect immediately upon written notice to you by us. Our election of any of these remedies will not preclude us from invoking our right to terminate if the act or event constituting grounds for termination continues to exist.

**14.6. Our Right to Discontinue Services to You.** If you are in breach of any obligation under this Agreement, and we deliver to you a notice of termination pursuant to this Section 14, we have the right to suspend our performance of any of our obligations under this Agreement including but not limited to, the sale or supply of any services or products for which we are an approved supplier to you and/or suspension of your click through subpage on our Website, until such time as you correct the breach.

## **SECTION 15**

### **OBLIGATIONS UPON TERMINATION OR EXPIRATION OF THE AGREEMENT**

**15.1. Payment of Amounts Owed to Us.** You agree to pay us, within ten (10) days after this Agreement expires or is terminated, the Royalty Fees, Brand Marketing Fees, interest, and all other amounts owed to us which then are unpaid.

**15.2. Marks; De-Identification; Assets.** When this Agreement expires or is terminated:

**15.2.1.** you may not directly or indirectly at any time or in any manner (except as we may otherwise approve, and except with respect to other Franchised Business and Clinics you own and/or manage or as required by law, or as necessary to accurately respond to any inquiry, or as required by law, regarding your business operations prior to the expiration or termination) identify yourself or any business as a current or former iMove PT Clinic franchisee or Clinic or as one of our current or former iMove PT Clinic franchisee; use any Mark, any colorable imitation of a Mark, or other indicia of a iMove PT Clinic franchisee or Clinic in any manner or for any purpose; or use for any purpose any trade name, trade or service mark, or other commercial symbol that indicates or suggests a connection or association with us;

**15.2.2.** you will immediately take the actions required to cancel all fictitious or assumed names or equivalent registrations relating to your use of the Marks;

**15.2.3.** you will deliver to us within thirty (30) days all signage, marketing materials, forms, and other materials containing any Mark or otherwise identifying or relating to an iMove PT Clinic business or Clinic that we request;

**15.2.4.** if we do not have or do not exercise an option to purchase the assets of the Franchised Business, you agree to promptly and at your own expense make the alterations we specify in the Operations Manual (or otherwise in writing) to distinguish the Clinic clearly from its former appearance and from other iMove PT Clinic businesses or Clinics in order to prevent public confusion;

**15.2.5.** you must immediately notify the telephone company, all telephone directory publishers, social media and other online listings (as necessary), and all domain name registries and internet service providers of the termination or expiration of your right to use any telephone, facsimile, URLs and domain names, or other numbers, names, and telephone directory listings associated with the Marks; to authorize the transfer of these numbers, names, directory listings, and social media pages and profiles to us or at our direction; and/or to instruct the telephone company, domain name registries, social medias pages and profiles, and Internet service providers to forward all calls, e-mails and electronic communications made to your names, numbers, or addresses to names, numbers, or addresses we specify. If you fail to do so, we

may take whatever action and sign whatever documents as are necessary or appropriate on your behalf to affect these events;

**15.2.6.** you must provide to us, no later than thirty (30) days after the expiration or termination of this Agreement, evidence satisfactory to us of your compliance with these obligations; and

**15.2.7.** you and your Owners shall pay to us all damages, costs and expenses, including reasonable attorneys' fees, we incurred in connection with obtaining any remedy available to us for any violation of this Agreement and, subsequent to the termination or expiration of this Agreement, in obtaining injunctive or other relief for the enforcement of any provisions of this Section 15.

**15.3. Confidential Information.** You agree that, when this Agreement expires or is terminated, you will immediately cease using any of our Confidential Information (including computer software or similar technology and digital passwords and identifications that we have licensed to you or that otherwise are proprietary to us or the System) in any business or otherwise, and you must immediately return to us the list of all patients, all copies of the Operations Manual and any other confidential materials that we have given or loaned you. You will also return to us all documents, procedural manuals, guides, specifications, plans, drawings, designs, copyrights, computer programs, program descriptions and similar materials, lists of present, past or prospective patients, proposals, marketing and public relations materials, invitations to submit proposals, fee schedules and data relating to patients and the pricing of products and services, records, notebooks and similar repositories of or containing Confidential Information.

**15.4. Covenant Not to Compete.**

**15.4.1.** Upon termination or expiration of this Agreement you agree that, for two (2) years beginning on the later to occur of (i) the effective date of termination or expiration, or (ii) the date on which all persons restricted by this Section 15.4 begin to comply with this Section 15.4, or (iii) if litigation or other dispute resolution procedure is necessary to enforce this Agreement, the date of entry of an order by a court of competent jurisdiction enforcing this Agreement: you and your Immediate Family Members, for yourself, or through or on behalf of or in conjunction with any person, persons, partnership, corporation, limited liability company, or other entity, will not own, maintain, operate, engage in, franchise or license, or have any direct or indirect controlling or non-controlling interest as an owner (whether of record, beneficially, or otherwise) or perform services as a partner, director, manager, employee, consultant, contractor, representative, or agent in any Competitive Clinic, that is or may be located or operating:

- (a) at the Franchised Location (for a Brick and Mortar Clinic);
- (b) within the Territory;
- (c) within fifteen (15) miles of the border of the Territory; or
- (d) within the territory, area, or market area of any other iMove PT Clinic business (whether owned by us or an iMove PT Clinic franchisee) or Clinic in operation or under construction on the latter of the effective date of the termination or expiration of this Agreement or the date on which all persons restricted by this Section begin to comply with this Section.

**15.4.2.** Equity ownership of less than five percent (5%) of a Competitive Clinic whose stock or other forms of ownership interest are publicly traded on a recognized United States stock exchange will not be deemed to violate this Section 15.4. You expressly acknowledge that you possess skills and abilities of a general nature and have other opportunities for exploiting these skills. Consequently, our enforcing the covenants made in this Section will not deprive you of your personal goodwill or ability to earn a living.

**15.5. Our Right to Purchase Certain Assets of the Franchised Business.** Upon termination or expiration of this Agreement, we will have the right and option, but not the obligation, to purchase any and all of your assets from the Franchised Business at a purchase price equal to their fair market value. If we elect to exercise this option, we will deliver written notice to you of our election within thirty (30) days

after the date of termination or expiration of this Agreement. We will have the right to inspect the Equipment at any time prior to or during this thirty (30) day period. If we elect to purchase any piece(s) of Equipment, we will be entitled to, and you must provide, all customary warranties and representations relating to the equipment purchase, including but not limited to, representations and warranties as to the maintenance, function and condition of the equipment and your good title to the equipment (including that you own the equipment free and clear of any liens and encumbrances). If we and you cannot agree on fair market value, fair market value will be determined by three (3) independent accredited appraisers with experience in commercial real estate. You and we will each select one (1) appraiser, and one (1) additional appraiser will be selected by mutual agreement of the other two (2) appraisers. The appraisers will conduct an appraisal in accordance with this Section. You and we agree to select our respective appraisers within ten (10) business days after we notify you that we wish to exercise our purchase option. You and we will each pay the fees and expenses of the appraiser we and you choose, and you and we will share equally the third appraiser's fees and expenses. The appraisers must complete their appraisals within thirty (30) days after their appointment. The purchase price will be the average of the three (3) appraised values and closing of the purchase and sale of the assets we elect to purchase shall be a date not later than thirty (30) days after the purchase price is determined by the parties or the determination of the appraisers, or such date we receive and obtain all necessary permits and approvals, whichever is later, unless the parties mutually agree to designate another date. If the two appraisers cannot agree on the third appraiser, one will be chosen by the American Arbitration Association.

**15.6. Continuing Obligations.** All of our and your obligations which expressly or by their nature survive this Agreement's expiration or termination will continue in full force and effect subsequent to and notwithstanding its expiration or termination and until they are satisfied in full or by their nature expire.

## **SECTION 16**

### **RELATIONSHIP OF THE PARTIES; INDEMNIFICATION**

#### **16.1. Independent Contractors.**

**16.1.1.** The parties understand, acknowledge, and agree that you are an independent contractor. Neither you or we are the agent, legal representative, partner, subsidiary, joint venturer, partner, employee, joint employer or servant of the other for any reason. This Agreement does not reflect or create a fiduciary or other special relationship of or confidence between you and us. During the Initial Term, you must hold yourself out to the public, identify yourself in the course of the operation of the Clinic, and represent yourself in all dealings with the PC and your employees, patients, lessors, suppliers, public officials, and any other third party as an independent contractor. You must place notices of your status as an independent contractor on signs, forms, stationery, advertising, and other materials as we may require in the Operations Manual.

**16.1.2.** You agree that you alone are to exercise day-to-day control over all operations, activities and elements of your Franchised Business, and that under no circumstance shall we do so or be deemed to do so. You further acknowledge and agree, and will never claim otherwise, that the various restrictions, prohibitions, specifications and procedures of the System which you are required to comply with under this Agreement, whether set forth in our Operations Manual or otherwise, do not directly or indirectly constitute, suggest, infer or imply that we control any aspect or element of the day-to-day operations of your Franchised Business, which you alone control, but only constitute standards you must adhere to when exercising your control of the day-to-day operations of your Franchised Business.

**16.1.3.** Any employees you hire will be your employees and will not, for any purpose, be deemed employees of us or our affiliates or subject to our or our affiliates' control, and you acknowledge and agree that we have no authority to hire, fire, promote, or demote or take any disciplinary action whatsoever against any of your employees. You expressly agree, and will never claim otherwise, that our authority under this

Agreement to determine that certain of your employees are qualified to perform certain tasks for your Franchised Business does not directly or indirectly vest in us the power to influence the employment terms of any such employee. You hereby irrevocably affirm, attest and covenant your understanding that your employees are employed exclusively by you and in no fashion are any such employee employed, jointly employed or co-employed by us.

**16.2. No Liability for Acts of the Other Party.** Neither you nor we will independently obligate the other to any third parties or represent any right to do so. We and you may not make any express or implied agreements, warranties, guarantees, or representations, or incur any debt, in the name or on behalf of the other or represent that our respective relationship is other than that of franchisor and franchisee. We will not be obligated for any damages to any person or property directly or indirectly arising out of the Franchised Business's operation or the business you conduct under this Agreement.

**16.3. Indemnification.**

**16.3.1.** You agree to indemnify, defend, and hold harmless the Indemnified Parties against, and to reimburse any one or more of the Indemnified Parties for, all claims, obligations, and damages directly or indirectly arising out of the Franchised Business's operation and/or any operations of the Clinic you manage, the business you conduct under this Agreement, or your breach of this Agreement, unless the claims, obligations, or damages are determined to be caused solely by our gross negligence or willful misconduct in a final, unappealable ruling issued by a court of competent jurisdiction.

**16.3.2.** Each Indemnified Party may defend any claim against it at your expense and agree to settlements or take any other remedial, corrective, or other actions. We have the right to designate attorneys that you must retain to defend any claims subject to this indemnification provision. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination.

**16.3.3.** An Indemnified Party need not seek recovery from any insurer or other third party, or otherwise mitigate its losses and expenses, in order to maintain and recover fully a claim against you under this subparagraph. You agree that a failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that an Indemnified Party may recover from you under this subparagraph.

**16.4. You Are Not Authorized.** You understand and agree that nothing in this Agreement authorizes you or any of your Owners to make any contract, agreement, warranty or representation on our behalf, or to incur any debt or other obligation in our name or the Marks, and that we shall in no event assume liability for, or be deemed liable under this Agreement as a result of, any such action, or for any act or omission of you or any of your Owners or any claim or judgment arising therefrom.

**SECTION 17**

**COMPLIANCE WITH LAWS; NOTIFICATION OF ACTION OR PROCEEDING**

**17.1. Compliance.** You shall comply with all federal, state, and local laws, rules, and regulations, including but not limited to, employment, labor, and wage and hour laws; tax laws; local operating regulations; and health care, and HIPAA (if applicable). You must secure and maintain in force all required licenses, permits and certificates relating to the operation of the Franchised Business and the other licenses applicable to the management of a physical therapy practice, and must operate the Franchised Business in full compliance with all applicable laws, ordinances and regulations, including but not limited to, HIPAA (if applicable), government regulations relating to occupational hazards, health, worker's compensation and unemployment insurance and withholding and payment of federal and state income taxes, social security taxes and sales and service taxes. You must not employ any person in a position that requires a license unless that person is currently licensed by all applicable authorities and a copy of the license or permit is in your business files. You must comply with all state and local laws and regulations regarding the staffing and management of physical therapy practices. All advertising and promotion by you must be completely

factual and must conform to the highest standards of ethical advertising. The Franchised Business must in all dealings with its patients, the public, and us adhere to the highest standards of honesty, integrity, fair dealing and ethical conduct.

**17.2. Refrain from Injurious Acts.** You agree to refrain from any business or advertising practice which may be injurious to the System and the goodwill associated with the Marks and other iMove PT Clinic businesses and Clinics.

**17.3. Notification.** You must notify us in writing within five (5) days of the commencement of any action, suit or proceeding, and of the issuance of any order, writ, injunction, award or decree of any court, agency or other governmental instrumentality, which may adversely affect your operation or financial condition or that of the Franchised Business and of any notice of violation of any law, ordinance, or regulation relating to the Franchised Business.

## **SECTION 18** **ENFORCEMENT**

### **18.1. Severability and Substitution of Valid Provisions.**

**18.1.1.** Except as expressly provided to the contrary in this Agreement, each section, paragraph, term, and provision of this Agreement is severable, and if, for any reason, any part is held to be invalid or contrary to or in conflict with any applicable present or future law or regulation in a final, unappealable ruling issued by any court, agency, or tribunal with competent jurisdiction, that ruling will not impair the operation of, or otherwise affect, any other portion of this Agreement which will continue to have full force and effect and bind the parties.

**18.1.2.** If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, and/or length of time, but would be enforceable if modified, you and we agree that the covenant will be enforced to the fullest extent permissible under the laws and public policies applied in the jurisdiction whose law determines the covenant's validity.

**18.1.3.** If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination or of our refusal to renew your franchise agreement, or some other action that this Agreement does not require, or if, under any applicable and binding law or rule of any jurisdiction, any provision of this Agreement or any Brand Standard is invalid, unenforceable, or unlawful, the notice and/or other action required by the law or rule will be substituted for the comparable provisions of this Agreement and we may modify the invalid or unenforceable provision or Brand Standard to the extent required to be valid and enforceable or delete the unlawful provision in its entirety. You agree to be bound by any promise or covenant imposing the maximum duty the law permits.

### **18.2. Waiver of Obligations.**

**18.2.1.** We and you may by written instrument unilaterally waive or reduce any obligation of or restriction upon the other under this Agreement, effective upon delivery of written notice to the other or another effective date stated in the notice of waiver. Any waiver granted will be without prejudice to any other rights we or you have, will be subject to continuing review, and may be revoked at any time and for any reason effective upon delivery of ten (10) days' prior written notice.

**18.2.2.** We and you will not waive or impair any right, power, or option this Agreement reserves (including but not limited to, our right to demand exact compliance with every term, condition, and covenant or to declare any breach to be a default and to terminate this Agreement before its term expires) because of any custom or practice at variance with this Agreement's terms; our or your failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement, including any Brand Standard; our waiver of or failure to exercise any right, power, or option, whether of the same, similar, or different nature, with other iMove PT Clinic businesses and Clinics; the

existence of franchise agreements for other iMove PT Clinic businesses which contain provisions different from those contained in this Agreement; or our acceptance of any payments due from you after any breach of this Agreement. No special or restrictive legend or endorsement on any check or similar item given to us will be a waiver, compromise, settlement, or accord and satisfaction. We are authorized to remove any legend or endorsement, which then will have no effect.

**18.2.3.** Neither we nor you will be liable for loss or damage or be in breach of this Agreement if our or your failure to perform our or your obligations results from: (a) compliance with the orders, requests, regulations, or recommendations of any federal, state, or municipal government; (b) natural disasters; (c) strikes, lockouts or other industrial disturbances, war, riot, acts of terrorism; or (d) other catastrophic forces beyond your or our control. Any delay resulting from any of these causes will extend performance accordingly or excuse performance, in whole or in part, as may be reasonable, except that these causes will not excuse payments of amounts owed at the time of the occurrence or payment of Royalty Fees or amounts due and owing to us afterward.

**18.3. Costs and Attorneys' Fees.** Whether or not we initiate a formal legal proceeding, you must reimburse us for all costs and expenses we incur, including reasonable accounting, attorneys' and related fees, when one or more of the following occur: (a) you fail to pay amounts owed to us when required under this Agreement and any other agreement between you and us, (b) you fail to submit to us any reports, information, or supporting records when required, or (c) you otherwise fail to comply with this Agreement.

**18.4. Rights of Parties Are Cumulative.** Our and your rights under this Agreement are cumulative, and our or your exercise or enforcement of any right or remedy under this Agreement will not preclude our or your exercise or enforcement of any other right or remedy which we or you are entitled by law to enforce.

**18.5. Mediation.** Except as otherwise provided in this Section 18.5, any controversy or claim arising between us must first be submitted to non-binding mediation administered by an established, neutral mediation service with experience in franchise disputes. In the event the parties cannot agree on a mediator within thirty (30) days of one party's written request to the other party to mediate a dispute, such party (the complainant, defined below) shall submit the dispute to, and any such mediation shall be conducted by JAMS in accordance with its then-current rules for mediation of commercial disputes. Both parties must sign a confidentiality agreement before participating in any mediation proceeding. The mediation will take place in the city where our principal offices are located at the time the demand for mediation is filed, or within a 50-mile radius of our principal office. The mediation shall be non-binding. Notwithstanding anything to the contrary, this Section 18.5 shall not bar either party from obtaining judicial or injunctive relief for claims that are based solely on demands for money owed, or from obtaining injunctive relief against threatened conduct that will cause it loss or damages, under the usual equity rules, including the applicable rules for obtaining restraining orders and preliminary injunctions, without having to engage in mediation; this exception includes, without limitation, claims involving the Marks.

**18.5.1.** The non-binding mediation provided for hereunder shall be commenced by the party requesting mediation (the "**Complainant**") providing written notice of the request for mediation (the "**Request**") to the party with whom mediation is sought (the "**Respondent**"). The request shall specify with reasonable particularity the matter or matters on which mediation is sought.

**18.5.2.** Non-binding mediation commenced hereunder shall be concluded within sixty (60) days of the issuance of the request or such longer period as may be agreed upon by the parties in writing. Except as required by law, all aspects of the mediation process shall be treated as confidential, shall not be disclosed to others, and shall not be offered or admissible in any other proceeding or legal action whatever. Complainant and respondent shall each bear its own costs of mediation, and each shall bear one-half the cost of the mediator or mediation service

**18.6. Litigation.** The parties agree that any action brought by you against us in any court, whether federal or state, shall be brought only within such state and exclusively in the judicial district in which we

have our principal place of business at the time the action is commenced. Any action brought by us against you in any court, whether federal or state, may be brought within the state and judicial district in which we have our principal place of business at the time the action is commenced. The parties agree that this Section 18.6 shall not be construed as preventing either party from removing an action from state to federal court; provided, however, that venue shall be as set forth above. You and your principals hereby waive all questions of personal jurisdiction or venue for the purpose of carrying out this provision.

**18.7. Governing Law.** Except to the extent governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, this Agreement, the Franchised Business, and all claims arising from the relationship between us and you will be governed by the laws of the state of Missouri, without regard to its conflict of laws or rules. Nothing in this Section 18.7 is intended by the parties to subject this Agreement, or the relationship between the parties to, that the substantive laws, regulations, or physical therapy board rules governing the practice of physical therapy, or any similar laws, rules or regulations of the State of Missouri to which this Agreement or the relationship between the parties would not otherwise be subject, unless the jurisdictional requirements of such law, regulation or rule are independently satisfied without reference to or regard to this Agreement.

**18.8. Mutual Waiver of Class Actions.** ANY LAWSUIT, CLAIM, COUNTERCLAIM, OR OTHER ACTION MUST BE CONDUCTED ONLY ON AN INDIVIDUAL BASIS, AND MUST NOT BE AS PART OF A CONSOLIDATED, COMMON, OR CLASS ACTION. YOU HEREBY AGREE NOT TO SEEK JOINDER OF ANY OF YOUR CLAIMS WITH THOSE OF ANY OTHER PARTY.

**18.9. Waiver of Jury Trial.** WE AND YOU IRREVOCABLY WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM, WHETHER AT LAW OR IN EQUITY, BROUGHT BY EITHER PARTY AGAINST THE OTHER, WHETHER OR NOT THERE ARE OTHER PARTIES IN SUCH ACTION OR PROCEEDING.

**18.10. Waiver of Punitive Damages.** WE AND YOU HEREBY WAIVE TO THE FULLEST EXTENT PERMITTED BY LAW ANY RIGHT TO OR CLAIM OF ANY LOST FUTURE PROFITS OR PUNITIVE, EXEMPLARY, CONSEQUENTIAL, OR MULTIPLE DAMAGES AGAINST THE OTHER, AND AGREE THAT IN THE EVENT OF A DISPUTE BETWEEN WE AND YOU EACH SHALL BE LIMITED TO THE RECOVERY OF ANY ACTUAL DAMAGES SUSTAINED BY IT, AND ANY CLAIM TO LIQUIDATED DAMAGES UNDER SECTION 15.7.

**18.11. Binding Effect.** This Agreement is binding upon us and you and our and your respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. Subject to our right to modify the Operations Manual and Brand Standards, this Agreement may not be modified except by a written agreement signed by both our and your duly-authorized officers.

**18.12. Limitations of Claims.** EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION 18.12, ANY AND ALL CLAIMS AND ACTIONS ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE RELATIONSHIP OF BETWEEN YOU AND US, OR YOUR OPERATION OF THE CENTER, INCLUDING ANY PROCEEDING, OR ANY CLAIM IN ANY PROCEEDING (INCLUDING ANY DEFENSES AND ANY CLAIMS OF SET-OFF OR RECOUPMENT), MUST BE BROUGHT OR ASSERTED BEFORE THE EXPIRATION OF THE EARLIER OF (A) THE TIME PERIOD FOR BRINGING AN ACTION UNDER ANY APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS; (B) ONE (1) YEAR AFTER THE DATE UPON WHICH A PARTY DISCOVERED, OR SHOULD HAVE DISCOVERED, THE FACTS GIVING RISE TO AN ALLEGED CLAIM; OR (C) TWO (2) YEARS AFTER THE FIRST ACT OR OMISSION GIVING RISE TO AN ALLEGED CLAIM; OR IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY ALL PARTIES THAT SUCH CLAIMS OR ACTIONS SHALL BE IRREVOCABLY BARRED. CLAIMS ATTRIBUTABLE TO YOUR

**UNDERREPORTING OF SALES, AND CLAIMS OF THE PARTIES FOR FAILURE TO PAY MONIES OWED AND/OR INDEMNIFICATION SHALL BE SUBJECT ONLY TO THE APPLICABLE STATE OR FEDERAL STATUTE OF LIMITATIONS.**

**18.13. Notice of Potential Profit.** We advise you that we and/or our affiliates periodically may make available to you goods, products and/or services for use in the Clinic on the sale of which we and/or our affiliates may make a profit. We further advise you that we and our affiliates periodically may receive consideration from suppliers and manufacturers respecting sales of goods, products or services to you or in consideration for services provided or rights license to such persons. You agree that we and our affiliates will be entitled to such profits and consideration. You are responsible for evaluating any such arrangements for compliance with applicable health care regulatory requirements, including, but not limited to, provisions under the Medicare and Medicaid programs pertaining to health care fraud and abuse, such as the federal Ethics in Patient Referrals Act (42 U.S.C. § 1395nn) and the federal Anti-kickback Statute (42 U.S.C. § 1320a-7b(b)), and any state law equivalents of the same.

**18.14. Interpretation of Rights and Obligations.** The following provisions will apply to and govern the interpretation of this Agreement, the parties' rights under this Agreement and the relationship between the parties:

**18.14.1. Our Rights.** Whenever this Agreement provides that we have or reserve (retain) a certain right, that right is absolute and the parties intend that our exercise of that right will not be subject to any limitation or review. We have the right to operate, administrate, develop and change the Clinic System in any manner that is not specifically precluded by the provisions of this Agreement.

**18.14.2. Our Reasonable Judgment.** Whenever we reserve discretion in a particular area or where we agree or are required to exercise our rights reasonably or in good faith, we will satisfy our obligations whenever we exercise reasonable business judgment in making our decision or exercising our rights. A decision or action by us will be deemed to be the result of reasonable business judgment, even if other reasonable or even arguably preferable alternatives are available, if our decision or action is intended to promote or benefit the Clinic System generally even if the decision or action also promotes a financial or other individual interest of ours. Examples of items that will promote or benefit the Clinic System include enhancing the value of the Marks, improving patient service and satisfaction, improving product quality, improving uniformity, enhancing or encouraging modernization, and improving the competitive position of the Clinic System. Neither you nor any third party (including a trier of fact), will substitute their judgment for our reasonable business judgment.

**18.15. Construction.**

**18.15.1.** The preambles and exhibits are a part of this Agreement, and this Agreement and the exhibits and attachments hereto, constitute the entire, full and complete agreement between the parties hereto, and supersede any and all prior or contemporaneous negotiations, discussions, representations, understandings and agreements. However, nothing in this Franchise Agreement is intended to disclaim any representations made by us in the FDD that we furnished to you.

**18.15.2.** You acknowledge that you are entering into this Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our members, officers, directors, employees, agents, representatives, independent contractors, or franchisees that are contrary to the terms set forth in this Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you pursuant to applicable law.

**18.15.3.** This Agreement may be executed in multiple copies, each of which will be deemed an original.

**18.16. Rights and Remedies Are Cumulative.** All rights and remedies of the parties to this Agreement shall be cumulative and not alternative, in addition to and not exclusive of any other rights or remedies

which are provided for herein or which may be available at law or in equity in case of any breach, failure or default or threatened breach, failure or default of any term, provision or condition of this Agreement or any other agreement between you or any of your affiliates and us. The rights and remedies of the parties to this Agreement shall be continuing and shall not be exhausted by any one or more uses thereof, and may be exercised at any time or from time to time as often as may be expedient; and any option or election to enforce any such right or remedy may be exercised or taken at any time and from time to time. The expiration, earlier termination or exercise of our rights pursuant to Section 14 of this Agreement shall not discharge or release you or any of your Owners from any liability or obligation then accrued, or any liability or obligation continuing beyond, or arising out of, the expiration, the earlier termination or the exercise of such rights under this Agreement.

**18.17. Operation in the Event of Absence or Disability.** In order to prevent any interruption of the Franchised Business operations which would cause harm to the Franchised Business, thereby depreciating the value thereof, you authorize us, who may, at our option, in the event that you are absent for any reason or are incapacitated by reason of illness and are unable, in our sole and reasonable judgment, to operate the Franchised Business, operate the Franchised Business for so long as we deem necessary and practical, and without waiver of any other rights or remedies we may have under this Agreement. All monies from the operation of the Franchised Business during such period of operation by us shall be kept in a separate account, and the expenses of the Franchised Business, including reasonable compensation and expenses for our representative, shall be charged to said account. If, as herein provided, we temporarily operate the Franchised Business franchised herein for you, you agree to indemnify and hold harmless us and any representative of ours who may act hereunder, from any and all acts which we may perform, as regards the interests of you or third parties.

**18.18. Step-In Rights.**

**18.18.1.** In order to prevent an interruption of the Franchised Business which would cause harm to the System and potential harm to patients, and thereby lessen the Franchised Business' and System's value, you authorize us to step into the Franchised Business and operate the Franchised Business for as long as we deem necessary and practical, and without waiver of any other rights or remedies which we may have under this Agreement. In our sole judgment, we may deem you incapable of operating the Franchised Business if, without limitation, (a) you have abandoned the Franchised Business, (b) you are incapacitated by reason of illness or death; (b) you have failed to pay when due or are otherwise in default of this Agreement, (c) have failed to remove any and all liens or encumbrances of every kind placed upon or against your business; (d) you are in default and we deem you cannot continue to operate the Franchised Business; or (e) we determine that operational problems require that we operate your Franchised Business for a period of time that we determine, in our sole discretion, to be necessary to maintain the operation of the Franchised Business as a going concern. If we exercise our rights under this Section 18.17, you agree to pay to us, upon demand, our then-current fee to manage the Franchised Business (the **"Temporary Management Assistance Fee"**).

**18.18.2.** We shall keep in a separate account all monies generated by the operation of your Franchised Business, less the expenses of the Franchised Business, including reasonable compensation and expenses for our representatives. In the event of our exercise of the Step-In Rights, you agree to hold harmless us and our representatives for all actions occurring during the course of such temporary operation. You agree to pay all of our reasonable attorneys' fees and costs incurred as a consequence of our exercise of the Step-In Rights. Nothing contained herein shall prevent us from exercising any other right which we may have under this Agreement, including but not limited to, termination.

## **SECTION 19**

### **NOTICES AND PAYMENTS**

**19.1.** All written notices, reports, and payments (for payments, if any, that are not made electronically) permitted or required to be delivered by this Agreement or the Operations Manual shall be in writing and shall be personally delivered, sent by registered mail, a recognized overnight delivery service (e.g., UPS, FedEx, etc.), or by other means which affords the sender evidence of delivery, or of rejected delivery, to the respective parties shown on Exhibit A, unless and until a different address has been designated by written notice to the other party. Any notice by a means which affords the sender evidence of delivery, or rejected delivery, shall be deemed to have been given at the date and time of receipt or rejected delivery.

## **SECTION 20**

### **ACKNOWLEDGMENTS**

**20.1. Acknowledgements.** You acknowledge as follows:

**20.1.1.** That you have independently investigated the Franchised Business as a franchise opportunity and recognize that, like any other business, the nature of the business of managing a Clinic may, and probably will, evolve, and change over time.

**20.1.2.** That an investment in a Franchised Business involves business risks that could result in the loss of a significant portion or all of your investment.

**20.1.3.** That your business abilities and efforts are vital to your success.

**20.1.4.** That attracting patients for the Clinic you manage will require you to make consistent marketing efforts in your community through various methods, including media advertising, direct mail advertising, and display materials.

**20.1.5.** That you must maintain a high level of patient service and adhere strictly to the System and our Brand Standards, and that you are committed to maintaining Brand Standards.

**20.1.6.** That you have not received from us, or any person or entity representing or claiming to represent us any representations or guarantees, express or implied, as to the potential volume, sales, income, or profits of a Franchised Business, and that any financial information that may appear in our FDD is not a representation or guarantee as to potential volume, sales, income, or profits that you may achieve at a Franchised Business.

**20.1.7.** That in all of their dealings with you, our officers, directors, employees, and agents act only in a representative, and not in an individual, capacity and that business dealings between you and them as a result of this Agreement are deemed to be only between you and us.

**20.1.8.** That you and your Owners agree to comply, and to assist us to the fullest extent possible in our efforts to comply, with Anti-Terrorism Laws (defined below). In connection with that compliance, you and your Owners certify, represent, and warrant that none of your property or interests is subject to being blocked under, and that you and your Owners otherwise are not in violation of, any of the Anti-Terrorism Laws. “**Anti-Terrorism Laws**” mean Executive Order 13224 issued by the President of the United States, the USA PATRIOT Act, and all other present and future federal, state, and local laws, ordinances, regulations, policies, lists, and other requirements of any governmental authority addressing or in any way relating to terrorist acts and acts of war. Any violation of the Anti-Terrorism Laws by you or your Owners, or any blocking of your or your Owners’ assets under the Anti-Terrorism Laws, shall constitute good cause for immediate termination of this Agreement.

**20.1.9.** That you have represented to us, to induce our entry into this Agreement, that all statements you have made and all materials you have given us are accurate and complete to the best of your knowledge

and diligence in gathering required information and that you have made no misrepresentations or material omissions in obtaining the rights under this Franchise Agreement.

**20.1.10.** That you have read this Agreement and our FDD and understand and accept that this Agreement's terms and covenants are reasonably necessary for us to maintain our high standards of quality and service, as well as the uniformity of those standards at each iMove PT Clinic business, and to protect and preserve the goodwill of the Marks.

**20.1.11.** That we have not made any representation, warranty, or other claim regarding this Franchised Business franchise opportunity, other than those made in this Agreement and our FDD, and that you have independently evaluated this opportunity, including by using your business professionals and advisors.

**20.1.12.** That you have been afforded an opportunity to ask any questions you have and to review any materials of interest to you concerning the Franchised Business franchise opportunity, and that we have not refused to answer any questions, inquiries, or requests.

**20.1.13.** That you have been afforded an opportunity, and have been encouraged by us, to have this Agreement and all other agreements and materials we have given or made available to you reviewed by an attorney and have either done so or chosen not to do so.

**20.1.14.** That we may modify the offer of our franchise opportunity to other iMove PT Clinic franchisees in any manner and at any time, and these offers and agreements have or may have terms, conditions, and obligations that may differ from the terms, conditions, and obligations in this Agreement.

**20.1.15.** That notwithstanding the foregoing, nothing in this Franchise Agreement is intended to disclaim the express representations made in the FDD.

**20.1.16.** That you have received from us a copy of our FDD, together with a copy of all proposed agreements relating to the sale of the franchise at least fourteen (14) calendar days before the execution of this Agreement or at least fourteen (14) calendar days before the payment by you to us or our affiliates of any consideration in connection with the sale or proposed sale of the franchise granted by this Agreement.

**20.1.17.** That attached to the FDD is a Franchisee Compliance Certification, which you have completed. You have executed the Compliance Certification voluntarily, truthfully and accurately, and it is attached hereto.

***[SIGNATURES APPEAR ON FOLLOWING PAGE]***

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**FRANCHISOR**

**iMove PT, LLC**

**a Missouri limited liability company**

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

**FRANCHISEE**

\_\_\_\_\_

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

Date:\_\_\_\_\_

**Exhibit A**  
**to the iMove PT Clinic Franchise Agreement**

**DATA SHEET**

1. **Type of Clinic** (*check one*):

\_\_\_\_\_ Mobile Clinic  
\_\_\_\_\_ Brick and Mortar Clinic

2. **Initial Franchise Fee:** \$ \_\_\_\_\_

3. **Franchised Location** (*Traditional Locations Only*): \_\_\_\_\_

4. **Territory.** The Territory shall be: \_\_\_\_\_

\_\_\_\_\_  
(or as depicted on the map attached to this Exhibit A).

5. **Notices.** If notice is being provided pursuant to the terms and conditions of the Franchise

Notices to Franchisor: iMove PT, LLC  
156 Chesterfield Commons Road East  
Chesterfield, MO 63005  
Attn: Michael Gorman

With a copy to: Lathrop GPM LLP  
(*but not as effective* 3100 IDS Center  
*notice*) 80 South 8th Street  
Minneapolis, MN 55402  
Attention: Ryan R. Palmer, Esq.  
E-mail: ryan.palmer@lathropgpm.com

Notices to Franchisee: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention : \_\_\_\_\_  
E-mail: \_\_\_\_\_

**FRANCHISOR**  
**iMove PT, LLC,**  
a Missouri limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Exhibit B**  
**to the iMove PT Clinic Franchise Agreement**

**LISTING OF OWNERSHIP INTERESTS**

Effective Date: This Exhibit B is current and complete  
as of \_\_\_\_\_, 20\_\_\_\_

You and Your Owners

1. Form of Owner

(a) Individual Proprietorship. Your Owner(s) include the following:

_____
_____
_____

(b) Corporation, Limited Liability Company, or Partnership. You were incorporated or formed on \_\_\_\_\_, 20\_\_\_\_ under the laws of the State of \_\_\_\_\_. You have not conducted business under any name other than your corporate, limited liability company, or partnership name and \_\_\_\_\_. The following is a list of your directors and officers as of the effective date shown above:

<u>Name of Each Officer/Director</u>	<u>Position(s) Held</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

2. Owners

The following list includes the full name of each person who is one of your Owners (as defined in the Franchise Agreement), or an Owner of one of your Owners, and fully describes the nature of each Owner's interest (attach additional pages if necessary).

<u>Owner's Name</u>	<u>Percentage/Description of Interest</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

3. Identification of Operating Principal

Your Operating Principal as of the Effective Date is \_\_\_\_\_ (must be one of the individuals listed in paragraph 2 above). You may not change the Operating Principal without our prior written approval.

**FRANCHISOR**  
**iMove PT, LLC,**  
**a Missouri limited liability company**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE**  
\_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Exhibit C**  
**to the iMove PT Clinic Franchise Agreement**

**ELECTRONIC FUNDS TRANSFER AUTHORIZATION**

**AUTHORIZATION AGREEMENT FOR PREARRANGED PAYMENTS (DIRECT DEBITS)**

\_\_\_\_\_  
\_\_\_\_\_  
(Name of Person or Legal Entity)  
(ID Number)

The undersigned depositor (“**Depositor**”) (“**Franchisee**”) hereby authorizes iMove PT, LLC, a Missouri limited liability company (“**Franchisor**”) to initiate debit entries and/or credit correction entries to the undersigned’s checking and/or savings account(s) indicated below and the depository designated below (“**Depository**”) (“**Bank**”) to debit or credit such account(s) pursuant to Franchisor’s instructions.

_____ Depository	_____ Branch
_____ City	_____ State
	_____ Zip Code
_____ Bank Transit/ABA Number	_____ Account Number

\_\_\_\_\_

This authority is to remain in full and force and effect until sixty (60) days after Franchisor has received written notification from Franchisee of its termination.

_____ Depositor:	_____ Depository:
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____
Date: _____	Date: _____

FOR OFFICE USE ONLY: LICENSE NUMBER

**Exhibit D**  
**to the iMove PT Clinic Franchise Agreement**

**GUARANTY AND ASSUMPTION OF OBLIGATIONS**

As an inducement to iMove PT, LLC (“**Franchisor**”) to execute the iMove PT Clinic Franchise Agreement between Franchisor and \_\_\_\_\_ (“**Franchisee**”), dated \_\_\_\_\_, 20\_\_\_\_ (the “**Agreement**”), the undersigned, jointly and severally, hereby unconditionally guarantee to Franchisor and Franchisor’s successors and assigns that all of Franchisee’s monetary and other obligations under the Agreement will be punctually paid and performed.

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

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

The undersigned each hereby jointly and severally acknowledge and expressly agree to be individually bound by all of the covenants contained in Section 5 (Marks), Section 6 (Confidential Information), 12 (Transfer), 15 (Obligations Upon Termination or Expiration), and 15.4 (Covenant Not to Compete) of the Agreement, and acknowledge and agree that this Guarantee does not grant the undersigned any right to use the iMove PT Clinic marks or system licensed to Franchisee under the Agreement.

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

If Franchisor is required to enforce this Guarantee in a judicial or arbitration proceeding, and prevails in such proceeding, Franchisor shall be entitled to reimbursement of its costs and expenses, including, but not limited to, reasonable accountants’, attorneys’, attorneys’ assistants’, arbitrators’, and expert witness fees, costs, and expenses, costs of investigation and proof of facts, court costs, other litigation expenses, travel and living expenses, and interest, whether incurred prior to, in preparation for, or in contemplation of the filing of any such proceeding. If Franchisor is required to engage legal counsel in

connection with any failure by the undersigned to comply with this Guarantee, the undersigned shall reimburse Franchisor for any of the above-listed costs and expenses Franchisor incurs.

Subject to the obligations and provisions below, each of the undersigned agrees that all actions arising under this Guarantee or the Agreement, or otherwise as a result of the relationship between Franchisor and the undersigned, shall be governed by the provisions of Section 18 of the Agreement, and must be commenced in the state or federal court of general jurisdiction in which Franchisor has its principal place of business at the time the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. Nonetheless, each of the undersigned agrees that Franchisor may enforce this Guarantee and any orders and awards in the courts of the state or states in which he or she is domiciled.

Unless specifically stated otherwise, the terms used in this Guarantee shall have the same meaning as in the Agreement, and shall be interpreted and construed in accordance with Section 18 of the Agreement. This Guarantee shall be interpreted and construed under the laws of the State of Missouri. In the event of any conflict of law, the laws of the State of Missouri shall prevail (without regard to, and without giving effect to, the application of Missouri conflict of law rules).

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

#### **GUARANTORS**

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

**Exhibit E**  
**to the iMove PT Clinic Franchise Agreement**

**CONFIDENTIALITY AND NON-COMPETITION AGREEMENT**  
**(for trained employees, shareholders, officers, directors,**  
**general partners, members and managers of Franchisee)**

In consideration of my being a \_\_\_\_\_ of \_\_\_\_\_ (“**Franchisee**”), and other good and valuable consideration, the receipt and sufficiency of which is acknowledged, I hereby acknowledge and agree that:

1. Pursuant to a Franchise Agreement dated \_\_\_\_\_, 20\_\_ (the “**Franchise Agreement**”), Franchisee has acquired the right and franchise from iMove PT, LLC (the “**Company**”) to establish and operate a iMove PT Clinic management system business (the “**Franchised Business**”) and the right to use in the operation of the Franchised Business the Company’s trade names, service marks, trademarks, logos, emblems, and indicia of origin (the “**Marks**”), as they may be changed, improved and further developed from time to time in the Company’s sole discretion, only in the Territory described in the Franchise Agreement.

2. The Company, as the result of the expenditure of time, skill, effort and resources has developed and owns a distinctive format and system (the “**System**”) relating to the establishment and operation of Franchised Business that manage clinics centers offering services which may include, but are not limited to, the services and products authorized to be offered, sold or provided under the Marks and the System pursuant to the Franchise Agreement. The Company possesses certain proprietary and confidential information relating to the operation of the System, which includes certain proprietary trade secrets, methods, techniques, formats, specifications, systems, procedures, methods of business practices and management, sales and promotional techniques and knowledge of, and experience in, the operation of the Franchised Business (the “**Confidential Information**”).

3. Any and all information, knowledge, know-how, and techniques which the Company specifically designates as confidential shall be deemed to be Confidential Information for purposes of this Agreement.

4. As \_\_\_\_\_ of the Franchisee, the Company and Franchisee will disclose the Confidential Information to me in furnishing to me training programs, the Company’s confidential manual (the “**Operations Manual**”), and other general assistance during the term of the Franchise Agreement.

5. I will not acquire any interest in the Confidential Information, other than the right to utilize it in the operation of the Franchised Business during the term of the Franchise Agreement, and the use or duplication of the Confidential Information for any use outside the System would constitute an unfair method of competition.

6. The Confidential Information is proprietary, involves trade secrets of the Company, and is disclosed to me solely on the condition that I agree, and I do hereby agree, that I will hold in strict confidence all Confidential Information and all other information designated by the Company as confidential. Unless the Company otherwise agrees in writing, I will disclose and/or use the Confidential Information only in connection with my duties as \_\_\_\_\_ of the Franchisee, and will continue not to disclose any such information even after I cease to be in that position and will not use any such information even after I cease to be in that position unless I can demonstrate that such information has become generally known or easily accessible other than by the breach of an obligation of Franchisee under the Franchise Agreement.

**[Note to Franchisee: Section 7 of this Agreement, which includes a covenant not to compete, and a restriction on the employment of a competitor's employee is optional. iMove PT, LLC does not require you to include this language, and it is noted here only for your convenience. Your decision to have your employees execute this Agreement with this Section 7 included, and for you to enforce it, is your decision alone. If you elect to include this Section 7, that decision does not suggest that iMove PT, LLC is an employer of your employees. Further, local law may limit the enforceability of some non-compete agreements.]**

7. Except as otherwise approved in writing by the Company, I shall not, while in my position with the Franchisee, either directly or indirectly for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any physical therapy or medical management business which: (a) is the same as, or substantially similar to, a Franchised Business; or (b) offers to sell or sells any products or services which are the same as, or substantially similar to, any of the products offered by a Franchised Business (a “**Competitive Clinic**”); and for a continuous uninterrupted period commencing upon the cessation or termination of my position with Franchisee, regardless of the cause for termination, or upon the expiration, termination, transfer, or assignment of the Franchise Agreement, whichever occurs first, and continuing for two (2) years thereafter, either directly or indirectly, for myself, or through, on behalf of, or in conjunction with any person, persons, partnership, or corporation, own, maintain, operate, engage in, act as a consultant for, perform services for, or have any interest in any Competitive Clinic that is, or is intended to be, located at or within:

7.1 Franchisee's Territory, as defined in the Franchise Agreement (“**Franchisee's Territory**”);

7.2 Fifteen (15) miles of the border of Franchisee's Territory; or

7.3 Within the territory, area, or market area of any other iMove PT Clinic business in operation or under construction on the latter of the effective date of the termination or expiration of the Franchise Agreement.

The prohibitions in this Paragraph 7 do not apply to your interests in or activities performed in connection with a Franchised Business. This restriction does not apply to your ownership of less than five percent (5%) beneficial interest in the outstanding securities of any publicly held company.

8. I agree that each of the foregoing covenants shall be construed as independent of any other covenant or provision of this Agreement. If all or any portion of a covenant in this Agreement is held unreasonable or unenforceable by a court or agency having valid jurisdiction in an unappealed final decision to which the Company is a party, I expressly agree to be bound by any lesser covenant subsumed within the terms of such covenant that imposes the maximum duty permitted by law, as if the resulting covenant were separately stated in and made a part of this Agreement.

9. I understand and acknowledge that the Company shall have the right, in its sole discretion, to reduce the scope of any covenant set forth in this Agreement, or any portion thereof, without my consent, effective immediately upon receipt by me of written notice thereof; and I agree to comply forthwith with any covenant as so modified.

10. The Company is a third-party beneficiary of this Agreement and may enforce it, solely and/or jointly with the Franchisee. I am aware that my violation of this Agreement will cause the Company and the Franchisee irreparable harm; therefore, I acknowledge and agree that the Franchisee and/or the Company may apply for the issuance of an injunction preventing me from violating this Agreement, and I

agree to pay the Franchisee and the Company all the costs it/they incur(s), including, without limitation, legal fees and expenses, if this Agreement is enforced against me. Due to the importance of this Agreement to the Franchisee and the Company, any claim I have against the Franchisee or the Company is a separate matter and does not entitle me to violate, or justify any violation of this Agreement.

11. This Agreement shall be construed under the laws of the State of Missouri, without regard to the application of Missouri conflict of law rules. The only way this Agreement can be changed is in writing signed by both the Franchisee and me.

---

Signature

---

Name

---

Address

---

Title

**ACKNOWLEDGED BY FRANCHISEE**

By:\_\_\_\_\_

Name:\_\_\_\_\_

Title:\_\_\_\_\_

**Exhibit F**  
**to the iMove PT Clinic Franchise Agreement**

**TRANSFER TO A CORPORATION OR LIMITED LIABILITY COMPANY**

This Transfer Agreement shall amend that certain Franchise Agreement between \_\_\_\_\_ (“**Franchisee**”) and iMove PT, LLC (“**Franchisor**”).

The undersigned, an Officer, Director and Owner of a majority of the issued and outstanding voting stock of the Corporation set forth below, or members of the issued and outstanding Interests of the Limited Liability Company set forth below, and the Franchisee of the Franchised Business under a Franchise Agreement executed on the date set forth below, between himself or herself and Franchisor, granting him/her a franchise to operate in the Territory set forth below, and the other undersigned Directors, Officers and Shareholders of the Corporation, or the members of the Limited Liability Company, who together with Franchisee constitute all of the Shareholders of the Corporation, or the members of the Limited Liability Company, in order to induce Franchisor to consent to the assignment of the Franchise Agreement to the Corporation or Limited Liability Company in accordance with the provisions of Section 12 of the Franchise Agreement, agree as follows:

1. The undersigned Franchisee shall remain personally liable in all respects under the Franchise Agreement and all the other undersigned Officers, Directors and Shareholders of the Corporation, or the members of the Limited Liability Company, intending to be legally bound hereby, agree jointly and severally to be personally bound by the provisions of the Franchise Agreement including the restrictive covenants contained in Sections 6 and 15 thereof, to the same extent as if each of them were the Franchisee set forth in the Franchise Agreement and they jointly and severally personally guarantee all of the Franchisee’s obligations set forth in said Agreement.

2. The undersigned agree not to transfer any stock in the Corporation, or any interest in the Limited Liability Company without the prior written approval of the Franchisor and agree that all stock certificates representing shares in the Corporation, or all certificates representing interests in the Limited Liability Company shall bear the following legend:

“The shares of stock represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated \_\_\_\_\_, 20\_\_ between \_\_\_\_\_ and iMove PT, LLC”

or

“The ownership interests represented by this certificate are subject to the terms and conditions set forth in a Franchise Agreement dated \_\_\_\_\_, 20\_\_ between \_\_\_\_\_ and iMove PT, LLC”

3. \_\_\_\_\_ shall be designated as the “**Operating Principal**” and shall devote his/her best efforts to the day-to-day operation and development of the Franchised Business.

4. \_\_\_\_\_ hereby agrees to become a party to and to be bound by all of the provisions of the Franchise Agreement executed on the date set forth below between Franchisee and Franchisor, to the same extent as if it were named as the Franchisee therein.

Date of Franchise Agreement: \_\_\_\_\_

Territory of Franchised Business: \_\_\_\_\_

WITNESS:

As to Paragraph 3:

\_\_\_\_\_

\_\_\_\_\_  
[Name]

As to Paragraph 4:

\_\_\_\_\_

\_\_\_\_\_  
[Name]

ATTEST:

\_\_\_\_\_  
Name of Corp. or Limited Liability Company

\_\_\_\_\_

By: \_\_\_\_\_  
Title: \_\_\_\_\_

In consideration of the execution of the above Agreement, iMove PT, LLC hereby consents to the above referred to assignment on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**FRANCHISOR**

**iMove PT, LLC**

a Missouri limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit G**  
**to the iMove PT Clinic Franchise Agreement**

**TELEPHONE LISTING, INTERNET WEBSITES,  
AND OTHER LISTINGS AGREEMENT**

**THIS TELEPHONE LISTING, INTERNET WEBSITES, AND OTHER LISTINGS AGREEMENT** (the “**Listing Agreement**”) is made and entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), by and between iMove PT, LLC, a Missouri limited liability company (the “**Franchisor**”), and \_\_\_\_\_, a \_\_\_\_\_ (the “**Franchisee**”).

**W I T N E S S E T H:**

**WHEREAS**, Franchisee desires to enter into a Franchise Agreement with Franchisor for a iMove PT Clinic Franchised Business (the “**Franchise Agreement**”); and

**WHEREAS**, Franchisor would not enter into the Franchise Agreement without Franchisee’s agreement to enter into, comply with, and be bound by all the terms and provisions of this Listing Agreement;

**NOW, THEREFORE**, for and in consideration of the foregoing and the mutual promises and covenants contained herein, and in further consideration of the Franchise Agreement and the mutual promises and covenants contained therein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**1.     DEFINITIONS**

All terms used but not otherwise defined in this Listing Agreement shall have the meanings set forth in the Franchise Agreement. “**Termination**” of the Franchise Agreement shall include, but shall not be limited to, the voluntary termination, involuntary termination, or natural expiration thereof.

**2.     TRANSFER; APPOINTMENT**

2.1     Interest in Internet Websites, Social Media Pages and Profiles, Listings and Other Data. Franchisee may acquire (whether in accordance with or in violation of the Franchise Agreement) during the term of the Franchise Agreement, certain right, title, and interest in and to (a) those certain telephone numbers and regular, classified, yellow-page, and other telephone directory listings (collectively, the “**Telephone Numbers and Listings**”) related to the Franchised Business or the Marks, (b) certain domain names, hypertext markup language, uniform resource locator addresses, and access to corresponding Internet websites, and the right to hyperlink to certain websites and listings on various Internet search engines (collectively, the “**Internet Websites and Listings**”) related to the Franchised Business or the Marks (all of which right, title, and interest is referred to herein as “**Franchisee’s Interest**”).

2.2     Transfer. On Termination of the Franchise Agreement, or on periodic request of Franchisor, Franchisee will immediately: (a) direct all telephone companies, telephone directory publishers, and telephone directory listing agencies (collectively, the “**Telephone Companies**”) with which Franchisee has Telephone Numbers and Listings: (i) to transfer all Franchisee’s Interest in such Telephone Numbers and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer, and (b) direct all Internet Service Providers, domain name registries, Internet search engines, social media pages and profiles, and other listing agencies (collectively, the “**Internet**

**Companies”)** with which Franchisee has Internet Websites and Listings: (i) to transfer all of Franchisee’s Interest in such Internet Websites and Listings to Franchisor; and (ii) to execute such documents and take such actions as may be necessary to effectuate such transfer. In the event Franchisor does not desire to accept any or all such Telephone Numbers and Listings and Internet Websites and Listings, Franchisee will immediately direct the Telephone Companies and Internet Companies to terminate such Telephone Numbers and Internet Websites and Listings or will take such other actions with respect to the Telephone Numbers and Internet Websites and Listings as Franchisor directs.

2.3 Appointment; Power of Attorney. Franchisee hereby constitutes and appoints Franchisor and any officer or agent of Franchisor, for Franchisor’s benefit under the Franchise Agreement and this Listing Agreement or otherwise, with full power of substitution, as Franchisee’s true and lawful attorney-in-fact with full power and authority in Franchisee’s place and stead, and in Franchisee’s name or the name of any affiliated person or affiliated company of Franchisee, to take any and all appropriate action and to execute and deliver any and all documents that may be necessary or desirable to accomplish the purposes of this Listing Agreement. Franchisee further agrees that this appointment constitutes a power coupled with an interest and is irrevocable until Franchisee has satisfied all of its obligations under the Franchise Agreement and any and all other agreements to which Franchisee and any of its affiliates on the one hand, and Franchisor and any of its affiliates on the other, are parties, including but not limited to this Listing Agreement. Without limiting the generality of the foregoing, Franchisee hereby grants to Franchisor the power and right to do the following:

2.3.1 Direct the Telephone Companies and Internet Companies to transfer all Franchisee’s Interest in and to the Telephone Numbers and Internet Websites and Listings to Franchisor;

2.3.2 Direct the Telephone Companies and Internet Companies to terminate any or all of the Telephone Numbers and Internet Websites and Listings; and

2.3.3 Execute the Telephone Companies’ and Internet Companies’ standard assignment forms or other documents in order to affect such transfer or termination of Franchisee’s Interest.

2.4 Certification of Termination. Franchisee hereby directs the Internet Companies to accept, as conclusive proof of Termination of the Franchise Agreement, Franchisor’s written statement, signed by an officer or agent of Franchisor, that the Franchise Agreement has terminated.

2.5 Cessation of Obligations. After the Telephone Companies and Internet Companies have duly transferred all Franchisee’s Interest in such Telephone Numbers and Listings and Internet Websites and Listings to Franchisor, as between Franchisee and Franchisor, Franchisee will have no further interest in, or obligations under, such Telephone Numbers and Listings and Internet Websites and Listings. Notwithstanding the foregoing, Franchisee will remain liable to each and all of the Telephone Companies and Internet Companies for the sums Franchisee is obligated to pay such Internet Companies for obligations Franchisee incurred before the date Franchisor duly accepted the transfer of such Interest, or for any other obligations not subject to the Franchise Agreement or this Listing Agreement.

### 3. MISCELLANEOUS

3.1 Release. Franchisee hereby releases, remises, acquits, and forever discharges each and all of the Telephone Companies and Internet Companies and each and all of their parent corporations, subsidiaries, affiliates, directors, officers, stockholders, employees, and agents, and the successors and assigns of any of them, from any and all rights, demands, claims, damage, losses, costs, expenses, actions, and causes of action whatsoever, whether in tort or in contract, at law or in equity, known or unknown,

contingent or fixed, suspected or unsuspected, arising out of, asserted in, assertable in, or in any way related to this Listing Agreement.

3.2 Indemnification. Franchisee is solely responsible for all costs and expenses related to its performance, its nonperformance, and Franchisor's enforcement of this Agreement, which costs and expenses Franchisee will pay Franchisor in full, without defense or setoff, on demand. Franchisee agrees that it will indemnify, defend, and hold harmless Franchisor and its affiliates, and its and their directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse Franchisor and any and all of them for, any and all loss, losses, damage, damages, claims, debts, demands, or obligations that are related to or are based on this Listing Agreement.

3.3 No Duty. The powers conferred on Franchisor hereunder are solely to protect Franchisor's interests and shall not impose any duty on Franchisor to exercise any such powers. Franchisee expressly agrees that in no event shall Franchisor be obligated to accept the transfer of any or all of Franchisee's Interest in any or all such Telephone Numbers and Listings and Internet Websites and Listings.

3.4 Further Assurances. Franchisee agrees that at any time after the date of this Listing Agreement, Franchisee will perform such acts and execute and deliver such documents as may be necessary to assist in or accomplish the purposes of this Listing Agreement.

3.5 Successors, Assigns, and Affiliates. All Franchisor's rights and powers, and all Franchisee's obligations, under this Listing Agreement shall be binding on Franchisee's successors, assigns, and affiliated persons or entities as if they had duly executed this Listing Agreement.

3.6 Effect on Other Agreements. Except as otherwise provided in this Listing Agreement, all provisions of the Franchise Agreement and exhibits and schedules thereto shall remain in effect as set forth therein.

3.7 Survival. This Listing Agreement shall survive the Termination of the Franchise Agreement.

3.8 Joint and Several Obligations. All Franchisee's obligations under this Listing Agreement shall be joint and several.

3.9 Governing Law. This Internet Listing Agreement shall be governed by and construed under the laws of the State of Colorado, without regard to the application of Colorado conflict of law rules.

IN WITNESS WHEREOF, the undersigned have executed or caused their duly authorized representatives to execute this Agreement as of the Effective Date.

**FRANCHISOR**  
**iMove PT, LLC**  
a Missouri limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**FRANCHISEE**

\_\_\_\_\_  
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Exhibit H**  
**to the iMove PT Clinic Franchise Agreement**  
**FORM MANAGEMENT AGREEMENT**

**NOTE TO iMove PT™ FRANCHISEES: This is only a template / sample agreement. You must have this template/sample agreement reviewed and revised by your local health law counsel for use in your state.**

## **iMove PT™ TEMPLATE / SAMPLE MANAGEMENT SERVICES AGREEMENT**

This Management Services Agreement (the “**Agreement**”) is made and entered into as of \_\_\_\_\_, 20\_\_ (the “**Effective Date**”), by and between \_\_\_\_\_, P.C., a [professional corporation] (“**Practice**”), and \_\_\_\_\_, a [corporation / limited liability company] (“**Franchisee**”). Practice and Franchisee are referred to herein each individually as a “**Party**,” and collectively as the “**Parties**.”

### **BACKGROUND**

**WHEREAS**, Practice is a [professional corporation] duly organized and operated under the laws of the State of \_\_\_\_\_ to provide patients various products and services, all of which are provided by an authorized physical therapist;

**WHEREAS**, Franchisee is in the business of providing administrative, operational and other non-professional support services to professional firms who provide or arrange for the provision of professional services;

**WHEREAS**, Practice desires to engage Franchisee to provide administrative, operational, Franchisee Personnel (as defined in Section 3.02), and other non-professional support services in order to permit Practice to devote its full efforts to rendering Professional Services (as defined in Section 2.04) through the iMove PT Mobile Clinic (the “**Mobile Clinic**”) operating in the following Territory: \_\_\_\_\_ (the “**Territory**”); and

**WHEREAS**, nothing in this Agreement and no action by Franchisee shall interfere in any way with the independent exercise of professional judgement by Practice or the Practitioners, as defined herein.

**NOW, THEREFORE**, in consideration of the premises and the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and on the terms and subject to the conditions set forth herein, the Parties have agreed and do hereby agree as follows:

### **ARTICLE 1. ENGAGEMENT OF FRANCHISEE**

1.01. Primary Purpose. The primary purpose of this Agreement is to secure for Practice the administrative, operational and other non-professional support services necessary to permit the physical therapists of Practice (collectively, “**Practitioners**”) to devote their efforts on a concentrated and continuous basis to the rendering of Professional Services to its patients.

1.02. Engagement and Power of Attorney. Practice hereby engages Franchisee to act as the sole and exclusive manager of Practice in connection with the administrative, operational, and non-professional activities of Practice (collectively, “**Practice Operations**”), in the name, for the account of, and on behalf of Practice, and Franchisee hereby accepts such engagement for and in consideration of the compensation hereinafter provided. Except to the extent otherwise prohibited by law, Practice hereby appoints Franchisee, during the term of this Agreement, including any renewals thereof, the true and lawful attorney-

in-fact with full powers to take possession of, endorse in the name of Practice, and deposit to Practice's account, as applicable, any notes, checks, credit cards, debit cards, electronic funds transfers, money orders, insurance payments and any other document received in payment of any of the services rendered by Practice in connection with this Agreement.

## ARTICLE 2. GENERAL AUTHORITY OF THE PARTIES

2.01. Franchisee's Authority. Subject to the authority of Practice set forth in Section 2.02, Franchisee has the full responsibility and authority to operate and manage the day-to-day aspects of Practice Operations in any commercially reasonable manner Franchisee deems appropriate and to perform the specific functions and activities set forth in Exhibit A, which is incorporated herein by reference. Franchisee shall have exclusive authority over all non-professional decision-making relating to the operations of Practice, *provided* that Practice and its Practitioners shall retain full decision-making authority and relating to the delivery of Professional Services. Additional responsibilities and duties of Franchisee hereunder are set forth in Article 3 and Exhibit A to this Agreement.

2.02. Retained Authority of Practice. The managers or officers of Practice ("**Practice Managers**"), despite granting such authority to Franchisee, still retains: (a) all authority exclusively reserved to it by law and its governing documents, as may be amended from time to time; and (b) such authority over matters relating to the professional judgment and services of the Practitioners. Franchisee agrees that Practice and only Practice will perform the Professional Services and Franchisee will have no authority, directly or indirectly, to perform any Professional Service. Franchisee agrees that it will not, directly or indirectly, perform any Professional Service. Each of the Parties hereto agrees to cooperate fully with the other in connection with the performance of the obligations set forth herein.

2.03. Relationship of the Parties. Franchisee and Practice are independent contractors with respect to each other. Practice and Franchisee each acknowledge and agree that:

- (a) Neither is the employee or employer of the other;
- (b) Nothing contained in this Agreement creates, constitutes or is to be construed as a partnership, joint venture, or any other business arrangement or organization between Practice and Franchisee;
- (c) Practice retains exclusive authority to direct the Professional Services and all related clinical aspects of Practice, and Franchisee shall not exercise control over or interfere with the Professional Services of the Practitioners;
- (d) Franchisee is not engaged in the practice of medicine or any Professional Service for which state law requires a license. Only Practice and the Practitioners will perform such Professional Services;
- (e) All compensation to Franchisee is solely in exchange for use of Franchisee's systems, infrastructure, and assets, and for Franchisee's provision of the Administrative Services (as defined herein) at a fair market value for such use and services;
- (f) Franchisee may render similar services for other business entities and persons, whether or not engaged in the same business, and may enter into such other business activities as Franchisee, in its sole discretion, may determine, so long as the provision of such services does not prevent Franchisee from performing its duties under this Agreement; and

(g) Each Party shall be solely responsible for the acts and omissions of its own directors, officers, managers, employees, affiliates, contractors and agents.

#### 2.04. Regulatory Matters.

(a) **[Practice of Medicine / Practitioner's Licensed Discipline]**. The Parties acknowledge that the services provided by Practice may constitute the [**"practice of medicine"**] under state laws and regulations. Notwithstanding anything contained in this Agreement, Practice will have exclusive authority and control over the professional aspects of Practice to the extent the same constitute or directly affect the [**practice of medicine / or the practitioner's licensed discipline**], including but not limited to supervision and control of all professional affairs, all diagnosis, treatment and ethical determinations with respect to patients which are required by law to be decided by a licensed professional and all professional management and clinical decision-making for Practice (**"Professional Services"**). All professional and health care services provided to patients shall be the ultimate responsibility of Practice. All policies and procedures of Practice relating to the governance of Practitioners and other licensed health care professionals who will be employed by or work under the direction of, or a contract with, Practice shall be implemented from time to time in the sole discretion of Practice, subject however only to prior notice to Franchisee (which shall not be able to approve or disapprove such policies). Such policies may include practice standards, peer review and corrective action, disciplinary matters, clinical procedures, utilization review and quality assurance procedures, credentialing, patient care decisions, licensed health care professional compensation and incentives and training, continuing education, development and supervision. Franchisee shall have no right, either directly or indirectly, to control or direct the delivery of any Professional Service by Practice to any person and shall not: (i) interfere in any aspect of Practice's operations that is encompassed within the Professional Services; or (ii) direct or influence referrals to Practitioners or other health care professionals. Should any function assigned to Franchisee under this Agreement be construed to be within the scope of Professional Services such that, if performed by Franchisee, it would violate prohibitions on the corporate practice of medicine, such function thereafter shall be assigned to, and upon acceptance by Practice, become the responsibility of Practice.

(b) **Patient Records.** On termination of this Agreement, Practice shall retain ownership of all patient records maintained by Practice or Franchisee in the name of Practice. Practice shall, at its option, be entitled to retain copies of financial and accounting records relating to the Professional Services performed by Practice. During the term of this Agreement, Franchisee shall be entitled to access, and share with Franchisor, Practice's patient files to the extent that such files provide information that is required and necessary for Franchisee to provide services to Practice, provided that such use is pursuant to the Business Associate Agreement set forth at Exhibit C and the confidentiality of such records is protected as required by applicable laws and regulations. All records relating in any way to the operation of Practice which are not the property of Practice under the foregoing provisions shall at all times be the property of Franchisee. Practice shall be entitled to access any financial, accounting and other information relating to Practice and to make copies thereof. Franchisee will provide and maintain a records and information policy and related procedures, as well as a policy and related procedures for data privacy and security, for both Parties.

(c) **Regulatory Compliance.** Practice agrees to conduct the Practice in compliance with all applicable federal, state and local laws, rules, regulations and ordinances, including, without limitation, with respect to the licensing, credentialing and certification of its personnel. Each party agrees to comply with all applicable federal, state and local laws, rules and regulations. Practice represents that its execution of this Agreement will not be a violation any

applicable federal, state and local laws, rules and regulations, and Practice warrants that it will not make any referrals that would violate the provisions of any law or regulation. Practice acknowledges and agrees that it has not, and does not currently, engage in any “transactions” as defined at 45 C.F.R. § 160.103.

### ARTICLE 3. DUTIES OF FRANCHISEE

3.01. Administrative Services. Consistent with applicable federal, state and local laws, Practice hereby engages Franchisee on an exclusive basis to provide administrative, operational and non-professional services to Practice. Franchisee’s duties include, but are not limited to, providing the services set forth on attached Exhibit A (collectively, the “**Administrative Services**”). Exhibit A may be amended or substituted from time to time, as mutually agreed by the Parties. The amended Exhibit A shall state the date upon which all changes are effective.

3.02. Franchisee Personnel. Franchisee shall provide the personnel needed to operate and support the provision of Administrative Services (“**Franchisee Personnel**”). Franchisee shall recruit, hire, supervise, monitor, train, discipline, and terminate Franchisee Personnel and shall maintain and provide physical or electronic storage facilities for the human resource records and other employment information of both Franchisee Personnel and Practitioners. Consistent with reasonably prudent personnel management policies, Franchisee shall seek and consider the advice, input, and requests of Practice in regard to Franchisee Personnel matters. Practice shall at all times have discretion over all decisions relating to Practitioners.

3.03. Advisors, Consultants, Subcontractors, and Affiliates. Franchisee may utilize the services of advisors, consultants, subcontractors, and affiliates as it deems necessary to carry out the Administrative Services; provided, however, if Practice delivers to Franchisee a written good faith and reasonable objection against the continued use of any particular advisor, consultant, subcontractor or affiliate, Franchisee shall consider such objection in good faith. Practice acknowledges and understands that Franchisee operates as an “iMove PT” franchise licensed to Franchisee by iMove PT, LLC (the “**Franchisor**”) and Franchisor may be authorized to provide some, or provide support for some Administrative Services.

3.04. Excluded Services and Liabilities. Franchisee has no obligation or authority under this Agreement regarding, and shall not undertake, any activity that is required by law to be provided solely by a licensed professional.

3.05. Authority to Carry Out Administrative Services. Practice hereby grants Franchisee the authority to carry out the Administrative Services on behalf of Practice. Accordingly, Practice hereby grants Franchisee, and individuals that Franchisee authorizes, to carry out the Administrative Services, with the authority to execute contracts and other instruments on behalf of Practice (which do not relate to or interfere with the professional judgment of Practice or its health care providers) as is necessary or useful in the performance of the Administrative Services; provided, however, that this provision does not apply where any applicable law or regulation expressly prohibits such a delegation of authority.

3.06. Loans. Franchisee or an affiliate of Franchisee or any of its shareholders may extend loans or lines of credit, as may be necessary and at the request of Practice, to Practice under commercially reasonable terms and subject to applicable law.

## ARTICLE 4. DUTIES OF PRACTICE

4.01. Fees. Practice shall pay Franchisee the fees as set forth in Article 8.

4.02. Practice Governance. Practice is solely responsible for matters involving its internal corporate governance and similar internal matters. Practice covenants and agrees that, at all times during the term of this Agreement, it shall conduct all corporate activities required by its articles of incorporation and operating agreement, including but not limited to election of Franchisees, election of officers, and appointment of committee members including but not limited to any Utilization Review and Quality Assurance Committees.

4.03. Compliance with Laws. At all times during the term of this Agreement, Practice shall be, and shall ensure that each Practitioner is, appropriately licensed by the [State of \_\_\_\_\_]. Practice shall comply, and shall ensure that all employed Practitioners comply, with all applicable federal, state, and local laws, rules, regulations, and restrictions, including without limitation, the federal and state anti-kickback statute, federal false claims act, Stark and self-referral statutes, false claims act of any state and those requirements imposed on Practice by any licenses, permits, certificates of authority or authorizations (including authorizations or agreements to participate in the Medicare or state Medicaid programs) which Practice is required to maintain. In the event that any disciplinary actions or professional liability actions are initiated against any Practitioner employed by Practice, Practice shall immediately inform Franchisee of such action and the underlying facts and circumstances. With the assistance of and consultation with Franchisee, Practice shall establish and operate a peer review program for all Practitioners practicing on its behalf. Practice shall monitor the quality of services provided by Practitioners. Practice shall obtain consent and authorization from every patient, as necessary and consistent with federal and state laws and regulations, to permit Practice to disclose patient information to Franchisee and Franchisor.

4.04. Practice Restrictive Covenant. During the term of this Agreement, Practice shall not directly or indirectly, through an affiliate (which shall not include independent contractor professional of Practice) or otherwise, without the prior written consent of Franchisee (subject to Franchisor's written consent, which consent may be withheld in its sole discretion), acquire, establish, operate, manage, control, own (debt or equity, but excluding ownership of less than five percent of the equity of any publicly traded entity), or maintain any other interest in, in any such case within the United States: (a) any entity or enterprise, other than Practice, that provides the Professional Services; (b) any entity or enterprise that provides administrative, operational and non-professional services to Practitioners or offers any type of services or products similar to those that Franchisee offers; or (c) any health maintenance organization, preferred provider organization, exclusive provider organization, or similar entity or organization. Furthermore, upon the termination or expiration of this Agreement, the Practice shall not, for a period of two (2) years, acquire, establish, operate, manage, control, own (debt or equity, but excluding ownership of less than five percent of the equity of any publicly traded entity), or maintain any other interest in, in any such case within the United States any entity or enterprise that provides the Professional Services in the Territory, within fifteen (15) miles of the border of the Territory, or within any other territory granted to a iMove PT clinic. Practice acknowledges that the geographic boundaries, scope of prohibited activities and the duration of this Section 4.04 are reasonable and are no broader than are necessary to protect the legitimate business interests of Franchisee. The Parties agree and stipulate that the agreements and covenants not to compete contained in this Section 4.04 are fair and reasonable in light of all of the facts and circumstances of the relationship between Franchisee and Practice. Franchisee and Practice are aware, however, that in certain circumstances courts have refused to enforce certain agreements not to compete. Therefore, in furtherance of, and not in derogation of, the provisions of this Section 4.04, Franchisee and Practice agree that, in the event a court should decline to enforce any of the provisions of this Section 4.04, this Section 4.04 shall be deemed to be modified or reformed to restrict Practice's competition with Franchisee to the maximum extent, as to time, geography and business scope, which the court shall find

enforceable; *provided*, that in no event shall the provisions of this Section 4.04 be deemed to be more restrictive to Practice than those contained herein. **[Practice shall ensure that any Practitioner that provides Professional Services agrees in writing to the same restrictions in this Section 4.04 that apply to Practice; provided, however, that Practice shall allow Practitioners to be employed by, operate, manage, control, establish, own, or maintain an entity that provides Professional Services through the Mobile Clinic under a management agreement between Franchisee and a professional corporation.] [Franchisee acknowledges and agrees that during the term of this Agreement, Practice and its Practitioners may continue to perform and maintain the [clinical directorships] [preferred provider services] that it and they perform as of the Effective Date (“Permitted Relationships”) without violating the terms of this Section 4.04. The Permitted Relationships are listed on Schedule 4.04.]**

4.05. Taxes. Practice shall ensure that Practice timely files and properly pays all federal, state, local, or foreign assessments, levies, or taxes of any kind, all at the direction of the Franchisee, including without limitation, income, payroll, and property taxes, together with any applicable interest or penalties, whether disputed or not, imposed by the United States, by any foreign country, or by any state, municipality, subdivision or instrumentality of any of the foregoing, or any other taxing authority of any kind.

4.06. Practitioners. Practice shall provide, either directly or indirectly, all Practitioners necessary to provide Professional Services. Practice shall contract for the services of its Practitioners in accordance with the fair market value of the services for the locale where Practice is located and the specific functions performed by such Practitioners. The Parties acknowledge and agree that all Practitioners providing Professional Services for Practice are doing so independently under a separate contractual arrangement between Practice and Practitioners. All Professional Services shall at all times be the sole responsibility of Practice. Practice, through its Practitioners, shall be responsible for and shall have complete authority, supervision, and control over the provision and performance of the Professional Services and all other professional services related thereto. All diagnosis, treatments, and other professional healthcare services provided by Practice shall be provided and performed exclusively by or under the supervision of such providers as Practice deems appropriate. The Parties agree that Franchisee shall have and exercise absolutely no control or supervision over the provision of Professional Services. Notwithstanding the foregoing, to the extent permitted by state laws and regulations, Practice shall seek and consider the advice, input, and requests of Franchisee with regards to general Practitioner personnel matters.

4.07. Good Standing. Practice is, and shall remain throughout the term of this Agreement, a professional corporation in good standing under the laws of the [State of \_\_\_\_\_], with no legal or other impediments to carrying out its duties hereunder.

4.08. Payment of Practice’s Obligations. Franchisee shall have no liability for any of Practice’s debts and expenses or other obligations, except as expressly set forth in this Agreement.

## **ARTICLE 5. CLINICAL AND CLINICAL DIRECTOR SERVICES**

5.01. Clinical and Clinical Director Services. Practice shall be solely responsible for appointing licensed professionals to act as the clinical directors and the associate clinical directors of Practice (“**Clinical Directors**”), to the extent required by state law or regulation. Practice represents and warrants that each Clinical Director is a licensed professional in the [State of \_\_\_\_\_] and shall at all times during the term of this Agreement maintain an unrestricted license to practice in the [State of \_\_\_\_\_]. The Clinical Directors shall have the sole authority to perform the professional direction of the services provided through Practice and its Practitioners. Practice shall ensure that the Clinical Directors will work cooperatively with Franchisee and its employees and contractors in order to permit Franchisee to fulfill its obligations in performing the Administrative Services.

## ARTICLE 6. BILLING AGENT AGREEMENT

6.01. Professional and Other Fees. In order to accurately bill Practice's patients, Practice with Franchisee's assistance shall establish a schedule of fees and charges for the Professional Services. Practice agrees that any schedule of fees and charges is subject to approval by Franchisee only to the extent necessary to ensure Franchisee is able to administer the schedule of fees and charges.

6.02. Billings. Billings of Practice for all services rendered by Practice shall be by and in the name of Practice. Practice will use the name "[Enter Name]" or a similar name in its billings.

6.03. Billing and Collection Agent. Subject to the provisions of this Agreement, and until Practice or Franchisee otherwise directs in writing, Franchisor shall serve as the sole billing and collection agent for Practice. Franchisee shall maintain accurate accounting of all collected fees generated from Practice as well as payment of Practice expenses, including Franchisee's Administrative Fee (as defined below). Said processing shall consist of establishing and maintaining a book account for Practice showing all fee collections and expense disbursements made by Franchisee on Practice's behalf. Franchisee shall provide Practice with financial statements for Practice reflecting such processing. All decisions regarding the collection or collectability of accounts receivable, the establishment and maintenance of the depository account described herein, and control over the financial accounts of Practice shall rest with Practice and Franchisee's sole role and responsibility shall be to act as agent for and at the direction and control of Practice with respect to such matters.

6.04. Reports. Franchisee shall provide Practice, weekly, monthly, and annually, with financial statements for Practice.

## ARTICLE 7. INSURANCE

7.01. Insurance. At all times during the term of this Agreement, Franchisee shall obtain and maintain all prudent insurance policies in such amounts and with such deductibles as it deems necessary, on behalf of and for the benefit of both Practice and Franchisee, including comprehensive general liability insurance, and such other insurance as is customary or appropriate in connection with operation of Practice. Insurance shall be sufficient to cover the liabilities arising from both Parties' obligations under this Agreement. Practice shall reimburse Franchisee for any costs and expenses Franchisee incurs in complying with this Section 7.01. Practice shall be named as an 'insured' or 'additional insured' for all insurance policies required by this Agreement. Franchisee shall provide certificates of insurance and other evidence of insurance coverage on behalf of Practice. All insurance policies, including but not limited to, the professional liability insurance required by Section 7.03 shall be the sole financial obligation of the Franchisee, in connection with its Administrative duties.

7.02. Requirement of Notification. Franchisee shall notify Practice sixty (60) days prior to the effective date of any material proposed change in insurance amounts or coverage. This Section 7.02 applies to any cancellation, non-renewal, reduction in amount of coverage, replacement, or substitution of any policy or policies. Practice reserves the right to obtain its own policy or policies if Franchisee fails obtain insurance of the types and in the amounts specified in this Agreement.

7.03. Professional Liability Insurance. Franchisee shall procure and maintain professional liability insurance in Practice's name for and on behalf of Practice and all Practitioners, to the extent necessary or required.

## ARTICLE 8. ADMINISTRATIVE FEE

8.01. Administrative Fee. In consideration for the Administrative Services provided by Franchisee, Practice shall pay to Franchisee the fee set forth in Exhibit B (the “**Administrative Fee**”). Practice and Franchisee agree that the Administrative Fee is in consideration for the Administrative Services provided by Franchisee and the substantial commitment and effort made by Franchisee, and that such fees have been negotiated at arm’s length and are fair, reasonable, and consistent with fair market value. No amount paid hereunder is intended to be, nor shall it be construed to be, an inducement or payment for referral, or recommendation of referral, of patients by Practice to Franchisee (or its affiliates) or by Franchisee (or its affiliates) to Practice. In addition, the Administrative Fee charged hereunder does not include any discount, rebate, kickback, or other reduction in charge.

8.02. Shortfall Amount. If at any time Practice fails to timely pay amounts due to Franchisee pursuant to this Article 8, any amounts due and payable shall accrue interest at [     percent (     %)] [(the **Prime Rate plus one percent (1%) per annum, as published in the Wall Street Journal on the date such shortfall originates**)].

## ARTICLE 9. TERM OF AGREEMENT

9.01. Term. The term of this Agreement shall be [**five (5)**] years from the Effective Date, and shall automatically renew for periods of one (1) year thereafter, unless otherwise terminated in accordance with this Agreement.

9.02. Termination by either Party with Cause. This Agreement may be terminated upon a material breach of any provision of this Agreement that is not cured within thirty (30) days after written notice is given to the breaching party specifying the nature of the alleged breach.

9.03. Notice of Non-Renewal. Either party may terminate this Agreement by providing written notice to the other party at least one hundred twenty (120) days before the expiration of then-current initial or renewal term.

9.04. Rights upon Termination. Upon expiration or termination of this Agreement for any reason, Practice will immediately surrender to Franchisee any property or proprietary information of Franchisee in the possession of Practice at the time of termination and Franchisee will immediately surrender to Practice all books, records and electronic files pertaining to Practice that are not the property or proprietary information of Franchisee. Termination of this Agreement will not release or discharge either Party from any obligation, debt or liability which will have previously accrued and remain to be performed upon the date of termination.

9.05. Additional Remedies. In the event a default by either Party involves the failure to make a payment as provided in this Agreement, the non-defaulting Party shall, in addition to the recovery of the amount unpaid, be entitled to reasonable attorneys’ fees and costs of collection, and shall be further entitled to interest on such unpaid amounts from the date such amounts become due and payable.

## ARTICLE 10. PATIENT CONFIDENTIALITY

10.01. General Confidentiality. Franchisee shall protect the confidentiality of the records of Practice, including those related to Practice Operations, to the extent such records are within the control or direction of Franchisee, including, without limitation, patient records, and shall comply with the Business Associate Agreement set forth at Exhibit C and applicable federal, state, and local laws and regulations,

and professional ethical standards pertaining to the records of Practice. Franchisee shall take no action with respect to such patient records to which Practice objects, unless otherwise required by law or to comply with an order of any court or governmental agency. Notwithstanding the above, Practice understands and agrees that Franchisee may provide to Franchisor, in accordance with the requirements of the franchise agreement by and between Franchisee and Franchisor, some or all of the information Franchisee has access to or ownership over pursuant to this Agreement.

## **ARTICLE 11. MISCELLANEOUS**

### **11.01. Assignment.**

(a) Franchisee may assign some or all of its rights to, and/or delegate some or all of its obligations hereunder, to any of its affiliates. Franchisee may assign some or all of its right, title and interest in any payments to be received hereunder to a bank or any other financial institution or any person from which Franchisee has obtained, or will obtain, financing, and Franchisee may grant a security interest in such payments. Additionally, Franchisee may assign this Agreement to an entity of any kind succeeding to the business of Franchisee in connection with the merger, consolidation, or transfer of all or substantially all of the assets and business of Franchisee to such successor.

(b) Practice may not make any assignment or transfer of this Agreement, Practices rights and obligations under this Agreement, and any rights, title or interest in Practice without first providing thirty (30) days' notice to Franchisee and Practice obtains Franchisee's written approval, subject to Franchisor's written approval, thereof.

(c) All of the terms, provisions, covenants, conditions, and obligations of this Agreement shall be binding upon, and inure to the benefit of, the successors in interest and permitted assigns of the Parties hereto.

**11.02. Notices.** All notices, demands and other communications to be given or delivered under or by reason of the provisions of this Agreement (each a "**Notice**") shall be in writing and will be deemed to have been given (a) when personally delivered, (b) when receipt is electronically confirmed, if sent by facsimile, telecopy or other electronic transmission device; *provided*, that if receipt is confirmed after normal business hours of the recipient, notice shall be deemed to have been given on the next business day, (c) one (1) business day after deposit with a nationally recognized overnight courier, specifying next day delivery or (d) three (3) business days after being sent by registered or certified mail. Notices, demands and communications to Practice and Franchisee shall, unless another address is specified in writing, be sent to the address indicated below:

#### **If to Practice:**

**[Address]**

Attention: \_\_\_\_\_

#### **If to Franchisee:**

**[Address]**

Attention: \_\_\_\_\_

With a copy to:

iMove PT, LLC  
Attn: Michael Gorman

\_\_\_\_\_  
\_\_\_\_\_

11.03. Severability. In the event that any provision of this Agreement is held to be invalid or unenforceable by any court of competent jurisdiction, the remaining provisions hereof shall not be affected thereby, and the provision found invalid or unenforceable shall be revised or interpreted to the extent permitted by law so as to uphold the validity and enforceability of this Agreement and the intent of the Parties as expressed herein.

11.04. Governing Law. This Agreement shall be governed by, and interpreted, construed and enforced in accordance with, the laws of the [State of \_\_\_\_\_] without regard to its choice of law provisions and principles.

11.05. Entire Agreement; Amendment. This Agreement, along with all agreements and Exhibits to this Agreement referred to herein, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes any and all prior agreements, either oral or written, between the Parties with respect thereto. Any modification to this Agreement must be made in writing and signed by the Parties. The Parties agree that the Exhibits will be amended, revised or substituted from time to time, and that each new or amended Exhibit will state the date upon which all changes or amendments become effective.

11.06. Headings. The captions at the head of a section or a paragraph of this Agreement are designed for convenience of reference only and are not to be used to interpret any provision of this Agreement.

11.07. Waiver. No term or condition of this Agreement shall be deemed to have been waived except by written instrument of the Party charged with such waiver.

11.08. Construction. The language herein shall be construed, in all cases, according to its plain meaning, and not for or against either Party. The Parties acknowledge that each Party and its counsel have reviewed this Agreement and that the rule of construction which states that any ambiguities are to be resolved against the drafting Party shall not be employed in the interpretation of this Agreement.

11.09. Prevention of Performance. Neither Party shall be liable to the other for any loss or damage to Practice (including, without limitation, direct, indirect, incidental and consequential damages) due to any failure in its performance hereunder: (a) because of compliance with any order, request, or control of any governmental authority or person purporting to act therefore, whether or not said order, request or control ultimately proves to have been invalid; or (b) when its performance is interrupted, frustrated or prevented, or rendered impossible or impractical because of wars, hostilities, public disorders, acts of enemies, sabotage, strikes, lockouts, labor or employment difficulties, fires, or acts of God, or any cause beyond its control, whether or not similar to any of the foregoing. Without limitation of the foregoing, neither Party shall be required to challenge or resist any such order, request or control, or to proceed or attempt to proceed with performance if such shall involve additional expense or a departure from its normal practices, unless the Parties shall expressly agree as to the further obligations (including, without limitation, an obligation to bear all or part of any such additional expense) to be borne as mutually agreed as between the Parties.

11.10. Waiver of Breach. The waiver of any breach of any term or condition of this Agreement shall not be deemed to constitute the waiver of any subsequent breach of the same or any other term or condition hereof.

11.11. Books and Records. Franchisee and any of Franchisee's counsel, accountants or designated representatives, during normal business hours, will have the right to examine and make copies of Practice's books and records. Practice will have the right to inspect and copy all books and records of Franchisee related to the Administrative Services.

11.12. Ownership of Materials; Confidentiality

(a) All marketing materials, advertisements, programs, guides, publications, pamphlets, flyers and all such other forms of information and materials (collectively, "**Marketing Materials**") designed and developed by Franchisee, Franchisor, or their affiliates, to assist Practice in the marketing of Practice's Professional Services, together with any and all such other Marketing Materials designed and/or developed by Franchisee, Franchisor, or their affiliates, for Practice, belong to and are the exclusive property of Franchisor. Upon termination or expiration of this Agreement, Practice shall promptly relinquish to Franchisee all papers, documents, writings, files, data, or materials, including, without limitation, the Marketing Materials, belonging to Franchisee or Franchisor that are, at such time, in the possession of Practice.

(b) Each Party shall hold, and shall use its commercially reasonable best efforts to cause its affiliates, and their respective officers, directors, employees and agents to hold, in strict confidence from any person, unless (a) compelled to disclose by judicial or administrative process or by other requirements of law or (b) disclosed in an action or proceeding brought by a Party in pursuit of its rights or in the exercise of its remedies hereby, all documents and information concerning the other Party or any of its affiliates furnished to it by any other Party or such other Party's officers, directors and agents in connection with this Agreement, except to the extent that such documents or information can be shown to have been (i) previously known by the Party receiving ("**Receiving Party**") such documents or information, (ii) in the public domain (either prior to or after the furnishing of such documents or information hereby) through no fault of such Receiving Party or (iii) later acquired by the Receiving Party from another source if the Receiving Party is not aware that such source is under an obligation to another Party to keep such documents and information confidential.

11.13. Mutual Indemnification. Each Party shall indemnify, hold harmless, and defend the other Party from and against any liability, loss, claim, lawsuit, damage, injury, cost, expense or other detriment caused or asserted to have been caused, directly or indirectly, by or as a result of the performance of any intentional acts, negligent acts or omissions under this Agreement by such indemnifying Party, its employees, officers, and agents, including, without limitation, all consequential damages and reasonable attorneys' fees, provided, however, that neither Party shall be liable to the other Party under this Section 11.13 for any claims that are covered by insurance, except to the extent liability of the protected Party exceeds the amount of the coverage.

11.14. Remedies. The remedies provided to the Parties by this Agreement are not exclusive or exhaustive, but cumulative and in addition to any other remedies the Parties may have, at law or in equity.

11.15. Survival. The following sections and articles of this Agreement shall survive termination and expiration of this Agreement for any reasons: Section 10.01; Section 11.12; Section 11.13; and Article 7.

11.16. Third Party Beneficiary. iMove PT, LLC. is an express third party beneficiary of this Agreement and may, directly or indirectly, enforce any right of Franchisee hereunder.

11.17. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original and all of which shall constitute one and the same instrument.

11.18. Consent to Jurisdiction; Waiver of Jury Trial. The Parties agree that any dispute arising under this Agreement shall be litigated in the courts of the [State of \_\_\_\_\_] or the courts of the United States for the [District of \_\_\_\_\_], and, by execution and delivery of this Agreement, the Parties hereby accept for themselves and in respect of their property, generally and unconditionally, the exclusive jurisdiction of the aforesaid courts and appellate courts. The Parties waive the right to trial by jury with respect to any claims hereby. The Parties further irrevocably consent to the service of process out of any of the aforementioned courts in any such action or proceeding by the mailing of copies thereof by registered or certified mail, postage prepaid, to the Parties at their addresses referred to in Section 11.02. The Parties hereby irrevocably waive any objection which they may now or hereafter have to the laying of venue of any of the aforesaid actions or proceedings arising out of or in connection with this Agreement brought in the courts referred to and hereby further irrevocably waive and agree, to the extent permitted by applicable law, not to plead or claim in any such court that any such action or proceeding brought in any such court has been brought in an inconvenient forum.

**IN WITNESS WHEREOF**, the Parties have duly executed this Management Services Agreement effective on the date set forth above:

**[Practice]**

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_

**[Franchisee]**

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_

## EXHIBIT A

### ADMINISTRATIVE SERVICES

Subject to the limitations, conditions and restrictions contained in the Agreement and any further restrictions imposed by applicable law (including state corporate practice of medicine doctrines), Franchisee shall provide the following services:

1. General Administrative Services. Franchisee shall provide general business administration and supervision for the business operations of Practice, which shall include marketing coordination, secretarial and other office personnel support services, collection of patient fees, procurement of office and professional supplies, procurement of any equipment, management of electronic records, staff support for Practice Franchisees and committee meetings of Practice, administrative record keeping, other similar administrative services required in the day-to-day operation of Practice, human resources support, IT systems and support, provision of necessary office space, and real estate management and acquisition.

2. Enhancement of Service Delivery. Franchisee shall assist Practice regarding the assessment of the effects and efficiencies of Practice's evolving service delivery model.

3. Accounting and Financial Administrative Services. With respect to accounting and financial management services, Franchisee shall:

- a. have exclusive authority with respect to the establishment and preparation of annual budgets for Practice, which budgets shall reflect in reasonable detail anticipated revenues and expenses;
- b. in consultation with Practice, whose consent shall not unreasonably be withheld, establish bank accounts in Practice's name ("**Accounts**") for the deposit of all sums received by Practice. Practice agrees that Franchisee shall have the authority to endorse all checks made payable to Practice and deposit checks and funds received by Practice in the Accounts. Franchisee shall further have the authority to make transfers of funds to the Accounts and further, Franchisee shall have the authority to sign checks and stop payment on any checks drawn on the Accounts;
- c. reconcile checks written with bank statements on a monthly basis;
- d. prepare balance sheets and income statements on a monthly basis during the term of this Agreement. Such financial statements shall not be audited statements. Franchisee agrees to cooperate with any annual audit Practice obtains at Practice's sole cost and expense by an independent public accounting firm selected by Franchisee;
- e. receive and deposit on a timely basis capitation and other payments received by Practice;
- f. make recommendations regarding check signature approvals and banking procedures of Practice;
- g. assist Practice in establishing and administering a Practitioner incentive system if and when such systems are developed;
- h. **[Add additional services Franchisee will provide to Practice.]**

4. Budgets and Reports. Franchisee shall prepare and deliver to Practice annual budgets and monthly financial reports, and prepare written reports, as requested, for meetings of Practice's management and Practice Franchisees and assist Practice Franchisees in establishing policies related to cash investment, tax planning, and other financial policies, which may periodically be adopted by Practice Franchisees. Franchisee's activities in this regard shall be limited to recommendations. Practice Franchisees shall retain sole fiduciary responsibility with respect to this Section (d), and shall make all decisions regarding investment and other financial policies.

5. Tax Returns. Franchisee shall assist Practice with preparing monthly, quarterly, and year-end financial statements and required accounting records for Practice's tax accountant.

6. Marketing. Franchisee shall provide staff to assist Practice with marketing and public relations functions on behalf of Practice, including without limitation, periodic marketing and sales plan support, graphics and printed material support, advertising, sales, and promotion services.

7. Strategic Plan. Franchisee shall assist Practice in developing strategic short, medium, and long-range objectives with respect to Practice and Practice's professional activities, including identification of new types of services, professional relationships, applications of services, and development of protocols.

8. Compliance Program. Franchisee shall assist Practice in complying with all applicable foreign, federal, state, and local rules, regulations, statutes, laws, and ordinances governing Practice and Practice's professional activities, including the creation and maintenance of records, reports, applications, returns, and other documents required by foreign, federal, state, and local governmental entities or instrumentalities of any type. Franchisee shall develop, on behalf of Practice, a compliance program under which Franchisee shall make available a compliance officer, policies and procedures, compliance hotline and compliance training program for Practice's personnel to facilitate compliance by Practice with laws affecting its business and to create a reporting process for concerns regarding compliance issues. Franchisee shall coordinate filing required clinical and financial reports.

9. Licenses. Franchisee shall manage the obtaining and maintaining of all governmental licenses, permits, and certifications required by Practice and the individual Practitioners.

10. Practitioners and Employees. With respect to Practitioners and Practice employees, Practice shall consult with Franchisee, and Franchisee shall assist Practice with the following:

a. developing Practice policies and procedures, including without limitation, patient acceptance policies and procedures, except with respect to the professional aspects of Practice to the extent the same constitute or directly affect the applicable scope of practice of the licensee which are required by applicable law to be decided by licensed professionals; and

b. instructing all Practitioners and their office staff regarding established Practice policies and procedures at least quarterly during the term of this Agreement.

Provided, however, that Practice shall have the exclusive authority to make all final decisions regarding Practitioners and other Practice employees; including without limitation, decisions and actions regarding hiring, firing, compensation, benefits, discipline, and scheduling of employees.

11. Recruitment. Practice shall consult with Franchisee and Franchisee shall assist Practice in locating and recruiting candidate Practitioners for consideration by Practice for admission as Practitioners to Practice. Decisions as to the professional abilities and suitability for admission into Practice and the engagement of such provider by Practice shall exclusively be within the authority of Practice.

12. Quality Improvement. Consistent with and as required by the Health Care Quality Improvement Act of 1986, 42 U.S.C. § 11101, Franchisee shall assist Practice in developing and maintaining programs to improve the quality of care provided by Practice's Practitioners, to the extent necessary or required by law. Specifically, Franchisee shall assist Practice in implementing the following programs:

- a. Peer Review. Upon a request for peer review from an officer or Practitioner, Franchisee shall support Practice in arranging for a review by a qualified professional or professionals in the same or similar specialty as the Practitioner under review ("**Review Panel**"). The Review Panel shall report the results of such review to the officer or agent of Practice and provide assistance to Practice to implement recommendations, follow-up and fulfill reporting obligations, if any.
- b. Development and Monitoring of Quality Improvement Programs. Franchisee shall assist Practice in developing and in monitoring the implementation and success of programs designed to improve the quality of services provided by the Practitioners and encourage identification and adoption of best demonstrated processes.
- c. Reporting. Practice shall consult with Franchisee and Franchisee shall assist Practice in preparing annual reports, or more frequent reports as deemed necessary, using data provided by Franchisee and Practice for Practice's use in evaluating the professional practices, quality outcomes and professional economics of the Practitioners for purposes related to maintaining a high level of patient quality and improving the efficiencies of the Practitioners.

13. Insurance. Franchisee shall evaluate, on an ongoing basis, the professional liability, general liability, and other insurance needs of Practice, taking into consideration coverage customarily maintained by similar enterprises, hospital requirements, and general availability of coverage in the market. Insurance shall be maintained in accordance with the Management Agreement.

14. Legal Representation. Franchisee shall arrange for legal resources for Practice, including negotiating contracts, contract review, maintaining corporate records and minute books, and general legal compliance for Practice. Franchisee's counsel may provide legal services to assist Franchisee with these services. Given the Parties' common interests as set forth in this Agreement, it may become necessary for Franchisee or its counsel to share information protected by the attorney-client privilege or work product doctrine with Practice. It is the intention of the Parties that any such information shared with Practice is being disclosed pursuant to the Parties' common interests as described in this Agreement and that any existing privileges or protections under law not be waived. Practice agrees to maintain complete confidentiality with respect to any privileged or work product information shared and will not disclose such information without prior consent from the Franchisee and its counsel. Franchisee also shall develop programs to identify areas of potential legal risk for Practice and provide and coordinate legal representation in the event of actual or anticipated litigation against Practice. Franchisee shall assist Practice with instituting in the name of Practice any and all legal actions or proceedings.

This **Exhibit A** is effective as of: \_\_\_\_\_, 20\_\_\_\_.

**Acknowledged and Agreed by:**

**[Practice]**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**[Franchisee]**

**By:** \_\_\_\_\_

**Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**SCHEDULE 4.04**  
**PERMITTED RELATIONSHIPS**

[List]

## EXHIBIT B

### ADMINISTRATIVE FEE

**NOTE TO iMove PT FRANCHISEES:** Listed below are two management fee structure options: a revenue-based fee and a flat fee. We recommend you use the revenue-based management fee structure when permitted by state and federal laws and regulations, as determined between you and your legal counsel. If a revenue-based management fee is prohibited by law, as determined between you and your legal counsel, another fee model is the flat fee structure. You are solely responsible for evaluating state law to determine whether a revenue-based management fee is permitted and assume full responsibility for compliance with any and all applicable laws and regulations.

#### **[Option One: Revenue-Based Fee]**

*For all Administrative Services rendered by Franchisee pursuant to this Agreement, Practice shall pay Franchisee an administrative fee that shall be equal to the revenues received by Practice for the Professional Services less any expenses of Practice (the “Administrative Fee”).]*

#### **[Option Two: Flat Fee]**

*For all Administrative Services rendered by Franchisee pursuant to this Agreement, Practice shall pay Franchisee an administrative fee that shall be equal to \_\_\_\_\_ (\$\_\_\_) per month (the “Administrative Fee”). In the event that in any month Practice’s revenue is insufficient to pay fully the Administrative Fee, the unpaid amount of the Administrative Fee shall accrue each month, and Practice shall be obligated to pay such amount until fully paid in accordance with Article VIII.*

*In addition to the Administrative Fee, Franchisee shall also be entitled to reimbursement of all costs set forth herein that are to be borne by Practice but for which Franchisee has paid such costs either by way of an advance or as a convenience for Practice. Franchisee shall invoice Practice for the Administrative Fee along with any reimbursement of expenses within fifteen (15) days after the end of each month. Franchisee’s Administrative Fee shall be payable on or before the 15th day of Practice receiving the invoice from the Franchisee.]*

## EXHIBIT C

### BUSINESS ASSOCIATE AGREEMENT

This Business Associate Agreement (“**Agreement**”) is made and effective \_\_\_\_\_ (“**Effective Date**”) by and between [Practice] (the “**Covered Entity**”) and [Franchisee] (the “**Business Associate**”) (collectively the “**Parties**”).

### RECITALS

A. Pursuant to Sections 261 through 264 of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191, (“**HIPAA**”), the Department of Health and Human Services (“**HHS**”) has issued regulations at 45 C.F.R. Parts 160 and 164 (the HIPAA Security Rule, HIPAA Privacy Rule, the HIPAA Enforcement Rule and the HIPAA Breach Notification Rule, referred to collectively herein as the “**Regulations**”) to protect the security, confidentiality and integrity of health information.

B. The Parties have entered into an engagement whereby Business Associate will provide certain services to Covered Entity (the “**Engagement**”), and, pursuant to such Engagement, Business Associate may be considered a “business associate” of Covered Entity as defined in the Regulations.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the Parties agree to the provisions of this Agreement in order to comply with the Regulations.

#### **I. Definitions and Term**

The following terms are defined as set forth below. Any terms used but not otherwise defined in this Agreement have the definitions set forth in the Regulations and the Health Information Technology for Economic and Clinical Health Act (“**HITECH**”), found in Title XIII of the American Recovery and Reinvestment Act of 2009, Public Law 111-005, and any regulations promulgated thereunder.

- a. “**Breach**” shall have the meaning set forth in 45 C.F.R. § 164.402.
- b. “**Designated Record Set**” shall have the meaning set forth in 45 C.F.R. § 164.501 and shall include, but not be limited to, medical records and billing records about Individuals.
- c. “**Electronic Protected Health Information**” or “**EPHI**” shall have the same meaning as the term “electronic protected health information” in 45 C.F.R. § 160.103.
- d. “**Individual**” shall have the same meaning as the term “individual” in 45 C.F.R. § 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 C.F.R. § 164.502(g).
- e. “**Protected Health Information**” or “**PHI**” means, subject to the definition provided at 45 C.F.R. § 160.103, individually identifiable health information that Business Associate receives from Covered Entity or creates, receives, transmits or maintains on behalf of Covered Entity for purposes of performing the services under the Engagement. Unless otherwise stated in this Agreement, any provision, restriction or obligation in this Agreement related to the use of PHI shall apply equally to EPHI.

- f. **“Required by Law”** shall have the same meaning as the term “required by law” in 45 C.F.R. § 164.103.
- g. **“Secretary”** shall mean the Secretary of the Department of Health and Human Services or their designee.
- h. **“Security Incident”** means the attempted or successful unauthorized access, use, disclosure, modification or destruction of information or interference with the system operations in an information system.
- i. **“Subcontractor”** means a person to whom a business associate delegates a function, activity or service, other than in the capacity of a member of the workforce of such business associate.
- j. **“Unsecured PHI”** shall have the same meaning as the term “Unsecured PHI” in 45 C.F.R. § 164.402.

Business Associate acknowledges and agrees that all PHI that is created or received by Covered Entity and disclosed or made available in any form by Covered Entity to Business Associate, or is created, received, maintained or transmitted by Business Associate on Covered Entity’s behalf, will be subject to this Agreement. This Agreement will commence upon the Effective Date and will continue as long as Business Associate has use, custody or access to PHI subject to this Agreement, and thereafter for the period required by the Regulations.

## **II. Obligations and Activities of Business Associate**

- a. Use and Disclosure. Business Associate will not use or further disclose PHI other than as permitted or required by this Agreement or as Required by Law. Business Associate will not use or disclose PHI in a manner that would violate the Regulations if done by Covered Entity.
- b. HIPAA Security Rule. Business Associate will develop, implement, maintain and use appropriate safeguards, and comply with the Security Rule at Subpart C of 45 C.F.R. Part 164, with respect to EPHI, to prevent use or disclosure of the PHI other than as provided for by this Agreement.
- c. HIPAA Privacy Rule. Business Associate will comply with all requirements of the Privacy Rule at Subpart E of 45 C.F.R. Part 164 that apply to business associates.
- d. Mitigation. Business Associate will mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.
- e. Subcontractors. In accordance with the requirements of the Regulations, Business Associate will ensure that any Subcontractor that creates, receives, maintains or transmits PHI on behalf of Business Associate agrees in writing to the same restrictions that apply to Business Associate with respect to that PHI.
- f. Reports of Impermissible Use or Disclosure of PHI; Security Incident. Business Associate will report to Covered Entity any use or disclosure of PHI not provided for or permitted by this Agreement of which it becomes aware, or any Security Incident of EPHI of which it becomes aware, within five (5) days of the date on which Business Associate first discovers the use, disclosure or Security Incident. In addition to its other obligations under this Agreement,

Business Associate will take prompt action to correct any Security Incident or use or disclosure of PHI not permitted under this Agreement and any action pertaining to such Security Incident or unauthorized use or disclosure as required by applicable federal or state laws and regulations. Notwithstanding the foregoing, the Parties acknowledge and agree that Business Associate need not report all attempted but unsuccessful Security Incidents to Covered Entity, and that this Agreement constitutes notice to Covered Entity that such unsuccessful Security Incidents occur periodically. Unsuccessful Security Incidents 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 such incidents do not result in actual unauthorized access, use, or disclosure of PHI.

- g. Breaches of Unsecured PHI. Business Associate will report to Covered Entity any Breach of Unsecured PHI by Business Associate or any of its officers, directors, employees, Subcontractors or agents. All notifications of Breach of Unsecured PHI will be made by Business Associate to Covered Entity without unreasonable delay and in no event later than five (5) days of discovery. Business Associate will use the standard at 45 C.F.R. § 164.410(a) to determine when the Breach is treated as discovered. All notifications will comply with Business Associate's obligations under, and include the information specified in, 45 C.F.R. § 164.410 and include any other available information that Covered Entity is required to include in its notification to individuals pursuant to 45 C.F.R. § 164.404(c). In the event of a Breach by Business Associate, Business Associate will cooperate with Covered Entity to notify, (i) individuals whose Unsecured PHI has been, or is reasonably believed by Business Associate to have been, accessed, acquired, used or disclosed, and (ii) the media, as required pursuant to 45 C.F.R. § 164.406, if the legal requirements for media notification are triggered by the circumstances of such Breach.
- h. Access. In the event an Individual requests access to PHI in a Designated Record Set from Business Associate, Business Associate will provide Covered Entity with notice of the same within five (5) days. Business Associate will provide access, within ten (10) days of a request of Covered Entity and in the manner designated by Covered Entity, to PHI in a Designated Record Set to Covered Entity, or, as directed by Covered Entity, to an Individual or the Individual's designee in order to meet the requirements under 45 C.F.R. § 164.524 (Access). If the PHI that is the subject of a request is maintained by the Business Associate in a Designated Record Set electronically, Business Associate will provide an electronic copy of such information to the Covered Entity, or, as directed by the Covered Entity, to the Individual or the Individual's designee, in the format required by the Regulations and as directed by Covered Entity, in order to meet the Covered Entity's obligations under 45 C.F.R. § 164.524.
- i. Amendment. In the event Business Associate receives a request from an Individual for an amendment to PHI in a Designated Record Set, Business Associate will provide Covered Entity with notice of the same within five (5) days. Business Associate will make any amendments to PHI in a Designated Record Set that Covered Entity directs or agrees to pursuant to 45 C.F.R. § 164.526 (Amendment) within ten (10) days of a request of Covered Entity or an Individual and in the manner designated by Covered Entity, in order to meet the Covered Entity's obligations under 45 C.F.R. § 164.526. Business Associate will incorporate any amendments to PHI it receives from Covered Entity and will notify Covered Entity of any amended PHI that it receives from third parties relating to Covered Entity's PHI.
- j. Accounting of Disclosures. Business Associate will document such disclosures of PHI and information related to such disclosures as would be required for Covered Entity to fulfill its obligations under the Regulations, including, but not limited to, responding to a request by an

Individual for an accounting of disclosures in accordance with 45 C.F.R. § 164.528, and will provide such information to Covered Entity or an Individual, in the time and manner designated by Covered Entity. Except in the case of a direct request from an Individual for an accounting related to treatment, payment or healthcare operations disclosures through an electronic health record, if the request for an accounting is delivered directly to Business Associate or its agents or subcontractors, Business Associate will, within five (5) days of a request, notify Covered Entity of the request. Covered Entity will either inform Business Associate to provide such information directly to the Individual, or it will request the information to be immediately forwarded to Covered Entity for compilation and distribution to such Individual, and Business Associate will provide such information in its possession within ten (10) days of Covered Entity's request. In the case of a direct request for an accounting from an Individual related to treatment, payment or healthcare operations disclosures through electronic health records, Business Associate will provide such accounting to the Individual in accordance with Section 13405(c) of HITECH and such regulations as are adopted thereunder. Covered Entity and Business Associate agree that the provisions of this section related to accounting of disclosures for treatment, payment and healthcare operations purposes from an electronic health record will only be effective as of such date such accountings of disclosures are required under HITECH. Business Associate and any agent or Subcontractors will maintain the information required for purposes of complying with this section for such period of time as is required under the Regulations and HITECH.

- k. Covered Entity's Obligations Under Privacy Rule. To the extent that Business Associate is to carry out one or more of Covered Entity's obligations under Subpart E of 45 C.F.R. Part 164, Business Associate will comply with the requirements of Subpart E that apply to Covered Entity in the performance of such obligations.
- l. Records. Business Associate will make its internal practices, books, and records relating to the use and disclosure of PHI available to the Covered Entity or to the Secretary for purposes of determining Covered Entity's compliance with the Regulations. Business Associate will notify Covered Entity regarding any PHI that Business Associate provides to the Secretary concurrently with providing such PHI to the Secretary, and upon request by Covered Entity, will provide Covered Entity with a duplicate copy of such PHI.
- m. Inspections; Audits. Within five (5) days of a written request by Covered Entity, Business Associate will allow Covered Entity to conduct a reasonable inspection of the books and records relating to the use or disclosure of PHI pursuant to this Agreement for the purpose of determining whether Business Associate has complied with this Agreement and the requirements of the Regulations; provided, however, that Covered Entity will protect the confidentiality of all proprietary information of Business Associate to which Covered Entity has access during the course of such inspection and Business Associate and Covered Entity will mutually agree in advance upon the scope, location and timing of such an inspection. The costs of the audit will be covered by Covered Entity in the event the audit determines that Business Associate is in compliance with this Agreement and the Regulations and covered by Business Associate in the event the audit determines that Business Associate has violated this Agreement or the Regulations. Covered Entity is permitted to engage in the inspections and audits set forth in this Section no more often than one time during each calendar year during which this Agreement is in effect.
- n. Minimum Necessary. Business Associate and its Subcontractors, if any, will only request, use and disclose the minimum amount of PHI necessary to accomplish the intended purpose of the request, use or disclosure. Business Associates agrees, and it will ensure that its Subcontractors

agree, to comply with Section 13405(b) of HITECH, any regulations issued thereunder or any guidance from the Secretary regarding what constitutes the definition of minimum necessary.

- o. Compliance with HITECH. Business Associate will comply with all requirements of Title XIII, Subtitle D of HITECH which are applicable to business associates, and will comply with all regulations issued by the Secretary to implement these referenced statutes, as of the date by which business associates are required to comply with such referenced statutes and regulations.

### **III. Permitted Uses and Disclosures by Business Associate**

- a. Required by Law. Business Associate may use or disclose PHI as Required by Law.
- b. To Carry Out Engagement. Except as otherwise limited in this Agreement, for purposes of the services provided as part of the Engagement, Business Associate may use or disclose PHI solely to perform functions, activities, or services for, or on behalf of, Covered Entity, provided that such use or disclosure would not violate the Regulations if done by Covered Entity.
- c. Management and Administration. Except as otherwise limited in this Agreement, Business Associate may use PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, as provided in 45 C.F.R. § 164.504(e)(4). In addition, Business Associate may disclose PHI for the proper management and administration of Business Associate or to carry out the legal responsibilities of Business Associate, provided that such disclosures are Required by Law or Business Associate obtains, prior to the disclosure, reasonable assurances from the person to whom it is disclosed that such PHI will be held secure and confidential as provided pursuant to this Agreement and only disclosed as Required by Law or for the purposes for which it was disclosed to the third party, and that any breaches of confidentiality of the PHI which becomes known to such third party will be immediately reported to Business Associate.
- d. Data Aggregation. Business Associate may use PHI to provide data aggregation services related to the health care operations of the Covered Entity as permitted by 45 C.F.R. § 164.504(e)(2)(i)(B).
- e. De-Identification. Business Associate may use PHI to create information that is de-identified. Any such de-identification by Business Associate will be done in compliance with 45 C.F.R. § 164.514(b). Covered Entity agrees that de-identified information may be used and disclosed on Business Associate's own behalf. Covered Entity agrees that any de-identified information is and will remain the sole property of Business Associate and, due to the regulatory treatment of de-identified information, is no longer PHI and not subject to this Agreement or the Regulations.

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

- a. Notice of Privacy Practices. Covered Entity will provide Business Associate, upon request, with Covered Entity's Notice of Privacy Practices in effect at the time of the request.
- b. Revocation of Permission. Covered Entity will provide Business Associate with any changes in or revocation of permission by an Individual to use or disclose PHI to the extent such changes may affect Business Associate's permitted or required uses and disclosures.

- c. Restrictions on Use and Disclosure. Covered Entity will notify Business Associate of any material restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 C.F.R. § 164.522, to the extent such restrictions may affect Business Associate's use and disclosure of PHI.

## **V. Obligations of the Covered Entity**

Covered Entity will not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Regulations if done by Covered Entity.

## **VI. Termination**

- a. Termination for Cause by Covered Entity. Notwithstanding any contrary termination provision of any other agreement between the Parties, Covered Entity is authorized to terminate this Agreement and the Engagement as described in this Section if Covered Entity determines that Business Associate has violated a material term of this Agreement. Upon Covered Entity's knowledge of a material breach of this Agreement by Business Associate, Covered Entity will provide written notice of such breach to Business Associate and provide an opportunity for Business Associate to cure the breach or end the violation. If Business Associate does not cure the breach or end the violation within the time specified by the Covered Entity, then Covered Entity may immediately terminate this Agreement; or Covered Entity may immediately terminate this Agreement if Business Associate has breached a material term of this Agreement and Covered Entity determines that cure is not possible.
- b. Effect of Termination.
  - 1. Except as provided in paragraph 2 of this section, upon termination of the Engagement, Business Associate will return or destroy all PHI received from Covered Entity or created, received, maintained or transmitted by Business Associate on behalf of Covered Entity. This provision will apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate will retain no copies of PHI.
  - 2. In the event that Business Associate determines that returning or destroying the PHI is infeasible, Business Associate will provide to Covered Entity notification of the conditions that make return or destruction infeasible. Upon mutual agreement of the Parties that return or destruction of PHI is infeasible, Business Associate will extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible for so long as Business Associate maintains such PHI.

## **VII. Indemnification**

Each Party (the "**Indemnifying Party**") shall defend, hold harmless and indemnify the other Party (the "**Indemnified Party**") against any and all claims, liabilities, damages, judgments, costs and expenses (including reasonable attorney's fees and costs) asserted against, imposed upon or incurred by the Indemnified Party that arises out of, or in connection with, the Indemnifying Party's default under or failure to perform any contractual or other obligation, commitment or undertaking under this Agreement, or the negligence of the Indemnifying Party or its employees, agents, or representatives in the discharge of its or their responsibilities, or any other act or omission of the Indemnifying Party or its employees, agents or representatives. This provision will survive termination of the Agreement with respect to any claim, action, or proceeding by a third party that relates to acts or omissions occurring during the term of this Agreement.

## VIII. Miscellaneous

- a. Survival. The respective rights and obligations of Business Associate and Covered Entity under Sections II, VI, VII, and VIII of this Agreement shall survive the termination of this Agreement.
- b. Notification. Except as otherwise agreed to in this Agreement, any notice required or permitted under this Agreement will be given in writing and delivered personally or sent by certified mail, return receipt requested, or by reputable overnight delivery service, such as Federal Express, to the following addresses:

**If to Covered Entity:**

[Address]

Attention: \_\_\_\_\_

**If to Business Associate:**

[Address]

Attention: \_\_\_\_\_

With a copy to:

iMove PT, LLC

Attn: Michael Gorman

\_\_\_\_\_  
\_\_\_\_\_

Such addresses may be changed by either Party by written advice as to the new address given as above provided.

- c. Interpretation. Any ambiguity in this Agreement will be resolved in favor of a meaning that permits Covered Entity and Business Associate to comply with HIPAA, the Regulations, and HITECH. In the event of any inconsistency between the provisions of this Agreement, the Engagement and the Regulations, the Regulations will control.
- d. Third Party Beneficiary. iMove PT, LLC is an express third party beneficiary of this Agreement and may, directly or indirectly, enforce any right of Business Associate hereunder.
- e. Unenforceability. In the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of the provisions of this Agreement will remain in full force and effect. In addition, in the event either Party believes in good faith that any provision of the Agreement fails to comply with the then-current requirements of HIPAA, the Regulations, and other applicable law, including but not limited to HITECH and all regulations promulgated thereunder, that Party will notify the other Party in writing. For a period of up to thirty (30) days, the Parties will address in good faith such concern and will amend the terms of this Agreement if necessary to bring it into compliance. If after such thirty (30) day period either Party in good faith believes that this Agreement fails to comply with HIPAA, the Regulations, and other applicable law, including but not limited to HITECH and all regulations promulgated thereunder, then that Party has the right to terminate this Agreement upon written notice to the other Party.

- f. Independent Contractors. Business Associate is not the agent of Covered Entity and Covered Entity does not control, supervise or instruct Business Associates or any Subcontractors. The Parties are independent contractors and nothing in this Agreement will be deemed to make them partners or joint venturers or make Business Associate an agent of Covered Entity.
- g. Entire Agreement. This Agreement is the entire agreement of the Parties related to its subject matter and supersedes all prior agreements between the Parties that were designated or qualified as business associate agreements and replaces all previous drafts, understandings and communications.

**IN WITNESS WHEREOF**, the Parties have executed this Agreement to be effective as of the Effective Date.

**COVERED ENTITY:**  
[Practice]

**BUSINESS ASSOCIATE:**  
[Franchisee]

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_

**By:** \_\_\_\_\_  
**Its:** \_\_\_\_\_

**Exhibit I**  
**to the iMove PT Clinic Franchise Agreement**  
**WAIVER OF MANAGEMENT AGREEMENT**

**iMove PT**  
**WAIVER OF MANAGEMENT AGREEMENT**

This Waiver of Management Agreement (the “**Agreement**”) is made and entered into as of \_\_\_\_\_, 2024 (the “**Effective Date**”) by and between iMove PT, LLC, a Missouri limited liability company located at 156 Chesterfield Commons Road East, Chesterfield, MO 63005 (“**we**,” “**us**,” or “**our**”) and \_\_\_\_\_, a \_\_\_\_\_ located at \_\_\_\_\_ (“**you**” or “**your**”). You and we are referred to herein each individually as a “**Party**,” and collectively as the “**Parties**.”

**BACKGROUND**

A. The Parties entered into that certain Franchise Agreement, dated \_\_\_\_\_, 2024 (the “**Franchise Agreement**”). All capitalized terms not otherwise defined in this Agreement shall have the meaning given to them in the Franchise Agreement.

B. The Franchise Agreement requires you to enter into a Management Agreement with a PC prior to commencing operations of the Franchised Business, whereby you would provide to the PC management and administrative services and support consistent with the System and as outlined in our form of Management Agreement to support the PC’s Mobile Clinic and its delivery of services and related products to patients, consistent with all applicable laws and regulations.

C. The Franchise Agreement also states that, in the event applicable state law does not require the use of a Management Agreement between you and a PC, as determined by you and your counsel, we may waive this requirement provided that you execute this Agreement.

D. You have engaged independent legal counsel and have determined that federal and state laws and regulations permit you to directly own the Mobile Clinic and provide those certain professional services offered at the Mobile Clinic, and that the arrangement contemplated by the Management Agreement is not required.

E. You would like to directly own the Mobile Clinic and operate the Mobile Clinic as the Franchised Business.

**AGREEMENT**

In receipt of the representations, warranties, covenants, and mutual promises contained herein, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by each Party hereto, the Parties hereby agree to be legally bound as follows:

1. **Representations and Warranties.** You understand that, by signing this Agreement, you are making a number of representations and warranties to us and that we are relying upon the accuracy and completeness of those representations and warranties in executing this Agreement. You represent and warrant to us the following:

a. You have been afforded the opportunity to meet with your independent legal counsel to discuss the terms of the Franchise Agreement, the Management Agreement, and this Agreement, and the business and affairs of the Mobile Clinic and the Franchised Business. You have been given access to information about the System, the Franchised Business, and the Mobile Clinic that you requested for purposes of this evaluation.

b. You have obtained independent legal advice with respect to your ownership and operation of the Mobile Clinic and the Franchised Business, and have determined that local, state, and federal laws and regulations permit you to directly own and operate the Mobile Clinic under the terms and conditions of the Franchise Agreement.

c. Your direct ownership of the Mobile Clinic and operation of the Mobile Clinic as the Franchised Business is in full compliance with all applicable laws, ordinances and regulations, including but not limited to those restricting the corporate practice of medicine or professional fee-splitting, the federal Anti-Kickback Statute and any equivalent state laws or regulations, any applicable self-referral law, including 42 U.S.C. § 1395nn, as amended (known as the Stark Law), HIPAA (as applicable), and those laws and regulations applicable to professional licensure, certification, medical clinics, and medical supplies.

d. You assume all obligations, rights, and responsibilities of the PC set forth in the Franchise Agreement, and shall continue to be responsible for all obligations, rights, and responsibilities related to the management and administration of the Mobile Clinic and operation of the Franchised Business. You will operate as the manager of the business and the Mobile Clinic, and will not be permitted to retain, engage, or otherwise use the services of a third-party management company.

e. You will obtain patient consent and/or authorization, as required by state and federal laws and regulations, to permit you to disclose information to us, as required by the Franchise Agreement.

f. It is your sole responsibility to ensure that the corporate and ownership structure and operation of the Mobile Clinic and the Franchised Business complies with all applicable local, state, and federal laws at all times for the duration of the Franchise Agreement.

2. **Waiver of Management Agreement.** In reliance on the representations and warranties set forth in Section 1, we hereby waive the requirement that you enter into a Management Agreement with a PC as specified in Section 1.2 of the Franchise Agreement. We consent to your direct ownership and operation of the Mobile Clinic, and acknowledge that the Mobile Clinic is the Franchised Business.

3. **Indemnification.** You shall indemnify, defend, and hold harmless us, our affiliates, and our directors, officers, shareholders, partners, members, employees, agents, and attorneys, and the successors and assigns of any and all of them, from and against, and will reimburse us and any and all of them for, any and all loss, losses, damage, damages, claims, debts, demands, or obligations that are related to or are based this Agreement or your ownership or operation of the Mobile Clinic or the Franchised Business.

4. **Additional Provisions.**

a. **Effect on Other Agreements.** The conditions, provisions, and terms of the Franchise Agreement shall remain in full force and effect and, except as provided in Section 2 hereof, nothing in this Agreement shall be construed as a waiver of any right, power, or option reserved to us in the Franchise Agreement.

b. **Counterparts.** This Agreement may be executed by electronic transmission (including PDF or facsimile) in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

c. Governing Law. This Agreement will be construed and enforced in accordance with the internal laws of the State of Missouri, without regard to its conflict of law principles.

**IN WITNESS WHEREOF**, the parties have executed and delivered this Agreement on the dates noted below, to be effective as of the Effective Date.

**WE**

**iMove PT, LLC**

**a Missouri limited liability company**

By: \_\_\_\_\_

Name: Michael Gorman

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**YOU**

\_\_\_\_\_

**a** \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**Exhibit J**  
**to the iMove PT Clinic Franchise Agreement**

**PROMISSORY NOTE**

\$ \_\_\_\_\_ Chesterfield, Missouri  
\_\_\_\_\_, 20\_\_\_\_\_

For Value Received, the undersigned (the “**Maker**”), promises to pay to the order of iMove PT, LLC, a Missouri limited liability company (the “**Holder**”), located at 156 Chesterfield Commons Road East, Chesterfield, MO 63005, or at such other place as the Holder may from time to time in writing designate, in lawful money of the United States of America, the principal sum of \$ \_\_\_\_\_ (“**Principal Balance**”), and to pay interest on the principal balance of this Note outstanding from time to time until this Note is fully paid at a fixed rate of \_\_\_\_\_% per annum (the “**Stated Rate**”). This Note shall be paid in \_\_\_\_\_ equal installments of \$ \_\_\_\_\_ with the first installment due on \_\_\_\_\_, 20\_\_\_\_\_, and subsequent installments due on the first of each month until paid in full. Refer to the Amortization Schedule attached to this Note.

The Maker may prepay the Principal Balance in whole or in part at any time without penalty or premium. Any prepayment shall be applied first to accrued but unpaid interest and the remainder to principal.

Failure of the Maker to pay any principal or interest when due under this Note shall constitute a default. Upon the occurrence of a default, the Holder may, at its option, by notice in writing to the Maker, declare immediately due and payable the entire Principal Balance and all interest accrued thereon and the same shall thereupon be immediately due and payable without further notice or demand.

All interest paid or agreed to be paid hereunder shall, to the extent permitted by applicable law, be prorated, allocated and spread throughout the full stated term of this Note so that the rate or amount of interest payable hereunder does not exceed the maximum lawful rate of interest from time to time in effect.

The Maker waives presentment, dishonor, protest, demand, diligence, notice of protest, notice of demand, notice of dishonor, notice of nonpayment, and any other notice of any kind otherwise required by law in connection with the delivery, acceptance, performance, default, enforcement or collection of this Note and expressly agrees that this Note, or any payment hereunder, may be extended or subordinated (by forbearance or otherwise) at any time, without in any way affecting the liability of Maker.

Maker agrees to pay on demand all costs of collecting or enforcing payment under this Note, including attorneys’ fees and legal expenses, whether suit be brought or not, and whether through courts of original jurisdiction, courts of appellate jurisdiction, or bankruptcy courts, or through other legal proceedings.

This Note may not be amended or modified, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing signed by the party against whom enforcement of any amendment, modification, or waiver is sought.

This Note shall be governed by and construed according to the laws of the State of Missouri.

If this Note is signed by more than one person as Maker, the term “Maker” shall refer to each of them separately and to both or all of them jointly and all such persons shall be bound both severally and jointly with the other(s).

No delay or omission on the part of the Holder in exercising any right hereunder shall operate as a waiver of such right or of any other remedy under this Note. A waiver on any one occasion shall not be construed as a waiver of any such right or remedy on a future occasion.

**[FRANCHISEE ENTITY]**

By: \_\_\_\_\_

[Name]

Title: \_\_\_\_\_

and

By: \_\_\_\_\_

\_\_\_\_\_ Individually

Date: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_ Individually

Date: \_\_\_\_\_

**Exhibit K**  
**to the iMove PT Clinic Franchise Agreement**

Any lease executed by you for the operation of the Brick and Mortar Clinic will contain the following provisions or an addendum to the lease as follows.

**LEASE ADDENDUM**

This Lease Addendum entered into this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between \_\_\_\_\_ (“Tenant”) and \_\_\_\_\_ (“Landlord”) for the premises located at \_\_\_\_\_ in the city of \_\_\_\_\_, State of \_\_\_\_\_ (“Premises”);

WHEREAS, Tenant has executed a Franchise Agreement (“Franchise Agreement”) with iMove, PT, LLC, (“Franchisor”), and as part of said Franchise Agreement, the lease (“Lease”) for the franchised iMove PT clinic (“Clinic”) must contain certain provisions; and

WHEREAS, Landlord and Tenant agree that the terms contained herein will be applicable to the Lease, notwithstanding anything contained in the Lease to the contrary;

NOW, therefore, in consideration of the mutual promises contained herein and the execution of the Lease, which execution is made simultaneously with this Lease Addendum, Landlord and Tenant hereby agree as follows:

1. Landlord agrees that Tenant will not otherwise assign the Lease or renew, amend or extend the term of the Lease without the prior written consent of Franchisor.
2. Landlord agrees to furnish Franchisor with copies of any and all letters and notices sent to Tenant pertaining to the Lease at the same time that such letters and notices are sent to Tenant, to Franchisor’s following address or any other address that Franchisor provides Landlord: in writing: 156 Chesterfield Commons Road East, Chesterfield, MO 63005. Landlord further agrees that, if it intends to terminate the Lease, the Landlord will give Franchisor 30 days advance written notice of such intent, specifying in such notice all defaults that are the cause of the proposed termination. Franchisor will have, after the expiration of the period during which Tenant may cure such default, an additional 15 days (or if there is no cure period, at least 15 days) to cure, at its sole option, any such defaults. Franchisor, or an affiliate of Franchisor, will have the right, but not obligation, upon giving written notice of its election to Tenant and Landlord, to cure the breach and succeed to Tenant's rights under the Lease, and any renewals or extensions thereof.
3. Upon default, expiration or termination of the Franchise Agreement, or the Lease, and upon notice to Landlord, Franchisor or its designee will have the option, without however any obligation, to assume the Tenant's obligations under the Lease, on the same terms and conditions available to the Tenant. Further, if Tenant or any other party with an interest in Tenant transfers to Franchisor or another party all of its or their interest in the Franchise Agreement, the Tenant or the Clinic, the transferee will have the right to assume the Lease on the same terms and conditions as contained in the Lease.
4. Franchisor will have the right to enter the Premises to make any reasonable modification or reasonable alteration necessary to protect Franchisor’s interest in its proprietary marks. Landlord agrees that in such event Franchisor will not be liable for trespass or any other crime or tort. Further, Franchisor or its designated agents will be permitted to enter the Premises for purposes of making inspections in accordance with the terms of the Franchise Agreement.

5. Tenant may assign to Franchisor all of its rights of further assignment at any time if the Landlord is given reasonable notice thereof. Such an assignment will be effective only if accepted in writing by Franchisor.

6. Upon expiration or termination of the Franchise Agreement between Franchisor and Tenant, Franchisor (or its designee) will have the right to an assignment of the lease with the Landlord's consent (which consent will not be unreasonably withheld) and without payment of any assignment fee or similar charge or increase in any rent. Tenant will remain solely responsible for all obligations, debts and payments under the Lease accruing before the effective date of any assignment to Franchisor (or its designee).

7. Landlord acknowledges that the Franchise Agreement grants Franchisor the right of inspection of the Premises, and Landlord agrees to cooperate with Franchisor's efforts to enforce Franchisor's inspection rights.

8. Landlord agrees that Tenant will have the right to remodel, equip, paint and decorate the interior of the Premises and to display the proprietary marks and signs on the interior and exterior of the Premises as Tenant is reasonably required to do pursuant to the Franchise Agreement and any successor Franchise Agreement under which Tenant may operate an iMove PT at the Premises.

9. Franchisor will be a third-party beneficiary of this Addendum to Lease and has the right independently of Tenant to enforce all of its rights hereunder.

10. To the extent of any conflict between the terms and conditions of this Addendum to Lease and the Lease, this Addendum to Lease will govern.

**TENANT:**

**LANDLORD:**

\_\_\_\_\_

\_\_\_\_\_

By: \_\_\_\_\_

By: \_\_\_\_\_

Its: \_\_\_\_\_

Its: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

**EXHIBIT C**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF CURRENT AND FORMER FRANCHISEES**

**LIST OF CURRENT FRANCHISEES AS OF DECEMBER 31, 2023**

<b>Name</b>	<b>Street Address</b>	<b>City</b>	<b>State</b>	<b>Zip Code</b>	<b>Phone Number</b>
Lee Health Services, LLC	25405 E 30th St S	Blue Springs	MO	64015	816-721-8254
J&L Wilson Enterprises, LLC	25465 Leffen Lane	Joplin	MO	64801	417-529-7693
JDV Physical Therapy LLC	2336 S. 39 <sup>th</sup> St. 1N	St. Louis	MO	63110	618-792-9734
Booher Health LLC (Illinois territory)	3512 Pennsylvania Ave.	St. Louis	MO	63118	217-617-5652
Trumbo Capital Investments	4248 S. Norfolk Ave.	Tulsa	OK	74105	573-576-7773

**LIST OF FORMER FRANCHISEES**

Below is a list of every franchisee who had an outlet terminated, canceled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement during the most recently completed fiscal year or who has not communicated with us within 10 weeks of the Disclosure Document issuance date:

*None.*

**EXHIBIT D**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**

**LIST OF ADMINISTRATORS AND AGENTS FOR SERVICE OF PROCESS**

STATE	STATE ADMINISTRATOR/AGENT	ADDRESS
California	Commissioner of Financial Protection and Innovation California Department of Financial Protection and Innovation	320 West 4 <sup>th</sup> Street, Suite 750 Los Angeles, CA 90013-2344 1-866-275-2677
Hawaii (State Administrator)	Commissioner of Securities Dept. of Commerce and Consumer Affairs Business Registration Division Securities Compliance Branch	335 Merchant Street Room 203 Honolulu, HI 96813
Illinois	Illinois Attorney General	500 South Second Street Springfield, IL 62706
Indiana (State Administrator)	Indiana Securities Commissioner Securities Division	302 West Washington Street, Room E111 Indianapolis, IN 46204
Indiana (Agent)	Indiana Secretary of State	302 West Washington Street, Room E018 Indianapolis, IN 46204
Maryland (State Administrator)	Office of the Attorney General Division of Securities	200 St. Paul Place Baltimore, MD 21202-2020
Maryland (Agent)	Maryland Securities Commissioner	200 St. Paul Place Baltimore, MD 21202-2020
Michigan	Michigan Department of Attorney General Consumer Protection Division	G. Mennen Williams Building, 1 <sup>st</sup> Floor 525 West Ottawa Street Lansing, MI 48933
Minnesota	Commissioner of Commerce Minnesota Department of Commerce	85 7 <sup>th</sup> Place East, Suite 280 St. Paul, MN 55101-2198
New York (State Administrator)	NYS Department of Law Investor Protection Bureau	28 Liberty Street, 21 <sup>st</sup> Floor New York, NY 10005 212-416-8236
New York (Agent)	New York Department of State	One Commerce Plaza 99 Washington Avenue, 6th Floor Albany, NY 12231-0001 518-473-2492
North Dakota	Securities Commissioner North Dakota Securities Department	600 East Boulevard Avenue State Capitol, Fifth Floor, Dept. 414 Bismarck, ND 58505-0510
Rhode Island	Director, Department of Business Regulation, Securities Division	1511 Pontiac Avenue John O. Pastore Complex – Building 68-2 Cranston, RI 02920
South Dakota	Department of Labor and Regulation Division of Insurance – Securities Regulation	124 S. Euclid, Suite 104 Pierre, SD 57501
Virginia (State Administrator)	State Corporation Commission Division of Securities and Retail Franchising	1300 East Main Street, 9 <sup>th</sup> Floor Richmond, VA 23219 804-371-9051
Virginia (Agent)	Clerk of the State Corporation Commission	1300 East Main Street, 1st Floor Richmond, VA 23219-3630
Washington	Department of Financial Institutions Securities Division	150 Israel Road SW Tumwater, WA 98501 360-902-8760
Wisconsin	Commissioner of Securities	Department of Financial Institutions Division of Securities 4822 Madison Yards Way, North Tower Madison, WI 53705

**EXHIBIT E**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**

**TABLE OF CONTENTS FOR OPERATIONS MANUAL**

<b>SECTION</b>	<b>NUMBER OF PAGES</b>
1. Introduction to the Manual	3
2. Introduction to the Franchise System	6
3. Pre-Opening Procedures	51
4. Human Resources	52
5. Daily Operating Procedures	29
6. Sales Procedures	5
7. Marketing	17
8. Additional Resources	5
9. Management Forms	13
 Total Pages	 181

**EXHIBIT F**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**  
**STATE-SPECIFIC FDD, FRANCHISE AGREEMENT ADDENDA**

## ILLINOIS ADDENDUM TO FRANCHISE DISCLOSURE DOCUMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

### Item 5, Additional Disclosures:

The initial franchise fee owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

### Item 17, Additional Disclosures. The following statements are added to Item 17:

Illinois law governs the Franchise Agreement.

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

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

Your rights upon termination and non-renewal of a franchise agreement are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

### Franchisee Acknowledgment / Compliance Certification:

The representations under the Franchise Compliance Certification are not intended, nor shall they act as a release, estoppel or waiver of any liability incurred under the Illinois Franchise Disclosure Act.

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.

## ILLINOIS ADDENDUM TO FRANCHISE AGREEMENT

To the extent the Illinois Franchise Disclosure Act, Ill. Comp. Stat. §§705/1 – 705/44 applies, the terms of this Addendum apply.

1. Notwithstanding anything to the contrary contained in the Franchise Agreement, to the extent that the Franchise Agreement contains provisions that are inconsistent with the following, such provisions are hereby amended:

Illinois law governs the Franchise Agreement.

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

Section 41 of the Illinois Franchise Disclosure Act provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act or any other law of Illinois is void.

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

The initial franchise fee owed by franchisee shall be deferred until the franchisor completes its pre-opening obligations under the franchise agreement and franchisee has commenced business operations. The Illinois Attorney General's Office imposed this deferral requirement due to Franchisor's financial condition.

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. Any capitalized terms that are not defined in this Addendum shall have the meaning given them in the Franchise Agreement.

3. Except as expressly modified by this Addendum, the Franchise Agreement remains unmodified and in full force and effect.

This Addendum is being entered into in connection with the Franchise Agreement. In the event of any conflict between this Addendum and the Franchise Agreement, the terms and conditions of this Addendum shall apply.

IN WITNESS WHEREOF, the undersigned have executed this Addendum as of the date Franchisor signs below.

FRANCHISOR:  
iMove PT, LLC

FRANCHISEE:

\_\_\_\_\_

By: \_\_\_\_\_  
Its:

By: \_\_\_\_\_  
Its:

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT G**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**  
**FRANCHISEE COMPLIANCE CERTIFICATION**

**THE iMOVE PT  
FRANCHISEE COMPLIANCE CERTIFICATION**

As you know, iMove PT, LLC (the “**Franchisor**”) and you are preparing to enter into a Franchise Agreement for the establishment and operation of a franchised business (the “**Franchised Business**”) that will manage a “**Clinic**.” The purpose of this Questionnaire is to determine whether any statements or promises were made to you that the Franchisor has not authorized and that may be untrue, inaccurate or misleading. Please review each of the following questions and statements carefully and provide honest and complete responses to each.

1. The following dates and information are true and correct:

a.	_____, 20____ Initials _____	The date of my first face-to-face meeting with any person to discuss the possible purchase of a franchise for an iMove PT business.
b.	_____, 20____ Initials _____	The date on which I received the Franchisor’s Franchise Disclosure Document (“ <b>FDD</b> ”).
c.	_____, 20____ Initials _____	The date when I received a fully completed copy (other than signatures) of the Franchise Agreement and Addenda (if any) and all other documents I later signed.
d.	_____, 20____ Initials _____	The date on which I signed the Franchise Agreement.

2. Have you received and personally reviewed the FDD, Franchise Agreement and each Addendum and related agreement attached to them?

Yes \_\_\_\_\_ No \_\_\_\_\_

3. Do you understand all of the information contained in the FDD, Franchise Agreement and each Addendum and related agreement provided to you?

Yes \_\_\_\_\_ No \_\_\_\_\_

If no, what parts of the FDD, Franchise Agreement, Addendum, and/or related agreement do you not understand? (Attach additional pages, as needed.)

---

---

---

4. Do you understand that the Franchise Agreement contains a number of provisions that may affect your legal rights for any judicial proceedings, a waiver of a jury trial, a waiver of punitive or exemplary damages, limitations on when claims may be filed, and other waivers and limitations?

Yes \_\_\_\_\_ No \_\_\_\_\_

5. Have you reviewed the FDD and Franchise Agreement with an attorney, accountant, or other professional advisor and discussed the benefits and risks of establishing and operating the Franchised Business with these professional advisors?

Yes \_\_\_\_\_ No \_\_\_\_\_

If No, do you wish to have more time to do so?

Yes \_\_\_\_\_ No \_\_\_\_\_

6. Do you understand that the success or failure of your Franchised Business will depend in large part upon your skills and abilities, competition from other businesses, interest rates, inflation, labor and supply costs, and other economic and business factors?

Yes \_\_\_\_\_ No \_\_\_\_\_

7. Has anyone speaking on the Franchisor's behalf made any statement or promise to you concerning the revenues, profits or operating costs of a Clinic or Franchised Business operated by the Franchisor or its franchisees that is different from the information contained in the FDD?

Yes \_\_\_\_\_ No \_\_\_\_\_

8. Has anyone speaking on the Franchisor's behalf made any statement or promise concerning the likelihood of success that you should or might expect to achieve from operating Franchised Business?

Yes \_\_\_\_\_ No \_\_\_\_\_

9. If you have answered "Yes" to any of questions 7 or 8 please provide a full explanation of each "yes" answer in the following blank lines. (Attach additional pages, as needed, and refer to them below.) If you have answered "no" to each of questions 7 and 8, then please leave the following lines blank.

---

---

---

---

---

---

---

---

10. Do you understand that the territorial rights you have been granted are subject to limitations and exceptions?

Yes \_\_\_\_\_ No \_\_\_\_\_

11. Do you understand that the Franchise Agreement contains the entire agreement between you and the Franchisor concerning the franchise rights for the Franchised Business, meaning that any prior oral or written statements not set out in the Franchise Agreement will not be binding?

Yes \_\_\_\_\_ No \_\_\_\_\_

12. I reviewed the Franchise Disclosure Document, Franchise Agreement, Management Agreement and Waiver of Management Agreement with an attorney licensed in the state where the Clinic will be located and who has experience in health care law, and this attorney has, to the best of my knowledge, provided me with adequate information to understand the federal, state and local laws that may impact this franchise.

Yes \_\_\_\_\_ No \_\_\_\_\_

If no, we highly recommend you seek legal advice from an attorney in the state where the Clinic will be located and who has experience in health care law. Do you wish to seek this advice?

Yes \_\_\_\_\_ No \_\_\_\_\_

***[To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies:*** This questionnaire does not waive any liability the franchisor may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

*[Signature Page Follows]*

**YOU UNDERSTAND THAT YOUR ANSWERS ARE IMPORTANT TO US AND THAT WE WILL RELY ON THEM. BY SIGNING THIS QUESTIONNAIRE, YOU ARE REPRESENTING THAT YOU HAVE CONSIDERED EACH QUESTION CAREFULLY AND RESPONDED TRUTHFULLY TO THE ABOVE QUESTIONS.**

**FRANCHISE APPLICANT**

Signed\_\_\_\_\_

Printed Name\_\_\_\_\_

Date: \_\_\_\_\_, 20\_\_\_\_\_

**EXHIBIT H**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**

**GENERAL RELEASE**

## **RELEASE AGREEMENT**

The following is our current general release agreement that we expect to include in a release that a franchisee and/or transferor may sign as part of a renewal or an approved transfer. We may, in our sole discretion, periodically modify the release agreement.

### **General Release**

THIS GENERAL RELEASE (the “**Release**”) is made and entered into on \_\_\_\_\_, 20\_\_\_\_ (the “**Effective Date**”), by and between: iMove PT, LLC, a Missouri limited liability company whose principal place of business is 156 Chesterfield Commons Road East, Chesterfield, MO 63005 (“**Franchisor**”); and \_\_\_\_\_ a [resident of] [corporation organized in] [limited liability company organized in] \_\_\_\_\_ and having offices at \_\_\_\_\_ [(“**Franchisee**”)] [(“**Transferor**”)].

### **BACKGROUND:**

A. Franchisor and Franchisee are party to a Franchise Agreement dated \_\_\_\_\_ (the “**Franchise Agreement**”);

B. Franchisor and Franchisee have agreed, pursuant to the Franchise Agreement, [to renew or extend Franchisee’s rights under the Franchise Agreement (the “**Renewal Transaction**”)] [to permit a transfer or assignment of \_\_\_\_\_ pursuant to Section 12 of the Franchise Agreement (the “**Transfer Transaction**”)], and in connection with the [Renewal Transaction] [Transfer Transaction], Franchisor and [Franchisee] [Transferor] have agreed to execute this Release, along with such other documents related to the approved [Renewal Transaction] [Transfer Transaction].

NOW, THEREFORE, the parties, in consideration of the undertakings and commitments of each party to the other party set forth herein, hereby agree as follows:

1. Release. Franchisee, its officers and directors, its owners, guarantors, and their respective agents, heirs, administrators, successors, and assigns (the “**Franchisee Group**”), hereby forever release and discharge, and forever hold harmless Franchisor, its current and former affiliates and predecessors, and their respective shareholders, partners, members, directors, officers, agents, representatives, heirs, administrators, successors, and assigns (the “**Franchisor Group**”), from any and all claims, demands, debts, liabilities, actions or causes of action, costs, agreements, promises, and expenses of every kind and nature whatsoever, at law or in equity, whether known or unknown, foreseen and unforeseen, liquidated or unliquidated, which the Franchisee and/or the Franchisee Group had, have, or may have against any member of the Franchisor Group, including, without limitation, any claims or causes of action arising from, in connection with or in any way related or pertaining, directly or indirectly, to the Franchise Agreement, the relationship created by the Franchise Agreement, or the development, ownership, or management of the Franchised Business or the Clinic. The Franchisee Group further indemnifies and holds the Franchisor Group harmless against, and agrees to reimburse them for any loss, liability, expense, or damages (actual or consequential) including, without limitation, reasonable attorneys’, accountants’, and expert witness fees, costs of investigation and proof of facts, court costs, and other litigation and travel and living expenses, which any member of the Franchisor Group may suffer with respect to any claims or causes of action which any customer, creditor, or other third party now has, ever had, or hereafter would or could have, as a result of, arising from, or under the Franchise Agreement, the Franchised Business, or the Clinic, but only to the extent such liability relates to actions occurring prior to the Effective Date. The Franchisee Group and its owners represent and warrant that they have not made an assignment or any other transfer of any interest in the claims, causes of action, suits, debts, agreements, or promises described herein.

2. General Terms.

2.1. This Release shall be binding upon, and inure to the benefit of, each party's respective heirs, representatives, successors, and assigns.

2.2. This Release may be signed in counterparts. This Release shall take effect upon its acceptance and execution by each of the parties hereto.

2.3. This Release may be executed in counterparts, and signatures exchanged by fax, and each such counterpart, when taken together with all other identical copies of this Release also signed in counterpart, shall be considered as one Release.

2.4. The captions in this Release are for the sake of convenience only, and shall neither amend nor modify the terms hereof.

2.5 The parties agree that all actions arising under this Release must be commenced in the state or federal court of general jurisdiction in which we have our principal place of business at the time the action is commenced, and each of the undersigned irrevocably submits to the jurisdiction of those courts and waives any objection he or she might have to either the jurisdiction of or venue in those courts. This Release shall be interpreted and construed under the laws of the State of Missouri. In the event of any conflict of law, the laws of the State of Missouri shall prevail (without regard to, and without giving effect to, the application of Missouri conflict of law rules).

2.6. This Release constitutes the entire, full, and complete agreement between the parties concerning the subject matter hereof, and supersedes all prior agreements and communications concerning the subject matter hereof. No other representations have induced the parties to execute this Release. The parties agree that they have not relied upon anything other than the words of this Release in deciding whether to enter into this Release.

2.7. No amendment, change, or variance from this Release shall be binding on either party unless in writing and agreed to by all of the parties hereto.

***[To the extent the Washington Franchise Investment Protection Act, Wash. Rev. Code §§19.100.010 – 19.100.940 applies:*** This Release does not apply with respect to claims arising under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.]

**IN WITNESS WHEREOF**, the parties hereto have duly signed and delivered this Release in duplicate on the day and year first above written.

**FRANCHISOR:**

**iMove PT, LLC**

a Missouri limited liability company

**FRANCHISEE:**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**EXHIBIT I**  
**TO THE iMOVE PT FRANCHISE DISCLOSURE DOCUMENT**  
**STATE EFFECTIVE DATES AND RECEIPTS**

### **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:

<b>State</b>	<b>Effective Date</b>
Illinois	Pending

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

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If iMove PT, LLC ("iMove PT") offers you a franchise, iMove PT must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration. 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. 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 iMove PT 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 D.

The franchisor is iMove PT, LLC, 156 Chesterfield Commons Road East, Chesterfield, MO 63005. Its telephone number is: 636-578-3649.

**Issuance date:** April 20, 2024.

iMove PT franchise sellers involved in offering and selling the franchise are Michael Gorman, 156 Chesterfield Commons Road East, Chesterfield, MO 63005, 636-578-3649, or is listed below, or will be provided to you separately before you sign a franchise agreement:

\_\_\_\_\_.

iMove PT, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document dated April 20, 2024. This disclosure document included the following exhibits:

- |  |  |
|--|--|
| A - Financial Statement  | F - State-Specific Amendments to FDD and Franchise Agreement |
| B - Franchise Agreement  | G - Franchisee Compliance Certification                      |
| C - List of Current and Former Franchisees                         | H - General Release  |
| D - List of State Administrators and Agents for Service of Process | I - State Effective Dates and Receipts                       |
| E - Table of Contents for Operations Manual                        |  |

### Prospective Franchisee:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

## RECEIPT

This disclosure document summarizes certain provisions of the franchise agreement and other information in plain language. Read this disclosure document and all agreements carefully.

If iMove PT, LLC ("iMove PT") offers you a franchise, iMove PT must provide this disclosure document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the franchisor or an affiliate in connection with the proposed franchise sale or sooner if required by applicable state law.

New York requires that we give you this disclosure document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration. 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. 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 iMove PT 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 D.

The franchisor is iMove PT, LLC, 156 Chesterfield Commons Road East, Chesterfield, MO 63005. Its telephone number is: 636-578-3649.

**Issuance date:** April 20, 2024.

iMove PT franchise sellers involved in offering and selling the franchise are Michael Gorman, 156 Chesterfield Commons Road East, Chesterfield, MO 63005, 636-578-3649, or is listed below, or will be provided to you separately before you sign a franchise agreement:

iMove PT, LLC authorizes the respective state agencies identified on Exhibit D to receive service of process for it in the particular state.

I have received a Franchise Disclosure Document dated April 20, 2024. This disclosure document included the following exhibits:

- |  |  |
|--|--|
| A - Financial Statement  | F - State-Specific Amendments to FDD and Franchise Agreement |
| B - Franchise Agreement  | G - Franchisee Compliance Certification                      |
| C - List of Current and Former Franchisees                         | H - General Release  |
| D - List of State Administrators and Agents for Service of Process | I - State Effective Dates and Receipts                       |
| E - Table of Contents for Operations Manual                        |  |

### Prospective Franchisee:

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Address: \_\_\_\_\_

Please sign and date both copies of this receipt. Keep one copy (the previous page) for your records, and return one copy (this page) by email at [mike@imovephysicaltherapy.com](mailto:mike@imovephysicaltherapy.com) or by U.S. Mail addressed to iMove PT, LLC, ATTN: Michael Gorman, 156 Chesterfield Commons Road East, Chesterfield, MO 63005.