FRANCHISE DISCLOSURE DOCUMENT

LINDORA®

Lindora Franchise, LLC
a Delaware limited liability company
17877 Von Karman Avenue, Suite 100
Irvine, California 92614
Phone: (513) 815-8467
Email: salesinfo@xponential.com
Website: www.lindora.com

The franchise is the right to develop, own and operate, a wellness clinic that provides or arranges for the provision of a variety of products and services currently including weight loss and wellness plans, snack and nutritional supplement offerings, hormone replacement therapy, weight loss medication, IV therapies, laser treatments, and other related products and services. The total investment necessary to begin operation of a single Lindora clinic is $272,350 to $491,750, which includes $89,100 to $94,100 that must be paid to the franchisor and its affiliates.

You and we may also enter into an area development agreement under which you must commit to developing at least three Lindora clinics. The total investment necessary to enter into an area development agreement for the right to develop three Clinics ranges from $347,350 to $566,750, which includes (a) the total investment necessary to begin operation of your initial Clinic, less the initial franchise fee, and (b) a development fee of $135,000 which must be paid to the franchisor and its affiliates.

This disclosure document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read the 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 payments to the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no government agency has verified the information contained in this document.**

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Louis R. DeFrancisco at Lindora Franchise, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, California 92614, and at (513) 815-8467.

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 accountant.

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

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

ISSUANCE DATE: March 30, 2024; as amended April 19, 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
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibits H and I.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only Lindora business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchise have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Lindora franchisee?	Item 20 or Exhibits H and I list current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need To Know About Franchising Generally

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

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

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

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

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

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

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

Some States Require Registration

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

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 California. 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 California 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 Required**. 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.

5. **Spousal Liability**. Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

6. **Inventory/Supplier Control**. You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

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.

THE FOLLOWING APPLY TO TRANSACTIONS GOVERNED BY THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY

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

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

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

(c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if: (i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.

(f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.

(g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:

(i) The failure of the proposed transferee to meet the franchisor's then current reasonable qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement or area development agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement or area development agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than $100,000, the franchisor shall, at the request of a franchisee, arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations to provide real estate, improvements, equipment, inventory, training, or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

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

Any questions regarding this notice should be directed to:

Michigan Attorney General's Office
Consumer Protection Division
Attention: Franchise Section
G. Mennen Williams Building, 1st Floor
525 West Ottawa Street
Lansing, Michigan 48933
Telephone Number: 517-373-7117

Note: Despite subparagraph (f) above, we intend to fully enforce the arbitration provisions of the franchise agreement and the area development agreement. We believe that paragraph (f) is preempted by federal law and cannot preclude us from enforcing these arbitration provisions. We will seek to enforce this section as written.

THE MICHIGAN NOTICE APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR LOCATE THEIR FRANCHISES IN MICHIGAN.

TABLE OF CONTENTS

EXHIBITS

ITEM 1
THE FRANCHISOR, ANY PARENTS, PREDECESSORS AND AFFILIATES

To simplify the language, this disclosure document (this "Disclosure Document") uses "we," "us," "our," "Franchisor" or "Lindora" to mean Lindora Franchise, LLC, the franchisor. "You" means the person, corporation, partnership or other entity that buys the franchise and those of your owners who personally assume and guaranty performance of your obligations under your agreements with us. Terms used but not defined in this Disclosure Document (including various capitalized terms) have the meanings given to them in the Franchise Agreement attached as Exhibit A to this Disclosure Document (the "Franchise Agreement").

Franchisor

We do business under the name Lindora Franchise, LLC, or in some cases, simply as "Lindora." We do not do business under any other name. Our principal business address is 17877 Von Karman Avenue, Suite 100, Irvine, California 92614. We are a Delaware limited liability company formed on November 13, 2023.

We began offering franchises for Lindora Clinics (each, a "Clinic") on November 22, 2023. We have never owned or operated a Clinic. Except as provided in this Item, we have not and do not offer franchises in any other line of business and we have not otherwise been involved in other substantive business activity.

Predecessor and Parents

Lindora Wellness, Inc. ("Predecessor") is our predecessor, and its principal address is 17877 Von Karman Avenue, Suite 100, Irvine, California 92614. On January 2, 2024, Predecessor, as our previous sole owner, sold its entire ownership interest in us to Xponential Fitness, LLC ("Xponential"). Xponential, via an intermediate holding company, is controlled by Xponential Fitness, Inc. ("XFI"), which is a publicly traded company listed on the New York Stock Exchange under the symbol "XPOF."

Prior to the closing of the transaction described above, on December 1, 2023, Predecessor entered into franchise agreements with us (pursuant to available exemptions) which now govern Predecessor's continued operation, as our franchisee, of its existing 31 Clinics. Predecessor has never granted a franchise in this or any other line of business. Predecessor has 25 years' experience in owning and operating Clinics.

Affiliates

Currently, there are 9 additional brands within the portfolio of brands owned and franchised by subsidiaries of Xponential: AKT®, BFT®, Club Pilates®, CycleBar®, Pure Barre®, Row House®, Rumble®, Stretch Lab®, and Yoga Six® (and together with the LINDORA® brand, the "Xponential Brands").

Our affiliate, AKT Franchise SPV, LLC ("AKT SPV"), a Delaware limited liability company, has offered franchises for fitness studios that provide indoor fitness classes/instruction through a combination of circuit training, dance cardio, Pilates, and yoga under the AKT® trademark ("AKT Studios") since April 2023. Our affiliate, and predecessor to AKT SPV, AKT Franchise, LLC ("AKT"), a Delaware limited liability company, previously offered franchises for AKT Studios from July 2018 through March 2023. AKT assigned its franchise agreements, area development agreements, and certain other agreements related to AKT Studios to AKT SPV on December 31, 2023. As of December 31, 2023, there were 11 franchised AKT Studios in operation.

Our affiliate, BFT Franchise SPV, LLC ("BFT SPV"), a Delaware limited liability company, has offered franchises for fitness studios that provide functional, group training fitness instruction and related services under the BFT® trademark ("BFT Studios") since April 2023. Our affiliate, and predecessor to BFT SPV, BFT Franchise Holdings, LLC ("BFT"), a Delaware limited liability company, previously offered franchises for BFT Studios from January 2022 through March 2023. BFT assigned its franchise agreements, area development agreements, and

certain other agreements related to BFT Studios to BFT SPV on December 31, 2023. As of December 31, 2023, there were 32 franchised BFT Studios in operation.

Our affiliate, Club Pilates Franchise SPV, LLC ("CP SPV"), a Delaware limited liability company, has offered franchises for fitness studios that provide Pilates and other exercise classes under the CLUB PILATES® trademark ("Club Pilates Studios") since April 2023. Our affiliate, and predecessor to CP SPV, Club Pilates Franchise, LLC ("CP"), a Delaware limited liability company, previously offered franchises for Club Pilates Studios from March 2015 through March 2023. CP assigned its franchise agreements, area development agreements, and certain other agreements related to Club Pilates Studios to CP SPV on December 31, 2023. As of December 31, 2023, there were 868 franchised Club Pilates Studios in operation.

Our affiliate, CycleBar Franchising SPV, LLC ("CB SPV"), a Delaware limited liability company, has offered franchises for indoor cycling studios under the CYCLEBAR® trademark ("CycleBar Studios") since April 2023. Our affiliate, and predecessor to CB SPV, CycleBar Franchising, LLC ("CB"), an Ohio limited liability company, previously offered franchises for CycleBar Studios from January 2015 through March 2023. CB assigned its franchise agreements, area development agreements, and certain other agreements related to CycleBar Studios to CB SPV on December 31, 2023. As of December 31, 2023, there were 218 franchised CycleBar Studios in operation.

Our affiliate, PB Franchising SPV, LLC ("PB SPV"), a Delaware limited liability company, has offered franchises for fitness studios that provide indoor fitness classes/instruction through a combination of Pilates, weights and ballet, including using a ballet barre, under the PURE BARRE® trademark ("Pure Barre Studios") since April 2023. Our affiliate, and predecessor to PB SPV, PB Franchising, LLC ("PB"), a Delaware limited liability company, previously offered franchises for Pure Barre Studios from 2012 through March 2023. PB assigned its franchise agreements, area development agreements, and certain other agreements related to Pure Barre Studios to PB SPV on December 31, 2023. As of December 31, 2023, there were 615 franchised Pure Barre Studios in operation.

Our affiliate, Row House Franchise SPV, LLC ("RH SPV"), a Delaware limited liability company, has offered franchises for fitness studios that offer rowing and free weight exercise instruction under the ROW HOUSE® trademark ("Row House Studios") since April 2023. Our affiliate, and predecessor to RH SPV, Row House Franchise, LLC ("RH"), a Delaware limited liability company, previously offered franchises for Row House Studios from December 2017 through March 2023. RH assigned its franchise agreements, area development agreements, and certain other agreements related to Row House Studios to RH SPV on December 31, 2023. As of December 31, 2023, there were 65 franchised Row House Studios in operation.

Our affiliate, Rumble Franchise SPV, LLC ("RF SPV"), a Delaware limited liability company, has offered franchises for fitness studios that offer and provide boxing classes/instruction and other related exercise classes under the RUMBLE® trademark ("Rumble Studios") since April 2023. Our affiliate, and predecessor to RF SPV, Rumble Franchise, LLC ("RF"), a Delaware limited liability company, previously offered franchises for Rumble Studios from March 2021 through March 2023. RF assigned its franchise agreements, area development agreements, and certain other agreements related to Rumble Studios to RF SPV on December 31, 2023. As of December 31, 2023, there were 64 franchised Rumble Studios in operation.

Our affiliate, Stretch Lab Franchise SPV, LLC ("SL SPV"), a Delaware limited liability company, has offered franchises for fitness studios that provide stretching classes in both private and group formats, related therapy activities and, if approved, a proprietary "flexologist" training programs under the STRETCH LAB® trademark ("Stretch Lab Studios") since April 2023. Our affiliate, and predecessor to SL SPV, Stretch Lab Franchise, LLC ("SL"), a Delaware limited liability company, previously offered franchises for Stretch Lab Studios from December 2017 through March 2023. SL assigned its franchise agreements, area development agreements, and certain other agreements related to Stretch Lab Studios to SL SPV on December 31, 2023. As of December 31, 2023, there were 429 franchised Stretch Lab Studios in operation.

Our affiliate, Yoga Six Franchise SPV, LLC ("YS SPV"), a Delaware limited liability company, has offered franchises for fitness studios that offer and provide indoor yoga classes/instruction and other related exercise classes under the YOGA SIX® trademark ("Yoga Six Studios") since April 2023. Our affiliate, and predecessor to YS SPF, Yoga Six Franchise, LLC ("YS"), a Delaware limited liability company, previously offered franchises for Yoga Six Studios from September 2018 through March 2023. YS assigned its franchise agreements, area development agreements, and certain other agreements related to Yoga Six Studios to YS SPV on December 31, 2023. As of December 31, 2023, there were 185 franchised Yoga Six Studios in operation.

Our affiliate, XPOF Assetco, LLC ("Assetco"), guarantees our obligations under the franchise agreement for the Clinics. Assetco has never owned or operated a Clinic or offered franchises for the Clinics.

Since 2018, our affiliate, Xponential Fitness Brands International, LLC ("XFB International"), a Delaware limited liability company, has offered master franchises and unit franchises outside the United States and Canada for Studios and for fitness studios developed and operated under the various other Xponential Brands. XFB International has never owned or operated a Clinic or offered franchises for the Clinics.

Our affiliate, CycleBar Canada Franchising, LLC ("CycleBar Canada"), a British Columbia unlimited liability company, offers franchises for CycleBar Studios in Canada. CycleBar Canada began offering franchises for CycleBar Studios in Canada in August 2015. CycleBar Canada has never owned or operated a Clinic or offered franchises for the Clinics.

Our affiliate, Xponential Gift Cards, LLC ("XGC"), a California limited liability company, manages the branded gift card programs for various Xponential Brands. XGC has never owned or operated a Clinic or offered franchises for the Clinics.

All of the entities referenced in this Item 1 share our principal business address, except that CycleBar Canada has a registered office at 2200 HSBC Building, 885 West Georgia Street, Vancouver, BC V6C 3E8 Canada. Neither we nor any other entity described in this Item 1 has owned or operated a Clinic or offered franchises in this or any other line of business except as specifically described in this Item 1. We have no other predecessors, parents or affiliates that are required to be disclosed in this Item 1.

For purposes of this Disclosure Document, AKT SPV, BFT SPV, CB SPV, CP SPV, PB SPV, RH SPV, RF SPV, SL SPV, and YS SPV are together referred to as the "Affiliate SPV Franchisors," and AKT, BFT, CB, CP, PB, RH, RF, SL, and YS are together referred to as the "Affiliate Prior Franchisors."

Agent for Service of Process

Our agents for service of process are disclosed in Exhibit B.

The Franchise We Offer

We offer for sale a franchise (each a "Franchise") to operate a Clinic at a specific location pursuant to the terms of our form of franchise agreement attached to this Disclosure Document as Exhibit A (the "Franchise Agreement"). We expect that all Clinics will typically operate from a commercial space of approximately 1,400 to 1,800 square feet located within a retail shopping center. We may, however, consider alternative sites, on a case-by-case basis, at a franchisee's request.

If you are granted a Franchise, you must operate your Clinic at a location that we approve (the "Authorized Location"). You must sign the Franchise Agreement to be granted a Franchise for your Clinic. If you are a legal entity, such as a limited liability company, partnership, or corporation, each person who directly or indirectly owns a 10% or greater ownership in you (each, a "Guarantor") must sign and deliver to us our then-current form of Guarantee, Indemnification, and Acknowledgment (a "Guaranty"), and one of your Guarantors must be designated

as an Operating Principal, who has the authority to communicate with us and otherwise act on your behalf in all matters relating to your Clinic.

Each Clinic provides or arranges for certain medical and non-medical products and services and provides or arranges for the provision of health and wellness services, such as weight loss and wellness plans, snack and nutritional supplement offerings, hormone replacement therapy, weight loss medication, IV therapies, laser treatments, and other related products and services that are approved by us periodically (collectively, the "Approved Services"). Certain of the Approved Services offered by Clinics are classified as medical services ("Medical Services") that, under applicable state laws, can only be provided by or under the supervision of a licensed physician (a "Medical Director"). Some of the Medical Services provided at the Clinics may be considered "speculative medical treatments" as that term may be defined by various governments or advertising outlets or as they may be commonly known ("Speculative Medical Services"). We do not make any determination as to which services amount to Medical Services or Speculative Medical Services, and we do not require that Speculative Medical Services be provided at your Clinic, but your Professional Entity through your Medical Director may provide them at its own discretion.

We do not require or authorize the Clinic franchisees to practice medicine, hire or provide training to licensed health care professionals, provide Medical Services, or exert control over the delivery or supervision of Medical Services; however, we require each Clinic franchisee to (i) enter into a management services agreement (the "Management Services Agreement") with our designated or approved vendor (the "Professional Entity") to engage a qualified and licensed physician (the "Medical Director") who is acceptable to us and who will use his or her independent medical judgement, to perform or, where permitted, supervise the performance of Medical Services at the franchisee's Clinic, (ii) provide certain non-clinical administrative services to the Professional Entity in accordance with the terms of the Management Services Agreement; and (iii) subject to applicable laws, designate and/or appropriately contract with either directly or through the Professional Entity (as required by law) at least one licensed and registered nurse practitioner ("Nurse Practitioner") and one licensed vocational nurse ("Licensed Vocational Nurse") or such other similar staffing as required under state law and regulations to offer, provide, and administer certain Medical Services under the supervision of the Medical Director. Our current form of the Management Services Agreement is attached as Exhibit K to this Disclosure Document. We do not make any representation or warranty that our standard form of Management Services Agreement complies with all applicable laws. The final version of the Management Services Agreement that you intend to sign and any subsequent modifications to the agreement are subject, in all cases, to our prior written approval. You must provide us with an executed copy of the Management Services Agreement within 10 days after its execution but in any event before you commence operations of your Clinic.

Clinics are established and operated under a comprehensive design that includes spacious interior, specified equipment, specifications, and procedures for operations; quality client service; management and financial control; training and assistance; and advertising and promotional programs (which we call our "System"). The System's standards, specifications and procedures that we convey to our franchisees in writing, are referred to as the "System Standards." The System and the System Standards may be modified, discontinued, and further developed in our discretion. Our System Standards and any assistance provided by us or our affiliates in connection with the development and operation of the Clinics (i) relate solely to the performance of activities that are not regulated by laws governing provision of Medical Services; (ii) do not constitute the practice of medicine or the performance of Medical Services, and (iii) do not amount to us or our affiliates exerting control over the delivery or supervision of Medical Services.

Area Development Rights

We also offer qualified individuals and entities the right to acquire multiple Franchises (the "Development Rights") within a designated geographical area (the "Development Area") under our current form of area development agreement, which is attached to this Disclosure Document as Exhibit J (the "Development Agreement"). The Development Agreement will provide a designated schedule in which you (or your affiliates) must acquire Franchises and open and operate the designated number of Clinics (a "Development Schedule").

For each Franchise you acquire pursuant to the Development Agreement, you (or your affiliate) will sign our then-current form of Franchise Agreement. When you sign the Development Agreement, you will also sign your 1st Franchise Agreement in the form attached to this Disclosure Document as Exhibit A. Each subsequent Franchise Agreement you sign will be our then-current form, and it may contain terms that are materially different than those found in our current form, including with respect to fees.

You will be required to pay us a one-time development fee that will be calculated based on the number of Clinics you commit to develop under the Development Agreement (the "Development Fee"), but you will not be required to pay any other initial franchise fee at the time you execute your franchise agreements for each Franchise we grant to you or your affiliates pursuant to the Development Agreement.

Market and Competition

The Clinics operate year-round, and their products and services are sold to members of the general public. Clients of the Clinics are generally adults, but certain services may be offered to minors with the permission of their parents or guardians. The market for these products and services is steadily growing and evolving. Your Clinic will be competing with businesses that offer one or more similar services, including other wellness centers, med spas, and doctors' offices.

Laws, Rules, and Regulations

The provision of weight loss services and Medical Services is heavily regulated by federal, state and local laws, rules and ordinances. Such laws and regulations include (i) state corporate practice of medicine ("CPOM") regulations; (ii) laws pertaining to the practice of medicine and/or nursing; (iii) laws governing medical weight management practice; (iv) all laws governing confidentiality and privacy of personally identifiable information, personal information, sensitive personal information, private information, protected health information, individually identifiable health information, medical records, patient records, or other information generated in the course of providing or paying for healthcare services, including HIPAA (and covered entities under HIPAA) and Occupational Safety and Health Administration ("OSHA"); (v) anti-kickback and fee splitting laws; (vi) telemedicine laws and regulations; (vii) individual and facility licensing requirements; (viii) patient inducement and referral laws (for example, the Stark law); (ix) laws and regulations pertaining to medical devices and related healthcare equipment; (x) laws and regulations pertaining to health and wellness centers, including requirements applicable to membership programs; (xi) laws and regulations pertaining to cosmetology/esthetic services; (xii) laws and regulations pertaining to state pharmacy boards; (xiii) laws regulating the prescribing, compounding, marketing, administering, packaging, and sale of peptides, medicines, and other controlled substances; (xiv) laws relating to the licensure of music played in the Clinic; (xv) laws related to minimum wage and overtime requirements; (xvi) laws relating to advertising or marketing of healthcare products or services; (xvii) laws governing laboratories; and (xviii) other health and human welfare laws. There may be other laws applicable to your Clinic, particularly if your Professional Entity through your Medical Director will offer Speculative Medical Services at the Clinic. You in conjunction with the Professional Entity and the Medical Directors are solely responsible for understanding and complying with all laws applicable to your Clinic. We urge you to make further inquiries about these laws.

You are not required to enroll in state and/or federal reimbursement programs, such as Medicaid or Medicare. We have not determined whether the Clinics will accept Medicare patients.

ITEM 2
BUSINESS EXPERIENCE

Louis R. DeFrancisco: Brand President

Mr. DeFrancisco has served as our Brand President since January 2024. He has also served as the Brand President of (i) BFT SPV from March 2023 to March 2024, and (ii) BFT from February 2022 to March 2024. From December 2017 to February 2022, he served as Brand President of SL. Mr. DeFrancisco is based in Irvine, California.

Ryan Junk: Chief Operating Officer

Since January 2024, Mr. Junk has served as our Chief Operating Officer. Since March 2023, Mr. Junk has also served as the Chief Operating Officer of Assetco and each of the Affiliate SPV Franchisors. Since March 2021, Mr. Junk has also served as the Chief Operating Officer of each of the Affiliate Prior Franchisors, except BFT. Since July 2020, Mr. Junk has also served as Xponential's Chief Operating Officer. From November 2017 to June 2020, Mr. Junk served as the President of CB. From March 2021 to February 2024, Mr. Junk served as the Chief Operating Officer of Stride Franchise, LLC, and from March 2023 to February 2024, he served as the Chief Operating Officer of Stride Franchise SPV, LLC. Since June 2016, Mr. Junk has also served as a Consultant and Owner of R.L.J. Consulting Group, LLC in Redondo Beach, California. Mr. Junk is based in Irvine, California.

Sarah Luna: President

Since January 2024, Ms. Luna has served as our President. Since March 2023, Ms. Luna has also served as the President of Assetco and each of the Affiliate SPV Franchisors. Since March 2021, Ms. Luna has also served as the President of each of the Affiliate Prior Franchisors, except BFT. Since January 2021, Ms. Luna has also served as Xponential's President. From March 2021 to February 2024, Ms. Luna served as the President of Stride Franchise, LLC, and from March 2023 to February 2024, she served as the President of Stride Franchise SPV, LLC. From October 2018 to January 2021, Ms. Luna served as the Brand President of PB. Ms. Luna is based in Irvine, California.

John Meloun: Chief Financial Officer

Since January 2024, Mr. Meloun has served as our Chief Financial Officer. Since March 2023, Mr. Meloun has also served as the Chief Financial Officer of Assetco and each of the Affiliate SPV Franchisors. Mr. Meloun has also served as the Chief Financial Officer for AKT, CB, and PB (each since October 2018), and RH, RF, SL, and YS (each since March 2021). Mr. Meloun has also served as Xponential's Chief Financial Officer since July 2018. From March 2021 to February 2024, Mr. Meloun served as the Chief Financial Officer of Stride Franchise, LLC, and from March 2023 to February 2024, Mr. Meloun served as the Chief Financial Officer of Stride Franchise SPV, LLC. Mr. Meloun is based in Irvine, California.

Andrew Hagopian: Chief Legal Officer

Since January 2024, Mr. Hagopian has served as our Chief Legal Officer. Since March 2023, Mr. Hagopian has also served as the Chief Legal Officer of Assetco and each of the Affiliate SPV Franchisors. Since March 2023, Mr. Hagopian has also served as the Chief Legal Officer of Xponential. From March 2023 to February 2024, Mr. Hagopian served as the Chief Legal Officer of Stride Franchise, LLC and Stride Franchise SPV, LLC. From June 2022 to February 2023, Mr. Hagopian served as General Counsel of Newlight Technologies, Inc., based in Huntington Beach, California. From January 2021 to June 2022, Mr. Hagopian served as General Counsel for BetMGM, based in Las Vegas, Nevada. From December 2016 to December 2020, Mr. Hagopian served as Chief Corporate Counsel for MGM Resorts International, based in Las Vegas, Nevada. Mr. Hagopian is based in Irvine, California.

ITEM 3
LITIGATION

Pending Actions Involving Parent, Predecessor or Affiliate

Dance Fitness Michigan LLC, et al. v. AKT Franchise, LLC, et al., filed August 30, 2023, Superior Court of the State of California, County of Orange, Case No. 30-2023-01345433-CU-AT-CXC (the "AKT Lawsuit"). This action was filed by certain former AKT franchisees and their purported owners after AKT initiated an arbitration against and sought damages from certain of them for breaches of their franchise agreements. In addition to the relief described below, the plaintiffs seek declaratory and injunctive relief to allow them to litigate their claims in this action rather than in the original arbitration proceedings initiated by AKT. In this action, one or more of the following parties: Dance Fitness Michigan LLC, Property Maintenance, Inc., 6pk Mason LLC, 6pk Liberty LLC, Teeny Turner LLC, S2 Fitness Enterprises, LLC, Soros & Associates, LLC, and AdEdge Services Inc., Deanna Alfredo, Amanda Davis, Nisha Moeller, Samantha Cox, Suzanne Fischer, Nichole Soros, Michael Soros, Paul Dumas, Jodi Dumas and Laura Hannan (collectively, the "AKT Plaintiffs") assert that one or more of the following parties: AKT, AKT SPV, Assetco, Xponential, XFI, H&W Franchise Intermediate Holdings LLC, Xponential Intermediate Holdings LLC, H&W Investco LP, H&W Investco II LP, LAG Fit, Inc., MGAG LLC, Anthony Geisler, Mark Grabowski, Melissa Chordock, Elizabeth "Liz" Batterton Cooper, Alexander Cordova, Lance Freeman, Ryan Junk, Megan Moen, John Meloun, Sarah Luna, Tori Johnston, Justin LaCava, Bobby Tetsch, Brandon Wiles, Jason Losco, Brittney Holobinko, Amy Wehrkamp, Scott Svilich, Sarah Nolan, Emily Brown, Rachel Markovic, and Brenda Morris (collectively, the "AKT Defendants"): (a) violated pre-sale disclosure obligations under the California Franchise Investment Law, the Michigan Franchise Investment Law and the Florida Franchise Act by failing to provide a compliant Franchise Disclosure Document and failing to disclose certain information they contend was required to be disclosed by, and making certain statements they contend were incorrect and prohibited under, those laws some of which they contend were erroneous (the "Pre-Sale Disclosure Claims"); (b) fraudulently induced them to purchase franchises; (c) breached the implied covenant of good faith and fair dealing (the "Covenant Claim"); (d) breached a purported agreement to provide certain financing; and (e) engaged in unfair and deceptive trade practices. The AKT Plaintiffs seek rescission of various franchise agreements, actual and special damages, attorneys' fees, costs and interest. AKT Defendants have been served with the complaint and all have filed, or are in the process of filing, a demurrer to the complaint.

Enlightened Armadillo, Inc., et al. v. Yoga Six Franchise, LLC, et al., filed November 22, 2023, Superior Court of the State of California, County of Orange, Case No. 30-2023-01367265-CU-AT-CXC. This is an action filed by the same attorney who represents the AKT Plaintiffs in the AKT Lawsuit. The plaintiffs are two Yoga Six franchisees (Enlightened Armadillo, Inc. and Snug Holding Company LLC) and their purported owners (Mark Hrubant, Ella Hrubant, and Melinda Sung) (collectively, the "Y6 Plaintiffs") who assert essentially the same Pre-Sale Disclosure Claims (with respect only to the California Franchise Investment Law) and Covenant Claim (as to the Yoga Six entities only) against YS SPV, YS, Assetco, Xponential, XFI, Xponential Intermediate Holdings LLC, H&W Franchise Intermediate Holdings LLC, Lag Fit Inc., H&W Investco LP, H&W Investco II LP, MGAG LLC, Anthony Geisler, Mark Grabowski, Lindsay Junk, Nate Chang, Jason Losco, Lance Freeman, Ryan Junk, Megan Moen, John Meloun, Sarah Luna, Brenda Morris, and Justin LaCava (collectively, the "Y6 Defendants"). The Y6 Plaintiffs seek declaratory and injunctive relief regarding the enforceability of the mandatory arbitration provisions in the franchise agreements, rescission of their franchise agreements, actual and special damages, attorneys' fees, costs and interest. Y6 Defendants have been served with the complaint and all have filed, or are in the process of filing, a demurrer to the complaint.

In addition to the franchise-related lawsuits described above, XFI and certain of its officers have been named in securities-related lawsuits that are pending as of the date of this Disclosure Document. First, in the Taylor General Lawsuit (defined below), the named plaintiff initiated a putative class action in which it purports to be a shareholder of XFI during a designated "Class Period" (July 26, 2021 through December 7, 2023) and seeks to represent itself and other similarly shareholders who held shares during the designated Class Period. Similarly, in the Akande Lawsuit (also defined below), the named plaintiff initiated a derivative lawsuit on behalf of XFI regarding defendants' alleged actions during the same Class Period. Each complaint alleges that the defendants

made certain omissions and misstatements of material facts in certain of XFI's publicly disclosed and filed documents during the designated Class Period in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 and Rule 10b-5 promulgated thereunder (the "SEC Claims") and seeks compensatory damages, interest, and costs (including attorneys' and experts' fees). As of the date of this Disclosure Document there are two currently pending securities-related lawsuits and, given the nature of these types of claims, we expect additional similar lawsuits to be filed on behalf of other XFI shareholders, with respect to the same set of facts, by law firms competing to be named as lead counsel.

As of the date of this Disclosure Document, each of the following cases is in the initial pleadings stage.

City of Taylor General Employees Retirement System v. Xponential Fitness, Inc., Anthony Geisler, and John Meloun, filed February 9, 2024, United States District Court for the Central District of California, Southern Division, Case No. 8:24-cv-00285 (the "Taylor General Lawsuit").

Gideon Akande v. Anthony Geisler, John Meloun, Jair Clarke, Mark Grabowski, Chelsea A. Grayson, Brenda Morris, and Xponential Fitness, Inc., filed March 10, 2024, United States District Court for the Central District of California, Western Division, Case No. 2:24-cv-01928. In addition to the SEC Claims, the plaintiff alleges that the defendants (i) breached fiduciary duties, mismanaged XFI's business, and wasted XFI's assets, (ii) were unjustly enriched, and (iii) abused their ability to control and influence XFI. In addition to the relief described above, plaintiff seeks (i) an order directing XFI and the individual defendants to improve XFI's corporate governance, and (ii) restitution by the individual defendants (the "Akande Lawsuit").

Except as provided above, 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

Franchise Agreement

Initial Franchise Fee

You must pay us a lump sum initial franchise fee of $60,000 (the "Initial Franchise Fee") to establish a single Clinic under a Franchise Agreement. The Initial Franchise Fee is due upon the signing of the Franchise Agreement. The Initial Franchise Fee will be fully earned by us upon payment and is not refundable, in whole or in part, under any circumstance. If you are purchasing an existing Clinic from a System franchisee, you will pay us a $30,000 training fee in lieu of the Initial Franchise Fee. Except as disclosed in this Item, we uniformly impose the Initial Franchise Fee on all parties that are purchasing a single Clinic.

Initial Inventory Kit

Prior to opening your Clinic, you must purchase an opening inventory kit (the "Initial Inventory Kit") that includes certain items that you will purchase from us (for example, branded apparel that is specific to the location of your Clinic, and pre-sale start-up package that typically includes non-medical marketing and promotional items to be utilized in conjunction with your pre-opening support program described below), and other items that you or the Professional Entity (as required by applicable law) will purchase from an approved vendor (including, for example, an initial supply of weight loss supplements or pharmaceuticals, IV therapy supplies, and other medical supplies).

The cost of the Initial Inventory Kit will be in the range of $23,000 and $28,000, depending on the quantities you purchase. We reserve the right to require you to purchase your Initial Inventory Kit at any time between signing your Franchise Agreement and opening your Clinic. The amount paid is non-refundable under any circumstances, is fully earned upon payment, and is uniformly imposed.

You are required to use certain of these items in coordination with the pre-opening sales plan we approve or designate for your Clinic, which is designed to generate prospective Clinic clientele and otherwise promote the Clinic prior to opening (the "Opening Support Program"). We anticipate that you will begin the pre-sales approximately three (3) months before you open your Clinic (the "Pre-Sales Phase").

LVN and Staff Training Fee

Your Clinic's personnel who we may periodically designate ("Required Trainees") must attend and complete our staff training program ("Staff Training Program") before providing services at the Clinic. Our current tuition fee for the Staff Training Program is $5,000 for your first group of Required Trainees (the "Staff Training Fee"); provided they all attend the Staff Training Program at the same time. The Staff Training Fee is non-refundable under any circumstances, are fully earned upon payment, and are uniformly imposed.

Reduced Technology Fee

You will be required to commence paying us our then-current monthly Technology Fee, which is currently $700 per month, when you open your Clinic. However, upon the commencement of your Pre-Sales Phase, you must begin paying us a reduced Technology Fee in the amount of $550 per month. As such, we estimate that your payment of Technology Fees for two (2) months prior to the opening of your Clinic will be $1,100. The Technology Fee is payable in lump sum, uniformly imposed, and non-refundable under any circumstances.

Note Regarding Clinic Equipment & Initial FF&E Package

Our standard Franchise offering assumes and expects that you will acquire the Clinic Equipment & Initial FF&E Package under a lease-to-own or comparable arrangement with a third party Approved Supplier (as defined in Item 8).

The "Clinic Equipment & Initial FF&E Package" includes: (i) a Clinic fixture package (comprised of a millwork bundle (front desk, retail slatwall, cubbies, shelves), millwork accessories and other related supplies; (ii) Clinic furniture and artwork bundles, (iii) the package of Clinic equipment (e.g. Zerona Laser) and other operational equipment we designate to be used in your Clinic, (iv) other items related to the outfitting and design and buildout of your Clinic; and (iv) the installation and transportation of the foregoing items, which may vary depending on the geographic location of your Clinic

If, however, you determine to outright purchase (without financing) Clinic Equipment & Initial FF&E Package, we may require that you purchase such from us or our affiliates (the cost of which we estimate to be approximately in the range of $182,700 to $198,700 and would be due prior to opening and non-refundable upon payment).

Development Agreement

If we award you the right to acquire multiple Franchises for Clinics within a given Development Area, you must commit to developing and opening at least 3 Clinics and pay us a one-time Development Fee in lump sum upon your execution of the Development Agreement. Your Development Fee will depend on the number of Clinics you commit to develop and open within the Development Area and is calculated as follows: (i) $45,000 per Clinic if you agree to open and operate between three and five Clinics; (ii) $40,000 per Clinic if you agree to open and

operate between six and nine Clinics; and (iii) $35,000 per Clinic if you agree to open and operate 10 or more Clinics.

You will be required to enter into our then-current form of Franchise Agreement for each Clinic you wish to open under your Development Agreement, but you will not be required to pay an Initial Franchise Fee at the time you execute each of these Franchise Agreements. If you enter into a Development Agreement, you must execute our current form of Franchise Agreement for the first Clinic we grant you the right to open within your Development Area concurrently with the Development Agreement.

Your Development Fee will be deemed fully earned upon payment and is not refundable under any circumstances. The Development Fee described above is calculated and applied uniformly to all of our franchisees.

ITEM 6
OTHER FEES

Type of Fee	Amount	Due Date	Remarks
Royalty	7% of Gross Sales generated by your Clinic over the relevant reporting period[1]	Payable weekly via electronic funds transfer ("EFT") based on the Gross Sales of your Clinic during the preceding business week	You will be required to start paying your Royalty once your Clinic begins collecting revenue from operations. We may collect your Royalty on a different interval (for example, monthly).
Contributions to Brand Development Fund	2% of Gross Sales[1]	Payable weekly at the same time and in the same manner as the Royalty	Once we establish a brand development fund (the "Fund") for the Clinics, you will be required to make a weekly contribution towards such fund ("Fund Contribution") beginning on the date your Clinic begins collecting revenue from business operations. The Fund Contribution amount is subject to change at our discretion.
Staff Training Fee for Replacement Required Trainees	$5,000 per group of Required Trainees	As incurred	All replacement Required Trainees must attend and complete our Staff Training Program before providing services at the Clinic. Any training related to or required in order to conduct Medical Services shall be facilitated and organized by the Professional Entity and the Medical Director, at the Medical Director's sole direction and discretion. You will be responsible for the costs and expenses associated with completing the initial training program (e.g., employee payroll expenses and initial training program fee).

Type of Fee	Amount	Due Date	Remarks
Additional Training or On-site Training	$5,000 per group of Required Trainees	As incurred	We may charge our then-current training fee in connection with training that (a) you request we provide to your personnel, or (b) we provide on-site at your Clinic. Any training related or required in order to conduct Medical Services shall be facilitated and organized by the Professional Entity and the Medical Director, at the Medical Director's sole direction and discretion.
Renewal Fee	$10,000	At time of renewal.	You must renovate and reimage the Clinic at your expense at the time of renewal to conform to our then-current standards and image.
Transfer Fee	Franchise Agreement: $10,000 Development Agreement: $10,000 per undeveloped franchise	Upon your request for our approval of any proposed transfer	Instead of the standard transfer fee, we will only charge an administrative fee amounting to: (i) $500 if you are an individual franchisee and assigning your franchise and/or development agreements rights to an entity that you fully own; or (ii) $1,500 if the assignment is from an existing System franchisee to another immediate family member. Payment of the transfer fee is one (1) of the conditions you must satisfy in order to assign an interest in your Franchise Agreement, your Clinic, and/or you (if you are a business entity). There are other various other terms and conditions upon which we may condition or approval or consent to any such transfer. You may be afforded the option – but do not have the obligation – to enter into an agreement with our affiliates for resale assistance and access to certain third-party broker networks. Should you determine to enter into this agreement, you will be responsible for (a) the third-party broker fees (currently, 40% of the purchase price), and (b) a broker access fee amounting to 10% of purchase price for any of the assignable assets that are sold to a prospect, if we or broker network generate the prospect.
Technology Fee	Our then-current technology fee for the technology services we provide as part of the System (the "Technology Fee") Currently, $700/month	Payable monthly at the same time and in the same manner as the Royalty.	We charge you a recurring Technology Fee to help cover the costs and expenses associated with developing, implementing, licensing or otherwise using and integrating the technology we determine appropriate to provide as part of the System or otherwise in connection with your Clinic and/or Clinic network.

Type of Fee	Amount	Due Date	Remarks
Relocation Fee	$5,000	Upon submission of a proposal to relocate	You will not be permitted to relocate your Clinic without our prior written approval, which may be withheld in our discretion. We may assess a relocation fee of $5,000 at the time you submit the proposed location for your relocated Clinic. Generally, we do not approve requests to relocate your Clinic after a site selection has been made and you have opened for business unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection
Music Licensing Fee	Amounts charged by the providers and/or appropriate clearing house(s) for such music licensing	As invoiced or otherwise agreed	We may require that the music licensing fee (the "Music Licensing Fee") amount be paid to our then-current Approved Supplier, which may be us or our affiliate, that handles and manages these licenses for System franchisees. As of the date of this Disclosure Document, the franchisees pay this amount directly to the third party Approved Suppliers.
Insurance Policies[2]	Amount of unpaid premium.	As agreed	Payable only if you fail to maintain required insurance coverage and we elect to obtain coverage for you.
Mystery Shopper and Other Quality Control Programs	If charged, $500/year	As arranged	Payable only if we establish a mystery shopper program or other quality control mechanism/program, in which case we may require a franchisee to contribute these amounts to help defray the costs of such programs that are designed to preserve the goodwill and brand image. This fee is subject to change at our discretion.
Audit Fees[3]	Costs incurred by us in connection with conducting audit. We estimate that such costs will typically be between $500 - $2,500 (plus costs of any travel)	Within 15 calendar days after receipt of audit report.	Payable only if (a) audit or review shows an understatement of Gross Sales for the audited period of 2% or more, or (b) the audit or review is being conducted in response to your failure to timely submit any reports required by your Franchise Agreement.

Type of Fee	Amount	Due Date	Remarks
Late Fees	The lesser of (a) the highest applicable legal rate for open account business credit, or (b) 1.5% per month.	Upon demand.	Applies to all amounts not paid when due, until paid in full. We may also require you to pay an administrative fee of $50 for each late payment or late report.
Non-Compliance Fee	$100 for each day of non-compliance.	Upon demand.	Payable only in the event you fail to comply with your material obligations under your Franchise Agreement. The Non-Compliance Fee will be incurred during each day of non-compliance and is subject to change at our discretion.
Cost of Enforcement or Defense	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will reimburse us for all costs in enforcing our obligations concerning the Franchise Agreement if we prevail.
Indemnification	All costs including attorneys' fees	Upon settlement or conclusion of claim or action.	You will defend suits at your own cost and hold us harmless against suits involving damages resulting from your operation of the Clinic.
Alternative Supplier Approval[4]	$1,500 per day for personnel engaged in evaluating a supplier.	At time of request.	Additionally, you must reimburse us for any travel, accommodations, and meal expenses.
Regional Co-Op	As the Co-Op determines	As the Co-Op determines	We may establish regional cooperatives comprised of Clinics that are within a given geographical area (each, a "Co-Op"). If a Co-Op is established where your Clinic is located, you will be required to participate in that Co-Op and contribute to that Co-Op in the amounts the Co-Op determines. There is no cap on the amount you could be required to contribute the Co-Op.
Extension of Time to Open your Clinic	$2,500	Upon request for extension of time	You are required to open your Clinic within nine (9) months of executing your Franchise Agreement, but we may agree in writing to provide you with an additional three months to open your Clinic if you (a) have already secured an Approved Location for your Clinic, and (b) are otherwise making diligent and continuous efforts to buildout and otherwise prepare your Clinic for opening throughout the nine (9) month period following the execution of your Franchise Agreement; however you must pay us our then-current fee as a condition to granting any extension of time. This fee is subject to change at our discretion.

Type of Fee	Amount	Due Date	Remarks
Management Fee	The actual costs/expenses we incur in connection with taking over operations, including manager's salary, room and board, travel expenses, and all other related expenses.	When incurred	If we take over the operations of your Clinic due to your breach of the Franchise Agreement (or your death or disability), we may take all actions necessary to operate the Clinic.
Lost Revenue Damages	The applicable amount of Lost Revenue Damages, as further defined in the Remarks	Upon termination of Franchise Agreement	If you terminate the Franchise Agreement without cause or we terminate the Franchise Agreement for your breach, you must pay us an amount equal to the net present value of: (1) the lesser of 36 or the number of calendar months remaining on the term of the Franchise Agreement absent termination, multiplied by (2) the sum of the Royalty and Fund Contribution percentages in effect as of the termination date, multiplied by (3) the average monthly Gross Sales of your Clinic during the 24 full calendar months immediately preceding the termination date, minus (4) any cost savings we experienced as a result of the termination. However, if (i) as of the termination date, your Clinic had not operated a full 24 calendar months, monthly average Gross Sales will equal the highest monthly Gross Sales achieved during the period in which you operated your Clinic, and (ii) if the termination was based on your unapproved closure of your Clinic, average monthly Gross Sales would be based on the 24 full calendar months immediately preceding the closure of your Clinic.

Notes to Item 6 Table:

All fees are uniformly imposed by and are payable to us, unless otherwise noted. No other fees or payments are to be paid to us, and we do not currently impose and collect any other fees or payments for any third party. Any fees paid to us are non-refundable unless otherwise noted. Fees payable to third parties may be refundable based on your individual arrangements.

[1] **Gross Sales**. Except as provided below, the term "Gross Sales" means the total revenue, in whatever form, generated by your Clinic, whether or not in compliance with your Franchise Agreement and regardless of receipt, including all revenue generated from the sale and provision of any and all gift cards and other products and services at or through your Clinic and all proceeds from any business interruption insurance related to the non-operation of your Clinic. Please note that the following are excluded from Gross Sales: (a) any sales tax and equivalent taxes that you collect for or on behalf of any governmental taxing authority and paid to it, or (b) the value of any allowance issued or granted to any client of the Clinic that you credit in good faith in full or partial satisfaction of the price of the Approved Products or Approved Services offered in connection with your Clinic. Where and only to the extent

required under applicable law, Gross Sales will not include revenue generated from Medical Services provided at your Clinic or by or under the supervision of the Professional Entity and the Medical Director. You must participate in our then-current electronic funds transfer and reporting program(s).

If any applicable law prohibits or restricts in any way your ability to pay, or our ability to collect, Royalty or other amounts based on Gross Sales derived from the operation of your Clinic, then we will modify your payment obligations to us under the Franchise Agreement and revise the applicable provisions in order to provide the same basic economic effect to both us and you as currently provided in the Franchise Agreement. The frequency of Royalty payment is subject to change.

All fees owed and any other amounts designated by us must be received or credited to our account by pre-authorized bank debit by 5:00 p.m. P.S.T. on or before the applicable due date. Your Clinic may be located in a jurisdiction whose taxing authority will subject us to tax assessments on payments you submit to us for the Royalty fees and Fund Contributions. Under such circumstances, you will be required to adjust, or "gross up" your payment to us to account for these taxes.

[2] **Insurance Policies**. The minimum limits for coverage under many policies will vary depending on several factors, including the size of your Clinic and the products and services offered. See Item 8 of this Disclosure Document for our minimum insurance requirements.

[3] **Audit Fees**. You will be required to reimburse us for the cost of the audit in the event that (a) an audit discloses an understatement of Gross Sales for the audited period of two percent (2%) or more, or (b) the audit or review is being conducted in response to your failure to timely submit any reports required by your Franchise Agreement. You will also be required to pay the amount of such understatement, plus late fees and interest.

[4] **Alternative Supplier Approval**. You may request the approval of an item, product, service or supplier.

ITEM 7
ESTIMATED INITIAL INVESTMENT

YOUR ESTIMATED INITIAL INVESTMENT

A. Franchise Agreement

Type of Expenditure[1]	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Initial Franchise Fee[2]	$60,000	$60,000	Lump sum, in cash, certified check or bank wire	At signing of Franchise Agreement	Us
Travel & Living Expenses While Training[3]	$0	$3,000	As arranged	As incurred	Transportation Carriers, Hotel Facilities, Etc.
Real Estate/Lease and Related Professional Fees[4]	$18,000	$46,000	As arranged	As incurred	Landlord; Attorneys; Accountants
Net Leasehold Improvements[5]	$99,000	$230,800	As arranged	As incurred	Approved Suppliers, Architects and Contractors
Signage[6]	$15,000	$25,000	As arranged	As incurred	Approved Suppliers and Vendors

Type of Expenditure[1]	Low Amount	High Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Insurance[7]	$3,000	$5,000	As arranged	Before Opening	Insurance Carrier
Payments in Connection with Clinic Equipment & Initial FF&E Package[8]	$11,900	$31,500	As required	Before Opening	Approved Supplier (Third-Party)
Initial Inventory Kit[9]	23,000	$28,000	Lump Sum	Before Opening	Us
Computer System and Related Components[10]	$8,250	$8,250	As arranged	As arranged	Approved Suppliers and Vendors
Initial Grand Opening Marketing & Advertising Spend [11]	$15,000	$15,000	As arranged	As arranged	Approved Suppliers and Vendors
LVN and Staff Training Fee[12]	$5,000	$5,000	As arranged	As arranged	Us
Technology and Software Fees[13]	$3,200	$3,200	As arranged	As arranged	Us and Approved Suppliers and Vendors
Professional Fees[14]	$6,000	$11,000	As arranged	As arranged	Third party professionals
Additional Funds – 3 months[15]	$5,000	$20,000	As arranged	As incurred	Employees, Vendors, Utilities
TOTAL ESTIMATED INITIAL INVESTMENT	$272,350	$491,750			

Notes to Table A:

All amounts payable to us are nonrefundable, unless otherwise noted. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any. These figures are estimates of the range of your initial costs in the first three (3) months of operation only. We do not offer direct or indirect financing.

[1] **General**. The initial investment table shows certain expenditures required to establish and operate a Clinic. This Item 7 assumes that (a) the size of your Clinic will be within 1,400 to 1,800 square feet; (b) you will lease the Clinic Equipment & Initial FF&E Package, and (c) you will timely perform all pre-opening obligations and open and commence operations of your Clinic within the time periods prescribed in your Franchise Agreement. All estimates listed in the table above exclude tax.

[2] **Initial Franchise Fee**. The Initial Franchise Fee is non-refundable. The Initial Franchise Fee for a single Clinic is $60,000. We do not provide financing for the Initial Franchise Fee.

[3] **Travel and Living Expenses While Training**. Your Required Trainees must attend our Staff Training Program. You will be responsible for the costs and expenses incurred by your Required Trainees in order to attend our Staff Training Program (e.g., transportation, meals, lodging and other expenses). The amount you will spend while training will depend on several factors, including the number of persons attending, the distance you must travel and the type of accommodations you choose, if any are needed. You may not incur these expenses if we choose to provide the training virtually or if your Required Trainees reside in the vicinity of the designated training facility.

[4] **Real Estate/Lease and Related Professional Fees**. If you do not own adequate Clinic space, you must lease suitable premises. As noted above, our model requires that the size of a typical Clinic will range from 1,400 to 1,800 square feet, and the amounts shown are based on that range. We may consider variances, at your request, on a case-by-case basis. In addition to base rent, the lease may require you to pay common area maintenance charges, your pro rata share of the real estate taxes and insurance, and your pro rata share of HVAC and trash removal, which are included in the ranges provided above. You will also likely be required to pay a security deposit. This estimate includes three (3) months of base rent plus one (1) month for estimating the security deposit. This estimate is also designed to cover the legal and other professional fees associated with securing an approved premises.

[5] **Net Leasehold Improvements**. This estimate includes the net cost of leasehold improvements, including floor coverings, wall treatments, ceilings, painting, electrical, carpentry, plumbing, HVAC, and similar work, as well as materials and the cost of labor. This estimate also includes fees for professional services of architect and sound consultant as well as permitting fees related to building construction. This estimate assumes that the size of your Clinic will be in the range of 1,400 to 1,800 square feet and accounts for the value of landlord reimbursements. We expect that you will not sign a lease unless the landlord is willing to provide a reasonable tenant improved allowance which, in our experience, has averaged $40,000.

[6] **Signage**. You will need to purchase appropriate signage for your Clinic that we approve. Each landlord has different restrictions it places on interior and exterior signage that may affect your costs. This estimate includes costs associated with permanent signage and graphics only and does not include optional temporary signage and graphics.

[7] **Insurance**. This estimate is for three (3) months of your minimum required insurance, using our required or approved third-party vendor. You will need to check with your insurance carrier for actual premium quotes and costs, and for the actual amount of deposit. Insurance costs can depend on the area in which your Clinic is located, your experience with the insurance carrier, the loss experience of the carrier, the amount of deductibles and of coverage, and other factors beyond our control. You should obtain appropriate advice from your own insurance professional before signing any binding documents or making any investments or other commitments, whether to us or anyone else.

[8] **Lease-Related Payments in Connection with Clinic Equipment & Initial FF&E**. The "Clinic Equipment & Initial FF&E Package" includes: (i) a Clinic fixture package (comprised of a millwork bundle (front desk, retail slatwall, cubbies, shelves), millwork accessories and other related supplies; (ii) Clinic furniture and artwork bundles, (iii) the package of Clinic equipment (e.g. Zerona Laser) and other operational equipment we designate to be used in Clinic, (iv) other items related to the outfitting and design and buildout of your Clinic; and (iv) the installation and transportation of the foregoing items, which may vary depending on the geographic location of your Clinic.

Our standard franchise offering assumes and expects that you will acquire the Clinic Equipment & Initial FF&E Package under a lease-to-own or comparable arrangement with a third party Approved Supplier (we have pre-approved several lenders as of the date of this Disclosure Document). As such, the range above is designated to capture and account for the typical deposit (0% down for the low estimate and 10% down for the high estimate), a lease filing fee, and the payments that you will make to the lender during the first four months of operation of the Clinic (first payment at closing plus three months of ongoing payments). If you determine not to follow our System-recommended practice of financing the Clinic Equipment & Initial FF&E Package, the estimated cost to purchase this equipment outright will be in the range of $182,700 to $198,700 and will be paid to us or our affiliates.

[9] **Initial Inventory Kit**. This estimate is the cost associated with acquiring the Clinic's initial office and medical supply inventory and the following proprietary and required items: opening stock of retail inventory.

[10] **Computer System and Related Components**. You must acquire a personal computer and a Point of Sale system ("POS") for use in the operation of the Clinic. Your Computer System (as defined in Item 8) must be

equipped with a high-speed connection to the Internet and must include a local area network with a dedicated server. We will make available to you a certain business management software program specific for the Clinic to be loaded onto your system. You will pay the third-party vendor directly for all fees associated with the use of the software. You can expect initial cash outlays to be lower if the items can be leased rather than purchased. These costs are paid to suppliers, when incurred, before beginning business and are usually not refundable. In addition, this estimate includes certain related equipment (e.g. tablets, etc.).

[11] **Initial Grand Opening Marketing & Advertising Spend**. You are required to expend this "Initial Grand Opening Marketing & Advertising Spend" in coordination with your Opening Support Program. Typically, we expect your Opening Support Program to commence prior to the "soft opening" of your Clinic through your actual opening of the Clinic. These funds must be expended on your Opening Support Program and any other pre-opening marketing and/or advertising activities we designate. We may require that you expend any portion of these funds on services or products supplied by one or more of our Approved Suppliers. We will have the right to modify its Opening Support Program as we determine appropriate in our sole discretion. You must provide us with supporting documentation evidencing these expenditures upon our request. This estimate is in addition to your required contributions to the Fund.

[12] **LVN and Staff Training Fee**. Our current tuition fee for the Staff Training Program is $5,000 for your first group of Required Trainees, which you must pay to us before your Required Trainees attend the Staff Training Program.

[13] **Technology Fee and Software Fees**. This estimate is designed to cover our current Technology Fee and Software Fee obligations from when you begin the Pre-Sales Phase of opening your Clinic, which we estimate you will be paying two (2) months prior to opening your Clinic, and over the first three (3) months of operation, for a total of five (5) months of payments. As of the issue date of this Disclosure Document, those fees are $700 per month; however, you will pay a reduced Technology Fee in the amount of $550 during your Pre-Sales Phase.

[14] **Professional Fees**. This range includes the fees likely to be paid to lawyers and accountants for initial advice, creation of entities and governing documents, and initial accounting set-up.

[15] **Additional Funds**. This is an estimate of certain funds which, together with revenue generated by your Clinic, will be needed to cover your business (not personal) expenses during the first three (3) months of operation of the Clinic. These expenses include the Music Licensing fees; initial personnel wages; ongoing purchases of equipment and supplies; marketing expenses/fees and local advertising; utilities; and repairs and maintenance. This estimate is based on: (i) Predecessor's experience in opening and commencing operations of existing Clinics; and (ii) current estimates we have received from our Approved Suppliers and other third party vendors. The availability and terms of financing to you will depend upon factors such as the availability of financing in general, your credit-worthiness, the collateral security that you may have, and policies of lending institutions concerning the type of business you operate. This estimate does not include any finance charge, interest, or debt service obligation.

B. **Development Agreement (Using Example of Commitment to Develop 3 Clinics)**

Type of Expenditure[1]	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
Development Fee[2]	$135,000	Lump sum, in cash, certified check or bank wire	At signing of the Development Agreement.	Us
Initial Investment to Open Initial Clinic[3]	$212,350 to $431,750	See Table A of this Item 7, less the Initial Franchise Fee.		

Type of Expenditure[1]	Amount	Method of Payment	When Due	To Whom Payment Is to be Made
TOTAL ESTIMATED INITIAL INVESTMENT[3]	**$347,350 to $566,750**	This is the total estimated initial investment to enter into a Development Agreement for the right to develop three (3) total franchised Clinics, as well as the costs to open and commence operating your initial Clinic for the first three months (less the Initial Franchise Fee), as described more fully in Chart A of this Item 7. See Note 3.		

Notes to Table B in Item 7:

[1] General. All amounts payable to us are nonrefundable, unless otherwise noted. Amounts payable to suppliers/vendors are refunded according to arrangements you make with the vendor, if any. These figures are estimates of the range of your initial costs in the first three months of operating the initial Clinic you are granted under your Development Agreement only.

[2] Development Fee. If we award you the right to acquire multiple Franchises for Clinics within a given Development Area, you must commit to developing and opening a minimum of 3 Clinics and pay us a one-time Development Fee upon your execution of the Development Agreement. Your Development Fee will depend on the number of Clinics you commit to develop and open within the Development Area, and is calculated as follows: (i) $45,000 per Clinic if you are awarded the right to develop between three and five Clinics; (ii) $40,000 per Clinic if you are awarded the right to develop between six and nine Clinics; and (iii) $35,000 per Clinic if you are awarded the right to develop 10 or more Clinics.

[3] Initial Investment for Initial Clinic. This figure represents the total estimated initial investment required to open and commence operating the first Clinic you agreed to develop under your Development Agreement. You will be required to enter into our then-current form of Franchise Agreement for the initial Clinic you develop under your Development Agreement, most likely once you have found a premise for the Clinic that we approve. The range includes all the items outlined in Table A. of this Item 7, except for the $60,000 Initial Franchise Fee (because you are not required to pay an Initial Franchise Fee for those Clinics you develop under the Development Agreement). It does not include any of the costs you will incur in opening the additional Clinic(s) that you are awarded the right to develop under your Development Agreement.

ITEM 8
RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

You must operate all aspects of your Clinic in strict conformance with the methods, standards and specifications of our System. Our methods, standards, and specifications will be communicated to you in writing. We may periodically change our System Standards, as we deem appropriate or necessary in our sole discretion, and you will be solely responsible for costs associated with complying with any modifications to the System. Our System Standards and any assistance provided by us or our affiliates in connection with the development and operation of Clinics are intended to (i) relate to the performance of activities that are not regulated by any applicable laws governing provision of Medical Services; (ii) not constitute the practice of medicine or the performance of Medical Services, and (iii) not amount to us or our affiliates exerting control over the delivery or supervision of Medical Services.

Approved Products and Approved Services

You may only market, offer, sell and provide the Approved Services, as well as any related merchandise and other products that we authorize for sale in conjunction with the Approved Services (the "Approved Products") at your Clinic in a manner that meets our System Standards. We will provide you with a list of our then-current

Approved Products and Approved Services, along with their standards and specifications. We may update or modify this list in writing at any time.

You are not required or authorized to practice medicine, hire or provide training to licensed health care professionals, provide Medical Services, or exert control over the delivery or supervision of Medical Services. Subject to the applicable laws, all Medical Services will be offered, provided, and/or supervised by the Professional Entity through the Medical Director, Nurse Practitioner and Licensed Vocational Nurse in accordance with his or her independent medical judgment, and the Medical Director will make all such determinations and will designate the equipment and supplies needed to do so.

If you wish to offer any product or service in your Clinic other than our Approved Products and Approved Services or use any item in connection with your Clinic that does not meet our System Standards, you must first obtain our prior written approval as described more fully in this Item.

Approved Suppliers

Except where we are prohibited from doing so under applicable laws in the state in which your Clinic is located, we have the right to require you to purchase any and all items or services used in the operation of your Clinic from a supplier that we approve or designate (each, an "Approved Supplier"), which may include us or our affiliate(s). We may periodically designate certain Approved Suppliers as the sole source for certain items or services used at the Clinic. We will provide you with a list of our Approved Suppliers in writing, and we may update or modify this list as we deem appropriate.

Currently, we have Approved Suppliers for the following items that you must purchase in connection with the establishment and/or operation of your Clinic: (i) Initial Inventory Kit; (ii) Clinic Equipment & Initial FF&E Package; (iii) interior graphics and exterior signage; (iv) insurance coverage; (v) shipping and installation services; (vi) training materials; (vii) certain music licenses you may need in order to play certain music in connection with your Clinic operations (subject to prior disclosure regarding your sole obligation to investigate and comply with all music licensing requirements); (viii) pharmaceutical products; and (ix) the Computer System, the POS System and then-current software we require you to use in connection with the Computer System, the POS System and your Clinic.

We may develop proprietary products for use in your Clinic, including private-label products that bear our Marks, and require you to purchase these items from us or our affiliate(s).

If you wish to purchase a product or service that we require you to purchase from an Approved Supplier from an alternate source, then you must obtain our prior written approval as outlined more fully in this Item. We may provide our standards and specifications for our Approved Products and Approved Services directly to our Approved Suppliers and may provide these standards and specifications to an alternative supplier you propose if: (i) we approve the supplier in writing as outlined more fully in this Item; and (ii) the alternative supplier agrees to sign our prescribed form of non-disclosure agreement with respect to any confidential information we disclose.

As of the date of this Disclosure Document: (i) other than the Initial Inventory Kit, the Clinic Equipment & Initial FF&E Package (including related services), and the technology services we provide in exchange for our then-current Technology Fee, neither we nor any of our affiliates are an Approved Supplier for any items you are required to purchase in connection with your Clinic as part of our standard franchise offering; and (ii) none of our officers owns an interest in any of our Approved Suppliers other than us. If you determine to outright purchase (without financing) the Clinic Equipment & Initial FF&E Package rather than acquiring such package under a lease-to-own or comparable arrangement with a third party Approved Suppliers, we may designate ourselves or our affiliate as the Approved Supplier for that package.

We may designate us or any of our affiliates as an Approved Supplier with respect to any other item you must purchase in connection with your Clinic in the future.

Required Purchases and Right to Derive Revenue

The products or services we require you to purchase or lease from an Approved Supplier, or purchase or lease in accordance with our standards and specifications, are referred to collectively as your "Required Purchases." We estimate that your Required Purchases in total will be about 90% to 95% of your total purchases to establish the Clinic and about 85% to 90% of your purchases to continue the operation of the Clinic. Please be advised that these percentages do not include the lease payments that you make in connection with your Clinic.

We and our affiliates may enter into agreements with third-party vendors pursuant to which we and/or our affiliates may derive revenue, rebates and other consideration from any of the purchases that our System franchisees are required to make in connection with the Clinic. However, as of the issuance of this Disclosure Document, we and our affiliates have not entered into such agreements.

Non-Approved Product/Service and Alternate Supplier Approval

We may, but are not obligated to, grant your request to: (i) offer any products or services in connection with your Clinic that are not Approved Products and Approved Services; or (ii) purchase any item or service we require you to purchase from an Approved Supplier from an alternative supplier.

If you wish to undertake either of these actions, you must request and obtain our approval in writing before: (i) using or offering the non-approved product or service in connection with your Clinic; or (ii) purchasing from a non-approved supplier. You must pay us our then-current non-approved product or supplier evaluation fee when submitting your request, as well as cover our costs incurred in evaluating your request. We may ask you to submit samples or information so that we can make an informed decision whether the goods, equipment, supplies or supplier meet our specifications and quality standards. In evaluating a supplier that you propose to us, we consider not only the quality of the particular product at issue, but also the supplier's production and delivery capability, overall business reputation and financial condition. We may provide any alternate supplier you propose with a copy of our then-current specifications for any product(s) you wish the supplier to supply, provided the supplier enters into a confidentiality and non-disclosure agreement in the form we specify. We may also inspect a proposed supplier's facilities and test its products and/or services, and request that you reimburse our actual costs associated with the testing/inspection.

We will notify you in writing within 30 days after we receive all necessary information and/or complete our inspection or testing to advise you if we approve or disapprove the proposed item and/or supplier. The criteria we use in approving or rejecting new products, services, and suppliers is proprietary, but we may (although are not required to) make it available to you upon request. Each supplier that we approve must comply with our usual and customary requirements regarding insurance, indemnification and non-disclosure. If we approve any supplier, we will not guarantee your performance of any supply contract with that supplier under any circumstances. We may re-inspect and/or revoke our approval of a supplier or item at any time and for any reason to protect the best interests and goodwill of our System and Marks. The revocation of a previously approved product or alternative supplier is effective immediately when you receive written notice from us of revocation and, following receipt of our notice, you may not place any new orders for the revoked product, or with the revoked supplier.

If you wish to purchase any products or services used in the provision of Medical Services that are not approved by, or from any supplier that is not approved by, the Medical Director, then you must seek the Medical Director's approval in accordance with the approval process set up by the Medical Director.

Purchasing Cooperatives and Right to Receive Compensation

We may, when appropriate, negotiate purchase arrangements, including price terms, with designated and Approved Suppliers on behalf of the System. We may establish strategic alliances or preferred vendor programs with suppliers that are willing to supply some products, equipment, or services to some or all of the Clinics in our System. If we do establish those types of alliances or programs, we may: (i) limit the number of Approved Suppliers

with whom you may deal; (ii) designate sources that you must use for some or all products, equipment and services; and (iii) refuse to approve proposals from franchisees to add new suppliers if we believe that approval would not be in the best interests of the System.

We and/or our affiliate(s) may receive payments or other compensation from Approved Suppliers or any other suppliers on account of these suppliers' dealings with us, you, or other Clinics in the System, such as rebates, commissions or other forms of compensation, which may comprise of fixed payments and/or percentages of overall sales transactions. As of the date of this disclosure document, we have not received any rebates.

As of the issuance of this Disclosure Document, we have not established any purchasing cooperatives that you must participate in, but we may do so in the future.

Franchisee Compliance

When determining whether to grant new or additional franchises, we consider many factors, including your compliance with the requirements described in this Item 8. You do not receive any further benefit as a result of your compliance with these requirements.

Insurance

As a Franchise owner, you are required to obtain and maintain, at your sole expense, the required minimum insurance coverages as prescribed in your Franchise Agreement and/or in writing. We may amend, modify, supplement or otherwise change the coverages or policies required below upon thirty (30) days' written notice to you (or such a shorter period of time that we determine appropriate if a health/safety or infringement-related issue). While the specifications and standards for such coverages may vary depending on the size of your Clinic and/ or other factors, such as what is customary for businesses of your type in your area, as of the date of this Disclosure Document, we typically require the following coverages:

1. Commercial General Liability insurance covering your day-to-day business operations and premises liability exposures with limits not less than the following:

a.	Each Occurrence:	$1,000,000
b.	General Aggregate:	$5,000,000 (per Clinic location)
c.	Products Completed Operations Aggregate:	$5,000,000
d.	Personal and Advertising Injury:	$1,000,000
e.	Participant Legal Liability:	$1,000,000
f.	Professional Liability:	$1,000,000
g.	Damage to Premises Rented to You:	$1,000,000
h.	Employee Benefits Liability (each employee):	$1,000,000
i.	Employee Benefits Liability (aggregate):	$2,000,000
j.	Medical Expense (any one person):	$5,000
k.	Sexual Abuse and Molestation: included (not excluded)	

Such insurance shall include coverage for contractual liability (for liability assumed under an "insured contract"), products-completed operations, personal and advertising injury, premises liability, third party property damage and bodily injury liability (including death). Additionally, for Products Completed Operations Aggregate coverage above, separate coverage may need to be obtained for Medical Products.

2. Medical Professional Liability (i.e., Medical Malpractice) insurance covering actual or alleged errors or omissions related services provided at the Clinic with limits of not less than $1,000,000 each occurrence and $3,000,000 in the aggregate. Franchisees with multiple Clinics should strongly consider purchasing higher limits of coverage. A separate Excess Medical Professional Liability insurance policy may be required to secure higher limits of coverage.

3. **Automobile Liability** insurance covering liability arising out of your use, operation or maintenance of any auto (including owned, hired, and non-owned autos, trucks or other vehicles) in connection with your ownership and operation of the franchise, with limits not less than the minimum compulsory requirements in your state. This requirement only applies to the extent that owned, leased or hired/rented vehicles are used in the operation of the Franchise. Such insurance shall include coverage with limits not less than $1,000,000 each accident combined single limit for bodily injury and property damage.

4. **Workers Compensation** insurance covering your employees with statutory coverage and limits as required by state law, including Employer's Liability coverage with limits not less than $1,000,000 each accident, $1,000,000 disease-each employee, and $1,000,0000 disease-policy limit.

5. **Property** insurance written on a special causes of loss coverage form with limits not less than the current replacement cost of the Clinic's business personal property (including furniture, fixtures and equipment) and leasehold improvements (tenant improvements). Such property insurance shall include glass coverage with limits not less than $25,000, signage coverage with limits not less than $10,000, and business interruption/extra expense coverage with limits not less than twelve months of rent.

6. **Employment Practices Liability** insurance with limits of not less than $1,000,000 per claim and in the aggregate, with a retention not larger than $25,000, providing defense and coverage for claims brought by any of your employees or other personnel alleging various employment-related torts. Said policy shall also include Third Party Employment Practices Liability coverage.

Other Insurance Requirements:

Primary & Non-Contributory Requirement: All insurance to be maintained by You shall be primary to and non-contributory with any insurance maintained by Us with respect to your ownership and operation of the Clinic.

Additional Insured Requirement: We, our parent, subsidiary and affiliated companies shall be included as Additional Insureds under your Commercial General Liability, Auto Liability and any Umbrella/Excess Liability insurance policies.

Waiver of Subrogation Requirement: A waiver of subrogation in favor of the Us, our parent, subsidiary and affiliated companies shall apply under all insurance policies to be maintained by You in connection with your ownership and operation of the Clinic.

Minimum Carrier Requirements: Your policies must be written by an insurance company licensed or approved in the state in which you operate the Clinic, and the insurance company must have at least an "A-" Rating Classification as indicated in A.M. Best's Key Rating Guide.

Other Recommended Insurance:

Umbrella and/or Excess Liability insurance is strongly recommended for Franchisees to consider, especially those with multiple Clinic locations. This provides coverage in excess of and on a following form basis to Your primary Commercial General Liability, Automobile Liability and Employer's Liability policy limits.

Cyber Liability insurance for claims arising out of network security and data breach situations, including claims alleging failure to provide adequate data security, alleged violations of any privacy & data security laws, unauthorized use or disclosure of Protected Health Information (PHI) and related information.

Computer System

You must purchase the computer system that we specify, including computer hardware, software, the POS System, inventory control systems, and high-speed network connections (collectively, the "Computer System"). The component parts of the Computer System must be purchased from Approved Suppliers. If we require you to use any proprietary software or to purchase any software from a designated vendor, you must sign any software license agreements that we or the licensor of the software require and any related software maintenance agreements. The Computer System is described in more detail in Item 11 of this Disclosure Document.

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 the Disclosure Document.

Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
a. Site Selection and acquisition/lease	Sections 1.2, 2.2.C., 7.1, and 7.2, 8.4.B, 15.1.A(10)-(11) and Exhibit 4	Section 2.D	Items 11 and 12
b. Pre-opening purchases/leases	Sections 5.4, 6.1, 7.3, and 7.4	Not Applicable	Items 5, 7 and 8
c. Site development and other pre-opening requirements	Article 7 and Sections 6.1, 6.2, 6.3, 6.5, 6.8, and 9.2	Article 2	Items 6, 7 and 11
d. Initial and ongoing training	Sections 5.5 and 6.2	Not Applicable	Items 6, 7 and 11
e. Opening	Sections 2.2, 6.1, and 15.1.B(10)	Section 2.C	Item 11
f. Fees	Article 5 and Sections 6.2, 9.1, 9.2, 9.4, and 15.1.B(5)	Article 4	Items 5 and 6
g. Compliance with standards and policies / Operating Manual	Article 4 and Sections 1.2, 2.2.E, 6.3, 6.5, 7.1, 7.3, 8.1, 8.4, and 8.7	Section 2.D	Item 11
h. Trademarks and proprietary information	Article 4 and Sections 12.1, 15.1.A(5), and 15.1.A(8)	Article 5	Items 13 and 14
i. Restrictions on products/services offered	Sections 8.4.A and 15.1.A(13)	Not Applicable	Items 8 and 16
j. Warranty and customer service requirements	Sections 8.1, 8.3 to 8.7	Not Applicable	Not Applicable
k. Territorial development and sales quotas	Sections 8.7 and 15.1.B(12)	Sections 2.C and 2.D and Exhibit A	Item 12
l. Ongoing product/service purchases	Article 9 and Sections 5.9 and 8.4	Not Applicable	Items 8 and 11
m. Maintenance, appearance and remodeling requirements	Sections 7.1 and 8.1	Not Applicable	Items 6 and 17

Obligation		Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
n.	Insurance	Sections 10.4 and 15.1.B(8)	Not Applicable	Items 6, 7 and 8
o.	Advertising	Article 9 and Sections 5.6 and 15.1.B(5)	Not Applicable	Items 6 and 11
p.	Indemnification	Sections 4.1, 6.9, 7.1.E, 11.2, 15.4, and Exhibit 3	Section 7.B	Item 6
q.	Owner's participation/ management/staffing	Sections 2.2.B, 5.5.A-B, 8.3, and 8.6	Article 1	Item 15
r.	Records and reports	Section 10.1	Article 10	Item 11
s.	Inspections and audits	Sections 8.2 and 10.2	Not Applicable	Items 11
t.	Transfer	Section 13.1.B(3), Article 14, and Article 15.1.A(6)	Article 9	Items 6 and 17
u.	Renewal	Section 3.2	Not Applicable	Item 17
v.	Post-termination obligations	Article 13 and Section 15.3	Section 8.C	Item 17
w.	Non-competition covenants	Article 13, Sections 15.1.A(12) and 15.3.G	Article 6	Item 17
x.	Dispute resolution	Article 16	Article 12	Item 17
y.	Guaranty	Section 2.2.B and Exhibit 4	Exhibit B	Item 1, Exhibit D

ITEM 10
FINANCING

We and our affiliates do not offer any direct or indirect financing. We and our affiliates do not guarantee your notes, leases, or other obligations.

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

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

A. Pre-Opening Assistance

Franchise Agreement

Before you open your Clinic:

1. If the Authorized Location for your Clinic has not been identified at the time the Franchise Agreement is signed, we will work with you to designate a geographical area within which you must secure an Authorized Location for your Clinic ("Designated Market Area"), (Franchise Agreement, Section 1.2).

2. We will license you the use of the then-current Marks we designate for use in connection with Clinics (Franchise Agreement, Sections 4.1 and 4.2).

3. We will provide initial training to your Required Trainees. We will typically provide the initial training thirty (30) days prior to your Clinic opening, but that timing will be subject to the availability and schedules of our training personnel. We will provide the initial training at our corporate headquarters or at other training facility we designate. (Franchise Agreement, Section 5.5).

4. We will provide you with specifications for the layout and design of the Clinic (Franchise Agreement, Section 6.1 and 6.3). We will provide you with a list of equipment, standard fixtures, furnishings, supplies, and signs to be used in the Clinic, as well as a list of Approved Suppliers (Franchise Agreement, Section 6.5). Other than providing you with you the layouts and design for the Clinics and providing you with a list of our Approved Supplier, we will not assist you with constructing, remodeling, or decorating the Clinic. We neither assist our franchisees in ensuring that their Clinics comply with the local ordinances and building codes nor obtain any required permits for them (Franchise Agreement, Section 7.4).

5. We will consult and advise you on the advertising, marketing and promotion for the grand opening of the Clinic and other pre-sales activity you conduct in coordination with the Opening Support Program provided by our then-current Approved Supplier. (Franchise Agreement, Section 6.8).

6. We will provide you with our then-current form of Management Servies Agreement, as attached as Exhibit K to this Disclosure Document, for you to tailor and execute with your Medical Director. (Franchise Agreement, Section 8.3.A).

Development Agreement

If you enter into a Development Agreement, we will designate your Development Area and subsequently review the premises you propose for each Clinic location within the Development Area. (Development Agreement, Section 2.A and Exhibit A).

B. <u>Site Selection Assistance and Time to Open</u>

Site Selection Assistance: Franchise Agreement

You must assume all costs, liabilities, expenses and responsibility in connection with: (i) locating, obtaining and developing a premises for your Clinic; and (ii) constructing, equipping, remodeling and/or building out the premises for use as a Clinic, all in accordance with our System Standards. If the Authorized Location for your Clinic has not been identified at the time the Franchise Agreement is signed, we will assign you a Designated Market Area. (Franchise Agreement, Section 1.2).

We may provide you with: (i) our current written site selection guidelines, to the extent such guidelines are in place, and any other site selection counseling and assistance we determine is appropriate; and (ii) the contact information of any local real estate broker that we have an existing relationship with and that is familiar with our confidential site selection/evaluation criteria, if we know any such brokers in or around the Designated Market Area you are assigned. (Franchise Agreement, Section 1.2). We do not generally own the premises that System franchisees use for their Clinic.

You must evaluate the demographics of the market area for the proposed location of your Clinic. Ideally, the Authorized Location of your Clinic will be a major, national tenant, anchored commercial retail center that meets our then-current requirements for population density, demographics, available parking, traffic flow and entrance/exit from the site. (Franchise Agreement, Section 1.2).

If you locate a site, we will accept or reject the site after we receive any and all reasonably requested information regarding your proposed site from you. (Franchise Agreement, Section 1.2). While we are not required under the Franchise Agreement to notify you as to whether the site has been accepted or rejected within a certain timeframe, we typically will notify you of our decision within 30 days after you have submitted all requested

information to us regarding the site. We use a software program to evaluate the demographics of a market area for site selection acceptance. If we cannot agree on a site, we may extend the time for you to obtain a site, or we may terminate the Franchise Agreement.

We also have the right and opportunity to review any lease or purchase agreement for a proposed location before you enter into such an agreement. We may condition our acceptance of a given premises as an Authorized Location for your Clinic on a number of conditions, including: (i) the lease for such location including the terms outlined in Section 7.2 of the Franchise Agreement and Exhibit 4, to the Franchise Agreement in the lease for the location; and (ii) receiving a written representation from the landlord of the proposed premises that you will have the right to operate the Clinic, including offering and selling the Approved Products and Approved Services, throughout the term of your Franchise Agreement. (Franchise Agreement, Sections 2.2.C and 7.2, and Exhibit 4).

You must secure an Authorized Location that we approve within 90 days of executing your Franchise Agreement for that Clinic or we may terminate that Franchise Agreement. (Franchise Agreement, Section 1.2).

Site Selection Assistance: Development Agreement

You are responsible for locating and presenting to us proposed sites for Clinics in the Development Area. We will use reasonable efforts to review and evaluate the proposed sites within 30 days after we receive all requested information and materials to evaluate the site. We will accept the proposed site for any Clinic if it meets our then-current standards. If we accept a proposed site, you (or your affiliate) must timely sign a separate Franchise Agreement for the site. (Development Agreement, Section 2.D).

Time to Open: Franchise Agreement

We will authorize the opening of your Clinic when (i) all of your pre-opening obligations have been fulfilled, (ii) pre-opening training has been completed, (iii) all amounts due to us have been paid, (iv) copies of all insurance policies (and payment of premiums) and all other required documents have been received by us, and (v) all permits have been approved. (Franchise Agreement, Sections 5.4, 5.5, 6.2 and 10.4). Before you commence the operations of your Clinic, it must meet the standards and specifications of the Professional Entity and the Medical Director.

We estimate the typical length of time between the signing of the Franchise Agreement and the time you open your Clinic will be approximately nine (9) months. Your total timeframe may be shorter or longer depending on the time necessary to obtain an acceptable premises, to obtain financing, to obtain the permits and licenses for the construction and operation of the Clinic, to complete construction or remodeling as it may be affected by weather conditions, shortages, delivery schedules and other similar factors, to complete the interior and exterior of the Clinic, including decorating, purchasing and installing fixtures, equipment and signs, and to complete preparation for operating the Clinic, including purchasing any inventory or supplies needed prior to opening.

You are required to open your Clinic within nine (9) months of executing your Franchise Agreement, but we may agree in writing to provide you with an additional three (3) months to open your Clinic if you (a) have already secured an approved premises for your Clinic, and (b) are otherwise making diligent and continuous efforts to buildout and otherwise prepare your Clinic for opening throughout the nine (9)-month period following the execution of your Franchise Agreement. If you do not open your Clinic within the time period set forth in the Franchise Agreement, we will have the option to terminate your Franchise Agreement. (Franchise Agreement, Section 2.2.D).

Time to Open: Development Agreement (if applicable)

If you have entered into a Development Agreement to open and operate multiple Clinics, your Development Agreement will include a Development Schedule containing a deadline by which you must have each of your Clinics open and operating. (Development Agreement, Exhibit A).

B. Our Obligations During the Operation of the Clinic

Franchise Agreement

During the operation of your Clinic:

1. We will specify or approve certain equipment and suppliers to be used in your Clinic (Franchise Agreement, Sections 6.5 and 7.1).

2. We will provide additional training to you and any of your employees at your request. You are responsible for any and all costs associate with such additional training (Franchise Agreement, Section 6.2)

3. We will provide such continuing advisory assistance and information to franchisee in the development and operation of the Clinic as we deem fit (Franchise Agreement, Section 6.4).

4. We (or our affiliates) will maintain and administer the Fund (Franchise Agreement, Section 9.1).

We may also decide to require fixed maximum and minimum prices for any products or services that you offer in connection with your Clinic (Franchise Agreement, Section 6.6).

C. Advertising and Marketing

Advertising Generally

You are responsible for local marketing activities to attract clients to your Clinic. We require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet or otherwise. You must first obtain our advanced written approval before any form of co-branding, or advertising with other brands, products or services. (Franchise Agreement, Section 9.2)

You must strictly follow the social media guidelines, code of conduct, and etiquette prescribed by us regarding social media activities. Any use of social media by you pertaining to the Clinic must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. You will promptly modify or remove any online communication pertaining to the Clinic that does not comply with the Franchise Agreement or the Manual (Franchise Agreement, Section 9.3)

You must also obtain your Medical Director's written approval of all information regarding Medical Services that is included in the advertising and marketing materials of your Clinic. All advertising and marketing materials that you intend to use in connection with your Clinic must comply with all applicable laws and clearly state that all Medical Services are provided and/or supervised, as required under applicable laws, by licensed healthcare professionals.

Brand Development Fund

Once we establish the Fund, all franchisees of the Clinics will be required to make Fund Contribution in an amount equal to 2% of their Clinic's Gross Sales. Fund Contributions will be payable from the earlier of (a) the date your Clinic opens, or (b) the date the Clinic receives a payment from a client in connection with Approved Services to be provided at any point. We may increase the Fund Contribution upon 60 days' written notice to you. (Franchise Agreement, Sections 5.6 and 9.1).

The Fund will be administered by us (or our affiliates). The Fund Contributions may be used for traditional advertising activities, such as website development, social media, public relations, advertising campaigns

(television, radio, print or other media), or other promotions which will further develop and/or raise the awareness/visibility of our brand, System and Clinic locations. (Franchise Agreement, Sections 6.8 and 9.1).

We are not obligated to ensure that Fund activities or dollars are spent equally, on a pro rata basis, either on your Clinic or on all Clinics in an area. A brief statement regarding the availability of System franchises may be included in advertising and other items produced using the Fund, but we do not otherwise expect to use the Fund primarily for any Franchise sales or solicitations as of the date of this Disclosure Document.

We (and our affiliates) will have the right to make disbursements from the Fund, as we determine appropriate to cover the costs and expenses associated with the marketing, advertising and promotion of the brand, Marks, System, Clinic locations and/or the Approved Products and Approved Services, including: the cost of formulating, developing and implementing advertising and promotional campaigns; the reasonable costs of administering the Fund, including accounting expenses and the actual costs of salaries and fringe benefits paid to our employees engaged in administration of the Fund; and/or creation, development and/or placement of any creative and/or implementation of any campaigns associated with the same. The Fund is not a trust or escrow account, and we have no fiduciary obligations regarding the Fund. We are not required to audit the Fund, but we may retain independent certified public accountants to prepare an annual audit of the Fund, at the expense of the Fund, and send a copy of the audit to franchisees upon written request. Our company-owned or affiliate-owned Clinics, if and when operating, are not required to contribute to the Fund at the same rate as franchisees. As of the date of this Disclosure Document, all franchisees will contribute to the Fund at the same rate as you. Should the Fund Contribution for the System decrease at any time, we have the right to reduce our contribution from company-owned or affiliate-owned Clinics to the rate specified for franchised locations.

We are not required to spend all Fund Contributions in the fiscal year they are received. You agree to participate in all Fund programs. The Fund may furnish you with marketing, advertising and promotional materials; however, we may require that you pay the cost of producing, shipping and handling for such materials.

We did not have a Fund prior to the issuance date of this Disclosure Document, so no Fund Contributions were received or money spent during 2023.

Other than administering the Fund, we have no obligation to advertise the Clinics. However, if we choose to advertise the Clinics, we may (i) use any form of media with local, regional or national coverage, and (ii) create such marketing materials in-house or outsource this task to an outside advertising agency. We have no obligation to spend any specific or minimal amounts on advertising the Clinics in the area or territory where your Clinic is or will be located.

Local Advertising Requirement; Co-Ops

As part of your material obligations under your Franchise Agreement, you must spend at least $1,500 per month on marketing and advertising materials that we approve in connection with the promotion of your Clinic within your Designated Territory (your "Local Advertising Requirement"). Upon our request, you must provide us with an accounting of your monthly expenditures associated with your Local Advertising Requirement, along with invoices and other relevant documentation to support those expenditures. Please be advised that the Local Advertising Requirement is only the minimum amount you must spend each month, and we encourage you to spend additional amounts on the local promotion of your Clinic. We are not required to spend any amount on advertising within your Designated Territory.

We have not yet established a local or regional Co-Op. We may, in the future, decide to form one or more associations and/or sub-associations of Clinics to conduct various marketing-related activities on a cooperative basis. If one or more Co-Ops (local, regional and/or national) are formed covering your Authorized Location, then you must join and actively participate. You may be required to contribute such amounts as are determined by such Co-Ops. (Franchise Agreement, Section 9.4).

Franchisee Advisory Council

As of the date of this Disclosure Document, there is no franchisee advisory council; however, we may form one in the future.

Initial Marketing Spend; Opening Support Program

In addition to the Local Advertising Requirement, you will be required to spend a minimum of $15,000 in connection with pre-opening sales activities and other initial launch promotional activities designed to increase visibility of your Clinic within your Designated Territory. You may be required to spend all or some portion of these funds on products/services received from an Approved Supplier we designate or approve, and all materials used in connection with your grand opening campaign must be approved by us if not previously designated for use. We expect that you will typically be required to spend these amounts in the 30-60 days prior to opening and in the 30-day period following the opening of your Clinic. (Franchise Agreement, Section 9.2).

Your Opening Support Program must commence once your real estate lease is signed. The Opening Support Program is provided by our third-party Approved Supplier and is currently overseen by our internal marketing and sales departments. Participation in the Opening Support Program is mandatory, and we may require you to spend certain amounts on services or content that is supplied by one (1) or more of our Approved Supplier(s). The Initial Grand Opening Marketing and Advertising Spend will not count towards your Local Advertising Requirement.

D. Training

Initial Training Programs (for Owner/Operator or, if appropriate, Designated Manager)

Currently, we provide information about our System Standards through various Standard Operating Procedure memos ("SOPs"). We do not currently have a formal operations manual, but we are in the process of leveraging our SOPs to create one, and we will make the operations manual available to you once it is available.

After the signing of the Franchise Agreement and before the opening of your Clinic, you must ensure that your Required Trainees complete our Staff Training Program to our satisfaction, which will typically last four (4) business days at our corporate headquarters or another training facility we designate (in California unless you and we agree otherwise). Training classes are not held on a regular schedule. We will schedule the program based on your and our availability and the projected opening date for your Clinic.

We assess a Staff Training Fee (currently, $5,000) for your first group of Required Trainees before they attend the Staff Training Program. All replacement Require Trainees must also attend the Staff Training Program before providing services at the Clinic. If we provide any additional training upon your request or if we provide any on-site training at your Clinic, then you must pay us a training fee of $5,000 per group of Required Trainees. We may also require that your management personnel attend and complete up to five (5) days of additional/refresher training each year, but we will not charge you a training fee in connection with such required training. You will be responsible for the costs and expenses associated with individuals attending our initial training program on your behalf. (Franchise Agreement, Section 5.5). The training program uses the SOP and other written materials as training materials.

Our primary initial training programs as of the date of this Disclosure Document of this Disclosure Document are described below:

TRAINING PROGRAMS

Subject	Hours of Classroom Training	Hours of On-the-Job Training	Location
Intro to Lindora (includes our Mission, Vision, and Values, Paycom Training for Payroll, and Tech Stack)	8	0	Our headquarters (Irvine, CA) or nearby training facility
Lindora Program / Suite of Services	8	0	Our headquarters (Irvine, CA) or nearby training facility
Medical Training (if medical position)* OR Start On-the-Job Training for non-medical staff	8 (for medical positions)*	8 (for non-medical positions)	Our headquarters (Irvine, CA) or nearby training facility
On-the-Job Training for All Employees	0	8	Training facility in (Irvine, CA)
TOTAL	**24 hours**	**16 hours**	

* Such training will be facilitated at our headquarters or nearby training facility, but your Medical Director will be responsible for providing such training.

The following personnel of Predecessor will oversee the initial training program described above: Dollie Tenorio and Jessica Wentworth. Ms. Tenorio has 25 years of experience with us or our affiliates and the Lindora brand, and she has over 25 years of experience in the subjects taught. Ms. Wentworth has 19 years of experience with us or our affiliates and the Lindora brand, and she has over 10 years of experience in the subject taught.

Any training that is provided by us or our affiliates in connection with the development and operation of the Clinics (i) relates solely to the performance of activities that are not regulated by laws governing provision of Medical Services; (ii) does not constitute the practice of medicine or the performance of Medical Services, and (iii) does not amount to us or our affiliates exerting control over the delivery or supervision of Medical Services.

On-Site Grand Opening Assistance (Discretionary)

Around the time you first open your Clinic, we may send one (1) or more representatives to your Clinic to (a) provide assistance and recommendations regarding your opening and initial operations, and/or (b) provide additional or refresher training associated with any required initial training described above in this Item 11, as we deem appropriate in our discretion. If we determine to provide such on-site assistance, it will typically last between 1-2 business days, and we may require that you cover the costs our representatives incur in connection with such assistance.

E. Computer System - Hardware and Software

You must acquire a Computer System for use in the operation of the Clinic. You must record all of your receipts, expenses, invoices, client lists, employee schedules, and other business information promptly in the Computer System we specify or otherwise approve. Currently, we have a designated business management software that must be used in connection with your Clinic operations, which is an online/web-based program designed for use in connection with appointment scheduling, processing client credit and debit card payments, keeping your business records and generating business reports among other things. At this time, we have approved no other compatible program, but we may do so at our sole discretion. If the approved supplier for the required software changes, you must migrate your operations to the new required software at our direction. The details of these

standards and requirements will be conveyed to you in writing and may be modified in response to changes in marketing conditions, business operating needs, or technology. (Franchise Agreement, Sections 5.4, 5.7 and 10.3).

You must allow our approved supplier to upgrade the proprietary database configuration of the required software for the computer in your Clinic as we determine necessary. Our approved supplier may provide you periodic updates to maintain the software and may charge a fee for preparing the updates and maintaining the software. There are no limitations on the frequency and cost of the updates. The system is designed to enable us to have immediate, independent access to the information monitored by the system, and there is no contractual limitation on our independent access or use of the information we obtain. (Franchise Agreement, Sections 5.4 and 10.3).

You must purchase, lease, and maintain such computer hardware and software, dedicated high speed communications equipment and services, dedicated telephone and power lines, modem(s), speakers, and other computer-related accessories or peripheral equipment as we may specify, for the purpose of, among other functions, recording Clinic sales, scheduling appointments, and other functions that we require. Certain client data stored on your computer system may be protected by privacy laws such as HIPAA. You must provide such assistance as may be required to connect your Computer System with a Computer System used by us. We will have the right, on an occasional or regular basis, to retrieve such data and information from your Computer System as we, in our sole and exclusive discretion, consistent with consumer privacy laws, deem necessary. You must operate your computer system in compliance with certain security standards specified and modified by us and with our System Standards. (Franchise Agreement, Sections 5.4 and 10.3).

To ensure full operational efficiency and optimal communication capability between and among computer systems installed by you, us, and other franchisees, you agree, at your expense, to keep your computer system in good maintenance and repair, and following our determination that it will be economical or otherwise beneficial to the System to promptly install such additions, changes, modifications, substitutions and/or replacement to your computer hardware, software, communications equipment and services, telephone and power lines, and other computer-related facilities, as we direct.

We may require you to update or upgrade any computer hardware or software during the term of the Franchise, and if we choose to do so, there are no limitations on the cost and frequency of this obligation.

The approximate cost of the Computer System including four (4) computers, a laptop, four (4) tablets, hardware and software is approximately $8,250 which we may require you acquire from one (1) or more of our Approved Suppliers. There is no initial fee to obtain the software. The approximate cost of any annual maintenance upgrades or updates or maintenance support contracts varies widely from $0 to $2,000, which does not include our then-current Technology Fee (currently, $700 per month), which includes the monthly software fee that we pay on behalf of franchisees to a third party Approved Supplier of the POS System or the Music Licensing Fee charged by third-party Approved Suppliers (estimated to be $1,050 to $2,050 per year). We and our affiliates have no obligation to provide ongoing maintenance, repairs, upgrades or updates, and any such obligations would be those of the software licensors.

ITEM 12
TERRITORY

Franchise Agreement

Authorized Location and Designated Territory

You will operate your Clinic at the Authorized Location. Once you have identified your Authorized Location and we accept the proposed site, we will designate the Designated Territory around the Authorized Location within which you will have certain protected rights.

You will not be permitted to relocate your Clinic without our prior written approval, which may be withheld in our discretion. You will be assessed a relocation fee of $5,000 at the time you submit the proposed location for your relocated Clinic. Generally, we do not approve requests to relocate your Clinic after a site selection has been made and you have opened for business unless (a) it is due to extreme or unusual events beyond your control, and (b) you are not in default of your Franchise Agreement. If we approve your relocation request, we retain the right to approve your new site location in the same manner and under the same terms that are applied to your first site selection.

Designated Territory

Your Designated Territory will typically contain a maximum of 50,000 people which will be approximately a two-mile radius around your Clinic's Authorized Location, unless your Clinic is located in a major metropolitan downtown area or similarly situated/populated central business district (a "Central Business District"). If your Clinic is located in a Central Business District, your Designated Territory will typically contain up to 50,000 people but may be limited to a geographic area comprised of anywhere from a radius of two blocks to two miles around your Clinic, as we deem appropriate in our discretion. The size of your Designated Territory may vary from the territory granted to other franchisees based on the location and demographics surrounding your Clinic.

The boundaries of your Designated Territory may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map. If we determine, in our discretion, to base your Designated Territory on population, then the sources we use to determine the population within your Designated Territory will be supplied by (a) the territory mapping software we determine to license or otherwise use, or (b) publicly available population information (such as data published by the U.S. Census Bureau or other governmental agencies and commercial sources).

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.

However, as long as you are in compliance with your Franchise Agreement, we will not operate, or grant a license to a third-party to operate, during the term of your Franchise Agreement, a Clinic located within the Designated Territory, subject to our reservation of rights below.

Except as expressly provided in the Franchise Agreement, you have no right to exclude, control or impose conditions on the location, operation or otherwise of present or future Clinics, using any of the other brands or Marks that we now, or in the future, may offer, and we may operate or license Clinics or distribution channels of any type, licensed, franchised or company-owned, regardless of their location or proximity to your Designated Territory and whether or not they provide services similar to those that you offer. You do not have any rights with respect to other and/or related businesses, products and/or services, in which we may be involved, now or in the future.

Rights Within and Outside the Designated Territory

While you and other Clinics will be able to provide the Approved Services to any potential client that visits or otherwise reaches out to your Clinic, you will not be permitted to actively solicit or recruit clients outside your Designated Territory, unless we provide our prior written consent.

You will not be permitted to advertise and promote your Clinic via advertising that is directed at those outside your Designated Territory without our prior written consent, which we will not unreasonably withhold provided (a) the area you wish to advertise in is contiguous to your Designated Territory, and (b) that area has not been granted to any third party in connection with a Clinic (or Development Agreement) of any kind.

We may choose, in our sole discretion, to evaluate your Clinic for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera

monitoring, client comments/surveys, and secret shopper reports). You must meet minimum standards for cleanliness, equipment condition, repair and function, and client service. Your employees, including independent contractors, must meet minimum standards for courteousness and client service.

Minimum Gross Sales Quota(s)

Unless waived by us due to unique market conditions, commencing as of the end of the 18th month following the opening of the Clinic and continuing throughout the remainder of the term of the Franchise Agreement, you must achieve and maintain an average monthly Gross Sales (based on the trailing 12-month period) of at least $50,000 per month (the "Minimum Monthly Gross Sales Quota"). Should you fail, at any time, to satisfy the Minimum Monthly Gross Sales Quota, we may institute a mandatory corrective training program or terminate this Agreement upon written notice to Franchisee.

Development Agreement

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.

If you are awarded the right to acquire multiple Franchises for Clinics under our form of Development Agreement, then we will provide you with a Development Area upon execution of the Development Agreement. The size of your Development Area will substantially vary from other System developers based on: (i) the number of Clinics we grant you the right to open and operate; and (ii) the location and demographics of the general area where we mutually agree you will be opening these Clinics. The boundaries of your Development Area may be described in terms of zip codes, streets, landmarks (both natural and man-made) or county lines, or otherwise delineated on a map attached to the Development Agreement.

You are responsible for locating and presenting to us proposed sites for Clinics in the Development Area. We will use reasonable efforts to review and evaluate the proposed sites within 30 days after we receive all requested information and materials to evaluate the site. We will accept the proposed site for any Clinic if it meets our then-current standards. If we accept a proposed site, you (or your affiliate) must timely sign a separate Franchise Agreement for the site. Each Clinic you timely open and commence operating under our then-current form of franchise agreement will be operated: (i) from a distinct site located within the Development Area; and (ii) within its own Designated Territory that we will define once the site for that Clinic has been approved.

As long as you are in compliance with your Development Agreement, we will not operate, or grant a license to a third-party to operate, during the term of your Development Agreement, a Clinic located within the Development Area, and we will not grant anyone else the right to develop Clinics within the Development Area, subject to our reservation of rights below.

Reserved Rights

We and our parents/affiliates reserve the exclusive right to conduct the following activities under the Franchise Agreement and/or Development Agreement (as appropriate): (i) market, offer and sell products and services that are similar to the products and services offered by the Clinic under a different trademark or trademarks at any location, within or outside the Designated Territory(ies) and, if applicable, the Development Area; (ii) use the Marks and System, as well as other such marks we designate, to distribute any Approved Products and/or Approved Services in any alternative channel of distribution, within or outside the Designated Territory(ies) and Development Area (including the Internet and other e-commerce channels and streaming platforms; wholesale stores, retail stores, catalog sales, etc.) as further described below; (iii) to acquire, merge with, or otherwise affiliate with, and after that own and operate, and franchise or license others to own and operate, any business of any kind, including, without limitation, any business that offers products or services the same as or similar to the Approved Products and Approved Services (but under different marks), within or outside your Designated Territory(ies) and, if applicable, Development Area; and (iv) open and operate, or license third parties the right to open or operate,

Clinics at Non-Traditional Sites (as defined below) both within and outside the Designated Territory and, if applicable, Development Area. In light of these reservations of rights: "Non-Traditional Site" means any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, hotels and resorts, wellness retreat centers, fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations).

Neither the Franchise Agreement nor the Development Agreement grants you any right to engage in any of the activities outlined in the preceding paragraph, or to share in any of the proceeds received by us, our parent/affiliates or any third party from these activities, unless we otherwise agree in writing. Further, we have no obligation to provide you with any compensation for soliciting or accepting orders (via alternate channels of distribution) within your Designated Territory.

Internet Sales / Alternative Channels of Commerce

We may sell products and services to clients located anywhere, even if such products and services are similar to what we sell to you and what you offer at your Clinic. We may use the Internet or alternative channels of commerce to sell products and services branded with the Marks. You may only sell the products and services from your Clinic's Authorized Location, and may only use the Internet or alternative channels of commerce to offer or sell the products and services, as permitted by us. We may require you to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet or otherwise. We retain the right to approve or disapprove of such advertising, in our sole discretion. Any use of social media by you pertaining to the Clinic must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. We may "occupy" any social media websites/pages and be the sole provider of information regarding the Clinic on such websites/pages (e.g., a system-wide Facebook page). At our request, you will promptly modify or remove any online communication pertaining to the Clinic that does not comply with the Franchise Agreement or the Manual. You are not prohibited from obtaining clients over the Internet provided your Internet presence and content comply with the requirements of the Franchise Agreement.

Additional Disclosures

Neither the Franchise Agreement nor the Development Agreement provides you with any right or option to open and operate additional Clinics (other than as specifically provided for in your Development Agreement if you are granted multi-unit development rights). Regardless, each Clinic you are granted the right to open and operate must be governed by its own specific form of Franchise Agreement.

We have not established other franchises or company-owned outlets or another distribution channel offering or selling similar products or services under a different trademark. We and our affiliates have not established, nor do we or our affiliates presently intend to establish, other franchised or company-owned businesses that are similar to the Clinic and that sell our Approved Products and Approved Services under a different trade name or trademark, but we may do so in the future without your consent.

As described in Item 1, our following affiliates offer franchises using trademarks other than the Marks:

- AKT SPV offers and sells franchises for fitness studios that *provide* fitness training classes combining circuit training, strength, toning, dance cardio, and other fitness techniques under the AKT® trademark.

- BFT SPV offers and sells franchises for fitness studios that provide strength and endurance training, high-intensity intermittent training exercises, high-intensity resistance training, hypertrophy-style training, and other techniques under the BFT® trademark.

- CB SPV offers and sells franchises for indoor cycling studios under the CYCLEBAR® trademark.

- CP SPV offers and sells franchises for Pilates studios under the CLUB PILATES® trademark.

- PB SPV offers and sells franchises for fitness studios that provide indoor fitness classes through a combination of Pilates, weights and ballet barre under the PURE BARRE® trademark.

- RH SPV offers and sells franchises for fitness studios that offer rowing and free weight exercise instruction under the ROW HOUSE® trademark.

- RF SPV offers and sells franchises for fitness studios that provide boxing classes and other related exercise classes under the RUMBLE® trademark.

- SL SPV offers and sells franchises for studios that provide stretching classes, related therapy activities, and if approved, a proprietary "flexologist" training programs under the STRETCH LAB® trademark.

- YS SPV offers and sells franchises for studios that provide yoga and other exercise programs under the YOGA SIX® trademark.

There is no mechanism for resolving any conflicts that may arise between franchised or company-owned outlets that operate under any of the Xponential Brands, including any Clinic. Any resolution of conflicts regarding location, customers, support, or services will be entirely within your and our business judgment. While we do not anticipate conflicts between franchisees of different brands, we will analyze any future conflict and take action (if any) that we deem appropriate.

ITEM 13
TRADEMARKS

The Clinics operate under the "Lindora" mark and other trademarks, service marks and commercial symbols and trade names that we may authorize for use from time to time (collectively, the "Marks"). We grant you the right to use the Marks we designate for use in connection with your Clinic as part of the license rights you are granted under each Franchise Agreement you enter into with us, provided you only use the Marks in connection with your Clinic operations and in strict accordance with the terms of your Franchise Agreement and any System Standard or other written directives from us.

The Marks were assigned to us by Predecessor on November 22, 2023. The following principal Marks used to identify Lindora clinics are reflected in the following chart. Each is registered on the Principal Register of the United States Patent and Trademark Office ("USPTO"):

MARK	REGISTRATION NUMBER	REGISTRATION DATE
LINDORA	2,484,443	September 4. 2001
Lean for life by Lindora Clinic	5,358,485	December 19, 2017
LINDORAONLINE	6,000,099	March 3, 2020

We expect and intend to submit all affidavits and other filings necessary to maintain the registrations above. There are no presently effective determinations of the United States Patent and Trademark Office, the trademark administrator of any State, or any court, nor any pending material litigation involving any of the Marks which are relevant to their use in any State. There are no pending interference actions or opposition or cancellation proceedings that significantly limit our rights to use or license the use of the Marks in any manner material to the System. We have filed all required affidavits for the Marks and will continue to do so.

You must follow our rules when you use the Marks. You cannot use our name or any of the Marks as part of a corporate name or with modifying words, designs or symbols except for those which we license to you. You may not use the Marks in connection with the sale of an unauthorized product or service or in a manner not authorized in writing by us. You must not use any other trade names or trademarks in the operation of the Clinic without first obtaining our written consent. You must not establish a website on the Internet using any domain name containing the Marks or any variation thereof without our written consent. We retain the sole right to advertise on the Internet and create a website using the Marks as domain names.

If it becomes advisable, in our sole discretion, for us to modify or discontinue use of any of the Marks, or use one or more additional or substitute Mark, you must comply with our directions to modify or otherwise discontinue the use of such Mark. We will not be obligated to compensate you for any costs you incur in connection with any such modification or discontinuance.

You cannot seek to register, re-register, assert claim to ownership of, license or allow others to use or otherwise appropriate to itself any of the Marks or any mark or name confusingly similar to them, except insofar as such action inures to our benefit and has our prior written approval. Upon the termination or cancellation of the Franchise Agreement, you must discontinue use of the Marks, remove copies, replicas, reproductions or simulations thereof from the premises and take all necessary steps to assign, transfer, or surrender to us all Marks which you may have used in connection with the Franchise Agreement.

You must immediately notify us of any apparent infringement of or challenge to your use of the Marks. Although not obligated to do so, we will take any action deemed appropriate and will control any litigation or proceeding. You must cooperate with any litigation relating to the Marks which we or our affiliates, or the licensor, might undertake. We will indemnify you from third-party claims arising out of your permissible use of the Marks only if you immediately notify us of any third-party challenge to your authorized use of any Mark and we have the right to control your defense in such dispute.

We are not aware of any prior superior rights or infringing uses that would materially affect your use of the Marks. There are no agreements currently in effect, which significantly limit our rights to use or license the use of the Marks.

ITEM 14
PATENTS, COPYRIGHTS, AND PROPRIETARY INFORMATION

You do not receive the right to use any item covered by a patent or copyright, but you can use the proprietary information in the SOPs.

We have no registered copyrights, nor are there any pending patent applications that are material to the franchise. However, we claim copyrights on certain forms, advertisements, promotional materials, software source code and other Confidential Information as defined below.

There currently are no effective determinations of the United States Copyright Office (or any court regarding any of the copyrighted materials. There are no agreements in effect which significantly limit our right to use or license the copyrighted materials. Finally, there are no infringing uses actually known to us that could materially affect your use of the copyrighted materials in any state. No agreement requires us to protect or defend any copyrights or you in connection with any copyrights.

All information relating to the System and to the development and operation of Clinics (including your Clinic), including, without limitation, the SOPs, our training programs, clients and supplier lists, client data, or other information or know-how distinctive to the development or operation of a Clinic (all of the preceding information is the "Confidential Information") is considered to be proprietary and trade secrets of Franchisor. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to us or our affiliates, or any personal or any information of your employees and other personnel We disclose to you Confidential Information needed for the operation of a Clinic, and you may learn additional information during the term of your franchise. We have all rights to the Confidential Information and your only interest in the Confidential Information is the right to use it under your Franchise Agreement.

Both during and after the term of your Franchise Agreement, you must use the Confidential Information only for the operation of your Clinic under a Franchise Agreement; maintain the confidentiality of the Confidential Information; not make or distribute, or permit to be made or distributed, any unauthorized copies of any portion of the Confidential Information; and follow all prescribed procedures and regulations for prevention of unauthorized use or disclosure of the Confidential Information.

We have the right to use and authorize others to use all ideas, techniques, methods and processes relating to the Clinic that you or your employees conceive or develop.

You also agree to fully and promptly disclose all ideas, techniques and other similar information relating to Clinics or the Franchise that are conceived or developed by you and/or your employees. We will have a perpetual right to use, and to authorize others to use, those ideas, etc. without compensation or other obligation.

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

Under the Franchise Agreement, we recommend, but do not require, that you (or, if you are an entity, the Operating Principal) personally supervise the Clinic. You may appoint a Designated Manager we approve to manage daily operations of your Clinic. We will not unreasonably withhold our approval of any Designated Manager you propose, provided the individual has successfully completed the Designated Manager Training. Once approved, your Designated Manager may assist in the direct, day-to-day supervision of the operations of the Clinic, or to be the on-premises supervisor if you choose not to personally supervise the Clinic. If you are a business entity, your Designated Manager need not hold an ownership interest in the business to be the on-premises supervisor. You will keep us advised, in writing, of any Designated Manager involved in the operation of the Clinic and their contact information. Your Clinic must, at all times, be managed by and staffed with at least one (1) individual who has successfully completed the Owner/Operator Module of our Initial Training Program.

You must enter into a Management Services Agreement with the Professional Entity designated or approved by us pursuant to which the Professional Entity will make a Medical Director available to you, and you will, in exchange for a monthly management fee paid to you by the Professional Entity, provide certain non-clinical administrative services to the Professional Entity. Subject to applicable laws, you must designate and/or appropriately contract with either directly or through the Professional Entity (as required by law) at least one Nurse Practitioner to administer certain Medical Services under the supervision of the Medical Director.

You will be the employer of all employees and the principal of all independent contractors of your Clinic, excluding the Medical Director, Nurse Practitioner, Licensed Vocational Nurse or such other similar healthcare professionals as required under the applicable laws to administer the Medical Services under the supervision of the Medical Director. You are solely responsible for all decisions relating to your relationship with your personnel and the activities they perform at your Clinic, including their recruitment, the decision whether to retain them, the terms and conditions of their retention, all aspects of their work assignments, their hours and schedules, safety and security protocols they must follow, any disciplinary actions, their supervision, and any decisions to terminate their

relationship with you or your Clinic. You must ensure that all personnel who work at your Clinic are properly licensed, certified, registered with appropriate authorities, trained, educated, and experienced to perform the tasks assigned to them or in which they are likely to engage in connection with their relationship with you or your Clinic. You must ensure that if applicable law permits certain activities to be performed by unlicensed personnel under the direct supervision and control of a lawfully licensed certified professional, such activities are supervised and controlled.

You and your managers and employees must comply with the confidentiality provisions described in Item 14. If you are a legal entity, having more than one owner, all owners, shareholders, partners, joint venturers, and any other person who directly or indirectly owns a 10% or greater interest in the Clinic (and each such person's spouse) must execute a Guaranty.

ITEM 16
RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must offer for sale and sell, only and all those Approved Products and Approved Services, and deal only with those Approved Suppliers, that we authorize or require. Failure to comply with our purchasing restrictions may result in the termination of your Franchise Agreement. We may supplement, revise and/or modify our Approved Products and/or Approved Services as we deem appropriate, as well as our System Standards associated with the provision of these products/services. These changes will be conveyed to you in writing, and there are no contractual limitations on our right to make these types of changes.

If we discontinue any Approved Product or Approved Service offered by the Clinic, then you must cease offering or selling such product/service within a reasonable time, unless such product/service represents a health or safety hazard (in which case you must immediately comply upon receipt of notice from us). You may not use the location of your Clinic for any other business purpose other than the operation of your Clinic.

You may not advertise, offer for sale or sell, any products and/or services that we have not authorized. We may change the types of authorized products and services at any time in our discretion. You agree to promptly undertake all changes as we periodically require, without limit, except we will not require you to thoroughly modernize or remodel the Clinic any more often than once every 5 years. You will not make any material alterations to your Clinic, or its appearance as originally approved by us without our prior written approval.

You must refrain from any merchandising, advertising, or promotional practice that is unethical or may be injurious to our business and/or other Clinics or to the goodwill associated with the Marks. Subject to the conditions set forth above, we do not impose any restrictions with regards to the clients to whom you may sell goods and services.

We do not authorize or require you to practice medicine, hire licensed health care professionals or provide training to them, provide Medical Services, or exert control over the delivery or supervision of Medical Services. Under the Management Services Agreement, the Professional Entity must make a Medical Director available at the Clinic to provide, supervise, and administer Medical Services, as applicable, and you will provide certain non-clinical administrative services to the Professional Entity. The Professional Entity through the Medical Director will offer, provide, and supervise all Medical Services at your Clinic, and the Medical Director will make all determinations in respect of the Medical Services in accordance with his or her independent medical judgment. Your Nurse Practitioner will administer and supervise the administration of certain Medical Services that registered nurses are permitted under applicable law to administer and supervise. You will: (i) not offer or sell at or from your Clinic or any other location any products or services we have not authorized, including any Medical Services; (ii) not either directly or indirectly supervise, control, or interfere with the provision of Medical Services unless you are qualified and licensed under applicable law to do so. In some instances, subject to applicable laws and other factors such as size of the Clinic and surrounding demographics, certain Lindora Clinics may offer, or provide non-clinical administrative services to the Medical Director to support the provision of certain optional services that we approve from time to time.

We will not require that Speculative Medical Services be provided at your Clinic, but if Speculative Medical Services will be offered at your Clinic, then (i) we may require you to purchase goods and services related to one or more Speculative Medical Services from designated or approved suppliers; and (ii) all advertising for Speculative Medical Services must avoid making representations regarding the results that will be achieved from any such services.

Subject to applicable law, and in accordance with your Opening Support Program and the System Standards, you must begin offering and selling membership subscription for your Clinic upon commencement of the Pre-Sales Phase as designated by us.

ITEM 17
RENEWAL, TERMINATION, TRANSFER AND DISPUTE RESOLUTION
THE FRANCHISE RELATIONSHIP

A. Franchise Agreement

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.

Provision	Section in Franchise Agreement	Summary
a. Length of the franchise term	Section 3.1	10 years from the date the Franchise Agreement is signed, unless sooner terminated.
b. Renewal or extension of term	Section 3.2	You have the option to extend the term for two consecutive 5-year periods.
c. Requirements for renewal or extension	Section 3.2	To qualify for a renewal franchise, you must execute our then-current franchise agreement, which may contain terms and conditions that differ materially from those in the Franchise Agreement; maintain possession of the Authorized Location or secure an alternative location approved by us; remodel your Clinic as necessary to comply with the System Standards; have substantially complied with the Franchise Agreement during its term; be in compliance with all provisions of the Franchise Agreement and any other agreements between you and us; pay the renewal fee ($10,000); give us no less than 90 days', nor more than 180 days', notice of your desire to acquire a renewal term; and sign a general release in substantially the form of Exhibit F to this Disclosure Document (subject to applicable state law).
d. Termination by franchisee	Not Applicable	Not applicable other than by applicable state law.
e. Termination by franchisor without cause	Not Applicable	The Franchise Agreement does not provide for termination without cause.
f. Termination by franchisor with cause	Section 15.1	We may terminate the Franchise Agreement upon delivery of notice to you if you are in default under the terms of the Franchise Agreement, as further outlined below.

Provision	Section in Franchise Agreement	Summary
g. "Cause" defined – curable defaults	Sections 15.1 and 15.2	Under the Franchise Agreement, you have 30 days to cure (subject to state law): failure to obtain a required consent or approval; failure to comply with provisions of the Franchise Agreement other than for which a different cure period is specified or for which we may immediately terminate; failure to maintain required books and records; failure to supervise or manage your Clinic appropriately; failure to pay us, our affiliates, or any third party any amount due or failure to obtain adequate financing; unauthorized closure of designated bank accounts or failure to designate an alternate bank account; failure to maintain insurance; unauthorized provision of products and/or services; marketing or advertising failures; failure to mee the System Standards or the Minimum Monthly Gross Sales Quota; failure to engage Pre-Sales Phase activities; and use of unauthorized suppliers. A default under other franchise agreements or any other agreements (including a Development Agreement) in effect between us (or any of our affiliates) and you (or any of your affiliates), will constitute a default under the Franchise Agreement. Subject to applicable state law, you have 10 days to cure the following defaults: failure to pay any amount due in connection with the operation of the Clinic; unapproved closure of bank accounts from which we debit amounts payable to us; and failure to maintain insurance.

Provision	Section in Franchise Agreement	Summary
h. "Cause" defined – non-curable defaults	Sections 15.1 and 15.2	The following events constitute non-curable defaults: material misrepresentations or omissions; your insolvency or bankruptcy; conviction or plea of no contest to a felony or other crime or offense that can adversely affect the reputation of you, us or the Clinic; unauthorized transfers; falsification of reports; unauthorized disclosure of our Confidential Information or misuse of Marks; abandonment of the business for 2 consecutive days unless otherwise approved; failure on 3 occasions within any 12 consecutive month period to pay amounts due or otherwise to comply with the Franchise Agreement; default of same provision 2 times within 6 months, regardless of cure; failure on 2 or more occasions in any 24 consecutive month period to offer only approved goods and services; violate any health, safety or sanitation law or conduct your operation in a manner creating a safety hazard; failure to open the Clinic for business within nine (9) months of signing the Franchise Agreement, unless otherwise agreed in writing; default under the lease or loss of right to possess the location for the Clinic; violation of the non-compete covenants; sale of unauthorized goods or services on more than 2 occasions in any 24 month period, regardless of cure; failure to enter into a Management Services Agreement with a Professional Entity and designate a Medical Director that is acceptable to us; default of same provision 2 times within 6 months, regardless of cure; failure on 3 occasions within any 12 consecutive month period to comply with the Franchise Agreement, regardless of cure; and failure to cure any default under other agreements (including a Development Agreement or other Franchise Agreements) in effect between us (or any of our affiliates) and you (or any of your affiliates).
i. Franchisee's obligation on termination/non-renewal	Article 13 and Section 15.3	Your obligations include: stop operations of the Clinic; stop using the Marks, the Confidential Information, the System, the trade dress of the Clinics, or any other intellectual property owned or licensed to you by us or our affiliates; de-identify the Clinic premises; cancel any assumed name registration that uses the Marks; stop advertising as a Lindora Franchise; pay all outstanding sums to us and our affiliates and third-parties; pay damages and costs we incur in enforcing the termination provisions of the Franchise Agreement; return the materials containing our SOP and other Confidential Information to us; return all signs to us; sell to us, at our option, all assets of the Clinic, including inventory, equipment, supplies and items bearing the Marks, and assign us your lease; and comply with non-competition and non-interference covenants.
j. Assignment of contract by franchisor	Section 14.6	No restriction on our right to assign.
k. "Transfer" by franchisee definition	Section 14.1	Voluntary, involuntary, direct or indirect assignment sale, gift, encumbrance, pledge, delegation or other disposition of Franchise Agreement, ownership interests, your Clinic, or your assets.

Provision	Section in Franchise Agreement	Summary
l. Franchisor approval of transfer by franchisee	Sections 14.1 and 14.2	Our prior written consent is required.
m. Conditions for franchisor approval of transfer	Section 14.2	We may impose the following conditions: transferee meet our then-current requirements; you or the transferee must pay our transfer fee of $10,000, except in the case of a transfer from an individual to a wholly owned entity ($500) or a transfer to an immediate family member ($1,500); you and your owners must sign our then-current form of general release; transferee must, at our election, sign our then-current form of Franchise Agreement or assume all obligations under the then-existing Franchise Agreement; the Clinic must be upgraded, repaired or refurbished to our satisfaction; transferee must complete initial training and pay any applicable fee(s); you must be current on all payment obligations to us, our affiliates, and other third-party suppliers of the Clinics; and you must be in compliance with all agreements, the System Standards, all contracts with any party.
n. Franchisor's right of first refusal to acquire franchisee's business	Section 14.5	We have a right of refusal for any bona fide offer to acquire an interest in you, your Franchise Agreement, and/or your Clinic.
o. Franchisor's option to purchase franchisee's business	Sections 14.5 and 15.3	Subject to applicable state laws, on termination, we may purchase any or all of the assets of your Franchise at the lesser of (i) your costs for such assets less the cost of depreciation, or (ii) fair market value.
p. Death or disability of franchisee	Section 14.3	All interests must be transferred within six (6) months or such longer period we designate. We have the option to immediately appoint a manager and commence operating your Clinic on behalf of you, in which case you will pay our reasonable costs and expenses.
q. Non-competition covenants during the term of the franchise	Article 13	Neither you nor your principals, owners, guarantors, or any of immediate family of the foregoing (collectively, "Restricted Parties") must directly or indirectly involved in: (i) any Competing Business; or (ii) any business that offers or grants franchises/licenses, or establishes joint ventures, for the operation of a Competing Business. You must not divert, or attempt to divert, any client or prospective client to a Competing Business in any manner. You will not solicit clients of any other clinic to your clinic. These restrictions are subject to state law. "Competing Business" means any business that (i) offers products or services of a similar nature to those of the Lindora Clinics, or (ii) offers or sells franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses.

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Article 13 and Section 15.3	*Prohibition on Franchising Activities* - Same requirements as are in place during the term of the Franchise Agreement, but instead of being global prohibitions, the restrictions remain in place for 2 years following the expiration/termination of your Franchise Agreement. *Prohibition on Competing Business.* Same requirements as are in place during the term of the Franchise Agreement, but instead of being global prohibitions, the restrictions remain in place for 2 years following the expiration/termination of your Franchise Agreement, and apply: (i) at the Authorized Location; and (ii) within a 10 mile radius of (a) the Authorized Location, or (b) any other Clinic. These restrictions are subject to state law. Additionally, for a period of 2 years after termination of the Franchise Agreement, you must not (i) solicit business from clients of your former Clinic, or (ii) contact any of our suppliers or vendors for any competitive business purpose.
s. Modification of the Franchise Agreement	Article 19	The Franchise Agreement can be modified only by written agreement between us and you. We may modify the SOP and the System Standards.
t. Integration/merger clause	Article 19	Only the terms of the Franchise Agreement, including its attachments and the System Standards, are binding. Any representations or promises outside of this Disclosure Document and the Franchise Agreement may not be enforceable (subject to state law). Notwithstanding the foregoing, nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Disclosure Document.

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Article 16	You must first submit all disputes and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally. Upon failure of informal dispute resolution and except for our right to seek injunctive relief in any court of competent jurisdiction, the dispute must be submitted for mediation to JAMS, which will take place at our, or applicable, our successor's or assign's, then-current principal place of business (currently, Irvine, California). If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation. Except for our right to seek injunctive relief in any court of competent jurisdiction, we and you must arbitrate all disputes at a location within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, in Irvine, California) (subject to state law) in accordance with JAMS' then-current Comprehensive Arbitration Rules & Procedures.
v. Choice of forum	Section 16.6	Subject to the arbitration requirement, litigation must be brought in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Irvine, California) (subject to state law). However, we may seek injunctive relief in any court of competent jurisdiction.
w. Choice of law	Section 16.1	Except for the U.S. Trademark Act, the Federal Arbitration Act other federal laws, and disputes involving non-competition covenants (which are governed by the law of the state in which your Clinic is located), California law applies (subject to state law).

B. <u>Development Agreement</u>

This table lists certain important provisions of the Development Agreement and related agreements. You should read these provisions in the agreements attached to this Disclosure Document.

Provision	Section in Development Agreement	Summary
a. Length of the term of the Development Agreement	Section 2.A, Exhibit A	The Development Schedule will dictate the amount of time you have to open a specific number of franchises, which will differ for each Developer.
b. Renewal or extension of the term	Not Applicable	Not Applicable

Provision	Section in Development Agreement	Summary
c. Requirements for developer to renew or extend	Not Applicable	Not Applicable
d. Termination by developer	Not Applicable	Not applicable other than by applicable state law.
e. Termination by franchisor without cause	Not Applicable	Not Applicable
f. Termination by franchisor with cause	Article 8	We may terminate your Development Agreement with cause as described below.
g. "**Cause**" defined – curable defaults	Sections 8.A and 8.B	We may terminate your Development Agreement after providing notice and a 30-day cure period if you fail to comply with any provision of the Development Agreement (except as provided in (h) below), or a 10-day cure period if you fail to make any required payment to us or our affiliates. A default under franchise agreements or any other agreements in effect between us or any of our affiliates and you or any of your affiliates, will constitute a default under the Development Agreement.
h. "**Cause**" defined – non-curable defaults	Section 8.A	We may terminate your Development Agreement automatically upon written notice if: you materially misrepresent or omit any information in connection with your application for your development rights; you become insolvent or make a general assignment for the benefit of creditors; file a bankruptcy petition or are adjudicated bankrupt; a bill in equity or appointment of receivership is filed in connection with you; a receiver or custodian of your assets of property is appointed; a proceeding for a composition of creditors is initiated against you; a final judgment is entered against you and not satisfied within 30 days; if you are dissolved, execution is levied against you; a suit to foreclose any lien or mortgage against any of your Clinics is levied; the real or personal property of the Clinic is sold after being levied upon; you fail to satisfy your Development Schedule; you or any of your principal officers, directors, partners, managing members or owners is convicted of a crime; you falsify any reports or information provided to us; you fail to comply with the non-competition covenants; you fail to comply with the same provision within a 6-month period or you fail to comply with the Development Agreement on 3 separate occasions in any 12-consecutive month period.
i. Developer's obligations on termination/ non-renewal	Section 8.C	Upon termination, all rights provided to you under the Development Agreement shall immediately cease and you must comply with all post-termination non-competitive restrictions.

Provision	Section in Development Agreement	Summary
j. Assignment of contract by franchisor	Section 9.A	No restriction on our right to assign.
k. "Transfer" by developer - defined	Section 9.B	Voluntary, involuntary, direct or indirect assignment sale, gift, encumbrance, pledge, delegation or other disposition of Development Agreement, ownership interests, your development rights, or your assets.
l. Franchisor approval of transfer by developer	Section 9.C	Our prior written consent is required.
m. Conditions for franchisor approval of transfer	Section 9.C	Our conditions for approving a transfer include: you must not be in default of the Development Schedule; the prospective transferee must meet our then-current standards for franchisees; you must pay us a transfer fee of $10,000 for each then-unopened Clinic and any applicable broker fees due in connection with the transaction; you must sign a general release; you and the transferee must sign our form of consent to transfer pursuant to which, among other things and at our option, either (i) transferee agrees to execute our then-current form of area development agreement, or (ii) the Development Agreement is assigned to and assumed by the proposed transferee; no past due amounts owed to us; no outstanding default of the Development Agreement (or any other agreement with us); and the transfer must not be made separate and apart from the transfer to the same transferee of all Franchise Agreements that were signed pursuant to the Development Agreement.
n. Franchisor's right of first refusal to acquire developer's business	Section 9.D	We will have a right of refusal for any bona fide offer to purchase any interest in you, the Development Agreement, and/or your development rights.
o. Franchisor's option to purchase developer's business	Not Applicable	Not Applicable
p. Death or disability of developer	Not Applicable	Not Applicable
q. Non-competition covenants during the term of the franchise	Article 6	You will have the same noncompetition restrictions as provided under the Franchise Agreement(s) you sign pursuant to the Development Agreement. These restrictions are subject to state law.

Provision	Section in Development Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 8.C, Article 6	For two years after the expiration/termination, you and the Restricted Parties may not own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, provide services to, or have any interest in or involvement with, any other Competing Business: (a) within the Development Area; (b) within 10 miles outside the boundaries of the Development Area, or (c) within a 10-mile radius of any Clinic that is open, under lease or otherwise under development as of the date Development Agreement expires or is terminated or, as to a transferring owner, the date of such transfer. These restrictions are subject to the applicable state law.
s. Modification of the Development Agreement	Article 14	Your Development Agreement may not be modified, except by a writing signed by both parties.
t. Integration/merger clause	Article 14	Only the terms of the Development Agreement are binding (subject to applicable state law) and may only be modified to the extent required by an appropriate court to make the Development Agreement enforceable. Any representations or promises outside of the Disclosure Document and other agreements may not be enforceable. Notwithstanding the foregoing, nothing in any franchise agreement is intended to disclaim the representations made in the Disclosure Document.
u. Dispute resolution by arbitration or mediation	Article 12	You must first submit all disputes and controversies arising under the Development Agreement to our management and make every effort to resolve the dispute internally. Upon failure of informal dispute resolution and except for our right to seek injunctive relief in any court of competent jurisdiction, the dispute must be submitted for mediation to JAMS, which will take place at our or applicable, our successor's or assign's then-current principal place of business (currently, Irvine, California). If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation. Except for our right to seek injunctive relief in any court of competent jurisdiction and as otherwise described above, we and you must arbitrate all disputes at a location within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, in Irvine, California) (subject to state law) in accordance with JAMS' then current Comprehensive Arbitration Rules & Procedures.
v. Choice of forum	Section 12.F	Subject to the arbitration requirement, litigation must be brought in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Irvine, California) (subject to state law). However, we may seek injunctive relief in any court of competent jurisdiction.

Provision	Section in Development Agreement	Summary
w. Choice of law	Section 12.A	Subject to the applicable state law, except for the U.S. Trademark Act, the Federal Arbitration Act other federal laws, and disputes involving non-competition covenants (which are governed by the law of the state in which your Clinic is located), California law applies (subject to state law).

Applicable state law may require additional disclosures related to the information in this Disclosure Document. These additional disclosures appear in Exhibit G, entitled State Specific Addenda, to this Disclosure Document.

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure or personality to promote the franchise being offered in this Disclosure Document

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.

Definitions Used Throughout Item 19

- "Gross Revenue" means the total revenue generated from sale of products and services to the clients of the Clinic. Gross Revenue excludes sales tax that the Clinic owner must pay directly to the appropriate taxing authority. Please note, Gross Revenue is defined differently than how "Gross Sales" is defined in the Franchise Agreement, and as such, the amount of Royalty fees you pay under the Franchise Agreement may be different than if applied to Gross Revenue data provided below.

- "Measurement Period" means the period beginning on April 1, 2023 and ending on March 31, 2024. Each month in the Measurement Period is an entire calendar month.

- "Non-Traditional Site" means any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, hotels and resorts, wellness retreat centers, fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations

- A "Qualified Clinic" means a Clinic that was owned and operated by a franchisee for the entire Measurement Period. Qualified Clinics do not include the eight (8) Lindora Clinics that operated within medical offices or one (1) Lindora Clinic that operates at a Non-Traditional Stite.

General Notes

- The data presented in the charts below is data we obtained by polling the information directly from the franchisees' Clinic management software systems and/or from profit and loss reports provided to us by franchisees. In all cases, the data used was the franchisees' data. Neither we nor our affiliates have undertaken an independent investigation to verify the data that we polled from the franchisees' Clinic management software systems or that was provided to us by franchisees. We do not anticipate the data polled from or provided by current franchisees in this Item 19 will materially differ from that of a new franchisee. This Item 19 contains certain historical data related to the operation of certain Clinics.

- In each instance in which we show an average in this Item 19, we also show the range of the data points and the median data point. The range is the space between the lowest and highest points in the data set. The median is the middle data point; that is, the data point in the center of all data points. Where the number of data points is an even number, there is no middle data point, so the median is the average of the two middle data points.

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Part A: Gross Revenue of Qualified Clinics

The chart below provides the data relevant to Qualified Clinics for the Measurement Period:

	Apr-23	May-23	Jun-23	Jul-23	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
Total Number of Open and Operating Franchised Clinics[1]	30	30	30	30	30	30	30	30	30	30	30	30
Number of Qualified Clinics	22	22	22	22	22	22	22	22	22	22	22	22
Average Gross Revenue of Qualified Clinics	$77,390	$84,286	$89,223	$87,267	$93,056	$84,722	$84,622	$87,168	$82,040	$89,961	$92,702	$95,148
Number of Qualified Clinics that Met or Exceeded the Average of Qualified Clinics	8 / 36.4%	9 / 40.9%	9 / 40.9%	9 / 40.9%	9 / 40.9%	9 / 40.9%	9 / 40.9%	9 / 40.9%	9 / 40.9%	10 / 45.5%	10 / 45.5%	10 / 45.5%
Median Gross Revenue of Qualified Clinics	$71,529	$77,362	$84,444	$81,567	$85,743	$77,867	$77,777	$82,470	$75,190	$84,382	$88,366	$94,720
Range of Gross Revenue of Qualified Clinics	$35,470 to $123,485	$37,499 to $136,139	$38,699 to $146,277	$42,945 to $139,051	$44,921 to $148,876	$28,799 to $137,908	$40,041 to $143,569	$38,975 to $148,384	$36,570 to $131,744	$38,168 to $148,933	$42,354 to $148,322	$49,900 to $154,027

1. Does not include Clinics that operated at Non-Traditional Clinics.

Data Set and Methodology (Part A)

The chart above reflects the average, median, and range of Gross Revenue of Qualified Clinics during each calendar month in the Measurement Period. We calculated the average Gross Revenue for each calendar month by adding the total amount of monthly Gross Revenue generated by the Qualified Clinics, then dividing that number by the number of Qualified Clinics for that calendar month.

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Part B: Membership Types and Membership Mix

Additional Definitions Used Throughout Parts B-1 through B-3

- "Active Clients" means Clinic clients who were party to an effective Clinic membership agreement with a Qualified Clinic during the Measurement Period.

- "Membership Revenue" means Gross Revenue attributed to Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide membership plans.

- "GLP-1 Semaglutide" means weight loss treatment memberships that comprise of GLP-1 Semaglutide offered at Lindora Clinics.

- "GLP-1 Tirzepatide" means weight loss treatment memberships that comprise of GLP-1 Tirzepatide offered at Lindora Clinics.

- "HRT/TRT" means the hormone replacement therapy and testosterone replacement therapy treatment memberships offered at Lindora Clinics.

- "IV Hydration" means intravenous therapy metabolic hydration products offered at Lindora Clinics.

- "Supplements & Products" means supplements and other retail products offered at Lindora Clinics.

- "Wellness Maintenance" means the Wellness Maintenance Plan and Wellness Basic Legacy memberships offered at Lindora Clinics.

- "Wellness Plus" means the Wellness Plus membership offered at Lindora Clinics.

- "Wellness Unlimited" means the Wellness Unlimited membership offered at Lindora Clinics.

- "Zerona" means non-invasive cold laser fat loss treatment services offered at Lindora Clinics.

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Part B-1: Active Clients for Qualified Clinics

Active Clients	Wellness Maintenance	Wellness Plus	Wellness Unlimited	HRT/TRT	GLP-1 Semaglutide	GLP-1 Tirzepatide
Number of Qualified Clinics that offered the identified product and/or service during the Measurement Period	22	22	22	15	22	22
Average number of Active Clients per Qualified Clinic who purchased the identified product or service	60	69	109	8	62	10
Number / Percentage of Qualified Clinics that met or exceeded the average	10 / 45.5%	9 / 40.9%	11 / 50.0%	6 / 40.0%	10 / 45.5%	8 / 36.4%
Median	55	62	108	2	59	8
Maximum	98	143	178	29	117	21
Minimum	28	23	52	1	26	2

Data Set and Methodology (Part B-1)

The chart above in this Part B-1 reflects the average, median, and range of Active Clients for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) during the Measurement Period for Qualified Clinics. There were 22 Qualified Clinics; however not all of them offered each of Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide, as provided above.

We calculated the monthly average of Active Clients of each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) for each Qualified Clinic that offered the respective product and/or service by adding the total number of Active Clients of such Qualified Clinic for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) during the Measurement Period, then dividing that number by 12. Then, we calculated a simple average of those calculations for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) to provide the average number of Active Clients for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) for the entire set of 22 Qualified Clinics (or for the entire set of 15 Qualified Clinics in the case of the average Active Clients provided for HRT/TRT in the chart above).

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Part B-2: Active Client Plan Mix Based on Number of Active Client Plans

Active Clients	Wellness Maintenance	Wellness Plus	Wellness Unlimited	HRT/TRT	GLP-1 Semaglutide	GLP-1 Tirzepatide
Number of Qualified Clinics that offered the identified product and/or service during the Measurement Period	22	22	22	15	22	22
Average number of Active Clients per Qualified Clinic who purchased the identified product or service	19.0%	21.4%	35.2%	2.2%	19.2%	3.0%
Number / Percentage of Qualified Clinics that met or exceeded the average	11 / 50.0%	10 / 45.5%	11 / 50.0%	6 / 40.0%	9 / 40.9%	10 / 45.5%
Median	19.9%	21.8%	36.1%	0.4%	19.1%	2.6%
Maximum	23.3%	31.3%	56.3%	7.4%	25.6%	7.3%
Minimum	14.5%	9.9%	22.8%	0.0%	13.2%	0.9%

Data Set and Methodology (Part B-2)

The chart above in this Part B-2 reflects the average, median, and range of the percentage of Active Client plans for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) as a percentage of all Active Client plans offered at Qualified Clinics during the Measurement Period. There were 22 Qualified Clinics; however not all of them offered each of Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide, as provided above.

We calculated the average of each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) for each Qualified Clinic that offered the respective product and/or service by adding the total number of Active Client plans with such Qualified Clinic for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) during the Measurement Period, then dividing that number by the total number of Active Client plans by such Qualified Clinic during the Measurement Period. Then, we calculated a simple average of those calculations for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) to provide the average allocation of Active Client plans for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) for the entire set of 22 Qualified Clinics (or for the entire set of 15 Qualified Clinics in the case of the average Active Client plans provided for HRT/TRT in the chart above).

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Part B-3: Active Client Plan Mix Based on Amount of Membership Revenue

Active Clients	Wellness Maintenance	Wellness Plus	Wellness Unlimited	HRT/TRT	GLP-1 Semaglutide	GLP-1 Tirzepatide
Number of Qualified Clinics that offered the identified product and/or service during the Measurement Period	22	22	22	15	22	22
Average percentage of Membership Revenue represented by the identified product or service	7.3%	12.9%	30.1%	2.0%	37.9%	9.8%
Number / Percentage of Qualified Clinics that met or exceeded the average	9 / 40.9%	9 / 40.9%	11 / 50.0%	6 / 40.0%	10 / 45.5%	10 / 45.5%
Median	7.5%	13.2%	30.9%	0.4%	39.1%	9.0%
Maximum	9.5%	19.2%	55.5%	6.5%	51.6%	21.7%
Minimum	5.9%	6.0%	18.3%	0.0%	24.6%	3.5%

Data Set and Methodology (Part B-3)

The chart above in this Part B-3 reflects the average Membership Revenue percentage that is attributed to Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide treatment plans during the Measurement Period for Qualified Clinics. There were 22 Qualified Clinics; however not all of them offered each of Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide, as provided above.

We calculated the average of each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) for each such Qualified Clinic that offered the respective product and/or service by adding the total amount of Membership Revenue generated by such Qualified Clinic during the Measurement Period for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) during the Measurement Period, then dividing that number by the Membership Revenue generated by such Qualified Clinic during the Measurement Period. Then, we calculated a simple average of those calculations for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide) to provide the average allocation of Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, and GLP-1 Tirzepatide for the entire set of 22 Qualified Clinics (or for the entire set of 15 Qualified Clinics in the case of the average Membership Revenue provided for HRT/TRT in the chart above).

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Part C: Gross Revenue Mix Based on Category of Products/Services

Additional Definitions Used in Part C

- "GLP-1 Semaglutide" means weight loss treatment memberships that comprise of GLP-1 Semaglutide offered at Lindora Clinics.
- "GLP-1 Tirzepatide" means weight loss treatment memberships that comprise of GLP-1 Tirzepatide offered at Lindora Clinics.
- "HRT/TRT" means the hormone replacement therapy and testosterone replacement therapy treatment memberships offered at Lindora Clinics.
- "IV Hydration" means intravenous therapy metabolic hydration products offered at Lindora Clinics.
- "Supplements & Products" means supplements and other retail products offered at Lindora Clinics.
- "Wellness Maintenance" means the Wellness Maintenance Plan and Wellness Basic Legacy memberships offered at Lindora Clinics.
- "Wellness Plus" means the Wellness Plus membership offered at Lindora Clinics.
- "Wellness Unlimited" means the Wellness Unlimited membership offered at Lindora Clinics.
- "Zerona" means non-invasive cold laser fat loss treatment services offered at Lindora Clinics.

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Part C: Gross Revenue Mix Based on Category of Products/Services

	Wellness Maintenance	Wellness Plus	Wellness Unlimited	HRT/TRT	GLP-1 Semaglutide	GLP-1 Tirzepatide	IV Treatment	Zerona	Supplements & Products
Number of Qualified Clinics that offered the identified product and/or service during the Measurement Period	22	22	22	15	22	22	15	22	22
Average percentage the identified product or service represents of the Qualified Clinic's Gross Revenue	5.1%	8.9%	20.8%	1.5%	26.7%	7.5%	0.5%	2.7%	26.2%
Number / Percentage of Qualified Clinics that met or exceeded the average	10 / 45.5%	10 / 45.5%	10 / 45.5%	5 / 33.3%	8 / 36.4%	10 / 45.5%	6 / 40.0%	13 / 59.1%	12 / 54.5%
Median	5.1%	9.0%	21.2%	0.4%	26.6%	7.2%	0.4%	2.9%	27.2%
Maximum	6.4%	13.4%	36.1%	4.6%	36.2%	16.6%	1.4%	5.7%	32.7%
Minimum	4.1%	3.9%	12.0%	0.2%	17.2%	2.2%	0.0%	0.3%	21.2%

Data Set and Methodology (Part C)

The chart above in this Part C reflects the average Gross Revenue percentage that is attributed to Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, GLP-1 Tirzepatide, IV Treatment, Zerona, and Supplement & Products during the Measurement Period for Qualified Clinics. There were 22 Qualified Clinics; however not all of them offered each of Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, GLP-1 Tirzepatide, IV Treatment, Zerona, and Supplement & Products, as provided above.

We calculated the average of each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, GLP-1 Tirzepatide, IV Treatment, Zerona, and Supplement & Products) for each such Qualified Clinic that offered the respective product and/or service by adding the total amount of Gross Revenue generated by such Qualified Clinic during Measurement Period for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, GLP-1 Tirzepatide, IV Treatment, Zerona, and Supplement & Products) during the Measurement Period, then dividing that number by the Gross Revenue generated by such Qualified Clinic during the Measurement Period. Then, we calculated a simple average of those calculations for each category (Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, GLP-1 Tirzepatide, IV Treatment, Zerona, and Supplement & Products) to provide the average allocation of Wellness Maintenance, Wellness Plus, Wellness Unlimited, HRT/TRT, GLP-1 Semaglutide, GLP-1 Tirzepatide, IV Treatment, Zerona, and Supplement & Products for the entire set of 22 Qualified Clinics (or for the entire set of 15 Qualified Clinics in the case of the average Gross Revenue provided for HRT/TRT and IV Treatment in the chart above).

Part D: Cost of Goods Sold

	COGS – HRT/TRT & GLP-1	COGS – IV Hydration	COGS Supplements & Products	COGS - Zerona
Number of Qualified Clinics that offered the identified product and/or service during the COGS Measurement Period	20	10	22	15
Average COGS as a percent of the offering Qualified Clinic's Gross Revenue	19.1%	23.8%	48.5%	13.9%
Number / Percentage of Qualified Clinics that met or exceeded the average	8 / 40.0%	5 / 50.0%	10 / 45.5%	9 / 60.0%
Median	18.4%	23.4%	48.3%	11.7%
Maximum	24.0%	29.9%	51.8%	21.6%
Minimum	16.3%	17.6%	44.3%	8.9%

Additional Definitions Used in Part D

- "COGS" means the costs of the raw materials and/or drugs used in connection with HRT/TRT & GLP-1, IV Hydration, Supplements & Products, and Zerona, respectively.
- "COGS Measurement Period" means the period beginning on March 1, 2023 and ending on February 29, 2024.
- "HRT/TRT & GLP-1" means the hormone replacement therapy and testosterone replacement therapy treatment plans and weight loss treatment plans that comprise of GLP-1 Semaglutide offered at Lindora Clinics.
- "IV Hydration" means intravenous therapy metabolic hydration products offered at Lindora Clinics.
- "Supplements & Products" means supplements and other retail products offered at Lindora Clinics.
- "Zerona" means non-invasive cold laser fat loss treatment services offered at Lindora Clinics.

Data Set and Methodology (Part D)

The chart above in this Part D reflects the average COGS as a percentage of Gross Revenue that is attributed to HRT/TRT & GLP-1, IV Hydration, Supplements & Products, and Zerona during the COGS Measurement Period for Qualified Clinics. There were 22 Qualified Clinics; however not all of them offered each of HRT/TRT & GLP-1, IV Hydration, Supplements & Products, and Zerona, as provided above.

We calculated the average of each category (HRT/TRT & GLP-1, IV Hydration, Supplements & Products, and Zerona) for each Qualified Clinic that offered the respective product and/or service by adding the total amount of COGS incurred by such Qualified Clinic for each category (HRT/TRT & GLP-1, IV Hydration, Supplements & Products, and Zerona) during the COGS Measurement Period, then dividing that number by the Gross Revenue generated from the sale and/or provision of the same category of product or service (HRT/TRT & GLP-1, IV Hydration, Supplements & Products, and Zerona) by such Qualified Clinic during the COGS Measurement Period. Then, we calculated a simple average of those calculations for each category (HRT/TRT & GLP-1, IV Hydration, Supplements & Products, and Zerona) to provide the average allocation of HRT/TRT & GLP-1, IV Hydration, Supplements & Products, and Zerona for the entire set of 22 Qualified Clinics (or for the entire set of 20 Qualified Clinics provided for HRT/TRT & GLP-1 in the chart above, for the entire set of 10 Qualified Clinics

provided for IV Hydration in the chart above, and for the entire set of 15 Qualified Clinics provided for Zerona in the chart above, respectively).

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

Written substantiation for these financial performance representations will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representations, Lindora Franchise, LLC does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Brand President, Louis R. DeFrancisco at Lindora Franchise, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, California 92614; Tel: (513) 815-8467, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2021 to 2023[1]

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	31	+31
Company-Owned[2]	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	**2021**	**0**	**0**	**0**
	2022	**0**	**0**	**0**
	2023	**0**	**31**	**+31**

1 Each of the years reflected in Tables 1 to 4 of this Item 20 are calendar years, each ending December 31 of the applicable year.

2 As of December 1, 2023, Predecessor owns and operates 31 Clinics as our franchisee. Please refer to Exhibit H for the address and contact information of those 31 Clinics.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023[1]

State	Year	Number of Transfers
All States	2021	0
	2022	0
	2023	0
Total	**2021**	**0**
	2022	**0**
	2023	**0**

Table No. 3
Status of Franchise Outlets For years 2021 to 2023[1]

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
California	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	30	0	0	0	0	30
Washington	2021	0	0	0	0	0	0	0
	2022	0	0	0	0	0	0	0
	2023	0	1	0	0	0	0	1
Total	**2021**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**31**	**0**	**0**	**0**	**0**	**31**

Table No. 4
Status of Company-Owned Outlets
For years 2021 to 2023[1]

State	Year	Outlets at Start of Year	Outlets Opened	Outlets Reacquired from Franchisee	Outlets Closed	Outlets Sold to Franchisee	Outlets at End of the Year
All States	2021	0	0	0	0	0	0
	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	0
Total	**2021**	**0**	**0**	**0**	**0**	**0**	**0**
	2022	**0**	**0**	**0**	**0**	**0**	**0**
	2023	**0**	**0**	**0**	**0**	**0**	**0**

Table No. 5
Projected Openings as of December 31, 2023

State	Franchise Agreements Signed But Outlet Not Opened	Projected New Franchised Outlets in 2024	Projected New Company-Owned Outlet in 2024
Total	**0**	**0**	**0**

During the last 3 fiscal years, no franchisee has signed confidentiality clauses that restrict it from discussing with you their experiences as a franchisee in our franchised system.

If you buy the franchise offered in this Disclosure Document, your contact information may be disclosed to other buyers when you leave the franchise system.

Trademark–Specific Franchisee Organizations

There are no trademark-specific franchisee organizations associated with our franchise system that require disclosure in this Item.

ITEM 21
FINANCIAL STATEMENTS

Attached to this disclosure document as Exhibit C is Assetco's audited financial statements, including its balance sheet as of December 31, 2023, and related statements of operations, changes in member's equity, and cash flows for the period from March 6, 2023 to December 31, 2023. Assetco was formed in March 2023, and therefore, is unable to provide three years of financial statements. We are an affiliate of Assetco, and Assetco absolutely and unconditionally guarantees to assume our duties and obligations under the Franchise Agreements and Development Agreements entered into while we are an affiliate of Assetco. A copy of the Assetco guaranty is attached as Exhibit D. Our and Assetco's fiscal year ends on December 31 of each year.

ITEM 22
CONTRACTS

The following agreements are attached to this Disclosure Document:

Exhibit A	Form of Franchise Agreement and Exhibits	
	Exhibit 1	Ownership Interests; Designated Market Area; Authorized Location; Designated Territory
	Exhibit 2	Authorized Location Addendum
	Exhibit 3	Guarantee, Indemnification and Acknowledgment
	Exhibit 4	Addendum to Lease
Exhibit E	Statement of Prospective Franchisee	
Exhibit F	Form of General Release	
Exhibit G	State Specific Addenda	
Exhibit J	Form of Area Development Agreement	
Exhibit K	Management Services Agreement	

ITEM 23
RECEIPTS

Exhibit L contains detachable documents acknowledging your receipt of the Disclosure Document.

EXHIBIT A

FORM OF FRANCHISE AGREEMENT

LINDORA FRANCHISE, LLC

LINDORA®
FRANCHISE AGREEMENT

TABLE OF CONTENTS

EXHIBITS

LINDORA®
FRANCHISE AGREEMENT

This Franchise Agreement (this "Agreement") is made effective as of the Effective Date by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, CA 92614 ("Franchisor"), and the person or entity identified as the "Franchisee" in the signature blocks below ("Franchisee," and together with Franchisor, the "Parties"). The Effective Date is the date Franchisor signs this Agreement as shown beneath its signature hereto.

RECITALS

WHEREAS, Franchisor owns, administers and grants franchises for a system of clinics (each, a "Lindora Clinic" and collectively, the "Lindora Clinics") that are currently identified by and use the trademark "Lindora®" and other related trademarks and service marks designated from time to time by Franchisor (the "Marks"), that reflect distinctive interior design and display procedures, and color scheme and décor (the "Trade Dress"), and that use certain of Franchisor's intellectual property including trade secrets, copyrights, confidential and proprietary information, and designated training and business methods and know-how, equipment, furniture and fixtures, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, and personnel management systems (together with the Marks and Trade Dress, the "System"). "Lindora Clinics" provide or arrange for certain medical and non-medical products and services and provide or arrange for the provision of health and wellness services such as weight loss and wellness plans, snack and nutritional supplement offerings, hormone replacement therapy, weight loss medications, IV therapies, laser treatments, and similar and related services (the "Approved Services") and offer and sell certain merchandise and other products Franchisor authorizes for sale from time to time (the "Approved Products");

WHEREAS, Franchisee has requested that Franchisor grant it a franchise to own and operate a single Lindora Clinic (the "Clinic") and, to support its request, has provided Franchisor with certain information about its experience, skills and resources (the "Application Materials"). Franchisee has independently investigated the business contemplated by this Agreement and recognizes that the nature of the business may change over time; and

WHEREAS, Franchisor is willing to grant Franchisee's request on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of and reliance on the foregoing Recitals (which are incorporated herein by reference), the agreements described below, and other valuable consideration, receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. GRANT OF FRANCHISE

1.1 **Grant.** Franchisee agrees to, at all times, faithfully, honestly and diligently perform its obligations under this Agreement and to use its best efforts to promote the Clinic as described herein. Accordingly, Franchisor grants to Franchisee the non-exclusive right and license to establish and operate the Clinic, offering only the Approved Services and Approved Products and utilizing only the System and the Marks, at the location identified on Exhibit 1 or as determined in accordance with Section 1.2 below (the "Authorized Location"), in accordance with the provisions and for the Term (defined below) specified in this Agreement.

Franchisee agrees not to conduct the business of the Clinic at any location other than the Authorized Location and to use the Authorized Location only for the operation of the Clinic. Franchisee also agrees that, once the Clinic opens for business, it will continuously operate the Clinic in accordance with this Agreement for the duration of the Term.

1.2 **Site Approval Process.** If the Authorized Location is not identified on Exhibit 1 when Franchisee signs this Agreement, Franchisee must search for acceptable locations for the Clinic within the area identified on Exhibit 1 (the "Designated Market Area") and secure Franchisor's acceptance of the proposed location within 90 days after the Effective Date (the "Site Acceptance Period"). The Designated Market Area has been identified for the sole purpose of facilitating the orderly development of the market, and not for purposes of granting Franchisee any exclusivity or protection within the Designated Market Area. Franchisee acknowledges and agrees that Franchisor does not guarantee that Franchisee will find an acceptable site within the Designated Market Area or during the Site Acceptance Period.

Despite any assistance Franchisor provides to Franchisee, Franchisee is entirely responsible, at its expense, for doing everything necessary to develop and open the Clinic in accordance with this Agreement, including, subject to Franchisor's prior written acceptance, timely locating, selecting, and securing possession of the Authorized Location.

Franchisee must provide any information Franchisor requests to aid in its evaluation of Franchisee's proposed site. Franchisor will have sole discretion to accept or reject any proposed site. Franchisor's acceptance is entirely for its own benefit and may not be relied upon by Franchisee as a representation, warranty, or indication of any kind, including as to the suitability of the Authorized Location or the likelihood of success of the Clinic. Franchisor is not responsible should any of the criteria on which it bases its decision change or not serve the Franchisee's purposes.

When it accepts Franchisee's proposed site, Franchisor will designate, in its sole determination based on any and all factors that Franchisor determines to be important, an area around the Authorized Location (the "Designated Territory"). If the Authorized Location and Designated Territory are not identified in Exhibit 1 when this Agreement is signed, Franchisor will, upon its acceptance of Franchisee's proposed site for the Clinic, complete and deliver to Franchisee an addendum to the Authorized Location (the "Authorized Location Addendum"), substantially in the form attached hereto as Exhibit 2. Franchisee will have 10 days following delivery of the Authorized Location Addendum to execute and return it to Franchisor. If Franchisee rejects the Authorized Location Addendum or does not timely sign and return it to Franchisor, Franchisor may, in its discretion, revoke its acceptance of the Authorized Location, in which case, Franchisee must propose and secure Franchisor's acceptance of an alternative site, using the same process, within the remainder of the Site Acceptance Period.

Once Franchisee acknowledges its acceptance of the Authorized Location and Designated Territory, Franchisee must thereafter obtain lawful possession of the Authorized Location by lease, purchase or other method and open the Clinic in accordance with the conditions and deadlines set forth in this Agreement.

Franchisor will have the right to modify the boundaries of the Designated Territory if (a) Franchisee relocates the Clinic as permitted under this Agreement, or (b) at the time of any requested renewal or proposed Transfer (defined below), the population of the Designated Territory is over 50,000, with said modifications designed to afford Franchisee with a territory that contains a population that is similar to that contained within the original Designated Territory.

1.3 **Exclusivity for Designated Territory.** As long as Franchisee is in compliance with this Agreement and except as described in Section 1.4 below, Franchisor will not operate, or grant a license to a third-party to operate, during the Term, a Lindora Clinic located within the Designated Territory.

1.4 **Rights Reserved to Franchisor.** For the avoidance of doubt, Franchisor reserves for itself and its affiliates all rights not expressly granted to Franchisee in this Agreement and the right to do all things that Franchisor does not expressly agree in this Agreement not to do, in each case, without regard to proximity to the Clinic and without any compensation to Franchisee, and on such terms and conditions as Franchisor deems appropriate. Without limitation, Franchisor and its affiliates may, themselves or through authorized third-parties (and Franchisee is not granted the right to): (a) open and operate, and license third-parties the right to open or operate, other Lindora Clinics utilizing the Marks and System outside the Designated Territory; (b) market, offer and sell products and services similar to those offered by Lindora Clinics (such as private label products and training programs) under a different trademark or trademarks at any location, both within or outside the Designated Territory; (c) use the Marks and System, as well as any other marks Franchisor may designate, to distribute Approved Products and/or Approved Services through alternate channels of distribution, including without limitation, via the Internet and other e-commerce channels, catalog sales, direct mail or wholesale, anywhere either within or outside the Designated Territory; (d) acquire, or be acquired by, or merge with, any company, including a company operating or licensing one or more businesses offering products or services similar to those offered by any Lindora Clinic located within or outside the Designated Territory, and subsequently operate (or license a third-party the right to operate) these businesses and allow them to incorporate certain elements of the System (excluding the Marks and Trade Dress) regardless of location; (e) develop or become associated with and engage in other businesses, including other similar concepts and systems, and/or award franchises under such other concepts for locations anywhere, including inside and outside of the Designated Territory; (f) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited by this Agreement; and (g) open and operate, or license third-parties the right to open or operate, "Non-Traditional Clinics" both within and outside the Designated Territory. A "Non-Traditional Clinic" is a Lindora Clinic that operates at any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its clients from those persons who are using or attending events in the larger venue or facility (for example, hotels and resorts, wellness retreat centers, fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations).

2. ACCEPTANCE BY FRANCHISEE

2.1 **Acceptance by Franchisee.** Franchisee accepts this Agreement and the license granted herein and agrees to develop and operate the Clinic on the terms and conditions specified herein. Franchisee agrees to comply with all System Standards (as defined in Section 2.2.E), as they may be revised as provided herein, in developing and operating the Clinic.

2.2 **Conditions.** The rights being licensed herein are subject, without limitation, to the following conditions:

A. The Clinic shall be identified only by those Marks approved in writing by Franchisor with at least one exterior sign as designated by Franchisor;

B. If Franchisee is not a natural person, then concurrently, with the signing of this Agreement, any person who directly or indirectly owns a ten percent (10%) or greater ownership interest in Franchisee (the "Owners") and each Owner's spouse (if applicable) must sign and deliver to Franchisor the Guarantee,

Indemnification, and Acknowledgment attached as Exhibit 3 hereto (a "Guaranty"). Any person or entity that at any time after the Effective Date becomes an Owner, pursuant to Section 14 or otherwise, shall, as a condition of becoming an Owner, execute and deliver, and require its spouse (if applicable) to execute and deliver, to Franchisor its then-current form of Guaranty;

C. Franchisee shall submit the proposed lease for the Authorized Location to Franchisor for its written consent before Franchisee executes the lease. The lease must contain the provisions outlined in Franchisor's then-current form of lease addendum, the current form of which is attached as Exhibit 4, or substantially similar provisions acceptable to Franchisor (the "Lease Addendum");

D. Franchisee agrees that it shall open the Clinic for regular, continuous business no later than nine (9) months after the Effective Date. If, through no fault of Franchisee, the Clinic has not opened after nine (9) months, Franchisor may agree in writing to provide Franchisee with an additional three (3) months to open the Clinic if Franchisee (a) has already secured an approved premises for the Clinic, and (b) is otherwise making diligent and continuous efforts to buildout and otherwise prepare the Clinic for opening throughout the nine (9) month period following the Effective Date. Franchisor reserves the right to charge Franchisee its then-current extension fee (currently, $2,500) as a condition to granting any extension under this Section. Notwithstanding the foregoing, Franchisee may not open the Clinic for business until: (1) the Medical Director (as defined in Section 8.3.B below) confirms in writing that the Clinic is equipped and appropriately staffed to commence operations, and (2) Franchisor has granted its written permission to commence operations; and

E. Franchisee agrees at all times to comply with the Manual (as defined in Section 6.3 below), and all required standards, operating systems, and other aspects of the System prescribed by Franchisor (the "System Standards"), each of which is subject to change at Franchisor's discretion; provided, however, the Medical Director may periodically issue certain standards and specifications regarding the offer, provision, and supervision of Medical Services (as defined in Section 8.4.H below) at the Clinic, including those governing the purchase, storage, placement, and use of operating assets that will be used in providing Medical Services; marketing of Medical Services; and other aspects relating to the offer, provision, and supervision of Medical Services at the Clinic that the Medical Director deems appropriate in the independent exercise of his or her medical judgment. Franchisee must also comply with the standards and specifications issued by the Medical Director as they may apply to the non-clinical management and administrative support services to provide to the Medical Director to facilitate the Medical Services.

3. TERM AND SUCCESSOR FRANCHISES

3.1 **Term.** The term of this Agreement shall be for a period of ten (10) years beginning on the Effective Date, unless sooner terminated under Section 15 (the "Term").

3.2 **Successor Franchises.** Subject to this Section, Franchisee will be eligible to acquire two (2) separate and consecutive successor franchises, each for an additional five (5) year term (each, a "Successor Franchise"). Acquisition of the 1st Successor Franchise shall be subject to the following conditions and requirements, and acquisition of the 2nd Successor Franchise shall be subject to the conditions and requirements set forth in the 1st Successor Franchise agreement. To acquire the 1st Successor Franchise:

A. Prior to expiration of the Term, Franchisee shall execute Franchisor's then-current form of franchise agreement for Lindora Clinics, modified as necessary to reflect that the franchise granted therein is a Successor Franchise (the "Successor Franchise Agreement"). The provisions of the Successor Franchise Agreement may differ from and shall supersede this Agreement in all respects, including changes in royalty and advertising fees, except that Franchisee shall pay the Successor Franchise Fee (as defined in Section 3.2.F below) instead of the Initial Franchise Fee (as defined in Section 5.1 below). Franchisee's failure or

refusal to execute and return the Successor Franchise Agreement and Successor Franchise Fee to Franchisor within thirty (30) days after delivery of the Successor Franchise Agreement to Franchisee shall constitute Franchisee's election not to acquire the Successor Franchise;

B. Franchisee shall demonstrate that it has the right to remain in possession of the Authorized Location for the duration of the term of the Successor Franchise, or that it has been able to secure and develop an alternative site acceptable to Franchisor;

C. In consideration of the grant of the Successor Franchise, Franchisee shall execute a general release in the form and substance satisfactory to Franchisor, releasing any and all claims Franchisee and its related parties may have against Franchisor and its affiliates, and their respective owners, officers, directors, employees, agents, successors and assigns;

D. Franchisee shall have completed or made arrangements to make, at Franchisee's expense, such renovation and modernization of the Clinic, including the interior and exterior of the building, grounds, leasehold improvements, signs, furnishings, fixtures, equipment, surveillance cameras, and decor as Franchisor reasonably requires so the Clinic conforms with the then-current System Standards;

E. During the Term, Franchisee shall have substantially complied with all of the provisions of this Agreement and all other agreements with Franchisor and vendors to the Clinic, and Franchisee and its affiliates shall be in compliance with this Agreement and all other agreements between them and Franchisor both on the date of the notice described in Section 3.2.G below and at the expiration of the Term;

F. Franchisee shall pay Franchisor a successor franchise fee in the amount of $10,000 (the "Successor Franchise Fee"); and

G. Franchisee shall have given Franchisor written notice of its desire to acquire the Successor Franchise no less than 90 days or more than 180 days before expiration of the Term.

3.3 **Holdover.** If, in Franchisor's discretion and without seeking to enforce Franchisee's post-term obligations set forth in Section 15.3 of this Agreement, Franchisor suffers Franchisee's continued operation of the Clinic pursuant to this Agreement beyond the expiration of the Term, such continuance of operations shall be deemed to be Franchisee's election to extend the Term on a month-to-month basis and, in addition to all other rights Franchisor may have as a result of Franchisee's noncompliance with this Agreement, Franchisor may terminate this Agreement during such period in accordance with Section 15.1.A and Section 15.1.B below or, without any cause or reason, upon 30 days' prior written notice. Franchisee shall otherwise comply with all of its obligations under this Agreement during the extension of the Term as described in this Section.

4. TRADEMARK STANDARDS

4.1 **Ownership of Marks.** Franchisee acknowledges the validity of the Marks and agrees and recognizes that the Marks are the sole and exclusive property of Franchisor and/or its affiliates. Franchisee further acknowledges that its right to use the Marks and System is derived solely from this Agreement and is limited to the operation of the Clinic pursuant to and in compliance with this Agreement. Any unauthorized use of the Marks by Franchisee shall be a breach of this Agreement and an infringement of the rights of Franchisor and its affiliates. Franchisee's use of the Marks inures to the benefit of Franchisor, which owns all goodwill now and hereafter associated with the Marks. Franchisee agrees not to contest ownership or registration of the Marks. Franchisor agrees to indemnify Franchisee from any claims, costs or fees associated with Franchisee's authorized use of the Marks in accordance with this Agreement, subject to the requirement that Franchisor be immediately notified of any third-party challenge to Franchisee's

authorized use of any Mark under this Agreement, and Franchisor has the right to control any related dispute or proceeding.

4.2 **Use of Marks.** Franchisee shall not use any Mark (i) as part of any corporate or business name with any prefix, suffix or other modifying words, terms, designs or symbols, or in any modified form, or (ii) to advertise any prospective Transfer that would require Franchisor's approval under Section 14 of this Agreement. Franchisee shall display and use the Marks (as defined in Section 14.1) only in the manner and form prescribed or authorized by Franchisor and shall conduct no other business using the Marks other than that prescribed by Franchisor. Franchisee shall not use any other mark, name, commercial symbol or logotype in connection with the operation of the Clinic and shall not market any product or service relating to the Clinic without Franchisor's written consent, and if such consent is granted, such product or service must be marketed in a manner acceptable to Franchisor.

Franchisee agrees to give such notices of trademark and service mark registrations and copyrights (including the ® and © symbols) as Franchisor specifies and to obtain such fictitious or assumed name registrations as may be required under Applicable Laws (defined below).

4.3 **Notification of Infringement.** Franchisee agrees to notify Franchisor immediately in writing if it becomes aware that any person who is not a licensee of Franchisor is using or infringing upon any of the Marks. Franchisee may not communicate with any person other than Franchisor and its counsel in connection with any such use or infringement. Franchisor will have discretion to determine what steps, if any, are to be taken in any instance of unauthorized use or infringement of any of its Marks and will have complete control of any litigation or settlement in connection with any claim of an infringement or unfair competition or unauthorized use with respect to the Marks. Franchisee will execute any and all instruments and documents and will assist and cooperate with any suit or other action undertaken by Franchisor with respect to such unauthorized use or infringement such as by giving testimony or furnishing documents or other evidence. Franchisor will be responsible for legal expenses incurred by Franchisor in connection with any litigation or other legal proceeding involving such third-party. Franchisor shall not be liable for any legal expenses of Franchisee unless (a) pre-approved in writing by Franchisor in its discretion, and (b) the action proceeds or arises out of Franchisee's authorized use of the Marks hereunder.

4.4 **Modification, Discontinuance or Substitution.** Franchisor reserves the right, in its sole judgment, to modify, discontinue or replace any Mark on a national or regional basis, and Franchisee shall, as applicable and at its expense, immediately discontinue use of any Mark and commence using any modified or replacement Mark as directed by Franchisor. Franchisor shall have no liability or obligation whatsoever with respect to Franchisee's discontinuance or change of any Mark.

5. FEES

5.1 **Initial Franchise Fee.** On its signing of this Agreement, Franchisee agrees to pay Franchisor an initial franchise fee in the sum of Sixty Thousand Dollars ($60,000) for the right to operate the Clinic pursuant to the terms of this Agreement (the "Initial Franchise Fee"). The Initial Franchise Fee shall be fully earned by Franchisor upon payment and is not refundable under any circumstance.

5.2 **Royalty Fee.** Throughout the Term, Franchisee agrees to pay Franchisor, weekly, without setoff, credit or deduction of any nature, a royalty fee equal to seven percent (7.0%) of the Gross Sales (as defined in Section 5.3, below) generated by the Clinic over the immediately preceding week (the "Royalty" or "Royalty Fee"). If any Applicable Law (as defined in Section 7.4 below) prohibits or restricts Franchisee's ability to pay, or Franchisor's ability to collect the Royalty Fee or any other fees and amounts calculated as a percentage of the Clinic's Gross Sales, then Franchisor reserves the right to modify Franchisee's payment obligations under this Agreement and to revise the applicable provisions hereunder to provide the same

basic economic effect to both Franchisor and Franchisee as currently provided in this Agreement. In such event, Franchisee agrees to execute the appropriate document(s) in the form Franchisor prescribes to give effect or take account of such revisions.

5.3 **Gross Sales.** "Gross Sales" means the total revenue, in whatever form, generated by the Clinic, whether or not in compliance with this Agreement and regardless of receipt, including all revenue generated from the sale and provision of any and all gift cards and other products and services at or through the Clinic and all proceeds from any business interruption insurance related to the non-operation of the Clinic. "Gross Sales" does not include (a) any sales tax and equivalent taxes that are collected by Franchisee for or on behalf of any governmental taxing authority and paid thereto, or (b) the value of any allowance issued or granted to any client of the Clinic that is credited in good faith by Franchisee in full or partial satisfaction of the price of the Approved Products or Approved Services offered in connection with the Clinic. Where and only to the extent required under Applicable Law, Gross Sales will not include revenue generated from Medical Services provided at the Clinic or by or under the supervision of the Professional Entity and the Medical Director.

5.4 **Clinic Equipment & Initial FF&E Package; Initial Inventory Kit; Pre-Sales Phase Expenditures.**

A. Prior to opening the Clinic, Franchisee must purchase or lease (i) an initial package of equipment (the "Clinic Equipment Package") necessary to comply with the System Standards; (ii) designated furniture, fixtures, and related supplies that, in each case, is necessary to comply with the System Standards ("Furniture, Fixtures, and Related Supplies Package"); and (iii) opening inventory comprised of certain branded and other inventory that may be resold at the Clinic (the "Initial Inventory Kit"). Throughout the Term, Franchisee will be responsible for (1) maintaining and/or replacing the items comprising the Clinic Equipment Package and the Furniture, Fixtures, and Related Supplies Package used in connection with the Clinic, and (2) maintaining certain levels of inventory with respect to those items comprising the Initial Inventory Kit, as set forth more fully in this Agreement.

B. As part of the Initial Inventory Kit, Franchisee will acquire and must utilize certain pre-sales start-up package materials in coordination with the pre-opening sales plan that Franchisee is required to commence conducting at least sixty (60) days prior to the opening of the Clinic (the "Pre-Sales Phase"). Franchisee agrees and acknowledges that Franchisee must: (i) develop the foregoing plan in coordination with the opening support program designated by Franchisor that is designed to generate prospective Clinic clientele and otherwise promote the Clinic prior to opening (the "Opening Support Program"); (ii) obtain Franchisor's prior approval of the plan and all Pre-Sales Phase activities; and (iii) incur and promptly pay all fees and costs associated with the Opening Support Program and other Pre-Sales Phase activities as and when such amounts become due.

C. Franchisee further agrees to install at its expense and use the accounting, cost control, point-of-sale system and inventory control systems (the "POS/Inventory System") through the supplier Franchisor designates. The designated, or approved, supplier(s) for these services will be updated in the Manual as changes are made. Throughout the Term, Franchisee will also be required to pay Franchisor's then-current designated provider for the software that Franchisor prescribes for use in connection with the Clinic and the POS/Inventory System, which may be modified upon reasonable written notice to Franchisee.

5.5 **Training Program and Fees.** Franchisor reserves the right to require such Clinic personnel that it designates from time to time ("Required Trainees") to attend and successfully complete a staff training program before providing services at the Clinic (the "Staff Training Program"). All replacement Required Trainees must also attend and successfully complete a Staff Training Program before providing services at

the Clinic. Franchisee must pay Franchisor its then-current tuition fees for the Staff Training Program. Franchisee acknowledges and agrees that any training related or required to conduct Medical Services shall be facilitated and organized by the Medical Director, at the Medical Director's sole direction and discretion.

A. *Ongoing/Refresher and Other Additional Training*. Franchisor may provide or request that Franchisee and certain of its management personnel attend and complete up to five (5) days of additional/refresher training each year, but Franchisor will not charge Franchisee a training fee in connection with such required training.

B. *No Training Fee for Minor, Day-to-Day Assistance*. Franchisor will not charge Franchisee a training fee in connection with minor, day-to-day assistance that Franchisor provides remotely over the phone, via email/fax or other electronic channel of communication, which Franchisee understands and acknowledges will be provided subject to the availability of Franchisor's personnel.

C. *Costs and Expenses*. Franchisor will not, under any circumstances, be responsible for, and the indemnities provided in Section 11.2 shall apply to, costs and expenses (including wages, benefits, and travel-related expenses) incurred by or owed to Franchisee or its personnel in or as a result of attending or participating in any training program described in this Agreement or otherwise provided by Franchisor or its designee.

D. *Training Fee for Training.* Franchisor may charge its then-current training fee in connection with training that (a) Franchisee requests Franchisor provide, or (b) Franchisor provides on-site at the Clinic.

5.6 **Fund Contribution.** Franchisor (and its affiliates) have established a creative brand development fund to promote the System, Marks and brand with which the Clinic is associated generally (the "Fund"). Franchisee shall contribute to the Fund, as directed by Franchisor from time to time, up to two percent (2.0%) of the Gross Sales of the Clinic (the "Fund Contribution"), commencing once the Clinic starts generating revenue from its business operations. The Fund Contribution will typically be paid in the same manner and at the same interval that the Royalty Fee is collected (based on the Gross Sales of the Clinic over the immediately preceding reporting period). Franchisor has the right, at any time and on notice to Franchisee, to change the amount of the Fund Contribution in accordance with Section 9.1 below.

5.7 **Technology Fee.** Franchisor may charge Franchisee a recurring technology fee, the amount of which may change from time to time during the Term, in Franchisor's discretion, to pay for certain aspects of Franchisee's computer system and/or software used in the operation of the Clinic ("Technology Fee"). Franchisor reserves the right to designate and/or change the amount, scope, interval, or manner of payment of the Technology Fee, including the party to whom payment is made, at any time upon providing reasonable written notice to Franchisee. The Technology Fee may be collected by Franchisor at the same time as the Royalty Fees due hereunder.

5.8 **Music Licensing Fee.** Franchisor may charge Franchisee its then-current music licensing fee (the "Music Licensing Fee") as consideration for costs incurred in connection with obtaining licensing rights to music and playlists Franchisee will use in connection with the provision of Approved Services at the Clinic.

5.9 **Other Amounts Due in Connection with the Clinic.** Franchisee will also be responsible for timely payment of any other required fees or amounts necessary to purchase ongoing marketing materials, inventory, supplies and/or other items from Franchisor, its affiliates or other third-party suppliers as described in this Agreement.

5.10 **Electronic Transfer; Right to Modify Collection Interval.**

A. Franchisor reserves the right to determine, from time to time, the frequency, intervals covered, and manner in which amounts owed to it or its affiliates must be paid. Currently all such amounts (including fees, interest, and other payments required under this Agreement) must be paid via automatic debit from Franchisee's point-of-sale operating account administered by the designated supplier of point-of-sale services on a weekly basis throughout the Term, subject to modification on reasonable written notice.

B. All amounts due to Franchisor or its affiliates for the purchase of products, services or otherwise are due upon receipt of an invoice from Franchisor or such affiliate. Any payment or report not actually received by Franchisor or its affiliates on or before the due date is overdue.

C. Franchisee agrees to complete and execute Franchisor's then-current form of "Electronic Funds Transfer Agreement" and any other form, including, without limitation, an "Electronic Debit Authorization" for the purpose of authorizing an electronic debit, and to submit any information required by Franchisor for such authorization. Such authorization must remain in effect throughout the Term and, following expiration or termination of this Agreement, until all amounts owed to Franchisor and its affiliates have been paid.

D. Franchisee is required to use only the POS/Inventory System provided by the designated supplier and will pay the designated provider directly for all fees associated with the use of the designated provider's software. Franchisee is not allowed to use an unapproved external terminal to process transactions.

5.11 **Interest and Late Charges.** Amounts due to Franchisor (except interest on unpaid amounts due) not paid when due shall bear interest from the date due until paid at the lesser of one and one-half percent (1.5%) per month or the highest rate of interest allowed by law. Franchisor may also recover its reasonable attorneys' fees, costs and other expenses incurred in collecting amounts owed by Franchisee.

5.12 **No Referral Fee, Gratuities, or Gifts.** No payment required to be made by Franchisee to Franchisor or its affiliates pursuant to this Agreement is for or related to the referral of patients seeking medical services, and Franchisee acknowledges and agrees that the services Franchisor or its affiliates offer do not include the referral of patients. Neither Franchisee nor its owners will make or offer any gratuity, gift, personal services, favor, or other preferential treatment of any kind to Franchisor, its affiliates, its or their owners or employees, or family members of Franchisor's or its affiliates' owners or employees. The foregoing does not include reasonable food and beverage or other customary courtesies.

6. FRANCHISOR SERVICES

In addition to the services described elsewhere in this Agreement, Franchisor will do the following:

6.1 **General Guidance for Opening.** Franchisor shall consult and advise Franchisee on the proper display of the Marks, layout and design, procurement of equipment, furniture, fixtures, surveillance cameras with audio, initial inventories, and managing construction or remodeling of the Clinic, and certain other items related to the development and operation of Lindora Clinics. After Franchisee has executed an approved lease for the Authorized Location, Franchisor shall deliver to Franchisee specifications and standards for building, equipment, furnishings, fixtures, surveillance cameras with audio, layout, design and signs relating to the Authorized Location and shall provide reasonable consultation in connection with the development of the Clinic. Franchisee's architect is responsible for proposing changes to the layout, design and construction specifications provided by Franchisor as necessary to meet applicable legal

requirements and to adapt for unique physical characteristics of the Authorized Location, but Franchisee agrees that no such changes, alterations or modifications whatsoever to Franchisor's selected layout and design specifications will be implemented without Franchisor's prior written consent. Franchisor's personnel supporting the Clinic's opening will be to provided general guidance to the Franchisee and to ascertain whether the Clinic is opened in accordance with System Standards and will not (and will not be responsible for) directing Franchisee's employees, the operation of the Clinic, or providing or supervising Medical Services at the Clinic.

6.2 **Training-Related Programs and Obligations.** Franchisor will provide the training programs described in Section 5.5 and below, and Franchisee must, at all times during the Term, be in compliance with all training obligations described in Section 5.5. Franchisee acknowledges and agrees that any training related or required to conduct Medical Services shall be facilitated and organized by the Professional Entity and the Medical Director, at the Medical Director's sole direction and discretion.

6.3 **Operations Manual.** During the Term, Franchisor will grant Franchisee online access to an electronic version of its written standard operating processes, manuals and written policies and procedures related to the development and operation of Lindora Clinics as they exist from time to time (collectively, the "Manual"). The Manual is anticipated to codify then-current specifications, standards and operating procedures prescribed or suggested by Franchisor. Franchisee acknowledges that Franchisor may from time to time revise its System Standards as well as the contents of the Manual (including by written memoranda and notices issued to owners of Lindora Clinics), and Franchisee agrees to comply with each new or changed standard and specification upon notice from Franchisor. The Manual shall remain the sole property of Franchisor and is part of, and subject to the requirements applicable to, Franchisor's Confidential Information (as defined in Section 12.1). If Franchisee, intentionally or otherwise through its gross negligence, compromises the secure access to the online version of the Manual (or any hard copy of the Manual), including, but not limited to, allowing unauthorized users access to the Manual and its confidential contents or intentionally posting any of the Confidential Information on the Internet, Franchisee acknowledges that it will be required to adequately compensate Franchisor for the breach and related damage to the Marks and System, and that any limitation of remedies provided in Sections 16.4 and 16.7 below shall not limit Franchisor's remedy or relief in the foregoing instance(s).

6.4 **Continuing Services.** Franchisor will provide such continuing advisory assistance and information to Franchisee in the development and operation of the Clinic as Franchisor deems advisable in its discretion. Such assistance may be provided, in Franchisor's discretion, by Franchisor's directives, System bulletins, meetings and seminars, telephone, computer, e-mail, fax, personal visits, newsletters or manuals.

6.5 **Approved Lists.** Franchisor will provide and from time to time, add to, alter or delete, at Franchisor's discretion, lists of specifications, approved distributors and suppliers, approved services and products, including, but not limited to, equipment, and other materials and supplies used in the operation of the Clinic. Franchisor, or an affiliate of Franchisor, may be a designated, approved, or sole supplier of certain equipment, gear, merchandise, apparel and supplies. Notwithstanding anything to the contrary and to the extent required by Applicable Laws, we may require that Franchisee's purchase of goods and services related to provision of Medical Services be subject to Franchisee's compliance with the standards and specifications issued by the Medical Director.

6.6 **Pricing.** The System has developed a reputation that is based in part on affordable prices for non-medical products and services offered by Lindora Clinics operating as part of the System. To promote a consistent consumer experience, and to maximize the value of the products and services Clinics offer, Franchisor may, subject to Applicable Laws, require fixed maximum or minimum prices for any non-medical products or services offered by the System and Franchisee. Franchisee is obligated to abide by the pricing established by Franchisor from time to time, unless Franchisor consents to changes in local

pricing offered by Franchisee to (i) allow Franchisee to respond to unique, local, marketing conditions, competition, or expenses; or (ii) comply with changes or interpretations in state or federal anti-trust laws. Consistent with state or federal law, Franchisor reserves the right to change or eliminate its pricing program in the future, or to move from a required to recommended pricing structure. For any product or service for which Franchisor does not impose a maximum or minimum price, Franchisor may require Franchisee to comply with an advertising policy adopted by Franchisor which will prohibit Franchisee from advertising any price for a product or service that is different than Franchisor's suggested retail price. Although Franchisee must comply with Franchisor's advertising policy, Franchisee will not be prohibited from selling any non-medical product or service at a price above or below the suggested retail price unless Franchisor imposes a maximum price or minimum price for such non-medical product or service.

6.7 **Fund.** As detailed in Section 9.1 of this Agreement, the Fund is currently maintained and administered by Franchisor (or its affiliates), with the advice and counsel of a marketing fund committee, to meet the costs of conducting regional and national advertising and promotional activities (including the cost of advertising campaigns, test marketing, marketing surveys, public relations activities and marketing materials) which Franchisor and the marketing fund committee deem beneficial to the System.

6.8 **Approving Pre-Opening Support Program.** Franchisor and/or its approved provider will provide Franchisee with advice and consultation with respect to establishing the Pre-Sales Phase and Opening Support Program described in Section 5.4.B above. The components of Franchisee's Opening Support Program must be approved by Franchisor prior to implementation, including the relevant timelines for certain pre-opening sales and marketing activities.

6.9 **Acknowledgement Regarding Franchisor's Assistance**. FRANCHISEE ACKNOWLEDGES AND AGREES THAT, NOTWITHSTANDING ANYTHING TO THE CONTRARY, THIS AGREEMENT, THE MANUAL, SYSTEM STANDARDS, AND/OR ANY TRAINING OR ASSISTANCE FRANCHISOR PROVIDES TO FRANCHISEE OR ITS PERSONNEL (1) RELATE SOLELY TO THE PERFORMANCE OF ACTIVITIES THAT ARE NOT REGULATED BY LAWS GOVERNING THE PROVISION OF MEDICAL SERVICES, (2) DO NOT CONSTITUTE OR INTEND TO CONSTITUTE THE PRACTICE OF MEDICINE OR THE PERFORMANCE OF MEDICAL SERVICES IN A MANNER THAT IS NOT PERMISSIBLE UNDER APPLICABLE LAWS, (3) DO NOT INCLUDE THE RIGHT TO EXERT CONTROL OVER THE DELIVERY OR SUPERVISION OF MEDICAL SERVICES, AND (4) DO NOT REQUIRE FRANCHISEE TO PRACTICE MEDICINE, PROVIDE MEDICAL SERVICES, OR EXERT CONTROL OVER THE DELIVERY OR SUPERVISION OF MEDICAL SERVICES. TO THE EXTENT THE DOCTRINE OF CORPORATE PRACTICE OF MEDICINE OR ANY SIMILAR APPLICABLE LAW PROHIBITS FRANCHISOR FROM EXERCISING ANY OF ITS RIGHTS OR OBLIGATIONS UNDER THIS AGREEMENT, THOSE RIGHTS AND OBLIGATIONS WILL BE DEEMED MODIFIED TO COMPLY WITH THE APPLICABLE LAW,

6.10 **Branded Emails.** Franchisor reserves the right to require Franchisee to use an email address associated with Franchisor's registered domain name in connection with the operation of the Clinic. If Franchisor requires Franchisee to obtain and use such an email address, Franchisee must do so according to System Standards. Franchisee acknowledges and agrees that Franchisor will have unrestricted access to all such email accounts and all documents, data, materials, and messages shared from or by such accounts. Franchisor may deactivate any such account or limit Franchisee's or its users' access to it at any time. Franchisee acknowledges and agrees that it will use such email address only in connection with the operation of the Clinic and in compliance with all Applicable Laws. Franchisee agrees to indemnify Franchisor and its affiliates for claims arising from Franchisee's unlawful use of such email address.

7. CLINIC STANDARDS, LEASE AND CONSTRUCTION

7.1 **Clinic Specifications.** The Clinic shall satisfy the following conditions:

A. The Clinic shall be laid out, designed, constructed or improved, equipped and furnished in accordance with the System Standards. Equipment, furnishings, fixtures, surveillance cameras with audio, decor and signs for the Clinic shall be purchased from suppliers approved or designated by Franchisor. Franchisee may remodel or alter the Clinic, or change its equipment, furniture or fixtures, only with Franchisor's prior written consent. Franchisee must obtain necessary permits, licenses and other legal or architectural requirements. The Clinic shall contain or display only signage that has been specifically approved or designed by Franchisor.

B. The Clinic and all equipment shall, at all times, be maintained in accordance with the System Standards. Franchisee shall promptly repair or replace defective or obsolete equipment, signage, fixtures or any other item of the interior or exterior that is in need of repair, refurbishing or redecorating in accordance with such standards established (and updated from time to time) by Franchisor or as may be required by Franchisee's lease. Further, Franchisee agrees to store, display, and maintain all medical equipment and supplies and other goods and services used in connection with providing Medical Services in accordance with the specifications of the Professional Entity and the Medical Director.

C. Franchisee recognizes that Franchisor may, in its discretion, evolve the System and the features and appearance of Lindora Clinics to, among other things, respond to new fads, new equipment, new training techniques, and changing client demands. Franchisee further understands that equipment wears out, breaks down, or becomes obsolete. Consequently, from time to time, as Franchisor requires, Franchisee must modernize and/or replace components of the Trade Dress and Clinic's operating assets and equipment as may be necessary for the Clinic to conform to the System Standards for new Lindora Clinics (including, at the Medical Director's discretion, replacing damaged, worn-out or obsolete clinical equipment and supplies at intervals as determined by the Medical Director). Further, Franchisee will be required to thoroughly modernize or remodel the Clinic, at Franchisee's cost, when requested by Franchisor, but no more than once every five (5) years. This may include replacing equipment and other updates and improvements. Franchisee acknowledges that this obligation could result in Franchisee making extensive structural changes to, and significantly remodeling and renovating the Clinic, and Franchisee agrees to incur, without limitation, any capital expenditures required to comply with this obligation and Franchisor's requirements. Within 60 days after receiving written notice from Franchisor, Franchisee shall have plans prepared according to the standards and specifications that Franchisor prescribes, and Franchisee must submit those plans to Franchisor for its approval. Franchisee agrees to complete all work according to the plans that Franchisor approves within the time period that Franchisor reasonably specifies and in accordance with this Agreement. Franchisor and its affiliates who own Lindora Clinics will hold themselves, and the Clinics they operate (if any), to the same high standard and same frequency for replacement and renovation as is required of Franchisee.

D. The Clinic shall contain signage prominently identifying Franchisee by name as an independently owned and operated franchisee of Franchisor.

E. Franchisee must offer, accept the use of, and ensure that it and the Clinic's personnel are aware of all then-current System policies and procedures related to client reciprocity amongst (a) other Clinics that are part of the System, and/or (b) clinics operated as part of the franchise systems in connection with the other brands owned and/or licensed by Franchisor and its affiliates.

7.2 **Lease.** Franchisee is solely responsible for purchasing or leasing a suitable site for the Clinic. Franchisee must submit the lease for the Clinic to Franchisor for its written consent before Franchisee

executes the lease for the Authorized Location. Franchisor will not withhold consent arbitrarily; however, any lease must be subject to the applicable Lease Addendum or incorporate similar terms. Franchisee acknowledges that it has been advised to have any lease reviewed by Franchisee's own legal counsel.

7.3 **Unit Development.** Franchisee agrees that after obtaining possession of the Authorized Location, Franchisee will promptly, at its sole expense:

A. Obtain any standard plans and/or specifications from Franchisor;

B. Engage a qualified licensed architect, as required by state or local codes, to prepare all drawings, designs, plans and specifications for the Clinic, and submit same to Franchisor for review and approval prior to commencing construction;

C. Complete the construction or remodeling of the Clinic in full and strict compliance with plans and specifications approved by Franchisor, and in compliance with the Trade Dress and all applicable ordinances, building codes and permit requirements;

D. Purchase or lease, in accordance with the System Standards, all equipment, fixtures, inventory, supplies and signs required for the Clinic;

E. Hire and train the initial operating personnel according to this Agreement and the System Standards; and

F. Complete development of and have the Clinic open for business not later than nine (9) months after the Effective Date of this Agreement.

7.4 **Franchisee's Responsibility.** Although Franchisor may provide Franchisee with various standard or sample plans and specifications with respect to constructing and equipping the Clinic, it is Franchisee's sole responsibility to construct, equip, and operate the Clinic in compliance with all applicable federal, state and local laws and regulations, including, without limitation, all building codes, fire and safety codes, environmental laws, Occupational Safety and Health Administration laws, health laws (including, applicable laws regarding the privacy and security of personal information and health information), sanitation laws, Americans with Disabilities Act, and all other requirements that may be prescribed by any federal, state or local governmental agency (each, an "Applicable Law" and collectively, "Applicable Laws"). Franchisee further acknowledges and agrees that Franchisee is, and will continue to be, at all times during the Term, solely responsible for the day-to-day operation of the Clinic in accordance with this Agreement, including all decisions regarding its personnel (as described in Section 8.3 below), each of whom must be competent, conscientious, and properly trained. Franchisee acknowledges that nothing in this Agreement shall, or may be construed to, create any type of employer or joint employer relationship between (a) Franchisee or any of Franchisee's personnel, and (b) Franchisor in any matter.

8. CLINIC IMAGE AND OPERATING STANDARDS

8.1 **Compliance.** Franchisee acknowledges and agrees that every detail regarding the appearance and operation of the Clinic is important to Franchisor, Franchisee, the System and other owners and operators of Lindora Clinics to maintain high and uniform operating standards, to increase demand for the products and services offered and sold by all franchisees, and to protect Franchisor's and the System's reputation and goodwill, and, accordingly, Franchisee agrees to comply strictly at all times with the requirements of this Agreement and the System Standards (whether contained in the Manual or any other written or oral communication to Franchisee by Franchisor) relating to the appearance or operation of the Clinic. Franchisee acknowledges that other Lindora Clinics may operate under different forms of agreement with

Franchisor, and that the rights and obligations of the Parties to other agreements may differ from those hereunder.

8.2 **Franchisor's Right to Inspect.** To determine whether Franchisee is complying with this Agreement and the System Standards, Franchisor reserves the right, at any reasonable time and without prior notice, and subject to Applicable Laws, to inspect and assess all aspects of the Clinic's appearance and operations, including the right to: (1) inspect and examine the Clinic premises, equipment, facilities and operation of the Clinic in person; (2) interview Franchisee and Franchisee's employees and any independent contractors; (3) interview clients of and suppliers to the Clinic and any other person with whom Franchisee does business; (4) confer with clients and staff of government agencies with authority over Franchisee about matters relevant to the Clinic; and (5) use "mystery shoppers," who may pose as clients. Franchisor will bear the costs of all such initial inspections, but it reserves the right to require Franchisee to reimburse it costs (including travel expenses, room and board, employee/representative wages, and related fees) associated with re-inspections or follow-up visits that Franchisor or its designees conduct after any inspection of the Clinic reveals one or more failures to comply with System Standards, and/or if any follow-up visit is necessary because Franchisor or its designated representatives were for any reason prevented from properly inspecting any part of the Clinic.

8.3 **Personnel.** Franchisee agrees to engage in the operation of the Clinic only persons of high character and ability who maintain and exhibit traits of enthusiasm, cleanliness, neatness, friendliness, honesty and loyalty, it being recognized by Franchisee that such persons are necessary to promote and maintain client satisfaction and the goodwill of the System. Franchisee agrees to staff the Clinic at all times with a sufficient number of qualified, competent personnel who have been trained in accordance with this Agreement and the System Standards. Franchisee, not Franchisor, shall be considered the employer of all employees and the principal of all independent contractors of the Clinic, excluding the Medical Director, Nurse Practitioner, Licensed Vocational Nurse or such other similar healthcare professionals as required under Applicable Laws to administer the Medical Services under the supervision of the Medical Director. It is the sole responsibility of Franchisee to hire, discipline, discharge and establish wages, hours, benefits, employment policies and other terms and conditions of employment for its employees and independent contractors. Franchisee is solely responsible for obtaining its own independent legal advice regarding the employment of employees and retention of independent contractors, and for complying with any and all Applicable Laws pertaining thereto. Franchisor shall have no responsibility for the terms and conditions of Franchisee's relationship with Franchisee's employees and/or independent contractors. Franchisee shall engage in no discriminatory employment practices and shall in every way comply with all Applicable Laws, including all wage-hour, civil rights, immigration, employee safety and related employment and payroll related laws. Franchisee shall make all necessary filings with, and pay all taxes and fees due to, the Internal Revenue Service and all other federal, state and local governmental agencies or entities to which filings and payments are required. Franchisee acknowledges that nothing in this Section or Agreement shall, or may be construed to, create any type of employer or joint employer relationship between (a) Franchisee or any of Franchisee's personnel, and (b) Franchisor in any matter. Franchisee must satisfy the following requirements:

A. *Professional Entity*. Franchisee must enter into a management services agreement (the "Management Services Agreement") with a third-party designated or approved by Franchisor (the "Professional Entity"). Under the Management Services Agreement, the Professional Entity must make a Medical Director available at the Clinic to provide, supervise, and administer Medical Services, as applicable, and Franchisee will, in exchange for a management fee, provide certain non-clinical administrative services to the Professional Entity. Franchisor's current form of Management Services Agreement is included as part of the Manual and may be revised from time to time at Franchisor's discretion. Franchisor makes no representation or warranty that its standard form of Management Services Agreement complies with Applicable Laws, including those governing corporate practice of medicine.

Franchisee is responsible for independently engaging its own legal counsel to review, negotiate, and advise it of the merits and risks of the Management Services Agreement under the state laws applicable to Franchisee and the requirements of the particular Professional Entity with whom Franchisee intends to associate. The final version of the Management Services Agreement Franchisee intends to sign and any subsequent modifications to the agreement are subject, in all cases, to Franchisor's prior written approval, and Franchisee must not amend the Management Services Agreement without Franchisor's prior written approval. Franchisee must provide Franchisor with an executed copy of the Management Services Agreement for its records within 10 days after its execution but in any event before Franchisee commences operations of the Clinic.

B. *Medical Director*. Franchisee must, at all times, designate, subject to Franchisor's prior written approval, a licensed healthcare professional engaged by Franchisee or the Professional Entity described above who is licensed to practice medicine in the jurisdiction in which the Clinic is located ("Medical Director"). The Medical Director must, at all times freely exercise its independent medical judgment to perform or, where permitted, supervise the performance of the Medical Services that are required under Applicable Law to be performed or supervised by a licensed healthcare professional.

C. *Other Medical Personnel*. Franchisee must, at all times, designate and/or appropriately contract with either directly or through the Professional Entity (as required by law), subject to Franchisor's prior written approval and appropriate oversight of a physician to the extent required by law, at least one (1) licensed and registered nurse practitioner ("Nurse Practitioner") and one (1) licensed and registered vocational nurse ("Licensed Vocational Nurse") or such other similar staffing as required under Applicable Laws to administer certain Medical Services under the supervision of the Medical Director.

Franchisee agrees not to change or replace the Professional Entity, Medical Director, Nurse Practitioner, Licensed Vocational Nurse, or other similar staff without Franchisor's prior written consent and must promptly notify Franchisor in writing if any of them cannot continue or no longer qualify to serve as such and must take corrective action within 30 days thereafter. During that period, Franchisee must provide for interim management of the Clinic in accordance with this Agreement and the System Standards. If the Medical Director, Nurse Practitioners, or Licensed Vocational Nurses have not signed a Guaranty, they must sign Franchisor's then-current form of confidentiality and non-competition agreement; however, Franchisee is responsible for ensuring that the form of confidentiality and non-competition agreement Franchisee uses complies with all Applicable Laws.

8.4 **Products and Services to be Offered for Sale.**

A. *Approved Services and Approved Products Generally*. Franchisee acknowledges that the presentation of a uniform image to the public and the offering of uniform services and products is an essential element of a successful franchise system. To ensure consistency, quality and uniformity throughout the System, Franchisee agrees (1) to sell and offer for sale only the Approved Services and Approved Products; (2) to sell and offer for sale all of the Approved Services and Approved Products required by Franchisor; (3) not to deviate from the System Standards; and (4) to discontinue selling and offering for sale any services or products that Franchisor may, in its discretion, disapprove at any time. Franchisor shall supply Franchisee with a list of suppliers from which Franchisee is required to purchase equipment and other products or services for the Clinic. Franchisor may change this list from time to time, and upon notification to Franchisee, Franchisee shall only purchase equipment and other required products or services from approved suppliers as specified on the changed list (subject to Section 6.5 regarding the purchase of equipment and other required products and services that relate to Medical Services). Franchisor and its affiliates may be designated, approved, or sole suppliers of certain items and services. Franchisee agrees to keep the Clinic and equipment in clean condition, with all equipment well-maintained and

operational, and be able at all times during business hours to provide clients with all services and products specified by Franchisor.

B. *Required Use of Approved Suppliers.* Subject to Section 6.5 (regarding the purchase of equipment and other required products and services that relate to Medical Services), Franchisee agrees that all Clinic equipment must be purchased exclusively from approved suppliers, must be maintained according to manufacturer or Franchisor specifications, as applicable. Franchisee must, if required by Franchisor as a condition to site selection approval, use real estate attorney from the panel recommended by Franchisor to review and negotiate the lease for the Clinic.

C. *No Deviation or Supplement with Regards to Approved Services and/or Related Methodology*. Franchisee and its technicians must (with the assistance of medical experts where appropriate) provide products and services as specified in the Manual and in other training materials provided by Franchisor.

D. *Non-Approved Services, Products or Suppliers*. If Franchisee proposes to offer for sale any products or services other than then-current Approved Services and Approved Products, Franchisee shall first notify Franchisor in writing and submit sufficient information, specifications and samples concerning such product, supplier and/or service for a determination by the Franchisor whether such product, service or supplier complies with the Franchisor's specifications and standards and/or whether such supplier meets the Franchisor's approved supplier criteria. Franchisor reserves the right to charge Franchisee reasonable costs in connection with Franchisor's review, evaluation and approval of alternative suppliers. These charges may include reimbursement for travel, accommodations, meal expenses, and personnel wages. Franchisor may from time to time prescribe procedures for the submission of requests for approved products and/or suppliers or services and obligations that approved suppliers must assume (which may be incorporated in a written agreement to be executed by approved suppliers). Franchisor reserves the right to revoke its approval of a previously authorized supplier, product, service when Franchisor determines in its discretion that such supplier, product, service is not meeting the specifications and standards established by Franchisor. If Franchisor modifies its list of approved products, suppliers and/or services, Franchisee shall not, after receipt in writing of such modification, reorder any product or utilize any supplier, product or service that is no longer approved.

E. *Franchisor Rights.* Franchisee acknowledges and agrees that Franchisor and certain of its affiliates are (or may at any time in future become) an approved, designated, or sole supplier for certain equipment, products, logo items, signage and artwork, and other items and services used or sold in Lindora Clinics; that Franchisor and such affiliates may derive income from the sale of such items, and that the prices charged by Franchisor or such affiliates may reflect an ordinary and reasonable profit consistent with a business of the kind that produces and/or supplies such items. Franchisee acknowledges and agrees that Franchisor and its affiliates may sell products and services to clients located anywhere, even if such products and services are similar to what Franchisor sells to Franchisee and what Franchisee offers at the Clinic. Franchisor and its affiliates may use the internet or alternative channels of commerce to sell products and services, including those identified by the Marks. Franchisee may only sell the products and services from the Clinic's approved location and may only use the internet or alternative channels of commerce, as permitted by Franchisor, to register clients for Approved Services. Nothing in the foregoing shall prohibit Franchisee from obtaining clients over the Internet provided Franchisee's internet presence and content comply with the requirements of this Agreement.

F. *Advertising Outside Designated Territory*. Unless Franchisor agrees otherwise, Franchisee may not actively solicit potential clients, or otherwise promote the Clinic through any targeted advertising/marketing, outside of the Designated Territory. Nothing in this Agreement, however, shall

prohibit Franchisee from servicing clients that contact Franchisee or the Clinic, regardless of where they reside or work.

G. *Non-Compliance Fee*. In addition to Franchisor's other rights under this Agreement, Franchisor may charge its then-current per day Non-Compliance Fee for each day Franchisee offers or sells unauthorized products or services from the Clinic.

H. *Medical Services*. Certain services that are offered at Lindora Clinics may amount to practice of medicine that require licensure, certification, registration, or training under Applicable Laws ("Medical Services"). All Medical Services will be offered, provided, and/or supervised by the Professional Entity through the Medical Director, Nurse Practitioner and Licensed Vocational Nurse, and the Medical Director will make all determinations in respect thereof. Franchisee agrees to comply with the standards and specifications of the Professional Entity and Medical Director as they may apply to the non-clinical management and administrative support services to Franchisee provides to its Medical Director to facilitate the Medical Services.

Some of the Medical Services such as peptide therapies may be considered "speculative medical treatments" as that term may, from time to time, be defined by various governments or advertising outlets or as they may be commonly known ("**Speculative Medical Services**"). Franchisor and its affiliates do not make any determination as to which services amount to Medical Services or Speculative Medical Services, and it is solely Franchisee's or its Medical Director's responsibility to make such determination. Franchisor will not require that Speculative Medical Services be provided at the Clinic. If Franchisee's Medical Director, at its discretion, chooses to offer or provide Speculative Medical Services at the Clinic, then (i) Franchisee in conjunction with the Franchisee's Medical Director will be responsible for investigating the Applicable Laws governing those services; (ii) Franchisor may require Franchisee purchase goods and services related to one or more Speculative Medical Services from designated or approved suppliers; and (iii) all advertising for Speculative Medical Services must be subject to the provisions of this Agreement and Applicable Laws and will avoid making representations regarding the results that will be achieved from any such services.

Franchisee agree that: (i) Franchisee will offer and sell from the Clinic all non-medical products and services in the manner that Franchisor periodically specifies; (ii) Franchisee will not offer or sell at or from the Clinic's premises or any other location any products or services Franchisor has not authorized, including any Medical Services; (iii) only the Professional Entity will offer, provide, and through the Medical Director supervise all Medical Services at the Clinic and make all determinations in respect thereof in accordance with its independent medical judgment; (iv) all services offered and provided by the Nurse Practitioners and Licensed Vocational Nurses will, all times, be provided under the supervision of the Medical Director; (v) Franchisee will not either directly or indirectly supervise, control, or interfere with the provision of Medical Services; and (vi) Franchisee will discontinue selling and offering for sale any products or services that Franchisor at any time disapproves. Franchisee must immediately bring the Clinic into compliance with System Standards as they relate to operation of the Clinic and the non-clinical products and services sold at the Clinic.

8.5 **Compliance with Laws.** Franchisee agrees to comply with all Applicable Laws and, as soon as practicable, but in any event prior to conducting any activities in connection with the Clinic, obtain all insurance required by this Agreement or Applicable Laws and any required governmental permits, certificates or licenses necessary to occupy the Authorized Location and operate the Clinic. Franchisee also agrees to file and publish, if required by Applicable Laws, a certificate of doing business (whether under a fictitious name or otherwise). Franchisee acknowledges and agrees that it has the sole responsibility to investigate and comply with any Applicable Laws in the jurisdiction in which the Clinic is located that relate to the ownership, development and operation of the Clinic and businesses generally (including, for

example, requirements related to accessibility, protection of personally identifiable information, having staff during operating hours that are trained in certain life-saving procedures, and having certain life-saving and first aid equipment on premises, form and content of client agreements, and other requirements that relate to businesses similar to Lindora Clinics). Franchisee agrees to immediately provide Franchisor with a copy of any notice received by Franchisee from any person or state, local or governmental agency pertaining to compliance with any Applicable Laws including any such notices that any audit, investigation, or similar proceeding by any such person or governmental authority is pending or threatened against Franchisee on the basis of any of any the foregoing. Franchisee hereby certifies and represents that Franchisee, and any of its affiliates, any of its partners, members, shareholders or other equity owners, and their respective employees, officers, directors representatives or agents, are not acting, directly or indirectly, for or on behalf of any person, group, entity or nation named by any Executive Order or the United States Treasury Department as a terrorist, "Specially Designated National and Blocked Person," or other banned or blocked person, entity, nation or transaction pursuant to any law, order, rule or regulation that is enforced or administered by the Office of Foreign Assets Control.

Franchisor does not make, and has not made, any representations of any kind whatsoever regarding whether this Agreement complies with any laws governing Medical Services, or the various legal doctrines commonly referred to as the "*corporate practice of medicine*"; any federal or state law, rule or regulation governing Medicare or Medicaid, including state and federal laws regulating the relationships between providers and suppliers of health care products and services on one hand and physicians and other providers and suppliers of health care products and services on the other hand; the Fraud and Abuse provisions of the Medicare and Medicaid Statutes; state and federal laws governing self-referral by physicians; fee splitting, patient brokerage prohibitions; anti-kickback prohibitions; or any other law, rule or regulation related to the field of medicine or public health. Franchisee must review and remain in compliance with the various state and federal laws and regulations governing Medical Services and the structure of entities involved with those fields. Franchisee further acknowledges that it may be prohibited by Applicable Law from billing or accepting any form of insurance, including Medicare, Medicaid or private insurance, for any or all of the services Franchisee provides to clients of the Clinic. Franchisee understands and agrees that this limitation may restrict the clients to whom Franchisee is able to market or provide services. Accordingly, Franchisee understands and agrees that it is solely its responsibility to identify and consult with competent healthcare counsel for the state in which it plans to open the Clinic. By executing this Agreement, Franchisee represents that it has either (i) consulted with such counsel, or (ii) declined the opportunity to do so.

8.6 **Operational Efforts.** Franchisee agrees to keep Franchisor advised, in writing, of any Designated Manager and all technicians involved in the operation of the Clinic and their contact information. Franchisee agrees to keep the Clinic open for the hours stated in the Manual and as deemed appropriate by Franchisor. If Franchisee does not have a Designated Manager, then Franchisee (or its Operating Principal, as applicable) must be on-site at the Clinic during normal business hours to manage day-to-day operations. Each Operating Principal must have the authority to act for Franchisee in all matters relating to the Clinic, including voting responsibilities. Any change in the Operating Principal(s) is subject to Article 14 below and the training requirements of this Agreement.

8.7 **Performance Standards.** Franchisee and Franchisor have a shared interest in the Clinic performing at or above the System Standards. Franchisor would not have entered into this franchise relationship if Franchisor had anticipated that Franchisee would not meet the following performance standards (the "Performance Standards"):

A. *System Standards*. Franchisor may choose, in its sole discretion, to evaluate the Clinic for compliance with the System Standards using various methods (including, but not limited to, inspections, field service visits, surveillance camera monitoring, client comments/surveys, and secret shopper reports). Franchisee must meet minimum standards for cleanliness, equipment condition, repair and function, and

client service. Franchisee's employees, including any independent contractors, must meet minimum standards for courteousness and client service. Notwithstanding the foregoing, the System Standards do not, and will not be deemed to, constitute practice of medicine or Franchisor exerting control over delivery or supervision of Medical Services, and Franchisee further acknowledges that the System Standards regulate non-clinical aspects of the operation of the Clinic.

B. *Minimum Monthly Gross Sales Quota.* Unless waived by Franchisor due to unique market conditions, commencing as of the end of the 18th month following the opening of the Clinic and continuing throughout the remainder of the Term, Franchisee must achieve and maintain an average monthly Gross Sales (based on the trailing 12-month period) of at least $50,000 (the "Minimum Monthly Gross Sales Quota"). Should Franchisee fail, at any time, to satisfy the Minimum Monthly Gross Sales Quota, Franchisor, at its sole discretion, may institute a mandatory corrective training program or terminate this Agreement upon written notice to Franchisee.

9. ADVERTISING AND MARKETING

9.1 **Fund.**

A. Franchisee will be required to pay the appropriate Fund Contribution to Franchisor as described in Section 5.6 of this Agreement. In the event Franchisor increases the Fund Contribution from what it is as of the Effective Date, Franchisor will provide at least sixty (60) days' written notice of such increase in the Fund Contribution.

B. The Fund is administered by Franchisor (or its affiliates) with the assistance and advice provided by a marketing fund committee (the "MFC") pursuant to a charter agreement among Franchisor and the members of the MFC, which serves in an advisory capacity only. The MFC represents Lindora Clinic franchisees and advises Franchisor with regard to all advertising, marketing and public relations programs and activities financed by the Fund, including the creative concepts, materials and endorsements used and the geographic market, media placement and allocation. The MFC is purely advisory in nature and has no operational or ultimate decision-making authority.

C. Franchisee agrees that the Fund may be used to pay the costs of preparing and producing associated materials and programs as Franchisor may determine, including, without limitation, the use of social media; formulating, developing and implementing advertising and promotional campaigns; video, audio and written advertising materials employing advertising agencies; sponsorship of sporting, charitable or similar events; administering regional, national and multi-regional advertising programs including purchasing direct mail and other media advertising, website development/operation and to pay Internet, Intranet, URL, 800 or similar number, and other charges, fees and/or expenses, including employing advertising agencies to assist with marketing efforts; supporting public relations, market research and other advertising, promotional and marketing activities; the reasonable costs of administering the Fund, including accounting expenses and the actual costs of salaries and fringe benefits paid to Franchisor's employees engaged in administration of the Fund and/or creation, development and/or placement of any creative and/or implementation of any campaigns associated with the same. A brief statement regarding the availability of Lindora Clinic franchises may be included in advertising and other items produced using the Fund.

D. Franchisor may spend in any calendar year more or less than the total contributions to the Fund in that year. Franchisor may cause the Fund to invest any surplus for future use by the Fund. Franchisor (or its affiliates) may borrow from its affiliates (or Franchisor) or other lenders on behalf of the Fund to cover deficits of the Fund.

E. Franchisor, its affiliates, and/or their respective employees, agents, contractors, and designated vendors can provide goods, services, materials, etc. (including administrative services and/or "in-house advertising agency" services) and be compensated and/or reimbursed for the same by the Fund, provided that any such compensation must be reasonable in amount. Franchisor can arrange for goods, services, materials, etc. (including administrative services) to be provided by independent persons/companies and all related costs, fees, etc. will be paid by the Fund.

F. The Fund need not be segregated from but will be accounted for separately from Franchisor's other funds and Franchisor will not use the Fund for its general operating expenses. All taxes of any kind incurred in connection with or related to the Fund, its activities, contributions to the Fund and/or any other Fund aspect, whether imposed on Franchisor, the Fund or any other related party, will be the sole responsibility of the Fund. Franchisor will not be required to audit the Fund, but will provide an annual accounting of the Fund at the written request of Franchisee that is made 120 days after the fiscal year at issue. All interest earned on monies contributed to, or held in, the Fund will be remitted to the Fund and will be subject to the restrictions of the relevant franchise agreements.

G. Franchisee acknowledges that the Fund Contributions are intended to maximize general public recognition of and the acceptance of the System and Marks generally, for the benefit of the System as a whole. Notwithstanding the foregoing, Franchisor undertakes no obligation, in administering the Fund Contributions to make expenditures that are equivalent or proportionate to Franchisee's contribution, or to ensure that any particular Lindora Clinic benefits directly or pro rata from advertising or promotion conducted with the Fund Contributions.

H. Franchisor maintains the right to terminate the collection and disbursement of the Fund Contributions and the Fund. Upon termination, Franchisor will disburse the remaining funds for the purposes authorized under this Agreement.

9.2 **Initial Marketing Spend; Local Marketing Activities.**

A. *Initial Marketing Spend*. Franchisee must spend a minimum of $15,000 (the "Initial Marketing Spend") in connection with the pre-opening sales and marketing activities set forth in connection with (i) Franchisee's approved Opening Support Program, and (ii) other marketing and promotional activities that Franchisor approves or designates. Franchisor may also require that Franchisee expend all or any portion of the Initial Marketing Spend on initial marketing/advertising and/or public relations materials or services that are purchased from an approved supplier (subject to Section 6.5 regarding the purchase of equipment and other required products and services that relate to Medical Services). The Initial Marketing Spend will not count towards Franchisee's local advertising expenditure requirements provided in Section 9.2.B below.

B. *Local Advertising Requirement*. Franchisee is responsible for local advertising and marketing activities to attract clients to the Clinic. Franchisee must expend at least $1,500 per month on approved local advertising and marketing activities designed to promote the Clinic within the Designated Territory. Upon Franchisor's written request, Franchisee must provide Franchisor with an accounting of all expenditures made by Franchisee to comply with this Section, along with any invoices or other documentation to support such expenditures. Franchisor may, at any time and on notice to Franchisee, change the amount that Franchisee must spend on local advertising and marketing activities for the Clinic.

C. *Advertising Standards.* Franchisee's advertising will be in good taste and conform to ethical and legal standards and Franchisor's requirements. Franchisor may require Franchisee to submit samples of all advertising and promotional materials (and any use of the Marks and/or other forms of commercial identification) for any media, including the Internet or otherwise. Franchisor retains the right

to approve, disapprove, or revoke its approval of such advertising, in its sole discretion. Franchisee agrees not to use any materials or programs or medium of advertising disapproved by Franchisor.

D. *Approval*. Franchisor must approve any form of co-branding of the Marks, or advertising or use of the Marks to endorse or support other organizations, brands, products or services, in writing, in advance. Further, the Medical Director must approve, in writing, all information regarding Medical Services that are included in the advertising and marketing materials of the Clinic. All advertising and marketing materials that Franchisee intends to use in connection with the Clinic must clearly state that all Medical Services are provided and/or supervised, as required under Applicable Laws, by licensed healthcare professionals.

E. *Opening Support Program*. Franchisee must also expend all required amounts that Franchisor prescribes or otherwise approves as part of Franchisee's Pre-Sales Phase plan, including any amounts due to Franchisor's approved supplier for the Opening Support Program.

F. *Full Participation*. Franchisee must participate in all advertising and sales promotion programs that Franchisor may develop from time to time to promote and enhance the collective success of the System.

9.3 **Social Media Activities.** As used in this Agreement, the term "Social Media" is defined as a network of services, websites, and other electronic, virtual, or digital mediums, including, but not limited to, blogs, microblogs, and social networking sites, video-sharing and photo-sharing sites, customer review sites, marketplace sites, Wikis, chat rooms and virtual worlds, that allows participants to communicate online and form communities around shared interests and experiences. While it can be a very effective tool for building brand awareness, it can also be devastating to a brand if used improperly. Therefore, Franchisee must strictly follow the Social Media guidelines, code of conduct, and etiquette as set forth in the Manual, which may require Franchisee to comply with Franchisor's then-current privacy policy. Any use of Social Media by Franchisee pertaining to the Clinic must be in good taste and not linked to controversial, unethical, immoral, illegal or inappropriate content. Franchisor reserves the right to "occupy" any Social Media websites/pages and be the sole provider of information regarding the Clinic on such websites/pages (e.g., a system-wide Facebook page). At Franchisor's request, Franchisee will promptly modify or remove any online communication pertaining to the Clinic that does not comply with this Agreement or the Manual.

9.4 **Franchisee Marketing Groups.** Franchisor may decide to form one or more associations and/or sub-associations of Lindora Clinics to conduct various marketing-related activities on a cooperative basis (a "Co-Op"). If one or more Co-Ops (local, regional and/or national) are formed covering Franchisee's area, then Franchisee must join and actively participate. Franchisee will be entitled to one (1) vote if Franchisee is in Good Standing at the time the vote is taken. Franchisee will be considered in "Good Standing" if it is not in default of any obligation to Franchisor or any of Franchisor's affiliates, whether arising under this Agreement or any other agreement between Franchisee and Franchisor (or any of Franchisor's affiliates), the Manual or other System Standards. Franchisee may be required to contribute such amounts as are determined from time to time by such Co-Ops.

10. FINANCIAL REPORTS, AUDITS, COMPUTER SYSTEM AND INSURANCE REQUIREMENTS

10.1 **Records and Reports.** Franchisee shall maintain and preserve for four (4) years or such period as may be required by law (whichever is greater) from the date of their preparation such financial information relating to the Clinic as Franchisor may periodically require, including without limitation, Franchisee's sales and use tax returns, register tapes and reports, sales reports, purchase records, and full, complete and accurate books, records and accounts prepared in accordance with generally accepted accounting principles

and in the form and manner prescribed by Franchisor. Franchisee agrees that its financial records shall be accurate and up-to-date at all times. Franchisee agrees to promptly furnish any and all financial information, including tax records and returns, relating to the Clinic to Franchisor on request.

10.2 **Right to Conduct Audit or Review.** Franchisor shall have the right, in its sole determination, to require a review by such representative(s) as Franchisor shall choose, of all information pertaining to the Clinic, including financial records, books, tax returns, papers, and business management software programs of Franchisee, at any time during normal business hours without prior notice for the purpose of accurately tracking unit and System-wide sales, sales increases or decreases, effectiveness of advertising and promotions, and for other reasonable business purposes. Such review will take place at the Clinic or Franchisee's head office (if different), or both, and Franchisee agrees to provide all information pertaining to the Clinic requested by Franchisor during its review. If (a) the audit is conducted because of a failure by Franchisee to furnish reports, supporting records or other required information or to furnish the reports and information on a timely basis, or (b) the audit otherwise reveals an underreporting of two percent (2%) or more by Franchisee (not to include revenue from Medical Services), then Franchisee shall reimburse Franchisor for all costs of the audit or review including, without limitation, travel, lodging, wage expense and reasonable accounting and legal expense. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or Applicable Law.

10.3 **Computer System and Software.** Franchisee must acquire a computer for use in the operation of the Clinic. Franchisee agrees to record all of its receipts, expenses, invoices, client lists, service schedules and other business information required by Franchisor from time to time promptly in the computer system and use the software that Franchisor specifies or otherwise approves. Franchisor reserves the right to change the computer system, and the accounting, business operations, customer service and other software at any time. Subject to compliance with applicable federal and state laws regarding the privacy and security of personal information and health information and other Applicable Laws, data (including names, addresses, contact information, and credit card or payment information of clients of the Clinic) will be captured on the required software and is the property of Franchisor and part of Franchisor's Confidential Information. Franchisee will provide Franchisor with any passwords necessary to access the business information for the Clinic that is stored on the required software and online. Franchisor may use such information to communicate directly to the clients of the Clinic, and to provide updates, information, newsletters, and special offers to the Clinic's clients. Franchisee must upgrade and maintain the computer system and software in the Clinic, as required by Franchisor from time to time, and pay any fees associated with such upgrades. Upon expiration or termination of this Agreement, Franchisee shall have no further access or rights to the client information and Franchisor shall be the sole owner of such information. Notwithstanding the foregoing, if Franchisee receives or has access to certain health information of clients of the Clinic that may be protected under Applicable Laws, Franchisee agrees to not use, process, display, publish, store, or transfer such health information of any client with its prior written consent in compliance with the Applicable Laws.

10.4 **Information Security.**Franchisee acknowledges and agrees that Franchisor may from time to time share Franchisee's or it's owners' Personal Information with third-parties. Franchisee may from time to time have access to information that can be used to identify an individual, including names, addresses, telephone numbers, e-mail addresses, employee identification numbers, signatures, passwords, financial information, credit card information, biometric or health data, government-issued identification numbers and credit report information ("Personal Information"). Franchisee may gain access to such Personal Information from Franchisor, its affiliates, its vendors, or Franchisee's own operations. Franchisee acknowledges and agrees that, as between it and Franchisor, all Personal Information (other than Restricted Data, as defined below) is Franchisor's Confidential Information and is subject to the protections in Article 12 below. Franchisee acknowledges and agrees that Franchisor may from time to time share Franchisee's

and/or its owners' names as well as personal and business addresses, telephone numbers, and e-mail addresses with Franchisor's affiliates and third-parties.

During and after the Term, Franchisee (and if Franchisee is a legal entity, each of its Owners) agree to, and to cause its respective current and former employees, representatives, affiliates, successors, and assigns to: (a) collect, disclose, process, retain, and use all Personal Information only in strict accordance with all applicable laws, regulations, orders, the guidance and codes issued by industry or regulatory agencies, and the privacy policies and terms and conditions of any applicable Internet presence; (b) assist Franchisor with meeting its compliance obligations under applicable laws and regulations relating to Personal Information; and (c) promptly notify Franchisor of any communication or request from any customer or other data subject to access, correct, delete, opt-out of, or limit activities relating to any Personal Information.

If Franchisee becomes aware of a suspected or actual breach of security or unauthorized access involving Personal Information, Franchisee will notify Franchisor immediately and specify the extent to which Personal Information was compromised or disclosed. Franchisee also agrees to follow Franchisor's instructions regarding curative actions and public statements relating to the breach. Franchisor reserves the right to conduct a data security and privacy audit of any of the Clinic and computer system at any time, from time to time, to ensure that Franchisee is complying with Franchisor's requirements. Franchisee must promptly notify Franchisor if it receives any complaint, notice, or communication, whether from a governmental agency, customer or other person, relating to any Personal Information, or Franchisee's compliance with Franchisee's obligations relating to Personal Information under this Agreement, and/or if Franchisee has any reason to believe that it will not be able to satisfy any of its obligations relating to Personal Information under this Agreement.

Notwithstanding anything to the contrary in this Agreement, Franchisee agrees that Franchisor does not control or own any of the following Personal Information (collectively, the "Restricted Data"): (a) any Personal Information of employees, officers, contractors, owners or other personnel of Franchisee, its affiliates, or the Clinic; (b) such other Personal Information as Franchisor may from time to time expressly designate as Restricted Data; and/or (c) any other Personal Information to which Franchisor does not have access. Regardless of any guidance Franchisor may provide generally and/or any specifications that Franchisor may establish for Personal Information, Franchisee has sole and exclusive responsibility for all Restricted Data, including establishing protections and safeguards for such Restricted Data.

10.5 **Insurance.**

A. Prior to opening the Clinic for business and throughout the entire Term, Franchisee will keep in force at Franchisee's own expense and by advance payment of the premium, all insurance coverages required by applicable law, and that it believes are appropriate for its own protection; Franchisee must, at a minimum, maintain the minimum insurance coverages and coverage amounts specified in the Manual from time to time, which as of the Effective Date are as follows:

1. Commercial General Liability insurance covering Franchisee's day-to-day business operations and premises liability exposures with limits not less than the following:

a.	Each Occurrence:	$1,000,000
b.	General Aggregate:	$5,000,000 (per Clinic location)
c.	Products Completed Operations Aggregate:	$5,000,000
d.	Personal and Advertising Injury:	$1,000,000
e.	Participant Legal Liability:	$1,000,000
f.	Professional Liability:	$1,000,000

g.	Damage to Premises Rented to Franchisee:	$1,000,000
h.	Employee Benefits Liability (each employee):	$1,000,000
i.	Employee Benefits Liability (aggregate):	$2,000,000
j.	Medical Expense (any one person):	$5,000
k.	Sexual Abuse and Molestation: included (not excluded)	

Such insurance shall include coverage for contractual liability (for liability assumed under an "insured contract"), products-completed operations, personal and advertising injury, premises liability, third party property damage and bodily injury liability (including death). Additionally, for Products Completed Operations Aggregate coverage above, separate coverage may need to be obtained for Medical Products.

2. Medical Professional Liability (i.e., Medical Malpractice) insurance covering actual or alleged errors or omissions related services provided at the Clinic with limits of not less than $1,000,000 each occurrence and $3,000,000 in the aggregate. Franchisees with multiple Clinics should strongly consider purchasing higher limits of coverage. A separate Excess Medical Professional Liability insurance policy may be required to secure higher limits of coverage.

3. Automobile Liability insurance covering liability arising out of Franchisee's use, operation or maintenance of any auto (including owned, hired, and non-owned autos, trucks or other vehicles) in connection with Franchisee's ownership and operation of the franchise, with limits not less than the minimum compulsory requirements in Franchisee's state. This requirement only applies to the extent that owned, leased or hired/rented vehicles are used in the operation of the franchise. Such insurance shall include coverage with limits not less than $1,000,000 each accident combined single limit for bodily injury and property damage.

4. Workers Compensation insurance covering Franchisee's employees with statutory coverage and limits as required by state law, including Employer's Liability coverage with limits not less than $1,000,000 each accident, $1,000,000 disease-each employee, and $1,000,0000 disease-policy limit.

5. Property insurance written on a special causes of loss coverage form with limits not less than the current replacement cost of the Clinic's business personal property (including furniture, fixtures and equipment) and leasehold improvements (tenant improvements). Such property insurance shall include glass coverage with limits not less than $25,000, signage coverage with limits not less than $10,000, and business interruption/extra expense coverage with limits not less than twelve months of rent.

6. Employment Practices Liability insurance with limits of not less than $1,000,000 per claim and in the aggregate, with a retention not larger than $25,000, providing defense and coverage for claims brought by any of Franchisee's employees or other personnel alleging various employment-related torts. Said policy shall also include third party employment practices liability coverage.

B. All insurance policies must be written by an insurance company licensed in the state in which Franchisee operates the Clinic. The insurance company must have at least an "A-" Rating Classification as indicated in A.M. Best's Key Rating Guide.

C. Franchisor reserves the right, from time to time, in its discretion, to upgrade the insurance requirements or lower the required amounts as to policy limits, deductibles, scope of coverage, or rating of carriers in response to current industry standards, market conditions and/or landlord requirements. Within sixty (60) days of receipt of notice from Franchisor, Franchisee agrees to revise its coverage, as specified in any notice from Franchisor.

D. Franchisor reserves the right to designate, or require pre-approval of, the provider of any insurance required in connection with the Clinic.

E. Franchisee's obligation to obtain and maintain insurance shall not be limited by reason of any insurance that may be maintained by Franchisor nor relieve Franchisee of liability under the indemnity provisions set forth in this Agreement. At Franchisor's designation, Franchisor, as well as its parents, affiliates, and subsidiaries, shall be included as additional insureds on the Clinic's insurance policies, including without limitation, the Clinic's Commercial General Liability and any Umbrella Excess Liability insurance policies. All insurance policies must waive any subrogation rights or other rights to assert a claim back against Franchisor and shall contain a clause requiring notice to Franchisor thirty (30) days in advance of any cancellation or material change or cancellation to any such policy. Franchisee shall give Franchisor certificates of coverage at least annually. Failure to obtain or the lapse of any of the required insurance coverage shall be grounds for the immediate termination of this Agreement pursuant to Section 15.1, and Franchisee agrees that any losses, claims or causes of action arising after the lapse of or termination of insurance coverage will be the sole responsibility of Franchisee and that Franchisee will hold Franchisor harmless from all such losses, claims and/or causes of action. In addition, but not to the exclusion of the foregoing remedy, if Franchisee fails to procure or maintain the required insurance, Franchisor shall have the right and authority, but not the obligation, to procure immediately the insurance and Franchisee shall reimburse Franchisor for the cost of the insurance plus reasonable expenses immediately upon written notice. Franchisee is required to submit to Franchisor a copy of a Certificate of Insurance, with Franchisor as an additional insured, showing compliance with the foregoing requirements at least thirty (30) days before Franchisee commences operation of the Clinic. Franchisor shall have a security interest in all insurance proceeds to the extent Franchisee has any outstanding obligations to Franchisor.

11. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

11.1 **Independent Contractor.** The only relationship between Franchisor and Franchisee created by this Agreement is that of independent contractor. The business conducted by Franchisee is completely separate and apart from any business that may be operated by Franchisor and nothing in this Agreement shall create a fiduciary relationship between them or constitute either Party as agent, legal representative, subsidiary, joint venturer, partner, employee, servant or fiduciary of the other Party for any purpose whatsoever. Franchisee shall hold itself out to the public as an independent contractor operating the business pursuant to a license from Franchisor, and Franchisee agrees to take such action including exhibiting a notice to that effect in such content, form and place as Franchisor may specify. It is further specifically agreed that Franchisee is not an affiliate of Franchisor and that neither Party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other Party. Neither Party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either Party that would create an implied or apparent agency or other similar relationship by and between the Parties.

11.2 **Indemnification.** Franchisee agrees to indemnify, defend and hold Franchisor, its owners, affiliates, successors and assigns, and the directors, officers, owners, managers, employees, servants, and agents of each (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against any of the Indemnitees (collectively, the "Claims") that arise out of or are otherwise related to Franchisee's (a) breach or attempted breach of, or misrepresentation under, this Agreement or in connection with the offer/sale of the Clinic prior to the execution of this Agreement, (b) ownership, construction, development, management, or operation of the Clinic in any manner, (c) gross negligence or intentional misconduct, and/or (d) alleging Franchisee's or its representatives' violation of Applicable Laws as set forth in Section

8.5 above. Notwithstanding the foregoing, any Indemnitee may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Franchisee of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. Indemnitees need not seek recovery from any insurer or other third-party, or otherwise mitigate its losses and expenses, to maintain and recover fully a claim against Franchisee under this Section. Any Indemnitee's failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that person may recover from Franchisee under this Section.

12. CONFIDENTIAL INFORMATION

12.1 **Franchisor's Confidential Information.**

A. Franchisee acknowledges and agrees that all information relating to the System and to the development and operation of the Clinic, including, without limitation, the Manual, Franchisor's training programs, client and supplier lists, client data, or other information or know-how distinctive to the development or operation of a Lindora Clinic (all of the preceding information is referred to herein as the "Confidential Information") is considered to be proprietary and trade secrets of Franchisor. Confidential Information does not include information, knowledge, or know-how, which is lawfully known to the public without violation of applicable law or an obligation to Franchisor or its affiliates, or any Restricted Data. Franchisee (and its Owners, if Franchisee is a legal entity) agrees that during and after the Term, Franchisee will, and cause its spouses, immediate family members, affiliates, and assigns to: (i) process, retain, use, collect, and disclose Confidential Information strictly to the limited extent, and in such a manner, as necessary for the development and operation of a Clinic in accordance with this Agreement, and not for any other purposes of any kind; (ii) process, retain, use, collect, and disclose Confidential Information strictly in accordance with the privacy policies and System Standards and Franchisee's and its representative's instructions; (iii) keep confidential and not disclose, sell, distribute, or trade Confidential Information to any person other than those of Franchisee's employees, independent contractors, and representatives who need to know such Confidential Information for the purpose of assisting Franchisee it is operation of the Studio in accordance with this Agreement; (iv) not make unauthorized copies of any portion of Confidential Information; (v) adopt and maintain administrative, physical, and technical safeguards to prevent unauthorized use or disclosure of any portion of Confidential Information, including by establishing reasonable security and access measures, restricting its disclosure to key personnel, and/or by requiring persons who have access to such Confidential Information to be bound by contractual obligations to protect such Confidential Information and preserve Franchisor's rights and controls in such Confidential Information, in each case that are no less protective or beneficial to Franchisor than the terms of this Agreement; and (vi) at Franchisor's request, destroy or return any portion of the Confidential Information. Upon Franchisor's request, Franchisee shall require the Clinic's employees and any independent contractors to execute a nondisclosure and non-competition agreement in a form satisfactory to Franchisor. Franchisee shall not acquire any interest in the Confidential Information other than the right to utilize it in the development and operation of the Clinic in accordance with this Agreement. If Franchisee or Franchisee's employees or any independent contractors learn about an unauthorized use of any Confidential Information, Franchisee must promptly notify Franchisor. Franchisor is not obligated to take any action but will respond to the information as it deems appropriate. If Franchisee at any time conducts, owns, consults with, is employed by or otherwise assists a similar or competitive business to that franchised hereunder, the doctrine of "inevitable disclosure" will apply, and it will be presumed that Franchisee is in violation of this covenant; and in such case, it shall be Franchisee's burden to prove that Franchisee is not in violation of this covenant.

B. Franchisee acknowledges that Franchisor is not making any representations or warranties, express or implied, with respect to the Confidential Information. Franchisor and its affiliates have no liability to Franchisee and its affiliates for any errors or omissions from the Confidential Information.

C. Franchisee agrees that any new concept, process or improvement in the operation or promotion of the Clinic developed by or on behalf of Franchisee that relates to or enhances Lindora Clinics or the System, or any aspect of Franchisor's business, shall be the sole property of Franchisor, and Franchisee shall promptly notify Franchisor and shall provide Franchisor with all necessary information and execute all necessary documents to memorialize said ownership, or, if necessary, Franchisee's assignment of such ownership to Franchisor, without compensation. Franchisee acknowledges that Franchisor may utilize or disclose such information to other Franchisees.

D. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THIS SECTION 12.1 OR ANY OTHER PROVISION IN THIS AGREEMENT, TO THE EXTENT CONFIDENTIAL INFORMATION REGARDING THE CLINIC OR THE CLINIC'S CLIENTS CANNOT BE TRANSMITTED OR SHARED WITH FRANCHISOR UNDER APPLICABLE LAWS REGARDING THE PRIVACY AND SECURITY OF PERSONAL INFORMATION AND HEALTH INFORMATION, THEN THIS AGREEMENT SHALL BE INTENDED SO AS TO COMPLY WITH SUCH LIMITATIONS.

D. Notwithstanding the foregoing, nothing in this Agreement restricts or prohibits Franchisee from initiating communications directly with, responding to any inquiries from, providing testimony before, providing confidential information to, reporting possible violations of law or regulation to, or from filing a claim or assisting with an investigation directly with a self-regulatory authority or a government agency or entity, including the U.S. Securities and Exchange Commission, or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation. Franchisee does not need the prior authorization of Franchisor to engage in conduct protected by the preceding sentence, and Franchisee does not need to notify Franchisor that Franchisee has engaged in such conduct. Nothing in this provision is intended to exert controls over Franchisee's relationships with its employees or to create or imply an employment relationship between Franchisor and Franchisee or Franchisee's employees.

12.2 **Injunctive Relief.** Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of this Article 12. Franchisee acknowledges and agrees that any failure to comply with the requirements of this Article 12 will cause Franchisor irreparable injury for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to injunctive relief as specified in Section 16.5 herein to enforce the terms of this Article 12. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 12. The foregoing remedies shall be in addition to any other remedies Franchisor may have under this Agreement or applicable law.

13. COVENANTS NOT TO COMPETE

13.1 **Non-Competition Covenants of Franchisee.**

A. *During the Term of this Agreement.* Franchisee agrees that neither Franchisee, its principals, owners, or guarantors, nor any immediate family of Franchisee, its principals, owners, or guarantors ("Restricted Parties"), will, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation own, maintain, engage in, be employed or serve as an officer, director, or principal of, lend money or extend credit to, lease/sublease space to, or have any interest in or involvement (except a business that it operates pursuant to a franchise agreement with

Franchisor or its affiliates), with any business offering products or services of a similar nature to those of the Lindora Clinics, or in any business or entity which franchises, licenses or otherwise grants to others the right to operate such aforementioned businesses (each a "Competing Business"). Franchisee further agrees that, during the Term, the Restricted Parties shall not divert, or attempt to divert, any client or prospective client to a Competing Business in any manner.

B. *After the Term of this Agreement*. Franchisee agrees that, unless (and then only to the extent) prohibited by Applicable Law, Franchisee, the Restricted Parties, and its owners will comply with the following:

(1) *Prohibition on Franchising Activities.* For two (2) years after the expiration, termination, or nonrenewal (by Franchisor or by Franchisee for any reason) of this Agreement, or after Franchisee has assigned its interest in this Agreement, neither Franchisee nor any other Restricted Party will, directly or indirectly, for themselves or through, on behalf of, or in conjunction with any other person, partnership or corporation, be involved with any business that competes in whole or in part with Franchisor by offering or granting licenses or franchises, or establishing joint ventures, for the ownership or operation of a Competing Business. The geographic scope of the covenant contained in this Section is any location where Franchisor can demonstrate it has offered or sold franchises as of the date this Agreement is terminated or expires.

(2) *Prohibition on Competing Businesses*. For two (2) years after the expiration, termination or non-renewal (by Franchisor or by Franchisee for any reason) of this Agreement or after Franchisee has assigned its interest in this Agreement, neither Franchisee nor any other Restricted Party will own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, or have any interest in or involvement with, any other Competing Business: (i) at the Authorized Location; or (ii) within a ten (10) mile radius of (a) the Authorized Location, or (b) any other Lindora Clinic owned by Franchisor, its affiliates, or any franchisee, which is open, under lease or otherwise under development as of the date this Agreement expires or is terminated.

(3) *Transfer of All Ownership Interests.* If an owner of Franchisee ceases to be an owner of Franchisee for any reason, the former owner shall comply with the provision of this Section 13.1.B as though this Agreement were terminated as of the date on which the owner ceased to be an owner.

13.2 **Non-Solicitation Covenants.**

A. *During the Term of this Agreement*. Franchisee agrees that it will not, during the Term of this Agreement, divert or seek to divert clients from another Lindora Clinic to the Clinic.

B. *After the Term of this Agreement*. Franchisee agrees that, for two (2) years after the expiration, termination or non-renewal (by Franchisor or by Franchisee for any reason) of this Agreement or after Franchisee has assigned its interest in this Agreement, neither Franchisee nor any other Restricted Party, and Franchisee's owners will (i) solicit business from clients of Franchisee's former Clinic or any other Lindora Clinic, or (ii) contact any of Franchisor's suppliers or vendors for any competitive business purpose.

13.3 **Enforcement of Covenants.**

A. Franchisee expressly agrees that the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 13. Franchisee acknowledges and agrees that in view of the nature of the System and the business of Franchisor, the restrictions contained in this Article 13 are reasonable and necessary to

protect the legitimate interests of the System and Franchisor. Franchisee further acknowledges and agrees that Franchisee's violation of the terms of this Article 13 will cause irreparable injury to Franchisor for which no adequate remedy at law is available, and Franchisee accordingly agrees that Franchisor shall be entitled to preliminary and permanent injunctive relief and damages, as well as, an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor shall be entitled. Franchisee agrees to waive any bond that may be required or imposed in connection with the issuance of any preliminary or provisional relief. Franchisee shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 13. If Franchisee violates any restriction contained in this Article 13, and it is necessary for Franchisor to seek equitable relief, the restrictions contained herein shall remain in effect until two (2) years after such relief is granted. If Franchisee contests the enforcement of Article 13 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 13 is delayed.

B. Franchisee agrees that the provisions of this covenant not to compete are reasonable. If, however, any court should find this Article 13 or any portion of this Article 13 to be unenforceable and/or unreasonable, the court is authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue to the extent necessary to render it enforceable and/or reasonable and to enforce the provision so revised.

C. Franchisor shall have the right, in Franchisor's discretion, to reduce the scope of any covenant not to compete set forth in this Agreement, or any portion thereof, without Franchisee's consent, effective immediately upon receipt by Franchisee of written notice thereof, and Franchisee shall comply with any covenant as so modified.

14. TRANSFER OF INTEREST

14.1 **Franchisor's Approval Required.** All rights and interests of Franchisee arising from this Agreement are personal to Franchisee and except as otherwise provided in this Article 14, Franchisee shall not, without Franchisor's prior written consent, voluntarily or involuntarily, by operation of law or otherwise, sell, assign, transfer, pledge or encumber its interest in this Agreement, in the license granted hereby, in the assets of the Clinic, any of its rights hereunder, or in the lease for the premises at which the Clinic is located (each a "Transfer"), and any purported Transfer shall be null and void. If Franchisee is a corporation, limited liability, partnership, or an individual or group of individuals, any assignment (or new issuance), directly or indirectly, occurring as a result of a single transaction or a series of transactions that alters the percentages of ownership interests reflected on Exhibit 1 to this Agreement must promptly be reported to Franchisor and is a Transfer within the meaning of this Article 14. Any proposed Transfer shall be subject to Franchisor's right of first refusal provided in Section 14.5 below.

14.2 **Conditions for Approval of Transfer.** Franchisee must provide Franchisor with all information or documents that Franchisor requests about the proposed Transfer, the transferee, and its owners. Upon Franchisor's receipt of such information, Franchisor shall not unreasonably withhold its approval of a proposed transfer, provided that the prospective transferee, in Franchisor's reasonable judgment, is of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable to Franchisor's then-current standards for franchisees; and that the following conditions are met: (1) Franchisee pays Franchisor a transfer fee in an amount equal to Ten Thousand Dollars ($10,000) (except in those cases set forth at the end of this Section where only an administrative fee is charged), as well as any applicable broker fees due in connection with the transaction; (2) Franchisee and its related parties sign a prescribed form of general release in favor of Franchisor and its related parties in a form acceptable to Franchisor; (3) the proposed

transferee (and, if appropriate, their respective owners) must pay the applicable Training Fee of Sixty Thousand Dollars ($60,000); (4) the proposed transferor and transferee and their respective owners must execute a form of consent to transfer pursuant to which, at Franchisor's option, either (a) transferee agrees to execute Franchisor's then-current form of franchise agreement that will then govern the balance of the Term, or (b) this Agreement is assigned to and assumed by the proposed transferee; (5) the Clinic and equipment must be upgraded, refurbished or repaired if Franchisor, in its sole discretion, decides it is necessary; (6) the transferee (a) completes (or has its Operating Principal complete) the Owner/Operator Module and has its Designated Manager complete the Designated Manager Training Program, and (b) has at least one (1) Authorized Technician prior to reopening, and/or resuming the provision of Approved Services at, the Clinic; (7) all monies owed, however arising, by Franchisee or its affiliates to Franchisor, its affiliates, and all suppliers to the Clinic are paid; and (8) there must not be an outstanding default of any provision of this Agreement or of any other agreement between Franchisee (or its affiliates) and Franchisor (or its affiliates). Instead of the standard transfer fee, Franchisee must pay an administrative fee at the time of proposing any transfer or assignment amounting to (a) Five Hundred Dollars ($500) if Franchisee is an individual (or individuals) and the transfer is from Franchisee to an entity that is wholly owned by such individual(s), or (b) One Thousand Five Hundred Dollars ($1,500) if the transfer is from Franchisee to an immediate family member.

14.3 **Death or Disability of Franchisee.** In the event of the death or disability of Franchisee, if an individual, or of a stockholder of a corporate Franchisee, or of a partner of a Franchisee which is a partnership, or a member of a Franchisee which is a limited liability company, the transfer of Franchisee's or the deceased stockholder's, partner's or member's interest in this Agreement to his or her heirs, trust, personal representative or conservators, as applicable, must occur within six (6) months of the death or disability, but, shall not be deemed a Transfer by Franchisee (provided that the responsible management employees or agents of Franchisee have been satisfactorily trained at Franchisor's Initial Training Program) nor obligate Franchisee to pay any transfer fee. If Franchisor determines (i) there is no imminent transfer to a qualified successor or (ii) there is no heir or other principal person capable of operating the Clinic, Franchisor shall have the right, but not the obligation, to immediately appoint a manager and commence operating the Clinic on behalf of Franchisee or its estate. Franchisee shall be obligated to, and shall, pay to Franchisor all reasonable costs and expenses for such management assistance, including without limitation, the manager's salary, room and board, travel expenses and all other related expenses of the Franchisor appointed manager. Operation of the Clinic during any such period shall be for and on behalf of Franchisee, provided that Franchisor shall only have a duty to utilize reasonable efforts and shall not be liable to Franchisee or its owners for any debts, loses or obligations incurred by the Clinic, or to any creditor of Franchisee for any supplies, inventory, equipment, furniture, fixtures or services purchased by the Clinic during any period in which it is managed by a Franchisor appointed manager. Franchisor may, in its sole discretion, extend the six (6) month period of time for completing a transfer contemplated by this Section.

14.4 **Relocation.** Franchisee may not relocate the Clinic from the Authorized Location without Franchisor's prior written approval, which Franchisor may provide in its sole discretion. Franchisee agrees and acknowledges that: (i) it must pay Franchisor a $5,000 relocation fee at the time Franchisee makes any relocation request; and (ii) Franchisor is not likely to approve any relocation request unless (a) due to extreme circumstances that are beyond Franchisee's control, and (b) Franchisee is in full compliance with this Agreement.

14.5 **Franchisor's Right of First Refusal.** If Franchisee (or any of its owners) desire to engage in a Transfer, Franchisee (or its owners) agree to obtain from a responsible and fully disclosed buyer, and send to Franchisor, a true and complete copy of a bona fide, executed written offer (which may include a letter of intent) relating exclusively to an interest in Franchisee or in this Agreement and the Clinic. The offer must include details of the payment terms of the proposed sale and the sources and terms of any financing for the proposed purchase price. To be a valid, bona fide offer, the proposed purchase price must be in a

dollar amount, and the proposed buyer must submit with its offer an earnest money deposit equal to five percent (5%) or more of the offering price. The right of first refusal process will not be triggered by a proposed Transfer that would not be allowed under Sections 14.1 and 14.2 above. Franchisor may require Franchisee (or its owners) to send to Franchisor copies of any materials or information sent to the proposed buyer or transferee regarding the possible transaction.

Within 30 days after Franchisor receives an exact copy of the bona fide offer and all relevant information that Franchisor requests, Franchisor may, by written notice delivered to Franchisee or its selling owner(s), elect to purchase the interest offered for the price and on the terms and conditions contained in the offer. Franchisor may substitute any form of payment proposed in the offer as acceptable consideration. If Franchisor exercises its right of first refusal, Franchisor will have 30 days from the date that Franchisor notified Franchisee of its intended purchase. Franchisee and its owners must make all customary representations and warranties given by the seller of the assets of a business or the ownership interests in a legal entity, as applicable, and Franchisee and its selling owner(s) (and their immediate family members) must comply with the obligations regarding Competing Businesses, as though this Agreement had expired on the date of the purchase. Franchisor has the unrestricted right to assign this right of first refusal to a third-party, who then will have the rights described in this Section 14.5.

If Franchisor decides not to exercise its right of first refusal, Franchisee or its owners may complete the sale to the proposed buyer on the original offer's terms, but only if Franchisor otherwise approved the Transfer in accordance with, and Franchisee (and its owners) and the transferee comply with the conditions in, Sections 14.1 and 14.2 above. If Franchise does not complete the sale to the proposed buyer within 60 days after either Franchisor notifies Franchisee that it does not intend to exercise its right of first refusal or the time Franchisor's exercise expires, or if there is a material change in the terms of the sale (which Franchisee agrees to tell Franchisor promptly), Franchisor or its designee will have an additional right of first refusal during the 30-day period following either the expiration of the 60-day period or Franchisor's receipt of notice of the material change(s) in the sale's terms, either on the terms originally offered or the modified terms, at Franchisor's or its designee's option.

14.6 **Transfer by Franchisor.** Franchisor shall have the right to transfer, assign or delegate all or any part of its rights or obligations herein to any person or legal entity, directly or indirectly, by merger, assignment, pledge or other means.

15. DEFAULT AND TERMINATION OF AGREEMENT

15.1 **Termination of Franchise by Franchisor.** Franchisor shall have the right to terminate this Agreement for "good cause" upon delivering notice of termination to Franchisee. For purposes of this Agreement, "good cause" shall include, without limitation: (i) a material breach of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, (ii) intentional, repeated or continuous breach of any provision of this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates, and (iii) the breaches (and, if applicable, failure to cure such breaches) described below in this Section 15.

A. *Immediate Termination.* Franchisee shall be deemed to be in default and Franchisor may terminate this Agreement and all rights granted hereunder, without affording Franchisee any opportunity to cure the default, effective immediately upon receipt of notice by Franchisee, and such termination shall be for good cause where the grounds for termination are:

(1) Franchisee has made any material misrepresentation or omission in the Application Materials or otherwise in connection with applying for the franchise or in executing or performing under this Agreement or any other agreement between Franchisee and Franchisor or any of Franchisor's affiliates;

(2) Franchisee becomes insolvent by reason of Franchisee's inability to pay debts as they become due, or makes an assignment for the benefit of creditors or makes an admission of Franchisee's inability to pay obligations as they become due;

(3) Franchisee files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against Franchisee or a receiver is appointed for Franchisee's business, or a final judgment remains unsatisfied or of record for thirty (30) days or longer; or if Franchisee is a corporation, limited liability company or partnership, Franchisee is dissolved;

(4) Franchisee voluntarily or otherwise abandons the Clinic. For purposes of this Agreement, the term "abandon" means: (i) failure to actively operate the Clinic for more than two (2) business days without Franchisor's prior written consent; or (ii) any other conduct on the part of Franchisee or its principals that Franchisor determines indicates a desire or intent to discontinue operating the Clinic in accordance with this Agreement or the Manual;

(5) Franchisee or any of its principal officers, directors, partners or managing members is convicted of or pleads no contest to a felony or other crime or offense that adversely affect the reputation of the System or the goodwill associated with the Marks;

(6) Franchisee or its owners make an unauthorized direct or indirect Transfer or attempted or purported Transfer or fails or refuses to transfer the Franchise or the interest in the Franchise of a deceased or disabled controlling owner thereof as required;

(7) Franchisee falsifies any financial reports or records required to be provided by Franchisee to Franchisor under this Agreement;

(8) Franchisee's: (i) disclosure, utilization, or duplication of any portion of the System, the Manual or other proprietary or Confidential Information relating to the Clinic that is contrary to the provisions of this Agreement; or (ii) use of the Marks in any manner not expressly authorized by Franchisor;

(9) Franchisee violates any health or safety law, ordinance or regulation or operates the Clinic in a manner that presents a health or safety hazard to its clients or to the public;

(10) Franchisee fails to obtain lawful possession of an acceptable location and to open for business as a franchised Lindora Clinic within twelve (12) months after this Agreement is accepted by Franchisor, unless Franchisor agrees otherwise in writing;

(11) Franchisee defaults under the lease agreement or otherwise loses the right to possess the premises at the location at which the Clinic is located;

(12) Franchisee fails to comply with the covenants not to compete as required in Article 13 herein;

(13) Franchisee permits the offer or sale of products and services other than the Approved Services at the Clinic in violation of the terms of this Agreement on two (2) or more occasions in any 24-month period, regardless of whether Franchisee subsequently cured the prior default(s);

(14) Franchisee fails to enter into a management services agreement with a Professional Entity and designate a Medical Director that is acceptable to Franchisor;

(15) Franchisee, after curing a default pursuant to Section 15.1.B herein, commits the same act of default again within any six (6)-month period whether or not such default is cured after notice thereof is delivered to Franchisee; or

(16) Franchisee (or any of its owners) fails on three (3) or more separate occasions within any twelve (12) consecutive month period to comply with any provision of this Agreement, whether or not Franchisor notifies Franchisee of the failures, and if Franchisor does notify Franchisee of the failures, whether or not Franchisee corrects the failures after Franchisor's delivery of notice to Franchisee.

B. *Termination with Notice.* In addition to the provisions of Section 15.1.A, if Franchisee shall be in default under the terms of this Agreement and the default shall not be cured or remedied (to Franchisor's satisfaction) within thirty (30) days after receipt of written notice from Franchisor (or 10 days' prior notice in the event of a default that is described in Subsections (6), (7) or (8) below), in addition to all other remedies available to Franchisor at law or in equity, Franchisor may immediately terminate this Agreement on written notice to Franchisee. Franchisee shall be in default, and each of the following shall constitute good cause for termination under this Section:

(1) Failure, refusal or neglect by Franchisee to obtain Franchisor's prior written approval or consent any time such approval or consent is required by this Agreement;

(2) Franchisee's failure to comply with any provision of this Agreement that does not otherwise provide for immediate termination, or Franchisee's bad faith in carrying out the terms of this Agreement;

(3) Failure by Franchisee to maintain books and financial records for the Clinic suitable for proper financial audit or failure by Franchisee to permit Franchisor to carry out its rights to conduct an inspection or audit as provided in this Agreement or failure by Franchisee to submit as required by this Agreement all reports, records and information of the Clinic;

(4) Franchisee, or if Franchisee has elected not to directly supervise "on-premises" the day-to-day Clinic operations, then Franchisee's management employee, fails to complete, to Franchisor's satisfaction, the Initial Training Program as provided in this Agreement;

(5) Franchisee fails to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement, or is unable to obtain adequate financing to cover all costs of developing, opening and operating the Clinic;

(6) Franchisee fails to pay when due any amounts owing to any person or entity in connection with the construction, leasing, financing, operation or supply of the Clinic;

(7) Franchisee closes any bank account without completing all of the following after such closing: (i) immediately notifying Franchisor in writing, (ii) immediately establishing another bank account, and (iii) executing and delivering to Franchisor all documents necessary for Franchisor to begin and continue making withdrawals from such bank account by electronic funds transfer;

(8) Franchisee fails to maintain or suffers cancellation of any insurance coverage required under this Agreement or Applicable Laws;

(9) Franchisee allows services to be offered by its personnel who have not successfully completed the required training programs;

(10) Franchisee offers in conjunction with the operation of the Clinic products or services that have not been approved by Franchisor;

(11) Franchisee fails to abide by the pertinent marketing and advertising requirements and procedures and participate in marketing programs for the Clinic as established by Franchisor;

(12) Franchisee fails to comply with the Performance Standards as set forth in the provisions of this Agreement, as prescribed by Franchisor, or in the Manual, including, but not limited to, the Minimum Monthly Gross Sales Quota for a period of 36 consecutive months, System Standards for cleanliness, customer service, equipment maintenance, and any other System Standards which effect or enhance the client experience at the Clinic; or

(13) Franchisee fails to (a) utilize Franchisor's then-current approved supplier to provide the Opening Support Program, (b) actively engage in the Pre-Sale Phase activities set forth in the plan that Franchisor and/or its approved supplier approves in connection with the Opening Support Program, and/or (c) fails to timely acquire the Initial Inventory Kit or expend the required minimum amounts that Franchisor prescribes in connection with the Pre-Sale Phase and other pre-opening activities designed to promote the Clinic consistent with the terms of this Agreement.

15.2 **Cross-Default.** If there are now, or hereafter shall be, other franchise agreements or any other agreements in effect between Franchisee or any of its affiliates and Franchisor or any of its affiliates, a default by Franchisee or any of its affiliates and/or owners under the terms and conditions of this Agreement or any other such agreement, shall at the option of Franchisor, constitute a default under this Agreement and all such other agreements.

15.3 **Obligations of Franchisee upon Termination, Expiration or Non-Renewal.** Immediately upon termination, expiration or non-renewal of this Agreement for any reason:

A. All rights, privileges and licenses granted by Franchisor to Franchisee shall immediately cease and be null and void and of no further force and effect, and all such rights, privileges and licenses shall immediately revert to Franchisor;

B. Franchisee shall cease operating the Clinic, and shall immediately, at its own expense, remove and cease using or displaying all signs from the interior and exterior of the Clinic premises, obliterate or remove all letterheads, labels or any other item or form of identification that would in any way link or associate Franchisee, its goods and/or services with Franchisor, and shall immediately cease to use, in any manner, the Marks, Confidential Information, System and any other intellectual property of Franchisor or its affiliates;

C. Franchisee shall immediately terminate all advertising and promotional efforts and any other act that would in any way indicate that Franchisee is or was ever an authorized Lindora Clinic franchisee;

D. Franchisee shall cancel any assumed name of Franchisee or equivalent registration that contains any Mark, and Franchisee shall furnish Franchisor with evidence satisfactory to Franchisor of compliance with this obligation within five (5) days after termination, expiration or non-renewal of this Agreement;

E. Franchisee agrees not to use any reproduction, counterfeit, copy, or colorable imitation of the Marks that is likely to cause confusion, mistake or deception, or that is likely to dilute Franchisor's rights in and to the Marks, and further agrees not to use any trade dress or designation of origin or

description or representation that falsely suggests or represents an association or connection with Franchisor;

F. Franchisee shall pay all amounts owing to Franchisor and its approved suppliers under this Agreement and otherwise in connection with the Clinic. In the event of termination for any default of Franchisee, such sums shall include all damages, costs and expenses, including reasonable legal fees, incurred by Franchisor as a result of the default;

G. Franchisee shall comply with the covenants set forth in Articles 12 and 13 of this Agreement;

H. Franchisee shall, at Franchisor's option, assign to Franchisor any interest that Franchisee has in any lease for the premises of the Clinic; and

I. Franchisor shall have the option, exercisable by giving written notice thereof within thirty (30) days from the date of such termination, expiration or non-renewal to purchase any and all equipment, furniture, fixtures, signs, sundries and supplies owned by Franchisee and used in the Clinic, at the lesser of (i) Franchisee's cost less depreciation computed on a reasonable straight line basis (as determined in accordance with generally accepted accounting principles and consistent with industry standards and customs) or (ii) fair market value of such assets, less (in either case) any outstanding liabilities of the Clinic. In addition, Franchisor shall have the option to assume Franchisee's lease for the lease location of the Clinic, or if an assignment is prohibited, a sublease for the full remaining term on the same terms and conditions as Franchisee's lease. No value will be attributed to the value of the Marks or the System or to the assignment of the lease (or sublease) for the premises or the assignment of any other assets used in conjunction with the Clinic, and Franchisor will not be required to pay any separate consideration for any such assignment or sublease.

If the Parties cannot agree on fair market value within thirty (30) days of Franchisor's notice of intent to purchase, fair market value shall be determined by an experienced, professional and impartial third-party appraiser without regard to goodwill or going concern value, designated by Franchisor and acceptable to Franchisee, whose determination shall be final and binding on both Parties. The cost of such appraisal shall be borne equally by Franchisor and Franchisee. If the Parties cannot agree upon an appraiser, one shall be appointed by the American Arbitration Association, upon petition of either Party.

Franchisor shall have the right to withhold from the purchase price funds sufficient to pay all outstanding debts and liabilities of Franchisee and the Clinic and to pay such debts and liabilities from such funds.

J. Franchisor and Franchisee agree that Franchisor will suffer compensable damages including, among others, the amount of the Royalty and Fund Contributions it would have received, and for which it bargained in entering into this Agreement, if Franchisee terminates this Agreement without cause or Franchisor terminates this Agreement because of Franchisee's breach (the "Lost Revenue Damages"). Franchisor and Franchisee acknowledge that, because Royalty and Fund Contributions are calculated as a percentage of the Clinic's Gross Sales, it will be impossible to calculate Lost Revenue Damages once the Clinic ceases operation. To bring certainty to that determination, Franchisor and Franchisee agree that Lost Revenue Damages will equal the net present value of: (1) the lesser of 36 or the number of calendar months remaining on the Term absent the termination, multiplied by (2) the sum of the Royalty and Fund Contribution percentages in effect as of the termination date, multiplied by (3) the average monthly Gross Sales of the Clinic during the 24 full calendar months immediately preceding the termination date, minus (4) any cost savings Franchisor experienced as a result of the termination; provided, however, that if (i) as of the termination date, the Clinic had not operated a full 24 calendar months, monthly

average Gross Sales will equal the highest monthly Gross Sales achieved during the period in which it operated, and (ii) if the termination was based on Franchisee's unapproved closure of the Clinic, average monthly Gross Sales would be based on the 24 full calendar months immediately preceding the closure of the Clinic.

Franchisor and Franchisee acknowledge and agree that (a) their agreement on the calculation of Lost Revenue Damages is a reasonable determination of actual damages that will be suffered by Franchisor in the event of a termination as described above and is not a penalty, and (b) Lost Revenue Damages represent only lost Royalty and Fund Contributions, and the right to recover such damages is not exclusive of and does not replace any other rights Franchisor has under this Agreement or applicable law if this Agreement is terminated as described above, including the right to seek other damages it suffers as a result of a termination as described above or the events on which such termination was based.

K. Termination, expiration or non-renewal of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Franchisee, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.

15.4 **Franchisor's Rights and Remedies in Addition to Termination.** If Franchisee shall be in default in the performance of any of its obligations or breach any term or condition of this Agreement, in addition to Franchisor's right to terminate this Agreement, and without limiting any other rights or remedies to which Franchisor may be entitled at law or in equity, or if Franchisor has issued a notice to Franchisee in exercise of its rights to purchase the Clinic under Section 15.3.I above, then, Franchisor may, at its election, immediately or at any time thereafter, and without notice to Franchisee, cure such default on Franchisee's behalf and, in its discretion, either directly or through its designee, enter upon and take possession of the Clinic, for a period not to exceed 180 days, and thereafter take, in the name of Franchisee, all other actions necessary to effect the provisions of this Agreement. Franchisee agrees that any such entry or other action shall not be deemed a trespass or other illegal act, and Franchisor shall not be liable in any manner to Franchisee for so doing, and Franchisee shall pay the entire cost thereof to Franchisor on demand, including reasonable compensation to Franchisor for the management of the Clinic. If Franchisor exercises its rights under this Section, then Franchisor is not required to use Franchisee's employees and reserves the right to designate its own personnel to manage and operate the Clinic.

During the period in which Franchisor or its designee operates the Clinic under this Section, Franchisee will cooperate with Franchisor and its designees to support the operation of the Clinic in compliance with all the System Standards, including making available any and all books, records, and accounts. Franchisee agrees that all funds derived from the operation of the Clinic during this period will be held and used solely by Franchisor or its designee, will be used to pay expenses associated with the operation of the Clinic (including payment of any fees and other amounts owed by Franchisee to Franchisor under this Agreement and Franchisor's then-current fee for such interim operation of the Clinic), and will be accounted for separately from Franchisor's other revenue and expenses.

Franchisee agrees that Franchisor or its designee must exercise only a reasonable degree of care in operating the Clinic and is under no duty to take extraordinary measures or, in any way, fund the operations to ensure the Clinic's success or continued operations during or after such period. Franchisee agrees that it continues to bear the sole liability for any and all accounts payable, obligations, and/or contracts, including all obligations under the Clinic lease and all obligations to its vendors and employees and contractors, unless and until Franchisor expressly assumes them in connection with the purchase of the Clinic under Section 15.3.I above. Franchisor may elect to cease such interim operations of the Clinic at any time with notice to Franchisee. Franchisor (or its designee) will not be liable to Franchisee or its owners for any debts, losses, or obligations the Clinic incurs, or to any of Franchisee's creditors.

Franchisor's decision to operate the Clinic on an interim basis, will not affect Franchisor's right to terminate this Agreement under Section 15.1.A(4) above. Franchisee's indemnification obligations set forth under Section 11.2 will continue to apply during any period that Franchisor or its designee operate the Clinic.

16. RESOLUTION OF DISPUTES

16.1 **Governing Law.** Franchisor and Franchisee agree that all matters relating to arbitration will be governed by the substantive and procedural provisions of the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.), which they acknowledge and agree will supersede any conflicting provisions of any state's laws relating to arbitration. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other applicable federal laws, this Agreement and any other agreement between Franchisor (or its parents, affiliates, and subsidiaries) and Franchisee (or its parents, affiliates, and subsidiaries, if applicable), and the rights granted and relationships created thereunder, shall be governed by the internal laws of the State of California, without regard to its conflicts of laws rules, except that the provisions regarding competitive activities shall be interpreted and enforced in accordance with the laws of the state in which the Clinic is located. The Parties further acknowledge and agree that the adoption of California law in this Section is not intended to circumvent or, in any manner, satisfy any jurisdictional requirements contained in any such laws that are expressly and specifically directed to the offer or sale of franchises or the relationships between franchisors and franchisees.

16.2 **Internal Dispute Resolution.** Franchisee agrees that, except as set forth in Section 16.5 below, before it or any of its owners or representatives initiates an arbitration or litigation against Franchisor, its parents, affiliates, and subsidiaries, or their respective owners, officers, directors, employees or representatives, Franchisee will provide Franchisor with written notice of the underlying claim or dispute (the "**Dispute**") specifying, in detail, the precise nature and grounds of the Dispute. Within thirty (30) days after delivery of such claim or dispute to Franchisor, Franchisor and Franchisee will use good faith efforts to discuss and resolve the Dispute informally for a reasonable period which shall be no more than sixty (60) days unless mutually extended by the Parties.

16.3 **Mediation.** Except as provided in Section 16.5 below, the Parties agree to submit any Dispute they are unable to resolve informally, as described in Section 16.2 above, to mediation to be conducted by JAMS using its then-current mediation rules and procedures (see www.jamsadr.com/mediation) and to take place at Franchisor's or, as applicable, Franchisor's successor's or assign's, then-current principal place of business (currently, Irvine, California). Each Party will bear its own costs in participating in the mediation, and Franchisor and Franchisee will share JAMS' and the mediator's fees and costs equally. Neither Party will be required to mediate for more than one (1) day.

16.4 **Mandatory Binding Arbitration.** If Franchisor waives the obligation to mediate (as described in Section 16.3) or the informal dispute processes described in Sections 16.2 and 16.3 do not resolve the Dispute to the Parties' satisfaction, all controversies, disputes, or claims between Franchisor, or any of its parents, affiliates, and subsidiaries, and its and their respective owners, officers, directors, agents, and employees (the "Franchisor Parties"), on the one hand, and Franchisee, or any of its parents, affiliates, and subsidiaries and its and their respective owners, guarantors officers, directors, agents, and employees (the "Franchisee Parties"), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between any of the Franchisor Parties and Franchisee Parties; (2) the relationships between any Franchisor Parties and Franchisee Parties; (3) the scope or validity of this Agreement or any other agreement referenced in clause (1) above or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Franchisee acknowledges is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding

arbitration, on demand of either Party, to JAMS. The arbitration proceedings will be conducted by one mutually acceptable arbitrator and, except as this Section otherwise provides, according to JAMS' then-current Comprehensive Arbitration Rules & Procedures (see www.jamsadr.com/rules-comprehensive-arbitration/). If the Parties are unable to agree on an arbitrator, an arbitrator having at least five (5) years' experience in the areas involved will be appointed by JAMS.

All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of Franchisor's (or its successor's or assign's, as applicable), then-current principal place of business (currently, Irvine, California). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each Party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction. The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including, money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Franchisor, or its parents, affiliates, and subsidiaries, generic or otherwise invalid, or award any punitive or exemplary damages against any Party to the arbitration proceeding (Franchisor and Franchisee hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any Party to the arbitration proceeding).

Franchisor and Franchisee will share equally in all fees and costs assessed by JAMS in connection with initiating and conducting the arbitration proceedings, and each Party agrees to pay its share of such fees and costs as they become due. If a Party fails to timely pay such fees or costs, the other Party may, in its discretion, advance such costs on behalf of the nonpaying Party. At the conclusion of the arbitration, the arbitrator shall award to the prevailing Party its fees and costs, including all reasonable experts', attorneys' and other professionals' fees incurred in the proceedings.

In any arbitration proceeding, each Party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each Party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any Party.

The arbitrator shall have full authority to manage any necessary exchange of information among the Parties with a view to achieving an efficient and economical resolution of the dispute. The Parties may only serve reasonable requests for documents, which must be limited to documents upon which a Party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit shall be propounded, unless the Parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

If any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a particular dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all Parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and

that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

The parties to any mediation or arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law.

16.5 **Other Proceedings (Right to Injunctive Relief).** Nothing in this Agreement, including the provisions of Sections 16.2 through 16.4, bars Franchisor's right to seek and obtain in any court of competent jurisdiction injunctive or other equitable relief against actual or threatened conduct that it believes is likely to cause loss or damage to the Marks, its proprietary information, or the System, in each case, under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. Franchisee agrees that Franchisor may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. Franchise agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Franchisee's only remedy if an injunction is entered against it will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

16.6 **Consent to Jurisdiction.** Subject to the obligation to submit to binding arbitration under Section 16.4 above, Franchisor and Franchisee agree that all controversies, disputes, or claims between them or any Franchisor Parties and Franchisee Parties arising out of or related to this Agreement or any other agreement between a Franchisor Party and a Franchisee Party or their relationships with each other must be commenced exclusively in state or federal court closest to Franchisor's (or its successor's or assign's, as applicable) then-current principal place of business (currently, Irvine, California), and the Parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts.

16.7 **Waiver of Punitive Damages.** Franchisee hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Franchisee's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the Term if it is terminated due to Franchisee's default, which the Parties agree and acknowledge Franchisor may claim under this Agreement.

16.8 **WAIVER OF JURY TRIAL.** THE PARTIES HEREBY AGREE TO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR FRANCHISEE'S PURCHASE FROM FRANCHISOR OF THE FRANCHISE AND/OR ANY GOODS OR SERVICES.

16.9 **WAIVER OF CLASS ACTIONS.** THE PARTIES AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE OPERATIONS OF THE CLINIC, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN FRANCHISEE, FRANCHISEE'S GUARANTORS AND FRANCHISOR

OR ITS AFFILIATES/OFFICERS/EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD-PARTY.

16.10 **Attorneys' Fees and Costs.**

A. If legal action or arbitration is necessary to enforce the terms and conditions of this Agreement, the prevailing Party shall be entitled to recover reasonable compensation for preparation, investigation, court costs, arbitration costs (if applicable) and reasonable attorneys' fees, from the non-prevailing Party as fixed by an arbitrator or court of competent jurisdiction.

B. Separate and distinct from the right of a prevailing Party to recover expenses, costs and fees in connection with any legal proceeding or arbitration, the prevailing Party shall also be entitled to receive all expenses, costs and reasonable attorneys' fees incurred in connection with the enforcement of any arbitration award or judgment entered. Furthermore, the right to recover post-arbitration award and post judgment expenses, costs and attorneys' fees shall be severable and shall survive any award or judgment and shall not be deemed merged into such judgment.

C. Apart from the obligations in Sections 16.10.A and 16.10.B, Franchisee agrees and acknowledges that it will be responsible for the legal fees and other costs that Franchisor incurs in connection with certain modifications that Franchisor agrees to make to the Franchise Agreement, including without limitation, modifications made to address the following situations: (i) relocation; or (ii) any other amendment to extend a given performance deadline of Franchisee, modify the Designated Territory awarded hereunder, or otherwise modify, amend or supplement this Agreement in any way at the request of Franchisee or as necessary for Franchisee to avoid this Agreement being in default or subject to termination. Franchisor may set forth flat fee amounts designed to help defray the costs associated with addressing certain of the foregoing situations in the context of this Agreement or any other agreement with Franchisor, whether in the Manual or otherwise in a writing distributed to System franchisees.

16.11 **No Withholding of Payments.** Franchisee shall not withhold all or any part of any payment to Franchisor or any of its affiliates on the grounds of Franchisor's alleged nonperformance or as an offset against any amount Franchisor or any of Franchisor's affiliates allegedly may owe Franchisee under this Agreement or any related agreements.

16.12 **Limitation of Actions.** Franchisee further agrees that no cause of action arising out of or under this Agreement may be maintained by Franchisee against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one year after the Franchisee becomes aware, or should have become aware after reasonable investigation, of facts or circumstances reasonably indicating that Franchisee may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Franchisee hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

16.13 **Third-Party Beneficiaries.** Franchisor's officers, directors, shareholders, agents and/or employees are express third-party beneficiaries of the provisions of this Agreement, including the dispute resolution provisions set forth in this Article 16, each having authority to specifically enforce the right to mediate/arbitrate claims asserted against such person(s) by Franchisee.

17. MISCELLANEOUS PROVISIONS

17.1 **Severability.** Each article, section, paragraph, term and provision of this Agreement, or any portion thereof, shall be considered severable and if, for any reason, any such portion of this Agreement is held by an arbitrator or by a court of competent jurisdiction to be unenforceable due to any applicable existing or future law or regulation, such portion shall not impair the operation of or have any effect upon, the remaining portions of this Agreement which will remain in full force and effect. No right or remedy conferred upon or reserved to Franchisor or Franchisee by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy.

17.2 **Waiver and Delay.** No failure, refusal or neglect of Franchisor to exercise any right, power, remedy or option reserved to it under this Agreement, or to insist upon strict compliance by Franchisee with any obligation, condition, specification, standard or operating procedure in this Agreement, shall constitute a waiver of any provision of this Agreement and the right of Franchisor to demand exact compliance with this Agreement, or to declare any subsequent breach or default or nullify the effectiveness of any provision of this Agreement. Subsequent acceptance by Franchisor of any payment(s) due it under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding breach by Franchisee of any terms, covenants or conditions of this Agreement.

The following provision applies if Franchisee or the franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

17.3 **Franchisor's Discretion.** Except as otherwise specifically referenced herein, all acts, decisions, determinations, specifications, prescriptions, authorizations, approvals, consents and similar acts by Franchisor may be taken or exercised in the sole and absolute discretion of Franchisor, regardless of the impact upon Franchisee. Franchisee acknowledges and agrees that when Franchisor exercises its discretion or judgment, its decisions may be for the benefit of Franchisor or the System and may not be in the best interest of Franchisee as an individual franchise owner.

17.4 **Notices.** All notices which the Parties may be required or permitted to give under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, postage paid, or by reliable overnight delivery service, addressed as follows:

If to Franchisor: Lindora Franchise, LLC
17877 Von Karman Avenue, Suite 100
Irvine, CA 92614
Attention: President

If to Franchisee: At the Clinic's address or, if the Clinic has been permanently closed, to:

_____
_____
_____

Except for Franchisor's right to send notices to the Clinic's address as indicated above, either Party may change its notice address at any time by written notice given to the other Party as herein provided. Notices will be deemed delivered when actually delivered if delivered by hand, three (3) business days after postmark by the United States Postal Service if delivered by certified or registered mail, or the next business day after deposit with reliable overnight delivery service if delivered in that manner.

17.5 **No Recourse Against Nonparty Affiliates.** Franchisee agrees that it will look only to Franchisor to perform under this Agreement. Franchisor's affiliates are not parties to this Agreement and have no obligations under it. Franchisee may not look to Franchisor's affiliates for performance. Franchisee agrees that Franchisor's and its affiliates' members, managers, owners, directors, officers, employees and agents shall not be personally liable or named as a party in any action between Franchisor or its affiliates and Franchisee or its affiliates or their respective owners.

17.6 **Non-Disparagement.** Franchisee agrees that it will not (and to use its best efforts to cause its current and former shareholders, members, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) (i) make any untrue or derogatory statements concerning Franchisor and its affiliates, as well as their present and former officers, employees, shareholders, directors, agents, attorneys, servants, representatives, successors and assigns; or (ii) undertake any act which would (a) subject the Marks to ridicule, scandal, reproach, scorn, or indignity, (b) which would negatively impact the goodwill of Franchisor or its affiliates, the Marks, the System, or any other brands owned or controlled by Franchisor or its affiliates, or (c) constitute an act of moral turpitude.

17.7 **Security Interest.** Franchisee hereby collaterally assigns to Franchisor the lease for the Authorized Location and grants Franchisor a security interest in all of the assets of the Clinic, including but not limited to inventory, accounts, supplies, equipment, contracts, cash derived from the operation of the Clinic and sale of other assets, and proceeds and products of all those assets. Franchisee agrees to execute such other documents as Franchisor may reasonably request to further document, perfect and record its security interest. If Franchisee defaults in any of its obligations under this Agreement, Franchisor may exercise all rights of a secured creditor granted to Franchisor by law, in addition to Franchisor's other rights under this Agreement and at law. If an approved third-party lender requires that Franchisor subordinate Franchisor's security interest in the assets of the Clinic as a condition to lending Franchisee working capital for the construction or operation of the Clinic, Franchisor will agree to subordinate pursuant to terms and conditions determined by Franchisor. This Agreement shall be deemed to be a Security Agreement and Financing Statement and may be filed for record as such in the records of any county and state that Franchisor deems appropriate to protect its interests.

17.8 **Survival.** All of Franchisor's and Franchisee's (and Franchisee's Owners') 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 expires. Without limiting the generality of the foregoing, the parties expressly acknowledge that each of the following provisions of this Agreement will survive the Agreement's expiration or termination: Section 10.4 (Information Security); Section 11 (Relationship of the Parties; Indemnification); Section 12 (Confidential Information); Section 13.1.B (Non-Competition Covenants of Franchisee; After the Term of this Agreement); Section 13.2.B (Non-Solicitation Covenants; After the Term of this Agreement)Section 15.3 (Obligations of Franchisee upon Termination, Expiration or Non-Renewal); Section 16 (Resolution of Disputes); Section 17 (Miscellaneous Provisions); Section 18 (Acknowledgements); and Section 19 (Entire Agreement).

18. ACKNOWLEDGMENTS

18.1 THE SUBMISSION OF THIS AGREEMENT DOES NOT CONSTITUTE AN OFFER AND THIS AGREEMENT SHALL BECOME EFFECTIVE ONLY UPON THE EXECUTION HEREOF BY THE FRANCHISOR AND THE FRANCHISEE. THE DATE OF EXECUTION BY THE FRANCHISOR SHALL BE CONSIDERED TO BE THE DATE OF EXECUTION OF THIS AGREEMENT.

18.2 THIS AGREEMENT SHALL NOT BE BINDING ON THE FRANCHISOR UNLESS AND UNTIL IT SHALL HAVE BEEN ACCEPTED AND SIGNED BY AN AUTHORIZED OFFICER OF THE FRANCHISOR.

18.3 FRANCHISEE ACKNOWLEDGES THAT THIS AGREEMENT, THE FRANCHISE DISCLOSURE DOCUMENT ("FDD"), AND THE EXHIBITS HERETO CONSTITUTE THE ENTIRE AGREEMENT OF THE PARTIES. THIS AGREEMENT TERMINATES AND SUPERSEDES ANY PRIOR AGREEMENT BETWEEN THE PARTIES CONCERNING THE SAME SUBJECT MATTER.

18.4 FRANCHISEE AGREES AND ACKNOWLEDGES THAT FULFILLMENT OF ANY AND ALL OF FRANCHISOR'S OBLIGATIONS WRITTEN IN THIS AGREEMENT OR BASED ON ANY ORAL COMMUNICATIONS WHICH MAY BE RULED TO BE BINDING IN A COURT OF LAW SHALL BE FRANCHISOR'S SOLE RESPONSIBILITY AND NONE OF FRANCHISOR'S AGENTS, REPRESENTATIVES, NOR ANY INDIVIDUALS ASSOCIATED WITH FRANCHISOR SHALL BE PERSONALLY LIABLE TO FRANCHISEE FOR ANY REASON.

19. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire and only agreement between the Parties concerning the granting, awarding and licensing of Franchisee as an authorized Lindora Clinic franchisee at the Clinic location, and supersede all prior and contemporaneous agreements. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the Parties other than those set forth herein. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either Party unless mutually agreed to by the Parties and executed by their authorized officers or agents in writing. This Agreement does not alter agreements between Franchisor and Franchisee for other locations. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations Franchisor made in the FDD that Franchisor furnished to Franchisee. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below to be effective as of the Effective Date.

LINDORA FRANCHISE, LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
EFFECTIVE DATE: _____

"FRANCHISEE"

[if an individual]

_____
[Name], individually

Sign: _____
Date: _____

[if a legal entity]

_____
[Name], a [state/type]

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

EXHIBIT 1
TO
FRANCHISE AGREEMENT

1. **Name and Address of Franchisee**:

Franchisee Name: _____
Attention: _____
Address: _____
_____
Email Address: _____

2. **Form of Owner (check and complete one):**

___ Individual

___ Corporation ___ Limited Liability Company ___ Partnership

State Formed: _____ Date: _____

3. **Owners**. The following identifies the owner that Franchisee has designated as, and that Franchisor approves to be, the Operating Principal and lists the full name of each person who is one of Franchisee's owners, or an owner of one of Franchisee's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	Type / %-age of Interest	Licensed to provide Medical Services at the Clinic?
Operating Principal:	_____	_____ %	□ Yes □ No
Other Owners:	_____	_____ %	□ Yes □ No
	_____	_____ %	□ Yes □ No
	_____	_____ %	□ Yes □ No
	_____	_____ %	□ Yes □ No

4. **Designated Manager**: _____

5. **Professional Entity**: _____

6. **Medical Director**: _____

7. **Nurse Practitioner(s)**: _____

8. **Licensed Vocational Nurse(s)**: _____

9. **Other Medical Staff**: _____ _____
_____

10. **Authorized Location** (if determined on Effective Date): _____
_____

11. **Designated Territory** (if determined on Effective Date): _____
_____

12. **Designated Market Area** (if Authorized Location and Designated Territory undetermined as of Effective Date): _____
_____

EXHIBIT 2
TO
FRANCHISE AGREEMENT

AUTHORIZED LOCATION ADDENDUM

This Addendum is made to the Franchise Agreement (the "Franchise Agreement") between Lindora Franchise, LLC ("Franchisor"), and _____ ("Franchisee"), dated _____, 20__.

1. Preservation of Agreement. Except as specifically set forth in this Addendum, the Franchise Agreement shall remain in full force and effect in accordance with its terms and conditions. This Addendum is attached to and upon execution becomes an integral part of the Franchise Agreement.

2. Authorized Location. The parties hereto agree that the Authorized Location referred to in Section 1.1 of the Franchise Agreement shall be the following:

_____.

3. Designated Territory, if any. Pursuant to Section 1.2 of the Franchise Agreement, Franchisee's Designated Territory will be defined as follows (if identified on a map, please attach map and reference attachment below):

ACKNOWLEDGED AND ACCEPTED:

"FRANCHISEE"

[if an individual]

_____
[Name], individually

Sign: _____
Date: _____

[if a legal entity]

_____
[Name], a [state/type]

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

EXHIBIT 3
TO
FRANCHISE AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

For value received, and in consideration for, and as an inducement to Lindora Franchise, LLC (the "Franchisor") to execute the Franchise Agreement (the "Franchise Agreement"), dated _____, 20__ (the "Effective Date"), by and between Franchisor and _____ or his assignee, if a partnership, corporation or limited liability company is later formed (the "Franchisee"), the undersigned (each a "Guarantor"), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Franchisee of each obligation undertaken by Franchisee under the terms of the Franchise Agreement.

Upon demand by Franchisor, Guarantor will immediately make each payment required of Franchisee under the Franchise Agreement. Guarantor hereby waives any right to require Franchisor to: (a) proceed against Franchisee for any payment required under the Franchise Agreement; (b) proceed against or exhaust any security from Franchisee; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Franchisee. Without affecting the obligations of Guarantor under this Guarantee, Indemnification and Acknowledgment (the "Guarantee"), Franchisor may, without notice to Guarantor, extend, modify, or release any indebtedness or obligation of Franchisee, or settle, adjust or compromise any claims against Franchisee.

Guarantor waives notice of amendment of the Franchise Agreement and notice of demand for payment by Franchisee and agrees to be bound by any and all such amendments and changes to the Franchise Agreement.

Guarantor hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorneys' fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Franchisee to perform any obligation of Franchisee under the Franchise Agreement, any amendment, or any other agreement executed by Franchisee referred to therein.

Guarantor hereby acknowledges and agrees to be individually bound by all obligations and covenants of Franchisee contained in the Franchise Agreement, including those related to non-competition and confidentiality.

If Guarantor is a business entity, retirement or investment account, or trust acknowledges and it agrees that if Franchisee (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guarantee shall terminate upon the expiration or termination of the Franchise Agreement, except that this Guarantee shall continue in full force and effect with respect to all obligations and liabilities of Franchisee and Guarantor that arise from events that occurred on or before the effective date of such expiration or termination or that are triggered by or survive expiration or termination of the Franchise Agreement This Guarantee is binding upon each Guarantor and its respective estate, executors, administrators, heirs, beneficiaries, and successors in interest.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Franchisee, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Franchise Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Franchise Agreement.

The provisions contained in Article 16 of the Franchise Agreement (Resolution of Disputes), including, without limitation, Section 16.1 (Governing Law), Section 16.3 (Mediation), Section 16.4 (Mandatory Binding Arbitration), Section 16.6 (Consent to Jurisdiction), and Section 16.10 (Attorneys' Fees and Costs), are incorporated into this Guarantee by reference and shall govern this Guarantee and any disputes between the Guarantors and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses it incurs in connection with enforcing the terms of this Guarantee.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the Effective Date.

<table>
<tr><th colspan="2">GUARANTORS</th></tr>
<tr><td colspan="2">Area Developer (if applicable):

[Name of Developer]

By: _____
Name:_____
Title: _____

Address: _____</td></tr>
<tr><th>OWNER/GUARANTOR</th><th>SPOUSE/GUARANTOR</th></tr>
<tr><td>Name:_____

Sign: _____

Address: _____
_____
_____</td><td>Name:_____

Sign: _____

Address: _____
_____
_____</td></tr>
<tr><td>Name:_____

Sign: _____

Address: _____
_____
_____</td><td>Name:_____

Sign: _____

Address: _____
_____
_____</td></tr>
</table>

EXHIBIT 4
TO
FRANCHISE AGREEMENT

ADDENDUM TO LEASE

This Addendum to Lease (this "Addendum") modifies and supplements that certain lease dated _____, 20___ (the "Lease"), by and between Tenant and Landlord concerning the premises located at _____(the "Premises")

Landlord and Tenant, intending that Lindora Franchise, LLC, a Delaware limited liability company, ("Franchisor") (and its successors and assigns) be a third-party beneficiary of this Addendum, agree as follows:

(1) Tenant may display the trademarks, service marks and other commercial symbols owned by Franchisor and used to identify the service and/or products offered at the Clinic, including the name "Lindora®," the Clinic design and image developed and owned by Franchisor, as it currently exists and as it may be revised and further developed by Franchisor from time to time, and certain associated logos in accordance with the specifications required by Franchisor, subject only to the provisions of applicable law and in accordance with provisions in the Lease no less favorable than those applied to other tenants of Landlord;

(2) Tenant shall not, and the Landlord shall not permit Tenant to, sublease or assign all or any part of the Lease or the Premises, or extend the term or renew the Lease, without Franchisor's prior written consent;

(3) Landlord shall concurrently provide Franchisor with a copy of any written default notice sent to Tenant and thereupon grant Franchisor the right (but not the obligation) to cure any deficiency or default under the Lease, should Tenant fail to do so, within five (5) days after the expiration of the period in which Tenant may cure the default;

(4) The Premises shall be used only for the operation of a Lindora Clinic;

(5) Tenant may, without Landlord's consent (but subject to providing Landlord with written notice thereof), at any time assign this Lease or sublease the whole or any part of the Premises to Franchisor or any successor, subsidiary, or affiliate of Franchisor;

(6) In the event of an assignment of the Lease to Franchisor as described in (6) above, Franchisor may further assign this Lease, subject to Landlord's consent, such consent not to be unreasonably withheld based on the remaining obligations of assignee under the Lease, to a duly authorized franchisee of Franchisor, and thereupon Franchisor shall be released from all further liability under the Lease;

(7) Franchisor, and its designated agents, will have the right to enter the Premises to make any modifications necessary to protect the Lindora® brand and franchise system;

(8) Tenant agrees that Landlord may, upon Franchisor's request, disclose all reports, information, and data in Landlord's possession with respect to sales made in, upon, or from the Premises, to Franchisor;

(9) Until changed by Franchisor, notice to Franchisor shall be sent as follows:

Lindora Franchise, LLC
17877 Von Karman Avenue, Suite 100
Irvine, CA 92614
Attn: Head of Real Estate

(10) Landlord acknowledges that Tenant's operations at the Premises are independently owned and operated, and that Tenant alone is responsible for all obligations under the Lease, unless and until, Franchisor (or its affiliate or designee) expressly assumes such obligations in writing signed by an officer of Franchisor (or its applicable affiliate or designee);

(11) Any lien of Landlord in Tenant's trade fixtures, "trade dress," signage and other property at the Premises is hereby subordinated to Franchisor's interest in such items;

(12) None of the provisions in this Addendum or any rights granted Franchisor hereunder, may be amended absent Franchisor's prior written consent.

AGREED:

TENANT	LANDLORD
By: _____	By: _____
Its: _____	Its: _____
Date: _____	Date: _____

EXHIBIT B

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

STATE AGENCIES/AGENTS FOR SERVICE OF PROCESS

Listed here are the names, addresses and telephone numbers of the state agencies having responsibility for the franchising disclosure/registration laws. We may not yet be registered to sell franchises in any or all of these states. There may be states in addition to those listed below in which we have appointed an agent for service of process. There may also be additional agents appointed in some of the states listed.

CALIFORNIA

Department of Financial Protection & Innovation
Commissioner of Financial Protection & Innovation
1 (866) 275-2677

Los Angeles

320 West 4th Street, Suite 750
Los Angeles, California 90013
(213) 576-7505

Sacramento

2101 Arena Blvd.
Sacramento, California 95834
(916) 445-7205

San Diego

1455 Frazee Road, Suite 315
San Diego, California 92108
(619) 610-2093

San Francisco

One Sansome Street, Ste. 600
San Francisco, California 94104
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HAWAII

(state administrator)

Business Registration Division
Securities Compliance Branch
Department of Commerce and Consumer Affairs
P.O. Box 40
Honolulu, Hawaii 96810
(808) 586-2722

(agent for service of process)

Commissioner of Securities of the
Department of Commerce and Consumer Affairs
Business Registration Division
Securities Compliance Branch
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
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ILLINOIS

Franchise Bureau
Office of the Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

INDIANA

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Indiana Secretary of State
Securities Division, E-111
302 West Washington Street
Indianapolis, Indiana 46204
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Indiana Secretary of State
201 State House
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Indianapolis, Indiana 46204
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MARYLAND

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Office of the Attorney General
Securities Division
200 St. Paul Place
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(agent for service of process)

Maryland Securities Commissioner
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Securities Division
200 St. Paul Place
Baltimore, Maryland 21202-2021
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MICHIGAN

(state administrator)

Michigan Attorney General's Office
Consumer Protection Division
Attn: Franchise Section
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525 West Ottawa Street
Lansing, Michigan 48909
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Michigan Department of Commerce,
Corporations and Securities Bureau
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6546 Mercantile Way
Lansing, Michigan 48909

MINNESOTA

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Minnesota Department of Commerce
85 7th Place East, Suite 280
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Commissioner of Commerce
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NEW YORK

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Office of the New York State Attorney General
Investor Protection Bureau
Franchise Section
28 Liberty Street, 21st Floor
New York, NY 10005
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(agent for service of process)

Attention: New York Secretary of State
New York Department of State
One Commerce Plaza,
99 Washington Avenue, 6th Floor
Albany, NY 12231-0001
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NORTH DAKOTA

(state administrator)

North Dakota Securities Department
600 East Boulevard Avenue
State Capitol - Fourteenth Floor, Dept. 414
Bismarck, North Dakota 58505-0510
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(agent for service of process)

Securities Commissioner
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OREGON

Department of Business Services Division of Finance & Corporate Securities
350 Winter Street, NE, Room 410
Salem, Oregon 97310-3881
(503) 378-4387

RHODE ISLAND

Department of Business Regulation
Division of Securities
John O. Pastore Complex Building 69-1
1511 Pontiac Avenue
Cranston, Rhode Island 02920
(401) 462-9645

SOUTH DAKOTA

Division of Insurance
Securities Regulation
124 S. Euclid, Suite 104
Pierre, South Dakota 57501
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VIRGINIA

(state administrator)

State Corporation Commission
Division of Securities
and Retail Franchising
1300 East Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

(agent for service of process)

Clerk, State Corporation Commission
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WASHINGTON

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Department of Financial Institutions
Securities Division
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Director
Department of Financial Institutions
Securities Division
150 Israel Road, S.W.
Tumwater, Washington 98501

WISCONSIN

(state administrator)

Securities and Franchise Registration
Wisconsin Department of Financial Institutions
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Madison, Wisconsin 53705
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(agent for service of process)

Office of the Secretary
Wisconsin Department of Financial Institutions
P.O. Box 8861
Madison, Wisconsin 53708-8861
(608) 261-9555

EXHIBIT C

FINANCIAL STATEMENTS

Deloitte.

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USA

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INDEPENDENT AUDITOR'S REPORT

To the Member of XPOF Assetco, LLC:

Opinion

We have audited the consolidated financial statements of XPOF Assetco, LLC and subsidiaries (the "Company"), which comprise the consolidated balance sheet as of December 31, 2023, and the related consolidated statements of operations, changes to member's equity and cash flows for the period from March 6, 2023 to December 31, 2023, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023, and the results of its operations and its cash flows for the period from March 6, 2023 to December 31, 2023 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Company has significant transactions and relationships with its Member, Xponential Fitness LLC, and its affiliates. Accordingly, the accompanying financial statements may not be indicative of the results of operations that would have been achieved if the Company had operated without such affiliations. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 the 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 audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

March 30, 2024

XPOF ASSETCO, LLC
CONSOLIDATED BALANCE SHEET
(amounts in thousands)

	December 31, 2023
Assets	
Current Assets:	
Cash and cash equivalents	$ 8,000
Accounts receivable, net	8
Deferred costs, current portion	4,065
Total current assets	12,073
Property and equipment, net	11,102
Intangible assets, net	88,881
Deferred costs, net of current portion	45,350
Total assets	$ 157,406
Liabilities and Member's equity	
Current Liabilities:	
Accrued expenses	$ 722
Deferred revenue, current portion	9,918
Total current liabilities	10,640
Deferred revenue, net of current portion	111,320
Total liabilities	121,960
Commitments and contingencies (Note 8)	
Member's equity:	
Member contribution	51,612
Receivable from Member (Note 6)	(11,690)
Accumulated deficit	(4,476)
Total member's equity	35,446
Total liabilities and member's equity	$ 157,406

See accompanying notes to consolidated financial statements.

XPOF ASSETCO, LLC
CONSOLIDATED STATEMENT OF OPERATIONS
(amounts in thousands)

	For the period March 6, 2023 (date of inception) to December 31, 2023
Revenue, net:	
Franchise revenue	$ 521
Operating costs and expenses:	
Costs of franchise revenue	221
Selling, general and administrative expenses	180
Depreciation and amortization	4,596
Total operating costs and expenses	4,997
Operating loss	(4,476)
Net loss	$ (4,476)

See accompanying notes to consolidated financial statements.

XPOF ASSETCO, LLC
CONSOLIDATED STATEMENT OF CHANGES TO MEMBER'S EQUITY
(amounts in thousands)

	Member Contribution	Receivable from Member	Accumulated Deficit	Total Member's Equity
Balance at March 6, 2023	$ —	$ —	$ —	$ —
Member contributions (Note 7)	51,612	—	—	51,612
Receivable from Member (Note 6)	—	(11,690)	—	(11,690)
Net loss	—	—	(4,476)	(4,476)
Balance at December 31, 2023	$ 51,612	$ (11,690)	$ (4,476)	$ 35,446

See accompanying notes to consolidated financial statements.

XPOF ASSETCO, LLC
CONSOLIDATED STATEMENT OF CASH FLOWS
(amounts in thousands)

	For the period March 6, 2023 (date of inception) to December 31, 2023
Cash flows from operating activities:	
Net loss	$ (4,476)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Depreciation and amortization	4,596
Impairment of intangible assets	180
Changes in assets and liabilities:	
Deferred costs	221
Deferred revenue	(521)
Net cash provided by operating activities	—
Cash flows from financing activities:	
Member contributions	8,000
Net cash provided by financing activities	8,000
Increase in cash and cash equivalents	8,000
Cash and cash equivalents, beginning of period	—
Cash and cash equivalents, end of period	$ 8,000
Noncash investing and financing activity:	
Contributions of assets and liabilities from Member	$ 43,612

See accompanying notes to consolidated financial statements.

XPOF ASSETCO, LLC

Notes to Consolidated Financial Statements
(amounts in thousands)

Note 1 – Organization and Description of Business

XPOF Assetco, LLC (the "Company"), a Delaware limited liability company (LLC), was formed on March 6, 2023. The single member of the Company is Xponential Fitness LLC, a Delaware limited liability company (the "Member"). The Company is the direct parent and sole member of Club Pilates Franchise SPV, LLC; CycleBar Franchising SPV, LLC; Stretch Lab Franchise SPV, LLC; Stride Franchise SPV, LLC; Row House Franchise SPV, LLC; Yoga Six Franchise SPV, LLC; AKT Franchise SPV, LLC; PB Franchising SPV, LLC; Rumble Franchise SPV, LLC and BFT Franchise SPV, LLC, (together "Subsidiaries") each a Delaware limited liability corporation. The Company was formed in connection with a contemplated reorganization of Xponential Fitness LLC's structure. The Company, through its brands, licenses its proprietary systems to franchisees who in turn operate studios to promote training and instruction programs to their club members. There were no operations of the Company prior to March 6, 2023.

The Member contributed $8,000 in cash, $8,910 in property and equipment and $90,812 in intangible assets as of March 15, 2023. The majority of the intangible assets contributed consist of trademarks related to Club Pilates, CycleBar and Pure Barre brands. On December 31, 2023, the Member contributed deferred revenue and deferred costs related to franchise agreement contracts with customers of $96,875 and $40,765, respectively. As the Company and the Member are under common control, all of the assets and liabilities were contributed at their respective carrying value as of the contribution date. The assets contributed collateralize the existing debt of the Member.

Basis of presentation – The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("US GAAP").

The Company has numerous transactions with its Member and affiliates. The Company relies on resources from the Member and other related parties under common control of the Member or the Member's parent to support its operations including centralized cash collection and management support functions, as necessary to operate the Company's franchising business. Accordingly, the consolidated financial statements may not necessarily be indicative of the conditions that would have existed or the results of operations that would have occurred if the Company had operated without such affiliations. The Member has committed to continue to provide these services to the Company for the Company's franchising operations.

Principles of consolidation – The Company's consolidated financial statements include the accounts of its wholly owned subsidiaries. All intercompany transactions have been eliminated in consolidation.

Use of estimates – The preparation of the consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements. Actual results could differ from these estimates under different assumptions or conditions.

Note 2 – Summary of Significant Accounting Policies

Cash and cash equivalents – The Company considers all highly liquid investments purchased with an original maturity of ninety days or less to be cash equivalents.

Concentration of credit risk – The Company holds its cash balances in one financial institution. As the cash balances exceed the amounts covered by the Federal Deposit Insurance Corporation, the excess balances could be at a risk of loss.

Accounts receivable and allowance for expected credit losses – Accounts receivable primarily consist of amounts due from franchisees for franchise territory fees. Receivables are unsecured; however, the franchise agreements provide the Company the right to withdraw funds from the franchisee's bank account or to terminate the franchise for nonpayment. On a periodic basis, the Company evaluates its accounts receivable balance and establishes an allowance

for expected credit losses based on a number of factors, including evidence of the franchisee's ability to comply with credit terms, economic conditions and historical receivables. Account balances are written off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. As of December 31, 2023, no allowance for expected credit losses was recorded.

Property and equipment, net – Property and equipment includes software and digital platform and are carried at cost less accumulated depreciation. Depreciation is recognized on a straight-line method, based on the following estimated useful lives:

Software and digital platform 3-5 years

Software and digital platform consist primarily of costs associated with web development projects. The Company capitalizes eligible costs to acquire, develop, or modify digital platforms that are incurred subsequent to the preliminary project stage. Depreciation of these assets begins upon the initial usage of the digital platforms.

The cost and accumulated depreciation of assets sold or retired are removed from the accounts and any gain or loss is included in the results of operations during the period of sale or disposal.

Intangible assets – Intangible assets consist of indefinite and definitive-lived trademarks and web design and domains.

The Company tests for impairment of trademarks with an indefinite life annually or sooner whenever events or circumstances indicate that trademarks might be impaired. The Company first assesses qualitative factors to determine whether the existence of events or circumstances leads to a determination that it is more likely than not that the fair value of the trademarks is less than the carrying amount. In the absence of sufficient qualitative factors, trademark impairment is determined utilizing a two-step analysis. The two-step analysis involves comparing the fair value to the carrying value of the trademarks. The Company determines the estimated fair value using a relief from royalty approach. If the carrying amount exceeds the fair value, the Company impairs the trademarks to their fair value. There were no impairments recorded for the period ended December 31, 2023.

The recoverability of the carrying values of all intangible assets with finite lives is evaluated when events or changes in circumstances indicate an asset's value may be impaired. Impairment testing is based on a review of forecasted undiscounted operating cash flows. If such analysis indicates that the carrying value of these assets is not recoverable, the carrying value of such assets is reduced to fair value, which is determined based on discounted future cash flows, through a charge to the consolidated statement of operations. Definite-lived intangible asset impairments during the period ended December 31, 2023, related to trademarks of the Row House and Stride brands for which the carrying value was deemed not recoverable in the amount of $127 and $53, respectively. Impairment expense is included in selling, general and administrative expenses in the consolidated statement of operations.

Revenue recognition – The Company accounts for revenue in accordance with Accounting Standards Codification Topic 606, *Revenue from Contracts with Customers* ("ASC 606"), which provides a five-step model for recognizing revenue from contracts with customers as follows:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price to the performance obligations in the contract
- Recognize revenue when or as performance obligations are satisfied

The Company's contracts with customers consist of franchise agreements with franchisees. The Company's revenues primarily consist of franchise license revenues.

Franchise revenue –

The Company enters into franchise agreements for each franchised studio. The Company's performance obligation under the franchise license is granting certain rights to access the Company's intellectual property; all other services the Company provides under the franchise agreement are highly interrelated, not distinct within the contract, and therefore accounted for as a single performance obligation, which is satisfied over the term of each franchise agreement. Those services include initial development, operational training, preopening support and access to the Company's technology throughout the franchise term. Fees generated related to the franchise license include development fees, royalty fees, marketing fees, technology fees and transfer fees, which are discussed further below. Variable fees are not estimated at contract inception, and are recognized as revenue when invoiced, which occurs monthly. The Company has concluded that its agreements do not contain any financing components.

Franchise development fee revenue – The Company's franchise agreements typically operate under ten-year terms with the option to renew for up to two additional five-year successor terms. The Company determined the renewal options are neither qualitatively nor quantitatively material and do not represent a material right. Initial franchise fees are non-refundable and are typically collected upon signing of the franchise agreement. Initial franchise fees are recorded as deferred revenue when received and are recognized on a straight-line basis over the franchise life, which the Company has determined to be ten years, as the Company fulfills its promise to grant the franchisee the rights to access and benefit from the Company's intellectual property and to support and maintain the intellectual property.

The Company may enter into an area development agreement with certain franchisees. Area development agreements are for a territory in which a developer has agreed to develop and operate a certain number of franchise locations over a stipulated period of time. The related territory is unavailable to any other party and is no longer marketed to future franchisees by the Company. Depending on the number of studios purchased under franchise agreements or area development agreements, the initial franchise fee ranges from $60 (single studio) to $350 (ten studios) and is paid to the Company when a franchisee signs the area development agreement. Area development fees are initially recorded as deferred revenue. The development fees are allocated to the number of studios purchased under the development agreement. The revenue is recognized on a straight-line basis over the franchise life for each studio under the development agreement. Development fees and franchise fees are generally recognized as revenue upon the termination of the development agreement with the franchisee.

Franchise royalty fee revenue – Royalty revenue represents royalties earned from each of the franchised studios in accordance with the franchise disclosure document and the franchise agreement for use of the brands' names, processes and procedures. The royalty rate in the franchise agreement is typically 7% of the gross sales of each location operated by each franchisee. Royalties are billed on a monthly basis. The royalties are entirely related to the Company's performance obligation under the franchise agreement and are billed and recognized as franchisee sales occur.

Technology fees – The Company may provide access to third-party or other proprietary technology solutions to the franchisees for a fee. The technology solution may include various software licenses for statistical tracking, scheduling, allowing club members to record their personal workout statistics, music and technology support. The Company bills and recognizes the technology fee as earned each month as the technology solution service is performed.

Transfer fees – Transfer fees are paid to the Company when one franchisee transfers a franchise agreement to a different franchisee. Transfer fees are recognized as revenue on a straight-line basis over the term of the new or assumed franchise agreement, unless the original franchise agreement for an existing studio is terminated, in which case the transfer fee is recognized immediately.

Training revenue – The Company provides coach training services either through direct training of the coaches who are hired by franchisees or by providing the materials and curriculum directly to the franchisees who utilize the materials to train their hired coaches. Direct training fees are recognized over time as training is provided. Training fees for materials and curriculum are recognized at the point in time of delivery of the materials.
The Company also offers coach training and final coach certification through online classes. Fees received by the Company for online class training are recognized as revenue over time for the 12-month period that the Company is obligated to provide access to the online training content.

(amounts in thousands)

Costs of franchise revenue – Costs of franchise revenue consists of commissions related to the signing of franchise agreements. Costs of franchise revenue excludes depreciation and amortization.

Selling, general and administrative expenses – The Company's selling, general and administrative expenses primarily consist of asset impairment and other charges.

Income taxes – As a single member LLC, the Company is considered a disregarded entity. As such, the Company itself is typically not subject to an income tax liability as the taxable income or loss of the Company is passed through to the Member. Therefore, no liability for federal income taxes has been included in the financial statements. The Company accounts for uncertain tax positions in accordance with ASC 740. ASC 740 prescribes a recognition threshold and measurement process for accounting for uncertain tax positions and provides guidance on various related matters such as derecognition, interest, penalties and required disclosures. As of December 31, 2023, the Company does not have any uncertain tax positions.

Comprehensive income – The Company does not have any components of other comprehensive income recorded within the consolidated financial statements and therefore does not separately present a consolidated statement of comprehensive income in the consolidated financial statements.

Fair value measurements – ASC 820, Fair Value Measurements and Disclosures, applies to all financial assets and financial liabilities that are measured and reported on a fair value basis and requires disclosures that establishes a framework for measuring fair value and expands disclosure about fair value measurements. ASC 820 establishes a valuation hierarchy for disclosures of the inputs to valuations used to measure fair value.

This hierarchy prioritizes the inputs into three broad levels as follows:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that can be accessed at the measurement date.

Level 2 – Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates and yield curves), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 – Unobservable inputs that reflect assumptions about what market participants would use in pricing the asset or liability. These inputs would be based on the best information available, including the Company's own data.

Note 3 – Contract Liabilities and Costs from Contracts with Customers

Contract liabilities – Contract liabilities consist of deferred revenue resulting from franchise fees and development fees paid by franchisees, which are recognized over time on a straight-line basis over the franchise agreement term. The Company classifies these contract liabilities as either current deferred revenue or non-current deferred revenue in the consolidated balance sheet based on the anticipated recognition of the revenue. The following table reflects the change in franchise development contract liabilities for the period ended December 31, 2023.

	Amount
Balance at March 6, 2023	$ —
Contract liabilities contributed by Member	96,875
Revenue recognized that was included in deferred revenue at the beginning of the period	—
Increase, excluding amounts recognized as revenue during the period	24,363
Balance at December 31, 2023	$ 121,238

(amounts in thousands)

The following table illustrates estimated revenue expected to be recognized in the future related to performance obligations that were unsatisfied (or partially unsatisfied) as of December 31, 2023. The expected future recognition period for deferred franchise development fees related to unopened studios is based on management's best estimate of the beginning of the franchise license term for those studios. The Company elected to not disclose short term contracts, sales and usage-based royalties, marketing fees and any other variable consideration recognized on an "as invoiced" basis.

Contract liabilities to be recognized in revenue in	Amount
2024	$ 9,918
2025	10,895
2026	12,188
2027	13,005
2028	12,974
Thereafter	62,258
	$ 121,238

The following table reflects the components of deferred revenue:

	December 31, 2023
Franchise and area development fees	$ 121,238
Non-current portion of deferred revenue	111,320
Current portion of deferred revenue	$ 9,918

Contract costs – Contract costs consist of deferred commissions resulting from franchise and area development sales by third-party brokers and sales personnel. The total commission is deferred at the point of a franchise sale. The commissions are evenly split among the number of studios purchased under the development agreement and begin to be amortized when a subsequent franchise agreement is executed. The commissions are recognized on a straight-line basis over the initial ten-year franchise agreement term to align with the recognition of the franchise agreement or area development fees. The Company classifies these deferred contract costs as either current deferred costs or non-current deferred costs in the consolidated balance sheet. The associated expense is classified within costs of franchise revenue in the consolidated statement of operations. At December 31, 2023, there were approximately $4,065 and $45,350 of current deferred costs and non-current deferred costs, respectively. The Company recognized approximately $221 in franchise sales commission expense for the period ended December 31, 2023.

Note 4 – Property and Equipment

Property and equipment consisted of the following:

	December 31, 2023
Software and digital platform	$ 13,946
Less: accumulated depreciation	(2,844)
Total property and equipment	$ 11,102

Depreciation expense for the period ended December 31, 2023 was $2,844.

Note 5 –Intangible Assets

Intangible assets consisted of the following:

(amounts in thousands)

	Amortization period (years)	December 31, 2023 Gross amount	Accumulated amortization	Net amount
Trademarks	8.6	$ 17,824	$ (1,646)	$ 16,178
Web design and domain	2	179	(83)	96
Total definite-lived intangible assets		18,003	(1,729)	16,274
Indefinite-lived intangible assets:				
Trademarks	N/A	72,607	—	72,607
Total intangible assets		$ 90,610	$ (1,729)	$ 88,881

The estimated amortization expense of intangible assets is as follows:

Year ending December 31,	
2024	$ 2,145
2025	2,067
2026	2,067
2027	2,064
2028	2,012
Thereafter	5,919
Total	$ 16,274

Amortization expense for the period ended December 31, 2023, was $1,752.

Note 6 – Related Party Transactions

Significant related party transactions consist of allocations of expenses from the Member, including commissions paid to employees of the Member related to the sale of franchise and area development agreements, borrowings from, and excess cash transfers to the Member and other related parties under common control of the Member. During the period ended December 31, 2023, the net result of the related party transactions with the Member and its affiliates is a receivable of $11,690 and is recorded as a reduction to Member's equity as the Member has no plan to repay the receivable in the foreseeable future.

In addition, the Member has a credit facility that requires collateral. All obligations under the Member’s credit facility are secured by substantially all of the tangible and intangible assets of the Company.

Note 7 – Member’s Equity

The capital structure of the Company consists of one class of membership interests (the “Interests”). The Member owns all of the Interests issued and outstanding and is the sole member of the Company and contributed $8,000 in cash, $8,910 in property and equipment and $90,812 in intangible assets as of March 15, 2023 to use in its operations and to satisfy minimum net worth requirements to qualify for large franchisor exemptions available under certain state franchise registration laws.

On December 31, 2023, the Member contributed deferred revenue and deferred costs related to franchise agreement contracts with customers of $96,875 and $40,765, respectively. As the Company and the Member are under common control, all of the assets and liabilities were contributed at their respective carrying cost as of the contribution date.

Note 8 – Contingencies and Litigation

The Company is subject to normal and routine litigation brought by customers, franchisees, vendors or others. The Company intends to defend itself in any such matters. The Company believes that the ultimate determination of liability in connection with legal claims pending against it, if any, will not have a material adverse effect on its

business, annual results of operations, liquidity or financial position; however, it is possible that the Company's business, results of operations, liquidity, or financial condition could be materially affected in a particular future reporting period by the unfavorable resolution of one or more matters or contingencies during such period.

Note 9 – Subsequent events

The Company has evaluated subsequent events through March 30, 2024, which is the date these consolidated financial statements were available to be issued.

On February 13, 2024, the Member entered into an asset purchase agreement with a buyer, pursuant to which the Company divested the Stride brand, including the intellectual property, franchise rights and franchise agreements for open studios. The buyer of the Stride brand is a member of management and stockholder of the Member's parent. The Company received no consideration from the divestiture of the Stride brand and the Member will assist the buyer with transition support including cash payments of approximately $265 payable over the next year. The divestiture allows the Company to better focus and utilize its resources on its other brands. The assets divested did not meet all criteria to be classified as assets held for sale as of the balance sheet date, and as such are not presented and disclosed as assets held for sale in the consolidated financial statements.

EXHIBIT D

GUARANTY OF PERFORMANCE

GUARANTY OF PERFORMANCE

For value received, **XPOF ASSETCO, LLC**, a Delaware limited liability company located at **17877 VON KARMAN AVENUE, SUITE 100, IRVINE, CALIFORNIA 92614** (the "Guarantor"), absolutely and unconditionally guarantees the performance by **LINDORA FRANCHISE, LLC**, a Delaware limited liability company, located at **17877 VON KARMAN AVENUE, SUITE 100, IRVINE, CALIFORNIA 92614** (the "Franchisor"), of all of the obligations of Franchisor in accordance with the terms and conditions of the franchise registration in each state where the franchise is registered, and under its Franchise Agreement identified in its 2024 Franchise Disclosure Document, as it may be amended, and as that Franchise Agreement may be entered into with franchisees as amended, modified or extended from time to time. This guaranty continues in full force and effect until all obligations of the Franchisor under its franchise registrations and Franchise Agreements are satisfied or until the liability of Franchisor to its franchisees under the Franchise Agreement has been completely discharged, whichever first occurs. The Guarantor is not discharged from liability if a claim by a franchisee against the Franchisor remains outstanding. Notice of acceptance is waived. The Guarantor does not waive notice of Franchisor's default. This guaranty is binding on the Guarantor and its successors and assignees.

The Guarantor signs this guaranty at Irvine, California on the 30th day of March, 2024.

GUARANTOR:

XPOF ASSETCO, LLC

By: _____

Name: John Meloun

Title: Chief Financial Officer

EXHIBIT E

STATEMENT OF PROSPECTIVE FRANCHISEE

LINDORA FRANCHISE, LLC
STATEMENT OF PROSPECTIVE FRANCHISEE

**** If the state franchise registration and disclosure laws of California, Hawaii, Illinois, Indiana, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin apply to you, then you are not required to complete this Statement of Prospective Franchisee.****

****Do not sign this Statement if you are a resident of Maryland or the franchise is to be operated in Maryland. Do not sign this Statement if you are a resident of Washinton or the franchise is to be operated in Washington. This Statement of Prospective Franchisee does not waive any liability we may have under the Washington Franchise Investment Protection Act, RCW 19.100, and the rules adopted thereunder.****

[Note: Dates and Answers Must Be Completed in the Prospective Franchisee's Own Handwriting.]

Since the Prospective Franchisee (also called "me," "our," "us," "we" and/or "I" in this document) and Lindora Franchise, LLC (also called the "Franchisor" or "Lindora") both have an interest in making sure that no misunderstandings exist between them, and to verify that no violations of law might have occurred, and understanding that the Franchisor is relying on the statements I/we make in this document, I/we assure the Franchisor as follows:

A. The following dates and information are true and correct:

1.	_____, 20___ **Initials** _____	The date on which I/we received a Uniform Franchise Disclosure Document about a Franchise.
2.	_____, 20___ **Initials** _____	The date when I/we received a fully completed copy (other than signatures) of the Franchise Agreement, Development Agreement (if appropriate) and all other documents I/we later signed.
3.	_____, 20___ **Initials** _____	The earliest date on which I/we signed the Franchise Agreement, Development Agreement or any other binding document (not including any Letter or other Acknowledgment of Receipt.)
4.	_____, 20___ **Initials** _____	The earliest date on which I/we delivered cash, check or other consideration to the Franchisor, or any other person or company.

B. Representations and Other Matters:

1. No oral, written, visual or other promises, agreements, commitments, representations, understandings, "side deals," options, rights-of-first-refusal or otherwise of any type (collectively, the "representations"), including, but not limited to, any which expanded upon or were inconsistent with the Disclosure Document, the Franchise Agreement, or any other written documents, have been made to or with me/us with respect to any matter (including, but not limited to, advertising, marketing, site location and/or development, operational, marketing or administrative assistance, exclusive rights or exclusive or

protected territory or otherwise) nor have I/we relied in any way on any such representations, except as expressly set forth in the Franchise Agreement, or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

_____.
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

2. No oral, written, visual or other claim, guarantee or representation (including, but not limited to, charts, tables, spreadsheets or mathematical calculations to demonstrate actual or possible results based on a combination of variables, such as multiples of price and quantity to reflect gross sales, or otherwise), which stated or suggested any specific level or range of actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, was made to me/us by Franchisor, its affiliates or agents/representatives, nor have I/we relied in any way on any such, except for information (if any) expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein), except as follows:

Prospective Franchisee's Initials: _____

3. No contingency, prerequisite, reservation or otherwise exists with respect to any matter (including, but not limited to, the Prospective Franchisee obtaining any financing, the Prospective Franchisee's selection, purchase, lease or otherwise of a location, any operational matters or otherwise) or the Prospective Franchisee fully performing any of the Prospective Franchisee's obligations, nor is the Prospective Franchisee relying on the Franchisor or any other entity to provide or arrange financing of any type, nor have I/we relied in any way on such, except as expressly set forth in the Franchise Agreement, Development Agreement (if and as appropriate) or a written Addendum thereto signed by the Prospective Franchisee and the Franchisor, except as follows:

_____.
(If none, the Prospective Franchisee should write NONE in his/her/their own handwriting.)

Prospective Franchisee's Initials: _____

4. The individuals signing for the "Prospective Franchisee" constitute all of the executive officers, partners, shareholders, investors and/or principals of the Prospective Franchisee and each of such individuals has received the Uniform Franchise Disclosure Document and all exhibits and carefully read, discussed, understands and agrees to the Franchise Agreement, Development Agreement (if and as appropriate), each written Addendum and any Personal Guarantees.

Prospective Franchisee's Initials: _____

5. I/we have had an opportunity to consult with an independent professional advisor, such as an attorney or accountant, prior to signing any binding documents or paying any sums, and the Franchisor has strongly recommended that I/we obtain such independent professional advice. I/we have also been strongly advised by the Franchisor to discuss my/our proposed purchase of, or investment in, a Lindora Clinic Franchise with existing Franchisees prior to signing any binding documents or paying any sums and I/we have been supplied with a list of existing Lindora Clinic Franchisees.

Prospective Franchisee's Initials: _____

6. I confirm that, as advised, I've spoken with past and/or existing Lindora Clinic Franchisees, and that I made the decision as to which, and how many, Lindora Clinic Franchisees to speak with.

Prospective Franchisee's Initials: _____

7. I/we understand that: entry into any business venture necessarily involves some unavoidable risk of loss or failure, the purchase of a Lindora Franchise (or any other) is a speculative investment, an investment beyond that outlined in the Disclosure Document may be required to succeed, there exists no guaranty against possible loss or failure in this or any other business and the most important factors in the success of any Lindora Franchise, including the one to be operated by me/us, are my/our personal business, marketing, sales, management, judgment and other skills.

Prospective Franchisee's Initials: _____

If there are any matters inconsistent with the statements in this document, or if anyone has suggested that I sign this document without all of its statements being true, correct and complete, I/we will (a) immediately inform the Brand President of Lindora Franchise, LLC – 513-815-8467, and (b) make a written statement regarding such next to my signature below so that the Franchisor may address and resolve any such issue(s) at this time and before either party goes forward.

I/we understand and agree that the Franchisor does not furnish or endorse, or authorize its salespersons or others to furnish or endorse, any oral, written or other information concerning actual or potential sales, costs, income, expenses, profits, cash flow, tax effects or otherwise (or from which such items might be ascertained), from franchised or non-franchised units, that such information (if any) not expressly set forth in Item 19 of the Franchisor's Disclosure Document (or an exhibit referred to therein) is not reliable and that I/we have not relied on it, that no such results can be assured or estimated and that actual results will vary from unit to unit, franchise to franchise, and may vary significantly.

Prospective Franchisee's Initials: _____

I/we understand and agree to all of the foregoing and represent and warrant that all of the above statements are true, correct and complete.

Date: _____

If the franchised business that you will operate is located in Maryland or if you are a resident of Maryland, the following shall apply:

> Any acknowledgments or representations of the franchisee which disclaim the occurrence and/or acknowledge the non-occurrence of acts that would constitute a violation of the Franchise Law are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

If any California franchisee completes this Statement of Prospective Franchisee, we will destroy, disregard, and will not rely on such Statement of Prospective Franchisee.

PROSPECTIVE FRANCHISEE (Individual)

_____
Signature

_____
Printed Name

_____
Signature

_____
Printed Name

PROSPECTIVE FRANCHISEE (Corp., LLC or Partnership) [Must be accompanied by appropriate personal guarantee(s)]

_____
Legal Name of Entity

a _____
State of incorporation, formation, etc.

By: _____
Name

_____
Signature

Title:_____

EXHIBIT F

FORM OF GENERAL RELEASE

LINDORA FRANCHISE, LLC
GENERAL RELEASE OF ALL CLAIMS

_____ (**FRANCHISEE**") and **_____, an individual** ("**GUARANTOR**") enter into this General Release on _____, with reference to the following facts:

1. On **_____, LINDORA FRANCHISE, LLC,** a Delaware limited liability company ("**FRANCHISOR**"), and FRANCHISEE entered into a Franchise Agreement (the "**Franchise Agreement**") to operate a Lindora Clinic located at _____ (the "**Clinic**"). GUARANTOR guaranteed FRANCHISEE's performance under the Franchise Agreement pursuant to a Guarantee, Indemnification, and Acknowledgement (the "Guarantee"). In consideration of FRANCHISOR'S processing and approval of _____, the Franchise Agreement provides that FRANCHISEE must sign this General Release as a condition to such _____. All capitalized terms not otherwise defined in this General Release shall have the same meaning as in the Franchise Agreement and/or the Guarantee.

2. For valuable consideration, the receipt and sufficiency of which is hereby acknowledged, FRANCHISEE and GUARANTOR hereby release and forever discharge FRANCHISOR, its parents and subsidiaries and the directors, officers, employees, attorneys and agents of said corporations, and each of them, from any and all claims, obligations, liabilities, demands, costs, expenses, damages, actions and causes of action, of whatever nature, character or description, known or unknown (collectively "Damages"), which arose on or before the date of this General Release, including any Damages with respect to the Franchise Agreement, the Clinic, and the Guarantee. FRANCHISEE waives any right or benefit which FRANCHISEE or GUARANTOR may have under Section 1542 of the California Civil Code or any equivalent law or statute of any other state. Section 1542 of the California Civil Code reads as follows:

> "Section 1542. Certain claims not affected by general release. A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party."

3. This General Release sets forth the entire agreement and understanding of the parties regarding the subject matter of this General Release and any agreement, representation or understanding, express or implied, heretofore made by any party or exchanged between the parties are hereby waived and canceled.

4. This Agreement shall be binding upon each of the parties to this General Release and their respective heirs, executors, administrators, personal representatives, successors and assigns.

Any general release provided for hereunder shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

Any general release provided for hereunder shall not apply to any liability under the Minnesota Franchise Act.

Any general release provided for hereunder shall not apply to any liability under the Washington Franchise Investment Protection Act and the rules adopted thereunder.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the undersigned have executed this General Release as of the day and year set forth above.

FRANCHISEE:

By: _____

Print Name: _____

Title: _____

GUARANTOR:

_____, an individual

EXHIBIT G

STATE SPECIFIC ADDENDA

ADDITIONAL DISCLOSURES FOR THE FRANCHISE DISCLOSURE DOCUMENT OF LINDORA FRANCHISE, LLC

The following are additional disclosures for the Franchise Disclosure Document of LINDORA FRANCHISE, LLC required by various state franchise laws. Each provision of these additional disclosures will only apply to you if the applicable state franchise law applies to you.

FOR THE FOLLOWING STATES: CALIFORNIA, HAWAII, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MINNESOTA, NEW YORK, NORTH DAKOTA, RHODE ISLAND, SOUTH DAKOTA, VIRGINIA, OR WISCONSIN.

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.

CALIFORNIA

The registration of this franchise offering by the California Department of Financial Protection and Innovation does not constitute approval, recommendation, or endorsement by the Commissioner.

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

2. SECTION 31125 OF THE CALIFORNIA CORPORATION CODE REQUIRES US TO GIVE YOU A DISCLOSURE DOCUMENT, IN A FORM CONTAINING THE INFORMATION THAT THE COMMISSIONER MAY BY RULE OR ORDER REQUIRE, BEFORE A SOLICITATION OF A PROPOSED MATERIAL MODIFICATION OF AN EXISTING FRANCHISE.

3. OUR WEBSITE, https://www.xponential.com/franchising, HAS NOT BEEN REVIEWED OR APPROVED BY THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION. ANY COMPLAINTS CONCERNING THE CONTENT OF THE WEBSITE MAY BE DIRECTED TO THE CALIFORNIA DEPARTMENT OF FINANCIAL PROTECTION & INNOVATION AT www.dfpi.ca.gov.

4. Section 31512.1 of the California Corporations Code requires that any provision of the Franchise Agreement, Disclosure Document, acknowledgement, questionnaire, or other writing, including any exhibit thereto, disclaiming or denying any of the following shall be deemed contrary to public policy and shall be void and unenforceable: (a) representations made by the franchisor or its personnel or agents to a prospective franchisee; (b) reliance by a franchisee on any representations made by the franchisor or its personnel or agents; (c) reliance by a franchisee on the franchise disclosure document, including any exhibit thereto; or (d) violations of any provision of this division.

5. The following statement is added to the end of Item 3:

Neither we, our parent, predecessor or affiliate nor any person in Item 2 of the Franchise Disclosure Document is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities Exchange Act of 1934, 15 U.S.C.A Sections 78a et seq., suspending or expelling such persons from membership in that association or exchange.

6. The following statement is added to the Remarks column of Item 6 for the row entitled **Late Fees**:

The highest rate of interest allowed by California law is 10% annually.

7. The following paragraphs are added at the end of Item 17:

The Franchise Agreement and Area Development Agreement require you to sign a general release of claims upon renewal or transfer of the Franchise Agreement or Area Development Agreement. California Corporations Code Section 31512 provides that any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with any provision of that law or any rule or order thereunder is void. Section 31512 might void a waiver of your rights under the Franchise Investment Law (California Corporations Code Section 31000 – 31516). Business and Professions Code Section 20010 might void a waiver of your rights under the Franchise Relations Act (Business and Professions Code Sections 20000 – 20043).

The Franchise Agreement contains a liquidated damages clause. Under California Civil Code Section 1671, certain liquidated damages clauses are unenforceable.

California Business and Professions Code Sections 20000 through 20043 provide rights to the franchisee concerning termination, transfer or nonrenewal of a franchise. If the Area Development Agreement or Franchise Agreement contain a provision that is inconsistent with the law, and the law applies, the law will control.

The Franchise Agreement and Area Development Agreement contain a covenant not to compete that extends beyond termination of the franchise. This provision might not be enforceable under California law.

The Franchise Agreement and Area Development Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (11 U.S.C.A Section 101 et seq.).

The Franchise Agreement and Area Development Agreement require binding arbitration. The arbitration will be conducted at our then current principal place of business (currently Irvine, California) or another location that we designate with the costs being borne as provided in the Franchise Agreement and Area Development Agreement. Prospective developers and franchisees are encouraged to consult private legal counsel to determine the applicability of California and federal laws (such as Business and Professions Code Section 20040.5, Code of Civil Procedure Section 1281, and the Federal Arbitration Act) to any provisions of the Franchise Agreement and Area Development Agreement restricting venue to a forum outside the State of California.

Under the Franchise Agreement, we reserve the right to require that franchisees comply with maximum and minimum prices it sets for goods and services. The Antitrust Law Section of the Office of the California Attorney General views maximum price agreements as per se violations of the California's Cartwright Act (Cal. Bus. and Prof. Code §§ 16700 to 16770).

8. The following paragraphs are added at the end of Item 19:

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

HAWAII

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

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

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

2. DO NOT SIGN THE REPRESENTATIONS AND ACKNOWLEDGEMENT QUESTIONNAIRE IF YOU ARE LOCATED, OR YOUR CLINIC WILL BE LOCATED IN HAWAII.

ILLINOIS

1. The "Summary" section of Item 17.u, entitled **Dispute resolution by arbitration or mediation**, and the "Summary" section of Item 17.v, entitled **Choice of forum**, are supplemented with the following:

> 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.

2. The "Summary" section of Item 17.w, entitled **Choice of law**, is deleted and replaced with the following:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern the Franchise Agreement and Area Development Agreement.

3. The following paragraphs are added to the end of Item 17:

> 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/area development agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

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

5. ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/ (West 2018).

6. You are required to open your Clinic within nine (9) months of executing your Franchise Agreement. The Franchisor may agree in writing to grant an additional three (3) months to open your Clinic. (Franchise Agreement, Sections 2.2.D).

7. Under 200.604(a) of the Illinois Administrative Rules, franchisor is required to amend its disclosure document within 90 days of any material change to the Franchise Disclosure Document such as the implementation of an Advertising Fund, advertising cooperatives and/or the IGNG System; changes to insurance requirements; new computer/POS system components; new/additional software licensing agreements & fees; all proprietary product/service developments; implementation of loyalty (gift card) programs, mystery shopper programs and the implementation & transaction fees thereof; required

participation in promotional events; and all required operational aspects that will increase a franchisee's expenses.

MARYLAND

1. The following is added to the end of Item 5 and Item 7:

Pursuant to an order of the Maryland Securities Commissioner, we have posted a Surety Bond in the requested amount. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have opened your Clinic. If you have signed an Area Development Agreement, the Surety Bond will remain in effect until we have completed all of our initial obligation to you under the Area Development Agreement and your first Clinic under the Area Development Agreement has opened. A copy of the Surety Bond is on file with the Maryland Securities Commissioner.

2. The following is added to the end of the "Summary" sections of Item 17.c, entitled **Requirements for renewal or extension**, and Item 17.m, entitled **Conditions for franchisor approval of transfer**:

However, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

3. The following is added to the end of the "Summary" section of Item 17.h, entitled "**Cause" defined – non-curable defaults**:

The Area Development Agreement and Franchise Agreement provides for termination upon bankruptcy. This provision might not be enforceable under federal bankruptcy law (111 U.S.C. Sections 101 et seq.) but we will enforce it to the extent enforceable.

4. The "Summary" sections of Item 17.v, entitled **Choice of forum**, and 17.w, entitled **Choice of law**, are amended to add the following:

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

5. The following language is added to the end of the chart in Item 17:

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

The Area Development Agreement and Franchise Agreement provide that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

MINNESOTA

1. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any

claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on 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 with the franchise.

2. The disclosure in the Item 6 chart, entitled **Lost Revenue Damages**, is deleted in its entirety.

3. The following language is added to the end of Item 13:

Provided you have complied with all provisions of the Franchise Agreement applicable to the Marks, we will protect your rights to use the marks and we also will indemnify you from any loss, costs or expenses from any claims, suits or demands regarding your use of the Marks in accordance with Minn. Stat. Sec. 80C.12 Subd. 1(g).

4. The following is added at the end of the chart in Item 17:

With respect to franchises governed by Minnesota law, we will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that you be given 90 days' notice of termination (with 60 days to cure) of the Franchise Agreement and Area Development Agreement and 180 days' notice for non-renewal of the Franchise Agreement and Area Development Agreement.

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibits us from requiring litigation to be conducted outside Minnesota, requiring waiver of a jury trial or requiring the Area Developer or Franchisee to consent to liquidated damages, termination penalties or judgment notes. In addition, nothing in the Disclosure Document, Area Development Agreement or Franchise Agreement can abrogate or reduce any of Area Developer's or Franchisee's rights as provided for in Minnesota Statutes, Chapter 80C, or Area Developer's or Franchisee's rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

Any release required as a condition of renewal or transfer/assignment will not apply to the extent prohibited by governing law with respect to claims arising under Minn. Rule 2860.4400D.

NEW YORK

1. The following information is added to the cover page of the Franchise Disclosure Document:

INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT B OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION. REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT NEW YORK STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THE DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND NEW YORK STATE DEPARTMENT OF LAW, BUREAU OF INVESTOR PROTECTION AND SECURITIES, 28 LIBERTY STREET, 21ST FLOOR, NEW YORK, NEW YORK 10005.

WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE DISCLOSURE DOCUMENT. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON A PROSPECTIVE AREA DEVELOPER OR FRANCHISEE TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS FRANCHISE DISCLOSURE DOCUMENT.

2. The following is added at the end of Item 3:

With regard to us, our parent, predecessor or affiliate, the persons identified in Item 2, or an affiliate offering franchises under our principal trademark:

A. No such party has an administrative, criminal, or civil action pending against that person alleging: a felony, a violation of a franchise, antitrust, or securities law, fraud, embezzlement, fraudulent conversion, misappropriation of property, unfair or deceptive practices or comparable civil or misdemeanor allegations.

B. No such party has pending actions, other than routine litigation incidental to the business, which are significant in the context of the number of franchisees and the size, nature or financial condition of the franchise system or its business operations.

C. No such party has been convicted of a felony or pleaded nolo contendere to a felony charge or, within the 10 year period immediately preceding the application for registration, has been convicted of or pleaded nolo contendere to a misdemeanor charge or has been the subject of a civil action alleging: violation of a franchise, antitrust, or securities law; fraud; embezzlement; fraudulent conversion; misappropriation of property; or unfair or deceptive practices; or comparable allegations.

D. No such party is subject to a currently effective injunctive or restrictive order or decree relating to the franchise, or under a federal, State, or Canadian franchise, securities, antitrust, trade regulation or trade practice law, resulting from a concluded or pending action or proceeding brought by a public agency; or is subject to any currently effective order of any national securities association or national securities exchange, as defined in the Securities and Exchange Act of 1934, suspending or expelling such person from membership in such association or exchange; or is subject to a currently effective injunctive or restrictive order relating to any other business activity as a result of an action brought by a public agency or department, including, without limitation, actions affecting a license as a real estate broker or sales agent.

3. The following is added to the end of Item 4:

Neither we, our affiliate, predecessor, officers, or general partners or any other individual who will have management responsibility relating to the sale or operation of franchises offered by this Disclosure Document have, during the 10-year period immediately preceding the date of the Disclosure Document: (a) filed as debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code; (b) obtained a discharge of its debts under the U.S. Bankruptcy Code; or (c) was a principal officer of a company or a general partner in a partnership that either filed as a debtor (or had filed against it) a petition to start an action under the U.S. Bankruptcy Code or that obtained a discharge of its debts

under the U.S. Bankruptcy Code during or within 1 year after that officer or general partner of the franchisor held this position in the company or partnership.

4. The following is added to the end of Item 5:

We apply the initial franchise fee to defray our costs for site review and approval, sales, legal compliance, salary, and general administrative expenses and profits.

5. The following is added to the end of the "Summary" sections of Item 17.c, entitled **Requirements for renewal or extension**, and Item 17.m, entitled **Conditions for franchisor approval of transfer**:

However, to the extent required by applicable law, all rights you enjoy and any causes of action arising in your favor from the provisions of Article 33 of the General Business Law of the State of New York and the regulations issued thereunder shall remain in force; it being the intent of this proviso that the non-waiver provisions of General Business Law Sections 687.4 and 687.5 be satisfied.

6. The "Summary" section of Item 17.d, entitled **Termination by franchisee** is amended to add the following:

You may terminate the Franchise Agreement or the Area Development Agreement on any grounds available by law.

7. The "Summary" section of Item 17.j, entitled **Assignment of contract by franchisor** is amended to add the following:

However, to the extent required by applicable law, no assignment will be made except to an assignee who, in our good faith judgment, is willing and financially able to assume our obligations under the Area Development Agreement or Franchise Agreement.

8. The "Summary" sections of Item 17.v, entitled **Choice of forum**, and 17.w, entitled **Choice of law**, are amended to add the following:

However, the governing choice of law and choice of forum shall not be considered a waiver of any right conferred upon you by the provisions of Article 33 of the General Business Law of the State of New York.

9. Franchise Questionnaires and Acknowledgements--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.

10. Receipts--Any sale made must be in compliance with § 683(8) of the Franchise Sale Act (N.Y. Gen. Bus. L. § 680 et seq.), which describes the time period a Franchise Disclosure Document (offering prospectus) must be provided to a prospective franchisee before a sale may be made. New York law requires a franchisor to provide the Franchise Disclosure Document at the

earlier of the first personal meeting, ten (10) business days before the execution of the franchise or other agreement, or the payment of any consideration that relates to the franchise relationship.

NORTH DAKOTA

1. The disclosure in the Item 6 chart, entitled **Lost Revenue Damages**, will not be enforced to the extent prohibited by applicable law.

2. The following is added to the "Remarks" section of the Item 6 row entitled **Cost of Enforcement or Defense**:

> Sections of the Franchise Disclosure Document requiring you to pay all costs and expenses incurred by us in enforcing the Franchise Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly to the extent required by law.

3. The following is added to the end of the "Summary" sections of Item 17.c, entitled **Requirements for renewal or extension**, and Item 17.m, entitled **Conditions for franchisor approval of transfer**:

> However, any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. The following is added to the end of the "Summary" section of Item 17.i, entitled **Franchisee's obligation on termination/non-renewal**:

> The requirement to pay damages will not be enforced to the extent prohibited by applicable law.

5. The following is added to the end of the "Summary" section of Item 17.r, entitled **Non-competition covenants after the franchise is terminated or expires**:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, we and you will enforce the covenants to the maximum extent the law allows.

6. The following is added to the end of the "Summary" section of Item 17.u, entitled **Dispute resolution by arbitration or mediation**:

> To the extent required by the North Dakota Franchise Investment Law (unless such requirement is preempted by the Federal Arbitration Act), arbitration will be at a site to which we and you mutually agree.

7. The "Summary" section of Item 17.v, entitled **Choice of forum**, is deleted and replaced with the following:

> You must sue us in the court nearest to our or, as applicable, our successor's or assign's then current principal place of business (currently, Irvine, California) except that, subject

to the arbitration requirement, and to the extent required by the North Dakota Franchise Investment Law, you may bring an action in North Dakota.

8. The "Summary" section of Item 17.w, entitled **Choice of law**, is deleted and replaced with the following:

Except as otherwise required by North Dakota law, and except for the U.S. Trademark Act, the Federal Arbitration Act, other federal laws, and disputes involving non-competition covenants (which are governed by the law of the state in which your Clinic is located), California law applies.

RHODE ISLAND

1. The following language is added to the end of the "Summary" sections of Item 17.v, entitled **Choice of forum**, and 17.w, entitled **Choice of law**:

Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act. To the extent required by applicable law Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act."

VIRGINIA

1. The following Risk Factor is added to the end of the Special Risks to Consider About This Franchise:

Estimated Initial Investment. The franchisee will be required to make an estimated initial investment ranging from $289,320 to $502,650. This amount exceeds the franchisor's stockholders' equity as of November 22, 2023, which is $150,000.

2. The following language is added to the end of the "Summary" section of Item 17.e, entitled **Termination by franchisor without cause**:

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Development Agreement or Franchise Agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE AREA DEVELOPMENT AGREEMENT

RIDER TO THE LINDORA FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Developer**").

1. **Background**. Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20___ (the "**Area Development Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) Developer is domiciled in the State of Illinois, or (b) the offer of the franchise is made or accepted in the State of Illinois and the Clinics that Developer develops under the Area Development Agreement are or will be located in the State of Illinois.

2. **Waiver of Jury Trial; Class Actions; Limitation of Actions**. he following is added to the end of Sections 12.H (**Waiver of Jury Trial)**, 12.I (**Waiver of Class Actions)**, and 12.K (**Limitation of Actions**) of the Area Development Agreement:

> However, nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

3. **Illinois Franchise Disclosure Act**. The following language is added to the end of the Area Development Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this Agreement.
>
> Section 4 of the Illinois Franchise Disclosure Act provides that any provision in an area development agreement that designates jurisdiction or venue outside the State of Illinois is void. However, an area development 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.
>
> Developer's rights upon termination and non-renewal of an area development agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

4. **Additional Disclosures**. The following language is added to the end of the Area Development Agreement:

> No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of:

(i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/ (West 2018).

You are required to open your Clinic within nine (9) months of executing your Franchise Agreement. The Franchisor may agree in writing to grant an additional three (3) months to open your Clinic. (Franchise Agreement, Sections 2.2.D).

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

LINDORA FRANCHISE, LLC a Delaware limited liability company	**[NAME OF DEVELOPER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Capacity: _____
Date: _____	Date: _____

RIDER TO THE LINDORA FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MARYLAND

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC,** a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Developer**").

1. **Background**. Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20___ (the "**Area Development Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) Developer is a resident of the State of Maryland; or (b) the Clinics that Developer develops under the Area Development Agreement are or will be developed in the State of Maryland; or (c) the offer to sell is made in the State of Maryland; or (d) the offer to buy is accepted in the State of Maryland.

2. **Development Fee.** The following is added to the end of Section 4 (**Development Fee**) of the Development Agreement:

> Pursuant to an order of the Maryland Securities Commissioner, we have posted a Surety Bond in the requested amount. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the Area Development Agreement and you have opened your first Clinic under the Area Development Agreement. A copy of the Surety Bond is on file with the Maryland Securities Commissioner.

3. **Insolvency**. The following is added to the end of Section 8.A.(1)(b) (**Termination of Franchise by Franchisor**) of the Area Development Agreement:

> The provision which provides for termination upon Developer's bankruptcy might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

4. **Release**. The following is added to the end of Section 9.C (**Conditions for Approval of Transfer**) of the Area Development Agreement:

> Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

5. **Governing Law; Consent to Jurisdiction.** The following is added to the end of Sections 12.A (**Governing Law)** and 12.F (**Consent to Jurisdiction)** of the Area Development Agreement:

> ; provided, however, Developer may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Maryland law may apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

6. **Mediation; Mandatory Binding Arbitration**. The following is added to the end of Sections 12.C (**Mediation**) and 12.D (**Mandatory Binding Arbitration**) of the Area Development Agreement:

> A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

7. **Waiver of Jury Trial, Class Actions; Limitation of Actions**. The following is added to the end of Sections 12.H (**Waiver of Jury Trial)**, 12.I (**Waiver of Class Actions)** and 12.K (**Limitation of Actions)** of the Area Development Agreement:

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

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

LINDORA FRANCHISE, LLC a Delaware limited liability company	**[NAME OF DEVELOPER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Capacity: _____
Date: _____	Date: _____

RIDER TO THE LINDORA FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Developer**").

1. **Background**. Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20___ (the "**Area Development Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) the Clinics that Developer will develop under the Area Development Agreement will be developed in the State of Minnesota; and/or (b) any of the offering or sales activity relating to the Area Development Agreement occurred in the State of Minnesota.

2. **Termination**. The following sentence is added to the end of Section 8.A (**Termination of Franchise by Franchisor**) of the Area Development Agreement:

> However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minnesota Statutes, Section 80C.14, Subd. 3, 4, and 5, which require (except in certain specified cases) that Developer be given 90 days' notice of termination (with 60 days to cure) of this Agreement.

3. **Release**. The following is added to the end of Section 9.C (**Conditions for Approval of Transfer**) of the Area Development Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

4. **Governing Law**. The following sentence is added to the end of Section 12.A (**Governing Law**) of the Area Development Agreement:

> Nothing in this Agreement will abrogate or reduce any of Developer's rights under the Minnesota Statutes Chapter 80C or Developer's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

5. **Other Proceeding (Right to Injunctive Relief)**. The following language is added to the end of Section 12.E (**Other Proceeding (Right to Injunctive Relief**)-of the Area Development Agreement:

> Notwithstanding the foregoing, a court will determine if a bond is required to obtain injunctive relief.

6. **Consent to Jurisdiction**. The following sentence is added to the end of Section 12.F (**Consent to Jurisdiction**) of the Area Development Agreement:

> Notwithstanding the foregoing, Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement shall abrogate or reduce any of Developer's rights under Minnesota Statutes chapter 80C or Developer's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

7. **Waiver of Punitive Damages; Jury Trial**. If and then only to the extent required by the Minnesota Franchises Law, Sections 12.G (**Waiver of Punitive Damages)** and 12.H (**Waiver of Jury Trial)** of the Area Development Agreement are hereby deleted.

8. **Limitation of Actions**. The following is added to the end Section 12.K (**Limitation of Actions**) of the Area Development Agreement:

> ; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

LINDORA FRANCHISE, LLC a Delaware limited liability company	**[NAME OF DEVELOPER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Capacity: _____
Date: _____	Date: _____

RIDER TO THE LINDORA FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN NEW YORK

THIS RIDER is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ ("**Developer**").

1. **Background**. Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20___ (the "**Area Development Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) Developer is domiciled in the State of New York and the Clinics that Developer develops under the Area Development Agreement are or will be developed in the State of New York, or (b) the offer for sale of the Development Rights was made or accepted in the State of New York.

2. **Termination**. The following sentence is added to the end of Section 8.A (**Termination of Franchise by Franchisor)** of the Area Development Agreement:

> Developer also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

3. **Transfer of Interest**. The following sentence is added to the end of Section 9.B (**Transfer of Interest; By Developer and its Owners)** of the Area Development Agreement:

> However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor's good faith judgment, is willing and financially able to assume Franchisor's obligations under this Agreement.

4. **Release**. The following is added to the end of Section 9.C (**Conditions for Approval of Transfer**) of the Area Development Agreement:

> Notwithstanding the foregoing all rights enjoyed by Developer and any causes of action arising in Developer's favor from the provision of Article 33 of the General Business Law of the State of New York and the regulations issued there under shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.4, as amended.

5. **Governing Law; Consent to Jurisdiction**. The following sentence is added to the end of Sections 12.A (**Governing Law)** and 12.F (**Consent to Jurisdiction**):

> This section shall not be considered a waiver of any right conferred upon Developer by the provisions of Article 33 of the New York General Business Law, as amended, and the regulations issued thereunder.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

LINDORA FRANCHISE, LLC, a Delaware limited liability company	**[NAME OF DEVELOPER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Capacity: _____
Date: _____	Date: _____

RIDER TO THE LINDORA FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Developer**").

1. **Background**. Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20___ (the "**Area Development Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) an offer to sell is made in the State of North Dakota; or (b) if Developer is domiciled in the State of North Dakota, the Clinics that Developer develops under its Area Development Agreement are or will be operated in the State of North Dakota.

2. **Covenants Regarding Competitive Activities**. The following is added to the end of Section 6.A (**Noncompetition Restrictions**) of the Area Development Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, Franchisor will enforce the covenants to the maximum extent the law allows.

3. **Release**. The following is added to the end of Section 9.C (**Conditions for Approval of Transfer**) of the Area Development Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

4. **Governing Law**. Section 12.A (**Governing Law**) of the Area Development Agreement is deleted in its entirety and replaced with the following language:

> Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and Developer will be governed by the laws of the State of California, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

5. **Mediation; Mandatory Binding Arbitration**. Sections 12.C (**Mediation**) and 12.D (**Mandatory Binding Arbitration**) of the Area Development Agreement are supplemented by adding the following to the end of each Section:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), arbitration shall be held at a site to which Franchisor and Developer mutually agree.

6. **Consent to Jurisdiction**. The following is added to the end of Section 12.F (**Consent to Jurisdiction**) of the Area Development Agreement:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, Developer may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

7. **Waiver of Punitive Damages.** The following is added to the end of Section 12.G (**Waiver of Punitive Damages**) of the Area Development Agreement:

> Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

8. **Waiver of Jury Trial**. To the extent required by the North Dakota Franchise Investment Law, Section 12. H (**Waiver of Jury Trial**) of the Area Development Agreement is deleted.

9. **Waiver of Class Actions; Limitation of Actions**. The following is added to the end of Sections 12.I (**Waiver of Class Actions)** and 12.K (**Limitation of Actions)** of the Area Development Agreement:

> The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

LINDORA FRANCHISE, LLC, a Delaware limited liability company	**[NAME OF DEVELOPER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Capacity: _____
Date: _____	Date: _____

RIDER TO THE LINDORA FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Developer**").

1. **Background**. Franchisor and Developer are parties to that certain Area Development Agreement dated _____, 20____ (the "**Area Development Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Area Development Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Area Development Agreement. This Rider is annexed to and forms part of the Area Development Agreement. This Rider is being signed because (a) an offer to sell is made or accepted in the State of Rhode Island, or (b) Developer is a resident of the State of Rhode Island and the Clinics Developer develops under its Area Development Agreement are or will be operated in the State of Rhode Island.

2. **Governing Law**. The following is added at the end of Section 12.A (**Governing Law**) of the Area Development Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act."

3. **Consent to Jurisdiction**. The following is added at the end of Section 12.F (**Consent to Jurisdiction**) of the Area Development Agreement:

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

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Area Development Agreement.

LINDORA FRANCHISE, LLC, a Delaware limited liability company	**[NAME OF DEVELOPER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Capacity: _____
Date: _____	Date: _____

THE FOLLOWING PAGES IN THIS EXHIBIT ARE STATE-SPECIFIC RIDERS TO THE FRANCHISE AGREEMENT

RIDER TO THE LINDORA FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN ILLINOIS

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Franchisee**").

1. **Background**. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreemen**t") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in the State of Illinois, or (b) the offer for the sale of the franchise was made or accepted in the State of Illinois and the Clinic that Franchisee operates under its Franchise Agreement is or will be operated in the State of Illinois.

2. . **Waiver of Punitive Damages; Jury Trial; Limitation of Actions.** The following is added to the end of Sections 16.8 (**Waiver of Jury Trial)**, 16.9 (**Waiver of Class Actions)**, and 16.12 (**Limitation of Actions**) of the Franchise Agreement:

> However, nothing contained in this section shall constitute a condition, stipulation, or provision purporting to bind any person to waive compliance with any provision of the Illinois Franchise Disclosure Act or any other law of the State of Illinois, to the extent applicable.

3. **Illinois Franchise Disclosure Act**. The following language is added to the end of the Franchise Agreement:

> Except for the U.S. Federal Arbitration Act and other federal laws in the U.S., the laws of the State of Illinois will govern this 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.
>
> Franchisee's rights upon termination and non-renewal of a franchise agreement are subject to sections 19 and 20 of the Illinois Franchise Disclosure Act.

5. **Additional Disclosures**. The following language is added to the end of the Area Development Agreement:

> No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of: (i) waiving any claims under any applicable state franchise law, including fraud in the

inducement, or (ii) disclaiming reliance on behalf of the Franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ILLINOIS PROHIBITS THE CORPORATE PRACTICE OF MEDICINE. UNLICENSED INDIVIDUALS AND ENTITIES ARE PROHIBITED FROM OWNING, OPERATING AND MAINTAINING AN ESTABLISHMENT FOR THE STUDY, DIAGNOSIS AND TREATMENT OF HUMAN AILMENTS AND INJURIES, WHETHER PHYSICAL OR MENTAL. See Medical Corporation Act, 805 ILCS 15/2, 5 (West 2018) and Medical Practice Act of 1987, 225 ILCS 60/ (West 2018).

You are required to open your Clinic within nine (9) months of executing your Franchise Agreement. The Franchisor may agree in writing to grant an additional three (3) months to open your Clinic. (Franchise Agreement, Sections 2.2.D).

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

LINDORA FRANCHISE, LLC,
a Delaware limited liability company

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

"FRANCHISEE"

[if an individual]

_____
[Name], individually

Sign: _____
Date: _____

[if a legal entity]

_____
[Name], a [state/type]

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

RIDER TO THE LINDORA FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN MARYLAND

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Franchisee**").

1. **Background**. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is a resident of the State of Maryland; or (b) the Clinic that Franchisee operates under its Franchise Agreement is or will be operated in the State of Maryland; or (c) the offer to sell the franchise was made in the State of Maryland; or (d) the offer to buy the franchise was accepted in the State of Maryland.

2. **Recitals**. The last sentence of the second recital to the Franchise Agreement is hereby deleted in its entirety.

3. **Releases.** The following is added to the end of Sections 3.2.C (**Successor Franchise**) and 14.2 (**Conditions for Approval of Transfer**) of the Franchise Agreement:

> Pursuant to COMAR 02.02.08.16L, any release required as a condition of renewal and/or assignment/transfer will not apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

4. **Initial Franchise Fee.** The following is added to the end of Section 5.1 (**Initial Franchise Fee**) of the Franchise Agreement:

> Pursuant to an order of the Maryland Securities Commissioner, we have posted a Surety Bond in the requested amount. The terms of the Surety Bond will remain in effect until we have completed all of our initial obligations to you under the Franchise Agreement and you have opened your Clinic. A copy of the Surety Bond is on file with the Maryland Securities Commissioner.

5. **Insolvency**. The following is added to the end of Sections 15.1.A(2) and (3) (**Termination of Franchise by Franchisor**) of the Franchise Agreement:

> This Section might not be enforceable under federal bankruptcy law (11 U.S.C. Sections 101 et seq.).

6. **Governing Law; Consent to Jurisdiction** The following is added to the end of Sections 16.1 (**Governing Law)** and 16.6 (**Consent to Jurisdiction)** of the Franchise Agreement:

> ; provided, however, Franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law. Maryland law will apply to claims arising under the Maryland Franchise Registration and Disclosure Law.

7. **Mediation; Mandatory Binding Arbitration**. Sections 16.3 (**Mediation**) and 16.4 (**Mandatory Binding Arbitration**) of the Franchise Agreement are supplemented by adding the following to the end of the Section:

> A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Registration and Disclosure Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

8. **Waiver of Punitive Damages; Jury Trial; Limitation of Actions** The following is added to the end of Sections 16.8 (**Waiver of Jury Trial)**,16.9 (**Waiver of Class Actions)** and 16.12 (**Limitation of Actions)** of the Franchise Agreement:

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

9. Only to the extent that Section 18 (**Acknowledgments**) does not comply with Maryland law, such Section is deleted.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

LINDORA FRANCHISE, LLC,
a Delaware limited liability company

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

"FRANCHISEE"

[if an individual]

_____
[Name], individually

Sign: _____
Date: _____

[if a legal entity]

_____
[Name], a [state/type]

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

RIDER TO THE LINDORA FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN MINNESOTA

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Franchisee**").

1. **Background**. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) the Franchisee is a resident of the State of Minnesota, (b) the Clinic that Franchisee will develop under the Franchise Agreement is or will be located in the State of Minnesota; or (c) any of the offering or sales activity relating to the Franchise Agreement occurred in the State of Minnesota.

2. **Releases.** The following is added to the end of Sections 3.2.C (**Successor Franchise**) and 14.2 (**Conditions for Approval of Transfer**) of the Franchise Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the Minnesota Franchises Law.

3. **Ownership of Marks**. The following language is added to the end of Section 4.1 (**Ownership of Marks**) of the Franchise Agreement:

> Provided Franchisee has complied with all provisions of the Franchise Agreement applicable to the Mark, Franchisor will protect Franchisee's rights to use the Marks and Franchisor will indemnify Franchisee from any loss, costs or expenses from any claims, suits or demands regarding Franchisee's use of the Marks in accordance with Minn. Stat. Sec 80C.12 Subd. 1(g).

4. **Interest and Late Charges**. The following language is added to the end of Section 5.11 (**Interest and Late Charges**) of the Franchise Agreement:

> Notwithstanding the foregoing, Franchisee and Franchisor acknowledge that under Minnesota Statute 604.113 Franchisee's penalty for an insufficient funds check will be limited to $30 per occurrence.

5. **Injunctive Relief**. The following language is added to the end of Section 12.2 (**Injunctive Relief**) of the Franchise Agreement:

> Notwithstanding the foregoing, a court will determine if a bond is required to obtain injunctive relief.

6. **Renewal and Termination**. The following is added to the end of Sections 3.2 (**Successor Franchise**) and 15.1 (**Termination of Franchise by Franchisor**) of the Franchise Agreement:

> However, with respect to franchises governed by Minnesota law, Franchisor will comply with Minn. Stat. Sec. 80C.14, Subds. 3, 4 and 5 which require, except in certain specified cases, that Franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice of non-renewal of this Agreement.

7. **Lost Revenue Damages**. The following language is added to the end of Section 15.3.J (**Obligations of Franchisee upon Termination, Expiration or Non-Renewal**) of the Franchise Agreement:

> Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under Minn. Rule Part 2860.4400J. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

8. **Governing Law**. The following sentence is added to the end of Section 16.1 (**Governing Law**) of the Franchise Agreement:

> Nothing in this Agreement will abrogate or reduce any of Franchisee's rights under the Minnesota Statutes Chapter 80C or Franchisee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

9. **Consent to Jurisdiction**. The following sentence is added to the end of Section 16.6 (**Consent to Jurisdiction**) of the Franchise Agreement:

> Notwithstanding the foregoing, Minn. Stat. Section 80C.21 and Minn. Rule 2860.4400J prohibit Franchisor, except in certain specified cases, from requiring litigation to be conducted outside of Minnesota. Nothing in this Agreement shall abrogate or reduce any of Franchisee's rights under Minnesota Statutes chapter 80C or Franchisee's right to any procedure, forum or remedies that the laws of the jurisdiction provide.

10. **Waiver of Punitive Damages; Jury Trial**. If and then only to the extent required by the Minnesota Franchises Law, Sections 16.7 (**Waiver of Punitive Damages)** and 16.8 **(Waiver of Jury Trial)** of the Franchise Agreement are hereby deleted.

11. **Limitation of Actions**. The following is added to the end of Section 16.12 (**Limitation of Actions**) of the Franchise Agreement:

> ; provided, however, that Minnesota law provides that no action may be commenced under Minn. Stat. Sec. 80C.17 more than 3 years after the cause of action accrues.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

LINDORA FRANCHISE, LLC,
a Delaware limited liability company

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

"FRANCHISEE"

[if an individual]

_____
[Name], individually

Sign: _____
Date: _____

[if a legal entity]

_____
[Name], a [state/type]

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

RIDER TO THE LINDORA FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN NEW YORK

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Franchisee**").

1. **Background.** Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "Franchise Agreement") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) Franchisee is domiciled in the State of New York and the Clinic that Franchisee will operate under the Franchise Agreement is or will be located in State of New York, or (b) the offer to sell the franchise for your Clinic was made or accepted in the State of New York.

2. **Releases.** The following is added to the end of Sections 3.2.C (**Successor Franchise**) and 14.2 (**Conditions for Approval of Transfer**) of the Franchise Agreement:

> Notwithstanding the foregoing all rights enjoyed by Franchisee and any causes of action arising in Franchisee's favor from the provision of Article 33 of the General Business Law of the State of New York and the regulations issued there under shall remain in force to the extent required by the non-waiver provisions of GBL Sections 687.4 and 687.4, as amended.

3. **Conditions for Approval of Transfer**. The following sentence is added to the end of Section 14.2 (**Conditions for Approval of Transfer**) of the Franchise Agreement:

> However, to the extent required by applicable law, no assignment will be made except to an assignee who, in Franchisor's good faith judgment, is willing and financially able to assume Franchisor's obligations under this Agreement.

4. **Termination**. The following sentence is added to the end of Section 15.1 (**Termination of Franchise by Franchisor)** of the Franchise Agreement:

> Franchisee also may terminate this Agreement on any grounds available by law under the provisions of Article 33 of the General Business Law of the State of New York.

5. **Governing Law; Consent to Jurisdiction**. The following sentence is added to the end of Sections 16.1 (**Governing Law)** and 16.6 (**Consent to Jurisdiction**) of the Franchise Agreement:

> This section shall not be considered a waiver of any right conferred upon Franchisee by the provisions of Article 33 of the New York General Business Law, as amended, and the regulations issued thereunder.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

LINDORA FRANCHISE, LLC,
a Delaware limited liability company

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

"FRANCHISEE"

[if an individual]

_____
[Name], individually

Sign: _____
Date: _____

[if a legal entity]

_____
[Name], a [state/type]

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

RIDER TO THE LINDORA FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN NORTH DAKOTA

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Franchisee**").

1. **Background**. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20___ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) an offer to sell the franchise was made in North Dakota; or (b) if Franchisee is domiciled in the State of North Dakota or the Clinic that Franchisee operates under its Franchise Agreement is or will be operated in the State of North Dakota.

2. **Releases.** The following is added to the end of Sections 3.2.C (**Sucessor Franchise**) and 14.2 (**Conditions for Approval of Transfer**) of the Franchise Agreement:

> Any release required as a condition of renewal and/or assignment/transfer will not apply to the extent prohibited by the North Dakota Franchise Investment Law.

3. **Covenants Not to Compete**. The following is added to the end of Article 13 (**Covenants Not to Compete**) of the Franchise Agreement:

> Covenants not to compete such as those mentioned above are generally considered unenforceable in the State of North Dakota; however, Franchisor will enforce the covenants to the maximum extent the law allows.

4. **Lost Revenue Damages**. The following language is added to the end of Section 15.3J (**Obligations of Franchisee upon Termination, Expiration or Non-Renewal**) of the Franchise Agreement:

> Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. Accordingly, this Section will not be enforced to the extent prohibited by applicable law.

5. **Governing Law**. Section 16.1 (**Governing Law**) of the Franchise Agreement is deleted in its entirety and replaced with the following language:

> Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051 et seq.), or other federal law, and except as otherwise required by North Dakota law, this Agreement, the franchise, and all claims arising from the relationship between Franchisor and Franchisee will be governed by the laws of the State of California, without regard to its conflict of laws rules, except that any state law regulating the sale of franchises or governing the relationship of a franchisor and its franchisee will not apply unless its jurisdictional requirements are met independently without reference to this section.

6. **Mediation; Mandatory Binding Arbitration**. Sections 16.3 (**Mediation**) and 16.4 (**Mandatory Binding Arbitration**) of the Franchise Agreement are supplemented by adding the following to the end of the Section:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law (unless such a requirement is preempted by the Federal Arbitration Act), mediation or arbitration shall be held at a site to which Franchisor and Franchisee mutually agree.

7. **Consent to Jurisdiction**. Section 16.6 (**Consent to Jurisdiction**) of the Franchise Agreement is supplemented by adding the following to the end of the Section:

> Notwithstanding the foregoing, to the extent required by the North Dakota Franchise Investment Law, Franchisee may bring an action in North Dakota for claims arising under the North Dakota Franchise Investment Law.

8. **Waiver of Punitive Damages**. The following is added to the end of Section 16.7 (**Waiver of Punitive Damages)** of the Franchise Agreement:

> Franchisor and Franchisee acknowledge that certain parts of this provision might not be enforceable under the North Dakota Franchise Investment Law. However, Franchisor and Franchisee agree to enforce the provision to the extent the law allows.

9. **Waiver of Jury Trial**. To the extent required by the North Dakota Franchise Investment Law, Section 16.8 (**Waiver of Jury Trial**)of the Franchise Agreement is deleted.

10. **Waiver of Class Actions; Limitation of Actions**. The following is added to the end of Sections 16.9 (**Waiver of Class Actions)** and 16.12 (**Limitation of Actions)** of the Franchise Agreement:

> The statutes of limitations under North Dakota Law applies with respect to claims arising under the North Dakota Franchise Investment Law.

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

LINDORA FRANCHISE, LLC,
a Delaware limited liability company

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

"FRANCHISEE"

[if an individual]

_____
[Name], individually

Sign: _____
Date: _____

[if a legal entity]

_____
[Name], a [state/type]

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

RIDER TO THE LINDORA FRANCHISE, LLC
FRANCHISE AGREEMENT
FOR USE IN RHODE ISLAND

THIS RIDER (this "**Rider**") is made and entered into by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("**Franchisor**"), and _____, whose principal business address is _____ _____ ("**Franchisee**").

1. **Background**. Franchisor and Franchisee are parties to that certain Franchise Agreement dated _____, 20____ (the "**Franchise Agreement**") that has been signed concurrently with the signing of this Rider. This Rider supersedes any inconsistent or conflicting provisions of the Franchise Agreement. Terms not otherwise defined in this Rider have the meanings as defined in the Franchise Agreement. This Rider is annexed to and forms part of the Franchise Agreement. This Rider is being signed because (a) any of the offering or sales activity relating to the Franchise Agreement occurred in Rhode Island, or (b) Franchisee is a resident of the State of Rhode Island and the Clinic that Franchisee develops under its Franchise Agreement is or will be operated in the State of Rhode Island.

2. **Governing Law**. The following is added at the end of Section 16.1 (**Governing Law**)of the Franchise Agreement:

> Section 19-28.1-14 of the Rhode Island Franchise Investment Act provides that "To the extent required by applicable law, Rhode Island law will apply to claims arising under the Rhode Island Franchise Investment Act."

3. **Consent to Jurisdiction**. The following is added at the end of Section 16.6 (**Consent to** Jurisdiction)of the Franchise Agreement:

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

[SIGNATURE PAGE TO FOLLOW]

IN WITNESS WHEREOF, the parties have executed and delivered this Rider to be effective as of the Effective Date of the Franchise Agreement.

LINDORA FRANCHISE, LLC,
a Delaware limited liability company

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

"FRANCHISEE"

[if an individual]

_____
[Name], individually

Sign: _____
Date: _____

[if a legal entity]

_____
[Name], a [state/type]

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

EXHIBIT H

LIST OF CURRENT FRANCHISEES

LIST OF OPEN FRANCHISEES AS OF DECEMBER 31, 2023*

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
1.	Lindora Wellness, Inc.	29525 Canwood Street Suite 105	Agoura Hills	California	91301	818-706-9490	N/A
2.	Lindora Wellness, Inc.	415 W. Ventura Blvd. Ste 200	Camarillo	California	93010	805-484-2486	N/A
3.	Lindora Wellness, Inc.	18327 Gridley Road, Suite #C	Cerritos	California	90701	562-924-5748	N/A
4.	Lindora Wellness, Inc.	200 South Main St. Suite 135	Corona	California	92882	951-735-5520	N/A
5.	Lindora Wellness, Inc.	6101 W. Centinela Ave Suite 120	Culver City	California	90230	310-215-8188	N/A
6.	Lindora Wellness, Inc.	3110 Chino Ave STE 270	Chino Hills	California	91709	909-993-0960	N/A
7.	Lindora Wellness, Inc.	9216 Lakewood Blvd	Downey	California	90240	562-923-6864	N/A
8.	Lindora Wellness, Inc.	2239 No. Harbor Blvd.	Fullerton	California	92835	714-870-9501	N/A
9.	Lindora Wellness, Inc.	18665 Brookhurst Street, Suite 2H	Fountain Valley	California	92708	714-842-3174	N/A
10.	Lindora Wellness, Inc.	1111 N. Brand Blvd. Ste – S	Glendale	California	91202	818-507-0564	N/A
11.	Lindora Wellness, Inc.	27967 Greenspot Road Suite 1	Highland	California	92346	909-907-7980	N/A
12.	Lindora Wellness, Inc.	5516 Britton Drive	Long Beach	California	90815	562-598-6508	N/A
13.	Lindora Wellness, Inc.	24100 El Toro Rd Suite F	Laguna Hills	California	92637	949-586-8411	N/A
14.	Lindora Wellness, Inc.	9029 Reseda Blvd Suite 102	Northridge	California	91324	818-885-1667	N/A
15.	Lindora Wellness, Inc.	3300 Irvine Avenue, Suite 110	Newport Beach	California	92660	949-756-8050	N/A
16.	Lindora Wellness, Inc.	2534 Santiago Blvd, Suite A	Orange	California	92867	714-974-9330	N/A
17.	Lindora Wellness, Inc.	257 S. Fair Oaks Suite 101	Pasadena	California	91105	626-796-2614	N/A
18.	Lindora Wellness, Inc.	77940 Country Club Drive Ste 7-6	Palm Desert	California	92211	760-345-4945	N/A
19.	Lindora Wellness, Inc.	30652 Santa Margarita, Suite F105	Rancho Santa Margarita	California	92688	949-589-5816	N/A
20.	Lindora Wellness, Inc.	8112 Milliken Ave Suite 103-2	Rancho Cucamonga	California	91730	909-527-8342	N/A
21.	Lindora Wellness, Inc.	14843 Ventura Blvd	Sherman Oaks	California	91403	818-789-7103	N/A
22.	Lindora Wellness, Inc.	31105 Rancho Viejo Road #1	San Juan Capistrano	California	92675	949-248-0788	N/A
23.	Lindora Wellness, Inc.	25592 N. The Old Road	Stevenson Ranch	California	91381	661-288-1405	N/A

	Franchisee	Address	City	State	Zip Code	Phone	Remaining Development Rights Under ADA
24.	Lindora Wellness, Inc.	1300 Avenida Vista Hermosa Suite 180	San Clemente	California	92673	949-373-8405	N/A
25.	Lindora Wellness, Inc.	24223 Crenshaw Blvd Suite C/D	Torrance	California	90505	310-517-0130	N/A
26.	Lindora Wellness, Inc.	31170 Temecula Parkway	Temecula	California	92592	951-506-3788	N/A
27.	Lindora Wellness, Inc.	15100 Kensington Park Dr	Tustin	California	92782	949-231-1329	N/A
28.	Lindora Wellness, Inc.	28245 Newhall Ranch Road	Valencia	California	91355	661-705-2090	N/A
29.	Lindora Wellness, Inc.	21500 Ventura Blvd	Woodland Hills	California	91367	818-347-5647	N/A
30.	Lindora Wellness, Inc.	2155 East Garvey Ave North Suite B-3	West Covina	California	91791	626-915-7018	N/A
31.	Lindora Wellness, Inc.	909 W. Main Street, Suite 110	Monroe	Washington	98272	800-546-3672	N/A

**We did not have any franchisees as of December 31, 2022.

EXHIBIT I

LIST OF FRANCHISEES THAT LEFT THE SYSTEM OR NOT COMMUNICATED

LIST OF FORMER FRANCHISEES AS OF DECEMBER 31, 2023

Former franchisees who have had an outlet terminated, cancelled, not renewed, or otherwise voluntarily or involuntarily ceased to do business under the franchise agreement and franchisees that have not communicated with us within 10 weeks of the issuance date of this disclosure document.

None.

If you buy the franchise offered in this Disclosure Document, your contact information may be disclosed to other buyers when you leave the franchise system.

EXHIBIT J

AREA DEVELOPMENT AGREEMENT

LINDORA FRANCHISE, LLC

AREA DEVELOPMENT AGREEMENT

DEVELOPER

_____

_____

DATE OF AGREEMENT

TABLE OF CONTENTS

EXHIBITS

LINDORA FRANCHISE, LLC
AREA DEVELOPMENT AGREEMENT

This Area Development Agreement (this "Agreement") is made effective as of the Effective Date by and between **LINDORA FRANCHISE, LLC**, a Delaware limited liability company with its principal business address at 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 ("Franchisor"), and the person or entity identified as the "Developer" in the signature blocks below ("Developer," and together with Franchisor, the "Parties"). The Effective Date is the date Franchisor signs this Agreement as shown beneath its signature hereto.

RECITALS:

WHEREAS, Franchisor owns, administers and grants franchises for a system of clinics (the "Lindora Clinics") that are currently identified by and use the trademark "Lindora®" and other related trademarks and service marks designated from time to time by Franchisor (the "Marks"), that reflect distinctive interior design and display procedures, and color scheme and décor (the "Trade Dress"), and that use certain of Franchisor's certain intellectual property including trade secrets, copyrights, confidential and proprietary information, and designated training methods and know-how, equipment, furniture and fixtures, marketing, advertising and sales promotions, cost controls, accounting and reporting procedures, and personnel management systems (together with the Marks and Trade Dress, the "System"). Lindora Clinics provide certain nonmedical services and provide or facilitate the provision of health and wellness services such as weight loss and wellness plans, snack and nutritional supplement offerings, hormone replacement therapy, weight loss medications, IV therapy, laser treatments, and similar and related products and services.

WHEREAS, based on Developer's own investigation and diligence, Developer has requested that Franchisor grant Developer the right to acquire multiple franchises (each a "Franchise") for the development and operation of Lindora Clinics (the "Development Rights") in a defined geographic area (the "Development Area") pursuant to an agreed upon schedule (the "Development Schedule") set forth in this Agreement and, to support Developer's request, Developer and, if applicable, its owners have provided Franchisor with certain information about its and their background, experience, skills, financial condition and resources (collectively, the "Application Materials"). In reliance on, among other things, the Application Materials, Franchisor is willing to grant Developer the Development Rights on the terms and conditions contained in this Agreement.

NOW, THEREFORE, in consideration of and reliance on the foregoing Recitals (which are incorporated herein by reference), the agreements described below, and other valuable consideration, receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. OWNERSHIP; PRINCIPALS

If Developer is not a natural person (a "Business Entity"), Developer agrees, represents and warrants to Franchisor that: (1) it was validly formed and will maintain, throughout the Term (defined in Section 2.A below), its existence and good standing under the laws of the state of its formation and qualified to do business in the jurisdictions covered by the Development Area; (2) Exhibit A to this Agreement describes all of Developer's owners and their interests in Developer as of the Effective Date; (3) each of Developer's owners that has at least 10% direct or indirect ownership interest in Developer, and their spouse, will sign and deliver to Franchisor its then-standard form of Guarantee, Indemnification, and Acknowledgment (the "Guaranty"), the current form of which is attached as Exhibit B hereto; (4) the only business Developer will own or operate during the Term will be the exercise of the rights granted to it under this Agreement and any other agreement between it and Franchisor or its successors and assigns; and (5) at

Franchisor's request, Developer will furnish Franchisor true and correct copies of all documents regarding Developer's formation, existence, standing, and governance.

2. GRANT OF DEVELOPMENT RIGHTS

A. **Grant and Term.** Franchisor grants Developer the Development Rights, which must be exercised in strict compliance with this Agreement. The Development Rights may be exercised from the Effective Date and, unless sooner terminated as provided herein, continuing through the earlier of (1) the date on which the last Lindora Clinic, which is required to be opened in order to satisfy the Development Schedule, opens for regular business, or (2) the last day of the last Development Period (defined in Section 2.C) (collectively, the "Term"). Developer accepts the grant of the Development Rights and agrees to, at all times, faithfully, honestly, and diligently perform its obligations under this Agreement and fully exploit the Development Rights during the Term and throughout the entire Development Area. Developer may not subcontract or delegate to any third parties any of its rights or obligations under this Agreement.

B. **Development Area; Reservation Of Rights**. The Development Rights may only be exercised for Lindora Clinics to be located in the Development Area identified on Exhibit A hereto. As long as Developer is in compliance with this Agreement and except with respect to Non-Traditional Locations (defined below), Franchisor will not, during the Term, (1) operate, or grant the right to anyone else to operate, a Lindora Clinic within the Development Area, or (2) grant Development Rights to anyone else to develop Lindora Clinics within the Development Area. A "Non-Traditional Location" is (a) any location that is situated within or as part of a larger venue or facility and, as a result, is likely to draw the predominance of its customers from those persons who are using or attending events in the larger venue or facility (for example, hotels and resorts, wellness retreat centers, fitness facilities, cruise ships, military bases, shopping malls, airports, sports facilities and stadiums, industrial or office complexes, train stations and other transportation facilities, travel plazas, casinos, hospitals, theme parks, convention centers, colleges/universities, multi-unit residential properties, and other similar captive market locations**)**.

For the avoidance of doubt, Franchisor reserves for itself and its affiliates all rights not expressly granted to Developer in this Agreement and the right to do all things that Franchisor does not expressly agree in this Agreement not to do, in each case, without regard to proximity to the Development Area and without any compensation to Developer, and on such terms and conditions as Franchisor deems appropriate. Without limitation, Franchisor and its affiliates may, themselves or through authorized third parties (and Developer is not granted the right to): (a) open and operate, and license third parties the right to open or operate, Lindora Clinics utilizing the Marks and System outside the Development Area; (b) market, offer and sell products and services similar to those offered by Lindora Clinics (such as private label products and training programs) under a different trademark or trademarks at any location, both within or outside the Development Area; (c) use the Marks and other aspects of the System, as well as any other marks Franchisor may designate, to distribute products and services through alternate channels of distribution, including without limitation, via the Internet and other e-commerce channels, catalog sales, direct mail or wholesale, anywhere either within or outside the Development Area; (d) acquire, or be acquired by, or merge with, any company, including a company operating or licensing one or more businesses offering products or services similar to those offered by any Lindora Clinic located within or outside the Development Area, and subsequently operate (or license a third-party the right to operate) these businesses and allow them to incorporate certain elements of the System (excluding the Marks and Trade Dress) regardless of location; (e) develop or become associated with and engage in other businesses, including other clinic concepts and systems, and/or award franchises under such other concepts for locations anywhere, including inside and outside of the Development Area; (f) use the Marks and System, and license others to use the Marks and System, to engage in any other activities not expressly prohibited by this Agreement; and (g) open and operate, or license third parties the right to open or operate, Lindora Clinics at Non-Traditional Locations both within and outside the Development Area.

C. **Development Schedule**. The Development Schedule is set forth on Exhibit A hereto. Each period described in the Development Schedule is a "Development Period." Developer (or its approved affiliate) must open and operate Lindora Clinics in the Development Area, each pursuant to a written franchise agreement and related agreements signed by Franchisor and a franchisee (each a "Franchise Agreement"), as necessary to satisfy the requirements of each Development Period, but Developer shall not be required to open, in total, more than the cumulative number of Lindora Clinics shown for the last Development Period. The Development Schedule is not a representation (express or implied) by Franchisor that the Development Area can support, or that there are or will be sufficient sites for, the number of Lindora Clinics specified in the Development Schedule or during any particular Development Period. Franchisor is relying on Developer's knowledge and expertise of the Development Area and Developer's representation that it has conducted its own independent investigation and has determined that it can satisfy the development obligations under each Development Period of the Development Schedule.

Notwithstanding anything contained in this Section, Franchisor will provide Developer with a one-time reasonable extension of time not to exceed 90 days to comply with its development obligations in any one of the Development Period as set forth in the Development Schedule (see Exhibit A), provided: (i) Developer has already executed a lease for, or otherwise obtained, a Site (defined in Section 2.D below) that Franchisor approves for any Lindora Clinic(s) it is required to open and operate during that Development Period; and (ii) Developer notifies Franchisor of its need for such an extension no less than 30 days prior to expiration of that Development Period. The Parties agree and acknowledge that Franchisor's grant of this one-time extension under this Section will not extend, modify or otherwise affect the expiration of any of Developer's subsequent Development Periods or subsequent development obligations.

D. **Locating Sites for Lindora Clinics**. Despite any assistance Franchisor may provide, Developer is entirely responsible to locate and present to Franchisor proposed sites for Lindora Clinics in the Development Area as necessary to comply with the Development Schedule (each a "Site"). Developer agrees to give Franchisor all information and materials it requests to assess each proposed Site as well as Developer's and its proposed affiliate's financial and operational ability to develop and operate a Lindora Clinic at the proposed Site. Franchisor has the absolute right to reject any site or any affiliate (a) that does not meet Franchisor's criteria or (b) if Developer or its affiliates are not then in compliance with any existing Franchise Agreements executed pursuant to this Agreement or operating its or their Lindora Clinics in compliance with the mandatory specifications, standards, operating procedures and rules that Franchisor periodically prescribes for operating Lindora Clinics. Franchisor agrees to use its reasonable efforts to review and evaluate the proposed Sites within 30 days after it receives all requested information and materials. If Franchisor accepts a proposed Site, Developer (or its approved affiliate) must timely sign a separate Franchise Agreement for the Site as described in Section 2.E below.

E. **Execution of Franchise Agreements**. Simultaneously with the execution of this Agreement, Developer (or its approved affiliate) must sign and deliver to Franchisor a Franchise Agreement and related documents representing the first Franchise Developer is obligated to acquire under this Agreement. Developer (or its approved affiliate) must thereafter open and operate a Lindora Clinic according to the terms of that Franchise Agreement. Thereafter, once Franchisor has accepted a Site, and prior to signing a lease or otherwise securing possession of the Site, Developer (or its approved affiliate) must sign Franchisor's then-current form of Franchise Agreement and related documents, the terms of which, with the exceptions provided hereunder, may differ substantially from the terms contained in the form of Franchise Agreement Franchisor is using to grant Franchises on the Effective Date, except that the percentage of Gross Sales on which Royalty Fees is calculated will be the same as expressed in the first Franchise Agreement signed concurrently with the execution of this Agreement. Each Franchise Agreement will govern the development and operation of the Lindora Clinic at the accepted Site identified therein. Franchisor may refuse to issue and enter into a Franchise Agreement if (a) in its sole discretion, it has not

approved Developer's proposed affiliate, (b) Developer has not established to Franchisor's satisfaction that it has the operational and financial capacity to develop and operate the proposed Lindora Clinic, (c) Developer and its affiliates are not then in compliance with any agreements to which they are a party with Franchisor or its affiliates, (d) Developer or its affiliates have failed to pay any amounts owed to Franchisor or its affiliates during the preceding twelve (12) months, or (e) Developer, or its approved affiliates, and their respective owners fail to sign and return to Franchisor the Franchise Agreement and all ancillary agreements and required fees within fifteen (15) days following Franchisor's delivery of the execution of copy of the Franchise Agreement to Developer or its approved affiliate.

3. LINDORA CLINIC CLOSINGS

If, with Franchisor's permission, Developer (or its approved affiliate) permanently closes any of its Lindora Clinics, the closed Lindora Clinic will count toward satisfaction of the Development Schedule only if (a) as of the end of the Development Period in which the Lindora Clinic closes, Developer and its affiliates are otherwise in compliance with this Agreement, all Franchise Agreements executed pursuant to this Agreement, and all other agreements with Franchisor or its affiliates, and (b) within nine (9) months after Franchisor grants its permission for the closed Lindora Clinic to close, Developer (or its approved affiliate) develops and commences operation of a replacement Lindora Clinic in compliance with an applicable Franchise Agreement. If, during the Term, Developer transfers a Lindora Clinic in accordance with the transferred Lindora Clinic's Franchise Agreement, the transferred Lindora Clinic shall continue to be counted in determining Developer's compliance with the Development Schedule so long as it continues to be operated as a Lindora Clinic. If, at any time, the transferred Lindora Clinic ceases to be operated as a Lindora Clinic, it will not count toward satisfaction of the Development Schedule.

4. DEVELOPMENT FEE

Concurrently with the execution of this Agreement, Developer must pay to Franchisor a nonrecurring and nonrefundable area development fee equal to the amount shown on Exhibit A hereto (the "Development Fee"). The Development Fee is deemed fully earned by Franchisor upon execution of this Agreement in consideration of lost development opportunities and is nonrefundable under any circumstances. For each Franchise Agreement applicable to the Lindora Clinics Developer is required to open in satisfaction of the Development Schedule, Developer shall not be required to pay the initial franchise fee under each Franchise Agreement so long as Developer and its affiliates are in compliance with this Agreement and all other agreements with us, including each Franchise Agreement.

5. NO LICENSE TO THE MARKS

Notwithstanding any provision to the contrary under this Agreement, this Agreement does not grant Developer (or any of its affiliates) any right to use the Marks. The right to use the Marks is granted only under Franchise Agreements. Developer (and its affiliates) may not use any Mark as part of any corporate or trade name or as its (or their) primary business name or with any prefix, suffix or other modifying words, terms, designs, symbols or in any modified forms.

6. COVENANTS REGARDING COMPETITIVE ACTIVITIES

A. **Noncompetition Restrictions.** Developer acknowledges that, under each Franchise Agreement executed pursuant to this Agreement, the Restricted Parties (as defined in the Franchise Agreements) are subject to certain restrictions and covenants regarding activities which are deemed competitive with those of Franchisor, including restrictions regarding Competing Businesses, as that term is defined in the Franchise Agreement (the "Noncompetition Restrictions"). Developer acknowledges and agrees that it and its owners are subject to, and will comply with, all of the Noncompetition Restrictions

described in the Franchise Agreements, each of which is adopted herein as though copied in its entirety. Developer further agrees that, in addition to any obligations with respect to Noncompetition Restrictions under the Franchise Agreements, for two (2) years after the expiration or sooner termination of this Agreement or after Developer or an owner of Developer has assigned its interest in this Agreement or in Developer (as applicable), the Restricted Parties or the transferring owner (as applicable) shall not own, maintain, engage in, be employed as an officer, director, or principal of, lend money to, extend credit to, lease/sublease space to, provide services to, or have any interest in or involvement with, any other Competing Business: (a) within the Development Area; (b) within ten (10) miles outside the boundaries of the Development Area, or (c) within a 10-mile radius of any Lindora Clinic that is open, under lease or otherwise under development as of the date this Agreement expires or is terminated or, as to a transferring owner, the date of such transfer.

B. **Enforcement of Covenants.** Developer agrees that: (a) the restrictions contained and described in this Article 6 are reasonable and necessary to protect the legitimate interests of the System and Franchisor, (b) the existence of any claims it may have against Franchisor, whether or not arising out of this Agreement, shall not constitute a defense to the enforcement of the covenants in this Article 6, and (c) Developer's or any Restricted Party's violation of the terms of this Article 6 will cause irreparable injury to Franchisor for which no adequate remedy at law is available and that Franchisor shall be entitled, without bond (which requirement is hereby waived), to preliminary and permanent injunctive relief and damages, as well as an equitable accounting of all earnings, profits, and other benefits arising from such violation, which remedies shall be cumulative and in addition to any other rights or remedies to which Franchisor shall be entitled. Developer shall pay all costs and expenses, including, without limitation, reasonable attorneys' fees, incurred by Franchisor in connection with the enforcement of this Article 6. If Developer or a Restricted Party violates any post-term or post-transfer restriction described in this Article 6, the restrictions contained herein shall remain in effect until two (2) years after Developer or such Restricted Party begins to comply with those restrictions. If Developer contests the enforcement of this Article 6 and enforcement is delayed pending litigation, and if Franchisor prevails, the period of non-competition shall be extended for an additional period equal to the period of time that enforcement of this Article 6 is delayed. Courts are authorized and directed to reduce the scope or duration (or both) of the provision(s) in issue solely to the extent necessary to render it enforceable and/or reasonable and to enforce the provision so revised. Franchisor may, in its discretion and upon written notice, reduce the scope of any covenant not to compete, or any portion thereof, without Developer's consent.

7. RELATIONSHIP OF THE PARTIES; INDEMNIFICATION

A. **Independent Contractor**. The only relationship between Franchisor and Developer created by this Agreement is that of independent contractor. The business conducted by Developer is completely separate and apart from any business that may be operated by Franchisor and nothing in this Agreement shall create a fiduciary relationship between them or constitute either Party as agent, legal representative, subsidiary, joint venturer, partner, employee, servant or fiduciary of the other Party for any purpose whatsoever. Developer is not an affiliate of Franchisor, and neither Party shall have authority to act for the other in any manner to create any obligations or indebtedness that would be binding upon the other Party. Neither Party shall be in any way responsible for any acts and/or omissions of the other, its agents, servants or employees and no representation to anyone will be made by either Party that would create an implied or apparent agency or other similar relationship by and between the Parties.

B. **Indemnification**. Developer agrees to indemnify, defend and hold Franchisor, its owners, affiliates, successors and assigns, and the directors, officers, owners, managers, employees, servants, agents of each (collectively, the "Indemnitees"), harmless from and against any and all losses, damage, claims, demands, liabilities and causes of actions of every kind or character and nature, as well as costs and expenses incident thereto (including reasonable attorneys' fees and court costs), that are brought against

any of the Indemnitees that arise out of or are otherwise related to Developer's or an Indemnitee's (a) breach or attempted breach of, or misrepresentation under, this Agreement or in connection with the exercise of the Development Rights in any manner other than as authorized herein, (b) ownership, construction, development, management, or operation of any Lindora Clinics that Developer or its affiliates own, (c) gross negligence or intentional misconduct, and/or (d) alleging Developer's or its representatives' violation of Applicable Laws as set forth in Section 13.D below. Notwithstanding the foregoing, any Indemnitee may choose to engage counsel and defend against any such Claim and may require immediate reimbursement from the Developer of all expenses and fees incurred in connection with such defense. This indemnity will continue in full force and effect subsequent to and notwithstanding this Agreement's expiration or termination. Indemnitees 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 Developer under this Section. Any Indemnitee's failure to pursue a recovery or mitigate a loss will not reduce or alter the amounts that person may recover from Developer under this Section.

8. TERMINATION

A. **Termination of Franchise by Franchisor**. Franchisor may terminate this Agreement for any of the following reasons:

(1) *Termination Without Cure Opportunity*. Franchisor may terminate this Agreement and all rights granted hereunder, without affording Developer any opportunity to cure, effective immediately upon delivery of written notice, if:

(a) Developer has made any material misrepresentation or omission in the Application Materials or otherwise in connection with applying for the Development Rights or in acquiring the rights granted under any other agreement between Developer or its affiliates and Franchisor or any of Franchisor's affiliates;

(b) Developer experiences any of the following events: (i) it admits its inability, or is unable, to pay its debts as they become due or perform its obligations under this Agreement, (ii) it makes an assignment for the benefit of creditors, (iii) it files a petition in bankruptcy, or an involuntary petition in bankruptcy is filed against it, (iv) a receiver is appointed for its business, (v) a final judgment against it remains unsatisfied or of record for at least thirty (30) days, or (vi) it is dissolved or liquidated;

(c) Developer fails to satisfy any requirement under the Development Schedule;

(d) Developer or any of its principal officers, directors, partners, managing members or owners who have signed a Guaranty is convicted of or pleads no contest to a felony or other crime or offense that, in Franchisor's reasonable opinion, adversely affects the reputation of the System or the goodwill associated with the Marks;

(e) Developer falsifies any financial reports, records, or other information required to be provided by Developer to Franchisor under this Agreement;

(f) A Restricted Party fails to comply with the Noncompetition Restrictions set forth in Article 6 herein;

(g) Developer or its owners make an unauthorized direct or indirect Transfer or attempted or purported Transfer; or

(h) Developer commits or suffers a default of: (i) a provision of this Agreement within six (6) months following a previous violation of the same provision, or (ii) its obligations under this Agreement on three (3) or more separate occasions within any 12-consecutive-month period, in either case regardless of whether Franchisor notifies Developer of the defaults or the defaults are subsequently cured.

(2) *Termination with Cure Opportunity.* Franchisor may terminate this Agreement and all rights granted hereunder, effective immediately on delivery of written notice, if:

(a) Developer fails to obtain Franchisor's prior written approval or consent any time such approval or consent is required by this Agreement, fails to comply with any provision of this Agreement in respect of which Franchisor is not authorized, under Section 8.A(1) above, to terminate immediately, or fails to act in good faith in carrying out the terms of this Agreement and, in any case, does not correct such failure within thirty (30) days after delivery of Franchisor's written notice of such failure; or

(b) Developer or its affiliates fail to pay when due any amount owing to Franchisor or its affiliates under this Agreement or any other agreement and does not correct such failure within ten (10) days after delivery of Franchisor's written notice.

B. **Cross-Default**. If there are now, or hereafter shall be, any other agreements in effect between Developer or any of its affiliates and Franchisor or any of its affiliates (including, without limitation, any Franchise Agreement), a default by Developer or any of its affiliates and/or owners under the terms and conditions of this Agreement or any other such agreement, shall at the option of Franchisor, constitute a default under this Agreement and all such other agreements.

C. **Obligations of Developer upon Termination or Expiration**. Immediately upon termination or expiration of this Agreement for any reason:

(1) All rights and privileges granted by Franchisor to Developer shall immediately cease and be null and void and of no further force and effect, and all such rights and privileges shall immediately revert to Franchisor; and

(2) Developer and the Restricted Parties shall comply with the Noncompetition Restrictions set forth in Article 6 of this Agreement and all other obligations that are triggered by or, either expressly or by their nature, are intended to survive the termination or expiration of this Agreement.

Termination or expiration of this Agreement shall not affect, modify or discharge any claims, rights, causes of action or remedies, which Franchisor may have against Developer, whether under this Agreement or otherwise, for any reason whatsoever, whether such claims or rights arise before or after termination.

9. TRANSFER OF INTEREST

A. **By Franchisor**. Franchisor shall have the right, in its discretion, without the need for Developer's consent, to transfer, assign or delegate all or any part of its rights or obligations herein.

B. **By Developer and its Owners**. Franchisor is granting the Development Rights based on its assessment of the unique characteristics and capabilities of Developer and its owners to satisfy their obligations under this Agreement. All rights and interests of Developer arising from this Agreement are personal to Developer. Except as otherwise provided in this Article 9, Developer and its owners may not, without Franchisor's prior written consent, voluntarily or involuntarily, by operation of law or otherwise,

sell, assign, transfer, pledge or encumber this Agreement (or any direct or indirect interest in this Agreement), the Development Rights, or any direct or indirect ownership interest in Developer (each a "Transfer"). Any purported Transfer not conducted in accordance with this Article 9 shall be null and void.

C. **Conditions for Approval of Transfer**. Developer must provide Franchisor with all information or documents that Franchisor requests about the proposed Transfer, the transferee, and its owners. Franchisor will not unreasonably withhold its approval of a proposed Transfer, but Developer agrees that the failure to satisfy any of the following conditions shall be a reasonable basis for Franchisor to withhold or otherwise condition its consent to a proposed Transfer: (1) the Developer must not be in default of the Development Schedule, (2) the prospective transferee, in Franchisor's reasonable judgment, must be of good moral character and reputation, has no conflicting interests, has a good credit rating and sufficient and competent business experience, aptitude and financial resources acceptable to Franchisor (taking into consideration its then-current standards for Developers and any special resources required to comply with the obligations under this Agreement); (3) Developer must pay Franchisor a transfer fee of $10,000 (except in those cases set forth at the end of this Section where only an administrative fee is charged), as well as any applicable broker fees due in connection with the transaction; (4) Developer and its related parties must, pursuant to a form provided by Franchisor, provide a general release of all claims against Franchisor and its related parties; (5) the proposed transferor and transferee and their respective owners must execute Franchisor's form of consent to transfer pursuant to which, among other things and at Franchisor's option, either (i) transferee agrees to execute Franchisor's then-current form of area development agreement that will then govern the balance of the Term, or (ii) this Agreement is assigned to and assumed by the proposed transferee; (6) all monies owed, however arising, by Developer or its affiliates to Franchisor, its affiliates, and all suppliers must be paid; (7) there must not be an outstanding default of any provision of this Agreement or of any other agreement between Developer or its affiliates and Franchisor or its affiliates; and (8) at Franchisor's discretion, the Transfer of this Agreement must not be made separate and apart from the Transfer to the same transferee of all Franchise Agreements that were signed pursuant to this Agreement. If Developer is a natural person, instead of a transfer fee, as provided in Section 9.C.(3), Developer shall pay, when requesting Franchisor's consent, an administrative fee of $500 if the proposed Transfer is to an entity that is wholly owned by Developer or $1,500 if the proposed Transfer is to a member of Developer's immediate family.

D. **Right of First Refusal**. If Developer or any of its owners desire to engage in a Transfer, they must receive a written bona fide offer from a third party, then promptly notify Franchisor in writing and send Franchisor an executed copy of the offer. Franchisor shall have the right and option, exercisable within thirty (30) days after actual receipt of such notification and all information regarding the proposed Transfer requested by Franchisor, including copies of any signed contracts related to the proposed Transfer, to purchase the interests described in the written offer. Closing on the purchase must occur within sixty (60) days from the date of notice by Franchisor to the Developer of Franchisor's election to purchase. If Franchisor elects not to accept the offer within the 30-day period, Developer must, subject to Section 9.C above, complete the Transfer described in the written offer within sixty (60) days after the date on which Franchisor declines or is no longer entitled to elect to purchase the interests. Any material change in the terms of any offer before closing shall constitute a new offer subject to the same rights of first refusal by Franchisor as in the case of an initial offer. Failure of Franchisor to exercise the option afforded by this Section shall not constitute a waiver of any other provision of this Agreement. If the offer from a third party provides for payment of consideration other than cash or involves certain intangible benefits, Franchisor may elect to purchase the interest proposed to be sold for the reasonable cash equivalent, or any publicly traded securities, including its own, or intangible benefits similar to those being offered. If the Parties cannot agree within a reasonable time on the reasonable cash equivalent of the non-cash part of the

offer, then such amount shall be determined by an independent appraiser designated by Franchisor, and his determination shall be binding.

10. DEVELOPER'S RECORDS AND REPORTS

Developer must keep accurate records concerning all transactions and written communications between Franchisor and Developer relating to its activities under this Agreement. Franchisor's duly authorized representative has the right, following reasonable notice, at all reasonable hours of the day to examine all Developer's records with respect to the subject matter of this Agreement, and has full and free access to records for that purpose and for the purpose of making extracts. All records must be kept available for at least three (3) years after preparation. Developer must furnish to Franchisor monthly written reports regarding Developer's progress on its compliance with the Development Schedule and in satisfaction of its other obligations under this Agreement.

11. NOTICES AND PAYMENTS

All notices which the Parties hereto may be required or permitted to give under this Agreement shall be in writing and shall be personally delivered or mailed by certified or registered mail, return receipt requested, postage paid, or by reliable overnight delivery service. Notices sent to Franchisor must be delivered to the address show in the opening paragraph of this Agreement, attention: President. Notices sent to Developer must be delivered to the address shown on Exhibit A hereto, to the attention of the person indicated on Exhibit A. Either Party may change its notice address at any time by written notice given to the other Party as herein provided. Notices will be deemed delivered when actually delivered if delivered by hand, three (3) business days after postmark by the United States Postal Service if delivered by certified or registered mail, or the next business day after deposit with reliable overnight delivery service if delivered in that manner.

12. RESOLUTION OF DISPUTES

A. **Governing Law**. Franchisor and Developer agree that all matters relating to arbitration will be governed by the substantive and procedural provisions of the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.), which they acknowledge and agree will supersede any conflicting provisions of any state's laws relating to arbitration. Except to the extent governed by the Federal Arbitration Act, the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sections 1051et seq.), or other applicable federal laws, this Agreement and any other agreement between Franchisor (or its parents, affiliates, and subsidiaries) and Developer (or its parents, affiliates, and subsidiaries, if applicable), and the rights granted and relationships created thereunder, shall be governed by the internal laws of the State of California, without regard to its conflicts of laws rules, except that the provisions regarding competitive activities shall be interpreted and enforced in accordance with the laws of the state in which the Development Area is located. The Parties further acknowledge and agree that the adoption of California law in this Section is not intended to circumvent or, in any manner, satisfy any jurisdictional requirements contained in any such laws that are expressly and specifically directed to the offer or sale of franchises or the relationships between franchisors and franchisees.

B. **Internal Dispute Resolution.** Developer agrees that, except as set forth in Section 12.E below, before it or any of its owners or representatives initiates an arbitration or litigation against Franchisor, its parents, affiliates, and subsidiaries, or their respective owners, officers, directors, employees or representatives, Developer will provide Franchisor with written notice of the underlying claim or dispute (the "Dispute") specifying, in detail, the precise nature and grounds of the Dispute. Within thirty (30) days after delivery of such claim or dispute to Franchisor, Franchisor and Developer will use good faith efforts to discuss and resolve the Dispute informally for a reasonable period which shall be no more than sixty (60)

days unless mutually extended by the Parties. This Section shall survive termination or expiration of this Agreement.

C. **Mediation**. Except as provided in Section 12.E below, the Parties agree to submit any Dispute they are unable to resolve informally, as described in Section 12.B above, to mediation to be conducted by JAMS using its then-current mediation rules and procedures (see www.jamsadr.com/mediation) and to take place at Franchisor's or, as applicable, Franchisor's successor's or assign's, then-current principal place of business (currently, Irvine, California). Each Party will bear its own costs in participating in the mediation, and Franchisor and Developer will share JAMS' and the mediator's fees and costs equally. Neither Party will be required to mediate for more than one (1) day.

Mandatory Binding Arbitration. If Franchisor waives the obligation to mediate (as described in Section 12.C) or the informal dispute processes described in Sections 12.B and 12.C do not resolve the Dispute to the Parties' satisfaction, all controversies, disputes, or claims between Franchisor, or any of its parents, affiliates, and subsidiaries, and its and their respective owners, officers, directors, agents, and employees (the "Franchisor Parties"), on the one hand, and Developer, or any of its parents, affiliates, and subsidiaries, and its and their respective owners, guarantors, officers, directors, agents, and employees (the "Developer Parties"), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between any of the Franchisor Parties and Developer Parties; (2) the relationships between any Franchisor Parties and Developer Parties; (3) the scope or validity of this Agreement or any other agreement referenced in clause (1) above or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which Franchisor and Developer acknowledges is to be determined by an arbitrator, not a court); or (4) any System Standard, must be submitted for binding arbitration, on demand of either Party, to JAMS. The arbitration proceedings will be conducted by one mutually acceptable arbitrator and, except as this Section otherwise provides, according to JAMS' then-current Comprehensive Arbitration Rules & Procedures (see www.jamsadr.com/rules-comprehensive-arbitration/). If the Parties are unable to agree on an arbitrator, an arbitrator having at least five (5) years' experience in the areas involved will be appointed by JAMS. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of Franchisor's (or its successor's or assign's, as applicable) then-current principal place of business (currently, Irvine, California). All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator shall be final and binding upon each Party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Franchisor, or its parents, affiliates, and subsidiaries, generic or otherwise invalid, or award any punitive or exemplary damages against any Party to the arbitration proceeding (Franchisor and Developer hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any Party to the arbitration proceeding).

Franchisor and Developer will share equally in all fees and costs assessed by JAMS in connection with initiating and conducting the arbitration proceedings, and each Party agrees to pay its share of such fees and costs as they become due. If a Party fails to timely pay such fees or costs, the other Party may, in its discretion, advance such costs on behalf of the nonpaying Party. At the conclusion of the arbitration, the arbitrator shall award to the prevailing Party its fees and costs, including all reasonable experts', attorneys' and other professionals' fees incurred in the proceedings.

In any arbitration proceeding, each Party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each Party must submit or file any

claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any Party.

The arbitrator shall have full authority to manage any necessary exchange of information among the Parties with a view to achieving an efficient and economical resolution of the dispute. The Parties may only serve reasonable requests for documents, which must be limited to documents upon which a Party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests shall be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and shall not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit shall be propounded, unless the Parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings shall be subject to the agreement to arbitrate contained in this Section.

If any court or arbitrator determines that all or any part of this Section is unenforceable with respect to a particular dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all Parties agree that this arbitration clause shall not apply to that dispute, controversy or claim and that such dispute, controversy or claim shall be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

The parties to any mediation or arbitration will execute an appropriate confidentiality agreement, excepting only such disclosures and filings as are required by law.

D. **Other Proceedings (Right to Injunctive Relief)**. Nothing in this Agreement, including the provisions of Sections 12.B through 12.D, bars Franchisor's right to seek and obtain in any court of competent jurisdiction injunctive or other equitable relief against actual or threatened conduct that it believes is likely to cause loss or damage to the Marks, its proprietary information, or the System, in each case, under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. Developer agrees that Franchisor may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. Franchise agrees that Franchisor will not be required to post a bond to obtain injunctive relief and that Developer's only remedy if an injunction is entered against it will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

E. **Consent to Jurisdiction** .Subject to the obligation to submit to binding arbitration under Section 12.D above, Franchisor and Developer agree that all controversies, disputes, or claims between them or any Franchisor Parties and Developer Parties arising out of or related to this Agreement or any other agreement between a Franchisor Party and a Developer Party or their relationships with each other must be commenced exclusively in state or federal court closest to Franchisor's (or its successor's or assign's, as applicable) then-current principal place of business (currently, Irvine, California), and the Parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts.

F. **Waiver of Punitive Damages** Developer hereby waives to the fullest extent permitted by law, any right to or claim for any punitive, exemplary, incidental, indirect, special or consequential damages (including, without limitation, lost profits) against Franchisor arising out of any cause whatsoever (whether

such cause be based in contract, negligence, strict liability, other tort or otherwise) and agrees that in the event of a dispute, that Developer's recovery is limited to actual damages. If any other term of this Agreement is found or determined to be unconscionable or unenforceable for any reason, the foregoing provisions shall continue in full force and effect, including, without limitation, the waiver of any right to claim any consequential damages. Nothing in this Section or any other provision of this Agreement shall be construed to prevent Franchisor from claiming and obtaining expectation or consequential damages, including lost future royalties for the balance of the Term if it is terminated due to Developer's default, which the Parties agree and acknowledge Franchisor may claim under this Agreement.

G. **Waiver of Jury Trial**. FRANCHISOR AND DEVELOPER HEREBY WAIVE THEIR RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER AT LAW OR EQUITY, REGARDLESS OF WHICH PARTY BRINGS SUIT. THIS WAIVER SHALL APPLY TO ANY MATTER WHATSOEVER BETWEEN THE PARTIES HERETO WHICH ARISES OUT OF OR IS RELATED IN ANY WAY TO THIS AGREEMENT, THE PERFORMANCE OF EITHER PARTY, AND/OR DEVELOPER'S PURCHASE FROM FRANCHISOR OF THE DEVELOPMENT RIGHTS AND/OR ANY GOODS OR SERVICES.

H. **Waiver of Class Actions**. FRANCHISOR AND DEVELOPER, AGREE THAT ALL PROCEEDINGS ARISING OUT OF OR RELATED TO THIS AGREEMENT, OR THE DEVELOPMENT RIGHTS, WILL BE CONDUCTED ON AN INDIVIDUAL, NOT A CLASS-WIDE BASIS, AND THAT ANY PROCEEDING BETWEEN DEVELOPER, DEVELOPER'S GUARANTORS AND FRANCHISOR OR THEIR RESPETIVE AFFILIATES, OFFICERS, OWNERS, OR EMPLOYEES MAY NOT BE CONSOLIDATED WITH ANY OTHER PROCEEDING BETWEEN FRANCHISOR AND ANY OTHER THIRD-PARTY.

I. **Attorneys' Fees and Costs.** Except as described in Section 6.B, the prevailing Party in any action described in this Article 12 shall be entitled to recover reasonable compensation for preparation, investigation, court costs, arbitration costs (if applicable) and reasonable attorneys' and other professionals' fees (collectively, "Costs"), from the non-prevailing Party as fixed by an arbitrator or court of competent jurisdiction. Separate and distinct from the right of a prevailing Party to recover Costs pursuant to this Section 12.J, the prevailing Party shall also be entitled to receive all Costs related to the enforcement of any arbitration award or judgment entered. Furthermore, the right to recover post-arbitration award and post judgment expenses, costs and attorneys' fees shall be severable and shall survive any award or judgment and shall not be deemed merged into such judgment.

J. **Limitation of Actions**. Developer agrees that no legal action or claim arising out of or under this Agreement may be asserted by Developer against Franchisor unless brought before the expiration of one (1) year after the act, transaction or occurrence upon which such action is based or the expiration of one (1) year after the Developer becomes aware, or should have become aware after reasonable investigation, of facts or circumstances reasonably indicating that Developer may have a claim against Franchisor hereunder, whichever occurs sooner, and that any action not brought within this period shall be barred as a claim, counterclaim, defense, or set-off. Developer hereby waives the right to obtain any remedy based on alleged fraud, misrepresentation, or deceit by Franchisor, including, without limitation, rescission of this Agreement, in any mediation, judicial, or other adjudicatory proceeding arising hereunder, except upon a ground expressly provided in this Agreement, or pursuant to any right expressly granted by any applicable statute expressly regulating the sale of franchises, or any regulation or rules promulgated thereunder.

K. **Third Party Beneficiaries**. Franchisor's officers, directors, owners, agents and/or employees are third-party beneficiaries of the provisions of this Agreement, including the dispute resolution

provisions set forth in this Article 12, each having authority to specifically enforce the right to mediate and arbitrate claims asserted against such person(s) by Developer.

13. MISCELLANEOUS PROVISIONS

A. **Severability.** Each provision of this Agreement, or any portion thereof, shall be considered severable and if any such provision is held by an arbitrator or by a court of competent jurisdiction to be unenforceable due to any applicable existing or future law or regulation, such portion shall not impair the operation of or have any effect upon, the remaining portions of this Agreement which will remain in full force and effect. No right or remedy conferred upon or reserved to Franchisor or Developer by this Agreement is intended to be, nor shall be deemed, exclusive of any other right or remedy herein or by law or equity provided or permitted, but each shall be cumulative of every other right or remedy**.**

B. **Waiver and Delay.** No failure, refusal or neglect of Franchisor to exercise any right, power, remedy or option reserved to it under this Agreement, or to insist upon strict compliance by Developer with any obligation, condition, specification, standard or operating procedure in this Agreement, shall constitute a waiver of any provision of this Agreement and the right of Franchisor to demand exact compliance with this Agreement, or to declare any subsequent breach or default or nullify the effectiveness of any provision of this Agreement. Subsequent acceptance by Franchisor of any payment(s) owed to it under this Agreement shall not be deemed to be a waiver by Franchisor of any preceding breach by Developer of any terms, covenants or conditions of this Agreement**.**

The following provision applies if Developer or the Franchise granted hereby are subject to the franchise registration or disclosure laws in California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, or Wisconsin: No statement, questionnaire, or acknowledgement signed or agreed to by a Developer 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.

C. **Franchisor's Discretion**. Except as otherwise specifically referenced herein, all acts, decisions, determinations, specifications, prescriptions, authorizations, approvals, consents and similar acts by Franchisor may be taken or exercised in the sole and absolute discretion of Franchisor, regardless of the impact upon Developer. Developer acknowledges and agrees that when Franchisor exercises its discretion or judgment, its decisions may be for the benefit of Franchisor or the System and may not be in the best interest of Developer as an individual area developer.

D. **Developer's Responsibility**. It is Developer's sole responsibility to conducts its business hereunder in compliance with all applicable federal, state and local laws and regulations ("Applicable Laws"). Developer acknowledges that nothing in this Agreement shall, or may be construed to, create any type of employer or joint employer relationship between (a) Developer or any of Developer's personnel, and (b) Franchisor in any matter.

E. **No Recourse Against Nonparty Affiliates.** Developer agrees that it will look only to Franchisor to perform under this Agreement. Franchisor's affiliates are not parties to this Agreement and have no obligations under it. Developer may not look to Franchisor's affiliates for performance. Developer agrees that Franchisor's and its affiliates' members, managers, owners, directors, officers, employees and

agents shall not be personally liable or named as a party in any action between Franchisor or its affiliates and Developer or its affiliates or their respective owners**.**

F. **Non-Disparagement.** Developer agrees that it will not (and will use its best efforts to cause its current and former owners, officers, directors, principals, agents, partners, employees, representatives, attorneys, spouses, affiliates, successors and assigns not to) (i) make any untrue or derogatory statements concerning Franchisor and its affiliates, as well as their present and former officers, employees, shareholders, directors, agents, attorneys, servants, representatives, successors and assigns; or (ii) undertake any act which would (a) subject the Marks to ridicule, scandal, reproach, scorn, or indignity, (b) negatively impact the goodwill of Franchisor or its affiliates, the Marks, other components of the System, or any other brands owned or controlled by Franchisor or its affiliates, or (c) constitute an act of moral turpitude**.**

14. ENTIRE AGREEMENT

This Agreement, the documents referred to herein, and the exhibits hereto, constitute the entire and only agreement between the Parties concerning the granting and awarding the Development Rights granted hereunder, and supersede all prior and contemporaneous agreements. There are no representations, inducements, promises, agreements, arrangements or undertakings, oral or written, between the Parties other than those set forth herein. Except for those permitted to be made unilaterally by Franchisor hereunder, no amendment, change or variance from this Agreement shall be binding on either Party unless mutually agreed to by the Parties and executed by their authorized officers or agents in writing. This Agreement does not alter other agreements between Franchisor or its affiliates and Developer or its affiliates. Nothing in this Agreement or in any related agreement, however, is intended to disclaim the representations Franchisor made in the Franchise Disclosure Document that Franchisor furnished to Developer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Faxed, scanned or electronic signatures shall have the same effect and validity, and may be relied upon in the same manner, as original signatures.

[Signature Page Follows]

[signature page to Area Development Agreement]

IN WITNESS WHEREOF, the Parties have executed this Agreement on the dates set forth below to be effective as of the Effective Date.

LINDORA FRANCHISE, LLC, a Delaware limited liability company	**[NAME OF DEVELOPER]**
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Capacity: _____
EFFECTIVE DATE: _____	Date: _____

EXHIBIT A TO DEVELOPMENT AGREEMENT

ADDITIONAL TERMS TO AREA DEVELOPMENT AGREEMENT

1. **Name and Address of Developer**:

Developer Name: _____
Attention: _____
Address: _____
_____
Email Address: _____

2. **Form of Owner (check and complete one):**

___ Individual

___ Corporation ___ Limited Liability Company ___ Partnership

State Formed: _____ Date: _____

3. **Owners**. The following identifies the owner that Developer has designated as, and that Franchisor approves to be, the Operating Principal and lists the full name of each person who is one of Developer's owners, or an owner of one of Developer's owners, and fully describes the nature of each owner's interest (attach additional pages if necessary).

	Owner's Name	**Type / %-age of Interest**
Operating Principal:	_____	_____%
Other Owners:	_____	_____%
	_____	_____%

4. The **Development Fee** is _____

5. The **Development Area** is comprised of: _____
_____, as depicted on the map attached to this Exhibit. If the Development Area is identified by counties or other political subdivisions, political boundaries will be considered fixed as of the date of the Development Agreement and will not change, notwithstanding a political reorganization or change to the boundaries or regions.

6. The **Development Schedule** is as follows:

Expiration of Development Period	**Number of New Lindora Clinics to be Opened During the Development Period**	**Number of Lindora Clinics Open as of the End of the Development Period**

7. **Additional Terms or Modifications to This Agreement** (which terms, if any, will control any inconsistencies between the following and the terms in the body of this Agreement):

[insert as applicable]

LINDORA FRANCHISE, LLC,
a Delaware limited liability company

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

[NAME OF DEVELOPER]

By: _____
Name: _____
Capacity: _____
Date: _____

MAP OF DEVELOPMENT AREA

EXHIBIT B TO DEVELOPMENT AGREEMENT

GUARANTEE, INDEMNIFICATION AND ACKNOWLEDGEMENT

For value received, and in consideration for, and as an inducement to Lindora Franchise, LLC (the "Franchisor") to execute the Area Development Agreement (the "Development Agreement"), dated _____ _____, 20__ (the "Effective Date"), by and between Franchisor and _____ or his assignee, if a partnership, corporation or limited liability company is later formed (the "Developer"), the undersigned (each a "Guarantor"), jointly and severally, hereby unconditionally guarantee to Franchisor and its successors and assigns the full and timely performance by Developer of each obligation undertaken by Developer under the terms of the Development Agreement.

Upon demand by Franchisor, Guarantor will immediately make each payment required of Developer under the Development Agreement. Guarantor hereby waives any right to require Franchisor to: (a) proceed against Developer for any payment required under the Development Agreement; (b) proceed against or exhaust any security from Developer; or (c) pursue or exhaust any remedy, including any legal or equitable relief, against Developer. Without affecting the obligations of Guarantor under this Guarantee, Indemnification and Acknowledgment (the "Guarantee"), Franchisor may, without notice to Guarantor, extend, modify, or release any indebtedness or obligation of Developer, or settle, adjust or compromise any claims against Developer.

Guarantor waives notice of amendment of the Development Agreement and notice of demand for payment by Developer and agrees to be bound by any and all such amendments and changes to the Development Agreement.

Guarantor hereby agrees to defend, indemnify and hold Franchisor harmless against any and all losses, damages, liabilities, costs, and expenses (including, without limitation, reasonable attorneys' fees, reasonable costs of investigations, court costs, and arbitration fees and expenses) resulting from, consisting of, or arising out of or in connection with any failure by Developer to perform any obligation of Developer under the Development Agreement, any amendment, or any other agreement executed by Developer referred to therein.

Guarantor hereby acknowledges and agrees to be individually bound by all obligations and covenants of Developer contained in the Development Agreement, including those related to non-competition.

If Guarantor is a business entity, retirement or investment account, or trust acknowledges and it agrees that if Developer (or any of its affiliates) is delinquent in payment of any amounts guaranteed hereunder, that no dividends or distributions may be made by such Guarantor (or on such Guarantor's account) to its owners, accountholders or beneficiaries or otherwise, for so long as such delinquency exists, subject to applicable law.

This Guarantee shall terminate upon the expiration or termination of the Development Agreement, except that this Guarantee shall continue in full force and effect with respect to all obligations and liabilities of Developer and Guarantor that arise from events that occurred on or before the effective date of such expiration or termination or that are triggered by or survive expiration or termination of the Development Agreement This Guarantee is binding upon each Guarantor and its respective estate, executors, administrators, heirs, beneficiaries, and successors in interest.

The validity of this Guarantee and the obligations of Guarantor(s) hereunder shall in no way be terminated, restricted, diminished, affected or impaired by reason of any action that Franchisor might take or be forced to take against Developer, or by reason of any waiver or failure to enforce any of the rights or remedies reserved to Franchisor in the Development Agreement or otherwise.

The use of the singular herein shall include the plural. Each term used in this Guarantee, unless otherwise defined herein, shall have the same meaning as when used in the Development Agreement.

The provisions contained in Article 12 of the Development Agreement (Resolution of Disputes), including, without limitation,Section 12.A (Governing Law), Section 12.C (Mediation), Section 12.D (Mandatory Binding Arbitration), Section 12.F (Choice of Forum), and Section 12.J (Attorneys' Fees and Costs), are incorporated into this Guarantee by reference and shall govern this Guarantee and any disputes between the Guarantors and Franchisor. The Guarantors shall reimburse Franchisor for all costs and expenses it incurs in connection with enforcing the terms of this Guarantee.

IN WITNESS WHEREOF, each of the undersigned has signed this Guarantee as of the Effective Date.

GUARANTOR(S)	**SPOUSE(S)**
Name:_____ Sign: _____ Address: _____ _____ _____	Name:_____ Sign: _____ Address: _____ _____ _____
Name**:**_____ Sign: _____ Address: _____ _____ _____	Name**:**_____ Sign: _____ Address: _____ _____ _____

EXHIBIT K

MANAGEMENT SERVICES AGREEMENT

MANAGEMENT SERVICES AGREEMENT

This **MANAGEMENT SERVICES AGREEMENT** (this "**Agreement**") is made, entered into by and between **[*insert company name*]**, a **[*insert entity information*]** having its address at **[*insert address*]** (the "**Professional Entity**"), and the party signing this Agreement as the "Franchisee" (the "**Franchisee**") to be effective as of the Effective Date set forth in Exhibit A. The Professional Entity and the Franchisee may be individually referred to as a "party" and collectively referred to herein as the "parties".

RECITALS

A. Professional Entity is engaged in the provision of health, wellness, medical, aesthetic, and related services, products, and treatments ("**Medical Services**") through the Professional Entity's employed and contracted licensed professional clinical professionals.

B. The Franchisee owns and operates a franchised Lindora Clinic located at the address identified on Exhibit A to this Agreement (the "**Clinic**"). Franchisee licenses certain valuable intellectual property and trademarks ("**IP**") from Lindora for use at the Clinic and provides non-clinical administrative services and space to support healthcare and wellness practices.

C. In order to focus Professional Entity's energies, expertise, and time on the delivery of Medical Services to patients, Professional Entity desires to engage Franchisee to provide and arrange for certain non-professional day-to-day administration and management support services to support the Professional Entity's professional clinical operations, and Franchisee desires to provide the Administrative Services to Practice in accordance with the terms and conditions of this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the promises and covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **ENGAGEMENT.**

On the terms of this Agreement, the Professional Entity hereby engages the Franchisee, and the Franchisee hereby accepts engagement by the Professional Entity, exclusively to provide and/or arrange for the provision of non-clinical administrative, management and business support services required to support the Professional Entity's provision of clinical operations at the Clinic (the "**Administrative Services**"). The Professional Entity expressly authorizes the Franchisee to perform the Administrative Services in the manner that the Franchisee reasonably deems appropriate to meet the day-to-day business needs of the Professional Entity. The foregoing notwithstanding, the Franchisee will not provide any service set forth in Section 3I or that constitutes the clinical practice of medicine or the provision of professional medical services in violation of applicable law. The Professional Entity will solely and exclusively control the provision of professional services, and the Franchisee will neither have nor exercise any control or discretion over the methods by which the Clinical Staff, as defined in Section 2.A., render professional services.

Except to the extent prohibited by applicable laws and subject to the limitations set forth in this Agreement, the Professional Entity, in accordance with applicable law, hereby grants to the Franchisee a special power of attorney and appoints the Franchisee as a lawful agent and attorney-in-fact to (i) evaluate, bargain, arrange for, negotiate, enter into, administer, and amend contracts for and on behalf of the

Professional Entity with third parties, including vendors or other customers of the Professional Entity, and (ii) give and receive notices, and any other information required or allowed under any vendor, customer or other third party contracts, and (iii) direct the acceptance, approval, utilization, access, use, and management of all services and activities contemplated under vendor, customer or other third-party contracts.

2. DUTIES OF THE PROFESSIONAL ENTITY.

During the term of this Agreement, the Professional Entity will provide, or arrange for the provision of, the services described in this Section 2 at the Clinics. Notwithstanding anything to the contrary, the Franchisee acknowledges and agrees that, except for performing its obligations under this Agreement in compliance with the applicable laws, the Professional Entity will not, and nothing in this Agreement requires the Professional Entity to, take any action to (i) ensure that the Clinic is operated in compliance with applicable laws, or (ii) fulfill any of the Franchisee's obligations under applicable law or to the franchisor of Lindora Clinics (the "**Franchisor**").

A. MEDICAL DIRECTOR.

During the term of this Agreement, the Professional Entity will make available to the Franchisee a qualified physician (the "**Medical Director**") who is duly licensed in the jurisdiction in which the Clinic(s) are located, who will (i) provide all Medical Services at the Clinic, and (ii) to the extent required by applicable law supervise and oversee the services administered at the Clinic by the nurse practitioners and the registered nurses ("**Clinical Staff**"), including, as required and in accordance with applicable law, entering into a written collaboration, supervision, or delegation agreement with such Clinical Staff. The parties hereby designate the person identified as the Medical Director on Exhibit A hereto as the Clinic's Medical Director. The parties agree that the Medical Director identified on Exhibit A will offer, provide, and supervise Medical Services at the Clinic only during the terms of its physician employment agreement, contractor agreement or similar agreement with the Professional Entity, and if such agreement between the Medical Director and the Professional Entity is terminated or expires, or if the Medical Director ceases to be licensed or qualified to practice medicine in the jurisdiction in which the Clinic is located, then the Professional Entity will (i) promptly notify the Franchisee, (ii) cause such Medical Director to immediately cease providing Medical Services at the Clinic, and (iii) make commercially reasonable efforts to engage a replacement Medical Director who will thereafter offer, provide, and supervise Medical Services at the Clinic in accordance with this Agreement. The parties may from time-to-time revise Exhibit A to identify the then-current Medical Director of the Clinic. The Professional Entity will have the sole responsibility, and the Franchisee will have no responsibility, for the hiring, firing, compensation, supervision or training of the Medical Director or any other personnel employed or otherwise retained by the Professional Entity.

Notwithstanding anything to the contrary, the parties agree that the Medical Director will use its independent medical judgement and offer, provide, and/or, where permitted by applicable laws, supervise the performance of, the Medical Services at the Clinic. The Medical Director will have complete and absolute control over the methods by which Medical Services will be rendered at the Clinic. Notwithstanding anything to the contrary, neither the Franchisee nor the Franchisor will exercise any authority, influence, or control over the Medical Services rendered at the Clinic. The Medical Director shall ratify any and all business decisions at the Clinic with clinical ramifications. Nothing in this Agreement is intended to interfere with the Medical Director's ability to exercise independent, clinical, and professional judgment, including making referrals as medically appropriate, and the Medical Director's decisions with respect to all aspects of the offer and provision of Medical Services will supersede anything that either directly or indirectly interferes with the Medical Director's ability to exercise independent, clinical, and professional judgment with respect to the Medical Services.

B. MEDICAL STANDARDS.

The Professional Entity will cause the Medical Director to issue certain standards and specifications regarding the offer, provision, and supervision of Medical Services at the Clinic, including without limitation those governing purchase, storage, placement, and use of equipment and supplies that will be used in providing Medical Services; marketing of Medical Services; qualification of personnel to provide clinical services; and other aspects relating to offer, provision, and supervision of Medical Services at the Clinic that the Medical Director's deems appropriate in the independent exercise of its medical judgement (collectively, the "**Medical Standards**"). The Franchisee must (i) comply with the Medical Standards as they may apply to the non-medical administrative support services it provides the Professional Entity and the Medical Director, and (ii) cause the Clinical Staff to comply with the Medical Standards while administering Medical Services at the Clinic. The Medical Director may periodically, upon notice to the Franchisee, modify the Medical Standards in accordance with its independent medical judgement. Any modification of the Medical Standards may obligate the Franchisee to invest additional capital in the Clinic and incur higher operating costs.

C. BILLING.

The Professional Entity shall control the amount of professional fees or other amounts charged and collected by the Professional Entity for the Medical Services provided at the Clinic. To the extent permitted by applicable law, the Professional Entity hereby appoints the Franchisee to act as its agent in the billing and collection of all revenue generated from the provision of Medical Services at the Clinic (the "**Professional Fees**"). The Professional Entity shall cooperate and shall cause the Medical Director to cooperate with the Franchisee in all reasonable matters relating to the billing and collection of Professional Fees. The Medical Director shall review and approve the reports and other information required to support complete and accurate bills. Additionally, the Professional Entity and Medical Director will provide such information necessary to appeal or contest any denials of claims or other regulatory issues. The Professional Entity, in consultation with the Franchisee, shall establish reasonable policies and procedures with respect to billing and collection matters. The Professional Entity hereby authorizes the Franchisee to endorse and negotiate on the Professional Entity's behalf any checks or payments received by the Professional Entity or Medical Director (in his or her capacity as such) and agrees to cooperate with the Franchisee in billing and collection activities pertaining to the Medical Services provided by the Professional Entity or the Medical Director. The Professional Entity shall comply with applicable federal, state, and local statutes and regulations regarding the billing and collection of all Professional Fees.

D. MEDICAL RECORDS.

The Professional Entity will cause the Medical Director to prepare, in a timely manner, complete, and maintain accurate and legible records for all patients who receive Medical Services at the Clinic (the "**Medical Records**"). The parties agree that, to the extent permitted by applicable laws, between the Professional Entity and the Franchisee all such Medical Records will be the property of the Professional Entity. The Professional Entity will grant the Franchisee access to the information contained in Medical Records to the extent that access to such information is permitted by law and is required in connection with the Franchisee's administrative responsibilities hereunder. As required by the privacy regulations issued under the Health Insurance Portability and Accountability Act of 1996 ("**HIPAA**") and/or other relevant health privacy and data security legal requirements, the parties will comply with the terms of the Business Associate Agreement attached as Exhibit B of this Agreement.

E. ESTABLISHMENT OF RECEIVABLES ACCOUNT; DEPOSIT OF PROCEEDS.

The Professional Entity shall establish and maintain a deposit bank account (the "**Receivables Account**"). The Professional Entity shall (i) deposit or cause to be deposited promptly all cash, checks, drafts, or other similar items of payment relating to or constituting receivables of the Professional Entity into the Receivables Account and (ii) request in writing and otherwise take such reasonable steps to ensure that all account debtors remit all payments of Professional Fees into the Receivables Account.

3. DUTIES OF FRANCHISEE.

During the term of this Agreement, the Franchisee will provide the following Administrative Services to the Professional Entity, as applicable:

A. RECOMMENDED PROFESSIONAL FEES.

The parties acknowledge and agree that the Professional Entity shall have sole control over the amount of Professional Fees charged, collected, or other amounts due in connection with services and goods provided by the Professional Entity. The Franchisee may, subject to applicable laws, recommend charges, premiums, or other amounts due in connection with services and goods provided by or under the supervision of the Professional Entity and/or Medical Director.

B. CONSULTATION SERVICES.

The Franchisee shall, in consultation with the Professional Entity, assist the Professional Entity in assessing the Professional Entity's business activities at the Clinic, including business planning for services in the Clinic, customer satisfaction, and outcomes monitoring. The Franchisee shall develop systems to assist the Professional Entity in tracking Professional Entity's revenues from its operations at the Clinic, including expenses, cost accounting, utilization, quality assurance, physician productivity, and customer satisfaction.

C. PREMISES

The Franchisee must, throughout the term of this Agreement, grant unrestricted access to the premises of the Clinic to the Medical Director and the Professional Entity and its representatives for the provision of the Medical Services. This Agreement will not be construed as a lease or sublease of the premises of the Clinic and will not be deemed to create a relationship of that of landlord and tenant between the parties or between the Franchisee (on one hand) and the Professional Entity and/or the Medical Director (on the other hand).

D. RELATED OFFICE SERVICES.

The Franchisee shall, in consultation with the Professional Entity, manage the premises of the Clinic and provide any related office and medical furniture, fixtures, supplies and equipment necessary to enable the Professional Entity to provide Medical Services in an organized and efficient manner, provided that the Medical Director shall approve the selection of any medical equipment and medical supplies. The Medical Director shall maintain complete control over those aspects of related office services that involve direct medical care provided to individuals.

E. ELECTRONIC MEDICAL RECORD.

The Franchisee shall make available to the Medical Director an electronic medical record system. The Professional Entity will cause the Clinical Staff to maintain proper documentation of medical services

by the Medical Director and Clinical Staff in such electronic medical record system and shall own the contents of all such medical records.

F. BUSINESS OFFICE AND SUPPORT SERVICES.

The Franchisee shall provide, in accordance with applicable law, computer, billing and collection, accounts receivable and accounts payable services necessary for the management of the services performed by or under the supervision of the Medical Director at the Clinic. The Franchisee shall also order and purchase office and other supplies reasonably requested by the Professional Entity or Medical Director. The Franchisee must comply with all applicable laws in ordering, purchasing, stocking, and monitoring of any pharmaceuticals or other medical items and supplies that require a permit, licensure registration, certification, or identification number to order. Upon request from the Professional Entity, the Franchisee may arrange for access to information systems services and other necessary operational services to the Professional Entity or the Medical Director.

G. PERSONNEL SERVICES.

The Franchisee shall provide managerial, clerical, secretarial, bookkeeping, billing and collection personnel, including personnel for the maintenance of billing and collection records, financial records, and medical records, as requested by the Professional Entity.

The Franchisee may provide to the Professional Entity certain professional healthcare personnel not required to be contracted or employed by the Professional Entity pursuant to applicable law, which may vary from state to state, and non-medical personnel reasonably required to provide local practice support for the Professional Entity's professional clinical operations. The Franchisee shall determine the assignments, salaries, and fringe benefits of all the non-medical personnel provided by the Franchisee. Unless otherwise expressly provided in this Agreement or required by applicable law, the Franchisee retains decision-making authority regarding all non-medical administrative matters. The non-medical personnel may perform non-medical services from time to time for the Franchisee or other individuals or entities, provided that such services do not interfere with the Franchisee's obligations hereunder. The Franchisee, in its sole discretion, may utilize employees or independent contractors to provide such services.

H. BILLING AND COLLECTION.

The Franchisee shall provide billing and collection services for the Professional Fees. Such billing and collection services may include: (i) submission of regular bills for each individual who receives Medical Services at the Clinic; and (ii) accounting for the collection of all Medical Services. The Professional Entity and the Franchisee shall comply with applicable federal, state, and local statutes and regulations regarding the billing and collection of the Professional Fees. All charges collected and all collections from services rendered by the Professional Entity shall be paid directly to the Professional Entity and deposited in an account in the name of and under the Professional Entity's sole control. The Franchisee shall comply with applicable federal, state, and local statutes and regulations regarding the billing and collection of all Professional Fees.

I. ADDITIONAL SERVICES.

The Franchisee shall provide Administrative Services required for the day-to-day operation of the Clinic, including any additional administrative services that are reasonably requested by the Professional Entity and are not otherwise described above.

Notwithstanding anything to the contrary, the Franchisee will not provide any of the following services to the Professional Entity or the Medical Director:

(i) assignment of the Medical Director or any other licensed healthcare professional to treat patients, including determining how many patients the Medical Director or any other licensed healthcare professional must see in a given period or how many hours the Medical Director or any other licensed healthcare professional must work;

(ii) assumption of responsibility for the care of patients including the treatment options available;

(iii) serving as the party to whom bills and charges for Medical Services are made payable;

(iv) determining what diagnostic tests are appropriate for a particular condition;

(v) determining the need for referrals to or consultation with another physician/specialist; or

(vi) any activity that involves the practice of medicine or that would cause the Franchisee to be subject to licensure under the applicable laws and regulations in the state in which the Clinic is located.

4. **FEES.**

A. ADMINISTRATIVE SERVICE FEE.

Subject to the Franchisee's compliance with its obligations under this Agreement and any other agreement with the Professional Entity or its affiliates, the Professional Entity will in exchange for all the Administrative Services rendered by the Franchisee in accordance with this Agreement, pay the Franchisee an Administrative Service Fee in the amount described in Exhibit A hereto. The Administrative Services Fee will be due and payable for such periods and in such intervals as the parties may mutually agree on from time to time.

The parties acknowledge and agree that the Administrative Services Fee is commercially reasonable and reflective of the parties' negotiated agreement as to the fair market value of the services provided by the Franchisee to the Professional Entity by the Franchisee pursuant to this Agreement. The Parties recognize that the operations at a Clinic may change in size and scope over the term of this Agreement, which may cause the Administrative Services Fees, as adjusted, to no longer reflect the fair market value of the Administrative Services provided pursuant to this Agreement. Accordingly, the parties agree to review the Administrative Services Fee periodically (but not earlier than annually) and make appropriate adjustments as the parties may mutually agree to ensure that the Administrative Services Fee on a go-forward basis comports with the fair market value of the increased or decreased demand for Administrative Services based on material changes to the size and scope of the services. No portion of the Administrative Services Fee is intended to be, or will be interpreted as, any commission, bonus, kickback, rebate, patient-brokering, or fee splitting arrangement in any form.

B. MEDICAL DIRECTOR FEE.

Throughout the term of this Agreement, Franchisee must pay the Professional Entity a monthly Medical Director fee (the "**Medical Director Fee**") in the amount identified on Exhibit A to this Agreement. The Medical Director Fee will be due and payable on such date and in such manner that the Professional Entity requires from time to time.

5. **CONFIDENTIALITY.**

"**Confidential Information**" means all non-public or proprietary information that is provided to the Franchisee by or on behalf of the Professional Entity, including any patents, patent applications, licenses, copyrights, trademarks, trade names, service marks, service names, know-how, trade secrets, and other information related to the provision of the Medical Services at the Clinic, including customer lists, details of health care facility, payor or consulting contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, procurement and sales activities, promotional and pricing techniques, credit and financial data concerning health care facilities, payors or customers, business acquisition plans or any portion or phase of any scientific or technical information, ideas, discoveries, designs, computer programs (including source or object codes), processes, procedures, or formulas, whether or not in written or tangible form, and whether or not registered, and including all memoranda, notes, plans, reports, records, documents, improvements, and other evidence thereof.

The Franchisee agrees that this Agreement does not vest in the Franchisee any interest in the Confidential Information other than the right to use it to provide Administrative Services in accordance with this Agreement, and that the use, duplication or improper distribution or publication of the Confidential Information in any case would constitute an unfair method of competition. The Franchisee acknowledges and agrees that the Confidential Information is a valuable, confidential, special, and unique asset of the Professional Entity and its affiliates, and that Franchisee will: (i) not use the Confidential Information in any other capacity, except as the provider of Administrative Services in accordance with this Agreement; (ii) maintain the absolute confidentiality of the Confidential Information during and after the term of this Agreement; (iii) not make unauthorized copies of, or improperly disclose or publish any portion of, the Confidential Information however and in whatever form or format disclosed to the Franchisee; and (iv) adopt and implement all reasonable procedures periodically prescribed by the Professional Entity to prevent unauthorized use or disclosure of the Confidential Information, including, restrictions on disclosure to its employees and the use of nondisclosure and noncompetition agreements that the Professional Entity may prescribe for employees or others who have access to the Confidential Information.

The restrictions on the Franchisee's disclosure and use of the Confidential Information will not apply to the: (i) disclosure or use of information, processes, or techniques which are generally known and used in the health and wellness industry (as long as the availability is not because of a disclosure by the Franchisee), provided that the Franchisee has first given to the Professional Entity a written notice of its intended disclosure and/or use; and (ii) disclosure of the Confidential Information in judicial or administrative proceedings when and only to the extent the Franchisee is legally compelled to disclose it, provided that the Franchisee has first given to the Professional Entity the opportunity to obtain an appropriate protective order or other assurance satisfactory to the Professional Entity that the information required to be disclosed will be treated confidentially.

Upon the termination of this Agreement for any reason, the Franchisee agrees to return to Professional Entity, or destroy, at the Professional Entity's direction all Confidential Information then in the Franchisee's possession or control. The provisions of this Section 5 will survive the termination of this Agreement for any reason.

6. **INSURANCE.**

The franchise agreement for the Clinic requires the Franchisee to maintain in force certain types and limits of insurance coverages in connection with the operation of the Clinic. In addition to those types and limits of insurance coverages, the Professional Entity periodically may require the Franchisee to maintain different or additional insurance coverages in connection with the operation of the Clinic. Any liability coverage insurance policy in connection with the Clinic must name the Professional Entity and any

affiliates designated by the Professional Entity as additional non-contributing insureds, using a form of endorsement that the Professional Entity has provided or approved, and each insurance policy must provide for 30 days' prior written notice to the Professional Entity of a policy's material modification, cancellation or expiration. The Franchisee routinely must furnish to the Professional Entity copies of its Certificate of Insurance or other evidence regarding the maintenance of insurance coverage and paying premiums.

7. **RECORDS; REPORTS; AUDIT.**

The Franchisee must establish and maintain, at its own expense, a bookkeeping, accounting, and recordkeeping system conforming to the requirements and formats the Professional Entity periodically prescribes, including using the Professional Entity's standard chart of accounts. The Franchisee must provide the Professional Entity with such reports and information that the Professional Entity requests from time to time regarding the performance of the Medical Services at the Clinic. The Franchisee agrees to provide this information in the frequency, manner, and format that the Professional Entity periodically prescribes. Subject to applicable law, the Professional Entity may disclose data derived from these reports, and the Professional Entity may, as often as it deems appropriate (including on a daily basis), access the Franchisee's computer systems and retrieve all information relating to the provisions of Medical Services at Clinic.

The Professional Entity will have unrestricted and unlimited right to inspect and audit the books and records of the Franchisee to ensure compliance with the Franchisee's obligations under this Agreement.

To the extent that the provisions of Section 1861(v)(1)(I) of the Social Security Act 42 U.S.C. §1395x(v)(1)(I) are applicable to this Agreement, the parties agree to make available, upon the written request of the Secretary of the Department of Health and Human Services or upon the request of the Comptroller General, or any of their duly authorized representatives, this Agreement, and other books, records and documents that are necessary to certify the nature and extent of costs incurred by them for services furnished under this Agreement. The obligations hereunder shall extend for four (4) years after furnishing such services. The parties shall notify each other of any such request for records.

8. **TERM AND TERMINATION.**

A. TERM.

The term of this Agreement will commence on the Effective Date and, unless sooner terminated as provided herein, will expire upon the expiration of the term of the franchise agreement executed by the Franchisee and the Franchisor in connection with the operation of the Clinic. If the Franchisee is granted a successor franchise term, then the Franchisee and the Professional Entity and the Professional Entity must enter into the then-current form of the Management Services Agreement for a term that is commensurate with the successor franchise term.

B. TERMINATION BY FRANCHISEE.

If the Franchisee and its owners are fully compliant with this Agreement and any other agreement with the Professional Entity or its affiliates, and the Professional Entity materially fails to comply with this Agreement and does not correct the failure within 30 days after the Franchisee delivers written notice of the material failure to the Professional Entity or if the Professional Entity cannot correct the failure within 30 days and the Professional Entity fails to give the Franchisee within 30 days after its receipt of the notice reasonable evidence of its effort to correct the failure within a reasonable time, the Franchisee may terminate this Agreement effective an additional 30 days after it delivers a written notice of termination to

the Professional Entity. The Franchisee's termination of this Agreement other than according to this Section 8.B. will be deemed a termination without cause and a breach of this Agreement.

C. TERMINATION BY PROFESSIONAL ENTITY.

The Professional Entity may terminate this Agreement effective immediately upon notice to the Franchisee if:

(i) the Franchisee (or any of its owners) have been convicted by a trial court of, or plead or have pleaded no contest or guilty to, a felony;

(ii) the Franchisee (or any of its owners) make any unauthorized use or disclosure of any Confidential Information;

(iii) the Franchisee fails to pay when due any federal or state taxes due on or in connection with the operation of the Clinic, unless it is in good faith contesting its liability for those taxes;

(iv) the Franchisee (or any of its owners) (a) fail on three (3) or more separate occasions within any 12 consecutive month period to comply with any provision of this Agreement or (b) fail on two (2) or more separate occasions within any six (6) consecutive month period to comply with the same obligation under this Agreement, in either case, whether or not the Franchisee is notified of the failures, and, if the Franchisee notified of the failures, whether or not the Franchisee corrects the failures after its receipt of default notices;

(v) the Franchisee (or any of its owners) files a petition in bankruptcy or a petition in bankruptcy is filed against the Franchisee (or any of its owners); the Franchisee (or any of its owners) make an assignment for the benefit of creditors or admit in writing to insolvency or inability to pay debts generally as they become due; the Franchisee (or any of its owners) consents to the appointment of a receiver, trustee, or liquidator of all or the substantial part of the Franchisee's (or any of its owner's) property; the Clinic is attached, seized, subjected to a writ or distress warrant, or levied upon, unless the attachment, seizure, writ, warrant, or levy is vacated within 30 days; or any order appointing a receiver, trustee, or liquidator of the Franchisee or the Clinic is not vacated within 30 days following the order's entry;

(vi) the Franchisee (or any of its owners) fail to comply with anti-terrorism laws, ordinances, regulations and executive orders;

(vii) the Franchisee creates or allows to exist any condition in connection with the operation of the Clinic, at any location, which the Professional Entity reasonably determines to present a health or safety concern for the clients or the Clinic's personnel;

(viii) the Franchisee or its affiliates fail to comply with any other agreement with the Professional Entity (or its affiliates), including the franchise agreement for the Clinic, and do not correct such failure within the applicable cure period, if any; or

(ix) the Franchisee is in default of any obligation under this Agreement other than those for which a ground of termination is described in Section 8.C.(i)-(viii) and fails to cure

such default within 30 days from its receipt of notice of default.

D. EFFECTS OF TERMINATION.

On expiration or termination of this Agreement:

(i) the Professional Entity will immediately cease providing its services to the Franchisee pursuant to this Agreement;

(ii) the Medical Director will immediately cease providing Medical Services at the Clinic;

(iii) the Franchisee must immediately return to the Professional Entity (or its designee) the following without retaining any copy: all Confidential Information, Medical Records, books and records pertaining to provision of Medical Services at the Clinic, and other information or material that is reasonably requested by the Professional Entity in connection with provision of the Medical Services at the Clinic; and

(iv) deposit all Professional Fees and checks associated with the Professional Fees in the Professional Entity's designated bank account.

Within 10 days after the expiration or termination of the Agreement, the Franchisee must provide to satisfactory evidence to the Professional Entity of the Franchisee's compliance with these obligations.

If the Franchisee fails to take any of the actions or refrain from taking any of the actions described above, the Professional Entity may take whatever action and sign whatever documents it deems appropriate on the Franchisee's behalf to cure the deficiencies, including, without liability to the Franchisee or third parties for trespass or any other claim, to enter the Clinic and retrieve such materials containing Confidential Information, Medical Records, books, and records pertaining to provision of Medical Services at the Clinic. The Franchisee must reimburse the Professional Entity for all costs and expenses incurred by the Professional Entity in correcting any such deficiencies.

9. **INDEMNIFICATION.**

Each party (the "**Indemnifying Party**") will indemnify, defend, and hold harmless the other party (the "**Indemnified Party**") from and against any and all third party costs, fees, expenses, claims, demands, actions and rights of action, damages, liabilities, and reasonable expenses of any kind whatsoever ("**Liabilities**") that will or may arise by virtue of any act or omission by or of, or any breach of this Agreement by, the Indemnifying Party, *except* to the extent such Liabilities arise as a direct result of the gross negligence or willful misconduct of the Indemnified Party; provided, however, that the Indemnifying Party will be notified promptly and in writing of the existence of such Liabilities and will have the right to assume defense of any such Liabilities.

10. **ENFORCEMENT.**

A. ARBITRATION.

All controversies, disputes, or claims between the Professional Entity and its affiliates (and Professional Entity's and its affiliates' respective shareholders, officers, directors, agents, and employees), on the one hand, and the Franchisee (and its affiliates, owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to: (1) this Agreement or any other agreement between the

Professional Entity (and/or its affiliates) and the Franchisee (and/or its owners or affiliates); (2) the relationship between the parties hereto; or (3) the scope or validity of this Agreement, any other agreement between the Professional Entity (and/or its affiliates) and the Franchisee (or its owners or affiliates), or any provision of any of such agreements (including the validity and scope of the arbitration provision under this Section, which the parties acknowledge is to be determined by an arbitrator, not a court), must be submitted for binding arbitration, on demand of either party, to the American Arbitration Association (the "**AAA**"). The arbitration proceedings will be conducted by one arbitrator and, except as this Section otherwise provides, according to the AAA's then current Commercial Arbitration Rules. All proceedings will be conducted at a suitable location chosen by the arbitrator that is within 50 miles of the Professional Entity's (or its successor's or assign's, as applicable) then current principal place of business, currently Irvine, California. All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). The interim and final awards of the arbitrator will be final and binding upon each party, and judgment upon the arbitrator's awards may be entered in any court of competent jurisdiction.

The arbitrator has the right to award or include in his or her awards any relief which he or she deems proper, including money damages, pre- and post-award interest, interim costs and attorneys' fees, specific performance, and injunctive relief, provided that the arbitrator may not declare any of the trademarks owned by Professional Entity and its affiliates generic or otherwise invalid, or award any punitive or exemplary damages against any party to the arbitration proceeding (the parties hereby waiving to the fullest extent permitted by law any such right to or claim for any punitive or exemplary damages against any party to the arbitration proceeding). Further, at the conclusion of the arbitration, the arbitrator will award to the prevailing party its attorneys' fees and costs.

In any arbitration proceeding, each party will be bound by the provisions of any applicable contractual or statutory limitations provision, whichever expires earlier. Each party must submit or file any claim which would constitute a compulsory counterclaim (as defined by Rule 13 of the Federal Rules of Civil Procedure) within the same proceeding. Any claim which is not submitted or filed as required will be forever barred. The arbitrator may not consider any settlement discussions or offers that might have been made by any party.

If any court or arbitrator determines that all or any part of the preceding sentence is unenforceable with respect to a dispute, controversy or claim that otherwise would be subject to arbitration under this Section, then all parties agree that this arbitration clause will not apply to that dispute, controversy or claim and that such dispute, controversy or claim will be resolved in a judicial proceeding in accordance with the dispute resolution provisions of this Agreement.

In any arbitration arising as described in this Section, the arbitrator will have full authority to manage any necessary exchange of information among the parties with a view to achieving an efficient and economical resolution of the dispute. The parties may only serve reasonable requests for documents, which must be limited to documents upon which a party intends to rely or documents that are directly relevant and material to a significant disputed issue in the case or to the case's outcome. The document requests will be restricted in terms of time frame, subject matter and persons or entities to which the requests pertain, and will not include broad phraseology such as "all documents directly or indirectly related to." No interrogatories or requests to admit will be propounded, unless the parties later mutually agree to their use.

The provisions of this Section are intended to benefit and bind certain third-party non-signatories. The provisions of this Section will continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. Any provisions of this Agreement below that pertain to judicial proceedings will be subject to this Agreement to arbitrate contained in this Section.

B. CONSENT TO JURISDICTION.

Subject to Section 10.A above and the provisions below, the parties agree that all controversies, disputes, or claims between Professional Entity and its affiliates (and Professional Entity's and its affiliates' respective shareholders, officers, directors, agents, and employees), on the one hand, and the Franchisee (and its affiliates, owners, guarantors, Affiliates, and employees), on the other hand, arising out of or related to this Agreement or any other agreement between the Professional Entity (and/or its affiliates) and the Franchisee (or its owners or affiliates) or the parties' relationship with each other must be commenced exclusively in state or federal court closest to the Professional Entity's (or its successor's or assign's, as applicable) then-current principal place of business, and the parties irrevocably consent to the jurisdiction of those courts and waive any objection to either the jurisdiction of or venue in those courts. Nonetheless, the parties agree that any party may enforce any arbitration orders and awards in the courts of the state or states in which the Franchisee is, or the Clinic is located.

C. GOVERNING LAW.

All matters relating to arbitration will be governed by the Federal Arbitration Act (9 U.S.C. §§ 1 et seq.). Except to the extent governed by the Federal Arbitration Act, or other federal law, this Agreement (or any other agreement between the Professional Entity (and/or its affiliates) and the Franchisee (or its owners or affiliates), the franchise agreement for the Clinic, and all claims arising from the relationship between the Professional Entity (and/or its affiliates) and Franchisee (or its owners or affiliates) will be governed by the laws of the State of Delaware, without regard to its conflict of laws rules.

D. WAIVER OF PUNITIVE DAMAGES, CLASS ACTION BAR, AND JURY TRIAL.

Except for the Franchisee's indemnification obligation under Section 9, the parties waive to the fullest extent permitted by law any right to or claim for any punitive or exemplary damages against the other and agree that, in the event of a dispute between the parties, the party making a claim will be limited to equitable relief and to recovery of any actual damages it sustains.

The parties agree that all proceedings, whether submitted to arbitration under Section 10.A above or submitted to a court, will be conducted on an individual basis and that no proceeding between the Professional Entity (and/or its affiliates, owners, officers, directors, agents, and employees) on one hand and the Franchisee (or its affiliates, owners, officers, directors, agents, and employees) on the other hand, may be: (i) conducted on a class-wide basis, (ii) commenced, conducted or consolidated with any other proceeding, (iii) joined with any claim of an unaffiliated third-party, or (iv) brought on behalf of the Franchisee by any association or agent.

The parties irrevocably waive trial by jury in any action or proceeding brought by either party or their respective affiliates.

E. INJUNCTIVE RELIEF.

Nothing in this Agreement, including the provisions of Section 10.A, bars Professional Entity's right to obtain specific performance of the provisions of this Agreement and injunctive or other equitable relief against threatened conduct that will cause loss or damage to the Professional Entity under customary equity rules, including applicable rules for obtaining restraining orders and injunctions. The Professional Entity may obtain such injunctive relief in addition to such further or other relief as may be available at law or in equity. The Professional Entity will not be required to post a bond to obtain injunctive relief and that the Franchisee's only remedy if an injunction is entered against it will be the dissolution of that injunction, if warranted, upon due hearing (all claims for damages by injunction being expressly waived hereby).

F. COSTS AND ATTORNEYS' FEES.

The prevailing party in any judicial or arbitration proceeding will be entitled to recover from the other party all damages, costs, and expenses, including arbitration and court costs and reasonable attorneys' fees, incurred by the prevailing party in connection with such proceeding.

G. LIMITATION OF LIABILITY.

OTHER THAN INDEMNIFICATION CLAIMS UNDER SECTION 9, AND CLAIMS ARISING FROM THE FRANCHISEE'S BREACH OF CONFIDENTIALITY, IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY UNDER THIS AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY FOR ANY: (I) CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES; LOSS OF BUSINESS, REVENUE, PROFITS, GOODWILL, OR REPUTATION; OR COST OF REPLACEMENT GOODS OR SERVICES, IN EACH CASE REGARDLESS OF WHETHER SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE; (II) DAMAGES, LOSSES, OR COSTS IN EXCESS OF THE TOTAL FEES PAID TO THE PROFESSIONAL ENTITY UNDER THIS AGREEMENT IN THE 12 MONTH PERIOD PRECEDING THE EVENT GIVING RISE TO THE CLAIM; AND/OR (III) CLAIMS THAT ARE ASSERTED MORE THAN ONE YEAR FROM THE DATE ON WHICH THE PARTY ASSERTING THE CLAIM KNEW OR SHOULD HAVE KNOWN OF THE FACTS GIVING RISE TO THE CLAIM.

No previous course of dealing will be admissible to explain, modify, or contradict the terms of this Agreement. No implied covenant of good faith and fair dealing will be used to alter the expressed terms of this Agreement.

H. WARRANTY.

OTHER THAN AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE FRANCHISEE ACKNOWLEDGES AND AGREES THE PROFESSIONAL ENTITY DISCLAIMS ALL WARRANTIES, INCLUDING THOSE RELATED TO THE MEDICAL SERVICES PROVIDED BY THE MEDICAL DIRECTOR, WHETHER EXPRESS, IMPLIED, OR STATUTORY, INCLUDING, WITHOUT LIMITATION, ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. THE PROFESSIONAL ENTITY MAKES NO WARRANTY OF ANY KIND THAT ITS OR THE MEDICAL DIRECTOR'S SERVICES, INCLUDING THE MEDICAL SERVICES, WILL MEET THE FRANCHISEE'S, ITS CUSTOMERS, OR OTHER PERSON'S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT. THE PROFESSIONAL ENTITY IS NOT THE MANUFACTURER OF THE EQUIPMENT AND IT MAKES NO REPRESENTATION WITH RESPECT OT THE EQUIPMENT OR ITS USE, OF ANY KIND OR NATURE.

11. **MISCELLANEOUS.**

A. BINDING EFFECT.

This Agreement is binding on the parties and their respective executors, administrators, heirs, beneficiaries, permitted assigns, and successors in interest. This Agreement may only be modified by a written agreement signed by both parties.

B. NON-ASSIGNMENT.

The Franchisee may not transfer, assign, or subcontract any of its obligations under this Agreement without the Professional Entity's prior written approval. The Professional Entity may freely transfer, assign, or subcontract any of its obligations under this Agreement to any third-party.

C. RIGHTS OF PARTIES ARE CUMULATIVE.

Each party's rights under this Agreement are cumulative, and any party's exercise or enforcement of any right or remedy under this Agreement will not preclude such party's exercise or enforcement of any other right or remedy which such party is entitled by law to enforce.

D. SEVERABILITY AND SUBSTITUTION OF VALID PROVISIONS.

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 portions of this Agreement, which will continue to have full force and effect and bind the parties.

If any covenant which restricts competitive activity is deemed unenforceable by virtue of its scope in terms of area, business activity prohibited, or length of time, but would be enforceable if modified, the Franchisee and the Professional Entity 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.

If any applicable and binding law or rule of any jurisdiction requires more notice than this Agreement requires of this Agreement's termination 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 is invalid, unenforceable, or unlawful, the notice or other action required by the law or rule will be substituted for the comparable provisions of this Agreement. The Franchisee agrees to be bound by any promise or covenant imposing the maximum duty the law permits which is subsumed within any provision of this Agreement, as though it were separately articulated in and made a part of this Agreement.

E. WAIVER OF OBLIGATIONS.

The parties 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. The parties will not be deemed to have waived or impaired any right, power, or option this Agreement reserves because of any custom or practice at variance with this

Agreement's terms; either party's failure, refusal, or neglect to exercise any right under this Agreement or to insist upon the other's compliance with this Agreement.

F. THE EXERCISE OF JUDGMENT.

Whenever the Professional Entity have reserved in this Agreement a right to take or to withhold an action, to grant or decline to grant the Franchisee a right to take or withhold an action, or to provide or withhold approval or consent, the Professional Entity may, except as otherwise specifically provided in this Agreement, make such decision or exercise its rights in its sole and unfettered discretion.

G. CONSTRUCTION.

The preambles and exhibits are a part of this Agreement, which together constitute the parties' entire agreement, and there are no other oral or written understandings or agreements between the parties, or oral or written representations by either party, relating to the subject matter of this Agreement, or the provision of Medical Services at the Clinic (any understandings or agreements reached, or any representations made, before this Agreement are superseded by this Agreement). Except as provided in Section 9, nothing in this Agreement is intended or deemed to confer any rights or remedies upon any person or legal entity not a party to this Agreement.

References in this Agreement to the "Agreement" mean this Agreement and the attached exhibits, together. The term "affiliate" means any person or entity directly or indirectly owned or controlled by, under common control with, or owning or controlling either party. "Control" means the power to direct or cause the direction of management and policies. "Including" means "including, without limitation."

References to "owner" mean any person holding a direct or indirect ownership interest (whether of record, beneficially, or otherwise) or voting rights in the Franchisee (or a transferee of this Agreement and the Clinic or an ownership interest in the Franchisee), including, without limitation, any person who has a direct or indirect interest in the Franchisee (or a transferee), this Agreement, or the Clinic 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.

"Person" means any natural person, corporation, limited liability company, general or limited partnership, unincorporated association, cooperative, or other legal or functional entity.

H. SAFETY.

The Professional Entity will not be required to send any of its representatives to the Clinic to provide any assistance or services if, in its sole determination, it is unsafe to do so. Such determination by the Professional Entity will not relieve the Franchisee of its obligations under this Agreement and will not serve as a basis for the Franchisee's termination of this Agreement.

I. INDEPENDENT CONTRACTORS.

The Agreement does not create a fiduciary relationship between the parties. The Professional Entity and the Franchisee are and will be independent contractors. Except as expressly mentioned in this Agreement, nothing is intended to make the Professional Entity and the Franchisee each other's general or special agent, joint venturer, partner, or employee of the other for any purpose.

J. NOTICES AND PAYMENTS.

All written notices, reports, and payments permitted or required to be delivered by this Agreement or the Operations Manual will be deemed to be delivered on the earlier of the date of actual delivery or one

of the following: (i) at the time delivered by hand, (ii) at the time delivered via computer transmission, or (iii) one (1) business day after being placed in the hands of a nationally recognized commercial courier service for next business day delivery. Any notice must be sent to parties at the address shown in this Agreement or at the most current principal business address of which the notifying party has notice; except that, it will always be deemed acceptable to send notice to the Franchisee at the Clinic.

K. COUNTERPARTS; COPIES.

This Agreement may be executed in multiple counterparts which, taken together, will constitute a single instrument. Faxed, scanned or electronic signatures will have the same effect and validity, and may be relied upon in the same manner as original signatures.

L. PROHIBITED PARTIES.

The Franchisee hereby represents and warrants to the Professional Entity, that neither the Franchisee nor any of its employees, agents, representatives, or any other person or entity associated with the Franchisee, is now, or has been:

(1) (a) excluded from participating in any "*federal health care program*" as defined in 42 U.S.C. § 1320a-7b(f), including Medicare, state Medicaid programs, state CHIP programs, TRICARE and similar or successor programs with or for the benefit of any government authority, or (b) listed on: (i) the U.S. Treasury Department's List of Specially Designated Nationals, (ii) the U.S. Commerce Department's Denied Persons List, Unverified List, Entity List, or General Orders, (iii) the U.S. State Department's Debarred List or Nonproliferation Sanctions, or (iv) the Annex to U.S. Executive Order 13224; or

(2) A person or entity who assists, sponsors, or supports terrorists or acts of terrorism, or is owned or controlled by terrorists or sponsors of terrorism. The Franchisee further represents and warrants to the Professional Entity that the Franchisee is now, and has been, in compliance with U.S. anti-money laundering and counter-terrorism financing laws and regulations. The Franchisee agrees not to, and to cause all its employees, agents, representatives, and any other person or entity not to, during the term of this Agreement, take any action or refrain from taking any action that would cause such person or entity to become a target of any such laws and regulations.

The Franchisee further covenants that neither it nor any of its employees, agents, representatives, or any other person or entity associated with the Franchisee, will, during the term of this Agreement, become a person or entity described above or otherwise become a target of any anti-terrorism law.

[signatures appear on the following page]

[signature page to Management Services Agreement]

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

PROFESSIONAL ENTITY:	**FRANCHISEE:**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date: _____	Date: _____

EXHIBIT A

DATA SHEET TO MANAGEMENT SERVICES AGREEMENT

1. **Effective Date:** _____

2. **Franchisee Address:** _____

   _____

3. **Clinic Address:** _____

3. **Medical Director:** _____

4. **Administrative Service Fee:** [___]% of the gross revenue related to the Medical Services provided by the Professional Entity, under the supervision of a Medical Director and provided by the Clinical Staff at the applicable the Clinics.

   OR (in states that require a flat fee arrangement)

   $[___] per month

5. **Medical Director Fee:** $[___] per month

PROFESSIONAL ENTITY:	**FRANCHISEE:**
By:_____	By:_____
Name:_____	Name:_____
Title:_____	Title:_____
Date: _____	Date: _____

EXHIBIT B TO MANAGEMENT SERVICES AGREEMENT

BUSINESS ASSOCIATE AGREEMENT

_____, as a Covered Entity ("CE") under the Privacy Rule, wishes to disclose certain information to _____ in its role as a Business Associate ("BA"), some of which may constitute Protected Health Information ("PHI"). The purpose of this Agreement is to satisfy certain standards and requirements of the HIPAA Rules, including, but not limited to, Title 45, Section 164.504(e) of the Code of Federal Regulations ("CFR") and Title 45 CFR Sections 164.308(b) and 164.314(a), as the same may be amended from time to time.

I. DEFINITIONS

Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the HIPAA Rules. In the event of a conflict between the definitions in this Agreement and the definitions in the HIPAA Rules, the definitions in the HIPAA Rules shall be applied.

Covered Entity shall generally have the same meaning as the term "covered entity" at 45 C.F.R. §160.103.

Business Associate shall generally have the same meaning as the term "business associate" at 45 C.F.R. §160.103.

Protected Health Information ("PHI") includes electronic Protected Health Information and means any information, whether oral or recorded in any form or medium that:

a. Relates to the past, present or future physical or mental health or condition of an individual, the provision of health care to an individual, or the past, present or future payment for the provision of health care to an individual;

b. Identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual; and

c. Is limited to the information created or received by BA from or on behalf of CE.

Electronic Protected Health Information ("e-PHI") is a subset of Protected Health Information and means PHI that is transmitted by or maintained in any electronic media.

Disclose means the release, transfer, provision of access to, or divulging in any other manner of PHI to parties outside the BA's organization.

Use means the sharing, employment, application, utilization, examination, or analysis of PHI within the BA's organization.

Secretary means the Secretary of Health and Human Services or any other officer or employee of HHS to whom the authority involved has been delegated.

Data aggregation means, with respect to PHI created or received by a BA in its capacity as a BA of a CE, the combining of such PHI by the BA with the PHI received by the BA in its capacity as a BA of another CE, to permit data analyses that relate to the health care operations of the respective covered entities.

Individual means the person who is the subject of PHI and shall include a person who qualifies as a personal representative in accordance with 45 CFR §164.502(g).

HIPAA Rules mean the Privacy, Security, Breach Notification and Enforcement Rules at 45 C.F.R. Part 160 and Part 164.

Required By Law means a mandate contained in law that compels a CE to make a use or disclosure of PHI and that is enforceable in a court of law.

Availability means that data or information is accessible and usable upon demand by an authorized person.

Confidentiality means that data or information is not made available or disclosed to unauthorized persons or processes.

Integrity means that data or information have not been altered or destroyed in an unauthorized manner.

Security Incident means the successful unauthorized access, use, disclosure, modification, or destruction of information or interference with system operations in an information system.

HITECH means the Health Information Technology for Economic and Medical Director Health Act, found in Title XIII of the American Recovery and Reinvestment Act of 2009, Public Law 111-005.

Unsecured PHI shall have the same definition that the Secretary gives the term in guidance issued pursuant to § 13402 of HITECH.

II. OBLIGATIONS AND ACTIVITIES OF BUSINESS ASSOCIATE

1. Nondisclosure. BA shall not use or disclose CE's PHI otherwise than as permitted or required by this Agreement or as Required By Law.

2. Minimum Necessary. BA shall use or further disclose PHI only in the minimum amount and to the minimum number of individuals necessary to achieve the purpose of the services being rendered to or on behalf of CE, or otherwise in furtherance of the underlying Services Agreement between BA and CE.

3. Safeguards. BA shall use appropriate safeguards to prevent use or disclosure of CE's PHI otherwise than as provided for by this Agreement.

4. Reporting of Unauthorized Disclosures. BA shall report to CE any use or disclosure of CE's PHI not provided for by this Agreement of which BA becomes aware, including breaches of unsecured PHI as required at 45 C.F.R. §164.410 and any security incident of which it becomes aware.

5. Mitigation. BA shall mitigate, to the extent practicable, any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement.

6. BA's Agents. In accordance with 45 C.F.R. §§ 164.502(e)(1)(ii) and 164.308(b)(2), if applicable, BA shall ensure that any agents, including subcontractors, that create, receive, maintain or transmit PHI on behalf of BA agree to the same restrictions, conditions and requirements that apply to the BA with respect to such information.

7. Access to PHI. BA shall provide access, at the request of CE, and in the time and manner designated by CE, to PHI to CE or, as directed by CE, to an Individual in order to meet the requirements under 45 CFR §164.524. This provision applies only to PHI received or created by BA pursuant to this Agreement if BA possesses such PHI.

8. Documentation of Disclosures. BA shall document such disclosures of PHI and information related to such disclosures as would be required for CE to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR §164.528.

9. Accounting of Disclosures. BA shall provide to CE, in time and manner designated by CE, information collected in accordance with Section 8 of this Agreement, to permit CE to respond to a request by an individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528. Except in the case of a direct request from an Individual for an accounting related to treatment, payment, or operations disclosures through electronic health records, if the request for

an accounting is delivered directly to BA or its agents or subcontractors, if any, BA shall within ten (10) business days of a request notify CE about such request. CE shall either request BA to provide such information directly to the Individual, or it shall request that the information be immediately forwarded to CE for compilation and distribution to such Individual. In the case of a direct request for an accounting from an Individual related to treatment, payment, or operations disclosures through electronic health records, BA shall provide such accounting to the Individual in accordance with HITECH § 13405(c). BA shall not disclose any PHI unless such disclosure is required by law or is in accordance with this Agreement. BA shall document such disclosures. Notwithstanding anything in the Agreement to the contrary, BA and any agents or subcontractors shall continue to maintain the information required for purposes of complying with this Section for a period of six (6) years after termination of the Agreement.

10. Amendment of PHI. BA shall make any amendment(s) to PHI that the CE directs or agrees to pursuant to 45 CFR § 164.526 at the request of CE or an Individual, and in the time and manner designated by CE. This provision applies only to PHI received or created by BA pursuant to this Agreement if BA possesses such PHI.

11. Internal Practices. BA shall make its internal practices, books and records relating to the use and disclosure of PHI received from CE, or created or received by BA on behalf of CE, available to the CE, or to the Secretary, for purposes of the Secretary determining CE's compliance with the HIPAA Rules.

12. Security of e-PHI. If BA creates, receives, maintains or transmits e-PHI at any time during the term of this agreement, BA agrees to appropriately safeguard the e-PHI as follows:

    a. **Safeguards**. Develop, implement, maintain, and use appropriate safeguards to prevent any use or disclosure of the PHI or e-PHI other than as provided by this Agreement, and to implement administrative, physical, and technical safeguards as required by §164.308, 164.310, 164.312 and 164.316 and HITECH to protect the confidentiality, integrity, and availability of e-PHI or PHI that BA creates, receives, maintains, or transmits, in the same manner that such sections apply to the CE. *See* HITECH § 13401;

    b. **Agents**. BA will ensure that any agent, including a subcontractor, to whom it provides e-PHI agrees to implement reasonable and appropriate safeguards to protect it; and

    c. **Reporting**. BA will report to CE any Security Incident, of which BA becomes aware.

13. BA shall comply with any additional requirements of Title XIII of HITECH that relate to privacy and security and that are made applicable with respect to covered entities. *See* HITECH § 13401.

14. BA shall adopt the technology and methodology standards required in any guidance issued by the Secretary pursuant to HITECH §§ 13401-13402.

15. BA shall mitigate any harmful effect that is known to BA of a use or disclosure of PHI by BA in violation of the requirements of this Agreement and notify CE of any breach of Unsecured PHI, as required under HITECH § 13402.

16. In the case of a breach of Unsecured PHI, the BA shall, promptly following the discovery of a breach of such information, notify CE of such breach. The notice shall include the identification of each individual whose Unsecured PHI has been, or is reasonably believed by the BA to have been, accessed, acquired, or disclosed during the breach.

17. BA shall be solely responsible for the cost of the required reporting, notification or mitigation associated with BA's breach of Unsecured PHI. Further, BA shall reimburse CE for any costs CE incurs as a result of assisting BA with BA's requirements as a result of a breach of Unsecured PHI.

18. BA shall enter into an agreement with each of its subcontractors pursuant to 45 CFR § 164.308(b)(1) and HITECH § 13401 that is appropriate and sufficient to require each such subcontractor to protect PHI to the same extent required by BA hereunder.

19. BA shall along with its agents or subcontractors, if any, only request, use and disclose the minimum amount of PHI necessary to accomplish the purpose of the request, use or disclosure. BA agrees to comply with the Secretary's guidance on what constitutes "minimum necessary". *See* HITECH § 13405.

20. BA shall take reasonable steps to cure the breach or end the violation if BA knows of a pattern of activity or practice by CE that constitutes a material breach or violation of CE's obligations under this Agreement. If such steps are unsuccessful within a period of 30 days, BA will either: 1) terminate the Agreement, if feasible; or 2) report the problem to the Secretary. *See* HITECH § 13404(b).

III. PERMITTED USES AND DISCLOSURES BY BUSINESS ASSOCIATE

1. Permitted Uses and Disclosures. Except as otherwise limited in this Agreement, BA may use or disclose PHI to perform necessary functions, activities, or services for, or on behalf of CE, provided such use or disclosure would not violate the HIPAA Rules if done by the CE.

2. Use for Management and Administration. Except as otherwise limited in this Agreement, BA may use PHI for the proper management and administration of the BA or to carry out the legal responsibilities of the BA.

3. Disclosure for Management and Administration. Except as otherwise limited in this Agreement, BA may disclose PHI for the proper management and administration of the BA or to carry out the legal responsibilities of the BA, provided that:

    a. Disclosures are required by law; or

    b. BA obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and

    c. The person notifies the BA of any instances of which it is aware in which the confidentiality of the information has been breached.

4. Data Aggregation. Except as otherwise limited in this Agreement, BA may use PHI to provide Data Aggregation services to CE relating to the health care operations of the CE.

5. Report Violations of Law. Except as otherwise limited in this Agreement, BA may use PHI to report violations of law appropriate to federal and state authorities consistent with 45 CFR §164.502(j)(1).

IV. OBLIGATIONS OF COVERED ENTITY

1. Changes in permission. CE shall notify BA of any changes in, or revocation of, permission by an Individual to use or disclose PHI, to the extent that such changes may affect BA's use or disclosure of PHI.

2. Notification of Restrictions. CE shall notify BA of any restriction to the use or disclosure of PHI that CE has agreed to or must comply with in accordance with 45 CFR § 164.522 and/or HITECH §13405(a), to the extent that such restriction may affect BA's use or disclosure of PHI.

V. PERMISSIBLE REQUESTS BY COVERED ENTITY

1. Requests by Covered Entity. CE shall not request BA to use or disclose PHI in any manner that would not be permissible under the HIPAA Rules if done by CE.

2. Audits, Inspection and Enforcement. From time to time upon reasonable notice, CE may inspect the facilities, systems, books and records of BA to monitor compliance with this Agreement. BA shall promptly remedy any violation of any term of this Agreement and shall certify the same to CE in writing. The fact that CE inspects, fails to inspect, or has the right to inspect BA's facilities, systems and procedures does not relieve BA of its responsibility to comply with this Agreement, nor does CE's (i) failure to detect or (ii) detection of a violation of any term of this Agreement.

VI. TERM AND TERMINATION

1. Term. The Term of this Agreement shall be effective as of _____, and shall terminate when all of the PHI provided by CE to BA, or created or received by BA on behalf of CE, is destroyed or returned to the CE, or if it is infeasible to return or destroy PHI, protections are extended to such information, in accordance the termination provisions in this Section.

2. Termination for Cause. Upon CE's knowledge of a material breach by BA, CE shall either:

   a. provide an opportunity for BA to cure the breach or end the violation and if BA does not cure the breach or end the violation within the time specified by CE, terminate this Agreement;

   b. immediately terminate this Agreement if BA has breached a material term of this Agreement and cure is not possible; or

   c. report the violation to the Secretary if neither cure of the breach nor termination of this Agreement is feasible.

3. Effect of Termination. Except as provided in paragraph (4) of this section, upon termination of this Agreement, for any reason, BA shall return or destroy all PHI received from CE, or created or received by BA on behalf of CE. This provision shall apply to PHI that is in the possession of subcontractors or agents of BA. BA shall retain no copies of the PHI.

4. Return or Destruction of PHI Not Feasible. In the event that BA determines that returning or destroying PHI is not feasible, BA shall notify CE in writing of the conditions that make return or destruction infeasible. If return or destruction of the PHI is infeasible, BA shall 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 BA maintains such PHI.

VII. MISCELLANEOUS

1. Regulatory References. A reference in this Agreement to a section in the HIPAA Rules and HITECH means the section as in effect or as amended, and for which compliance is required.

2. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time for CE to comply with the requirements of the HIPAA Rules.

3. Survival. The respective rights and obligations of BA under Section VI.3. and VI.4. of this Agreement shall survive the termination of this Agreement.

4. Interpretation. This Agreement shall be interpreted as broadly as necessary to implement and comply with the HIPAA Rules and applicable state laws. The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that permits CE to comply with the HIPAA Rules and applicable state laws.

5. Assistance in Litigation or Administrative Proceedings. BA shall make itself, and any subcontractors, employees or agents assisting BA in the performance of its obligations under this Agreement, available to CE, at no cost to CE, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against CE, its directors, officers or employees based upon claimed violation of the Privacy Rule, except where BA or its subcontractor, employee or agent is a named adverse party.

IN WITNESS WHEREOF, the parties have executed this Business Associate Agreement on the dates set forth with their respective signatures, below.

Dated: _____, 20___ By: _____

[Printed Name]

Its: Title

[Name of Business Associate]

Dated: _____, 20___ By: _____

[Printed Name]

Its: [Title]

NEW YORK REPRESENTATIONS PAGE

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

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:

California	Pending
Hawaii	April 6, 2024; as amended _____
Illinois	March 30, 2024; as amended _____
Indiana	April 2, 2024; as amended _____
Maryland	Pending
Michigan	March 30, 2024; as amended April 19, 2024
Minnesota	Pending
New York	Pending
North Dakota	April 1, 2024; as amended _____
Rhode Island	April 2, 2024; as amended _____
South Dakota	March 30, 2024; as amended April 19, 2024
Virginia	Pending
Wisconsin	March 30, 2024; as amended April 19, 2024

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

EXHIBIT L

RECEIPTS

RECEIPT
(OUR COPY)

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 Lindora Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Lindora Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, Lindora Franchise, LLC must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, Lindora Franchise, LLC or an affiliate in connection with the proposed franchise sale. Under Michigan law, Lindora Franchise, LLC must 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. Under New York law, Lindora Franchise, LLC must provide this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, Lindora Franchise, LLC or an affiliate in connection with the proposed franchise sale.

If Lindora Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

Issuance Date: March 30, 2024; as amended April 19, 2024

The franchisor is Lindora Franchise, LLC, 17877 Von Karman Avenue, Suite 100, Irvine, California 92614 and at (513) 815-8467. The franchise seller for this offering is:

❑ _____	❑ _____	❑ _____	❑ _____
17877 Von Karman Avenue, Suite 100 Irvine, California 92614 (513) 815-8467	17877 Von Karman Avenue, Suite 100 Irvine, California 92614 (513) 815-8467	17877 Von Karman Avenue, Suite 100 Irvine, California 92614 (513) 815-8467	17877 Von Karman Avenue, Suite 100 Irvine, California 92614 (513) 815-8467

See Exhibit B for Lindora Franchise, LLC's registered agents authorized to receive service of process.

I have received a disclosure document dated March 30, 2024; as amended April 19, 2024, that included the following Exhibits:

Exhibit A	Form of Franchise Agreement and Exhibits	Exhibit G	State Specific Addenda
Exhibit B	List of State Agents for Service of Process and State Administrators	Exhibit H	List of Current Franchisees
Exhibit C	Financial Statements	Exhibit I	List of Franchisees that Left the System in the Past Year
Exhibit D	Guaranty of Performance	Exhibit J	Form of Development Agreement
Exhibit E	Statement of Prospective Franchisee	Exhibit K	Management Services Agreement
Exhibit F	Form of General Release	Exhibit L	Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

Please sign this copy of the receipt, print the date on which you received this disclosure document, and return it, by mail or email to Lindora Franchise, LLC, 17877 Von Karman Avenue, Suite 100 Irvine, California 92614. Email: salesinfo@xponential.com.

RECEIPT
(YOUR COPY)

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 Lindora Franchise, LLC offers you a franchise, it must provide this disclosure document to you 14 calendar days before you sign a binding agreement with, or make a payment to, Lindora Franchise, LLC or an affiliate in connection with the proposed franchise sale, or sooner if required by applicable state law. Under Iowa law, Lindora Franchise, LLC must give you this disclosure document at the earlier of our 1st personal meeting or 14 calendar days before you sign an agreement with, or make a payment to, Lindora Franchise, LLC or an affiliate in connection with the proposed franchise sale. Under Michigan law, Lindora Franchise, LLC must 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. Under New York law, Lindora Franchise, LLC must provide this disclosure document at the earlier of the first personal meeting or 10 business days before you sign a binding agreement with, or make a payment to, Lindora Franchise, LLC or an affiliate in connection with the proposed franchise sale.

If Lindora Franchise, LLC does not deliver this disclosure document on time or if it contains a false or misleading statement, or a material omission, a violation of federal law and state law may have occurred and should be reported to the Federal Trade Commission, Washington, D.C. 20580 and the appropriate state agency identified on Exhibit B.

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Exhibit F	Form of General Release	Exhibit L	Receipts

Date	Signature	Printed Name
Date	Signature	Printed Name

PLEASE SIGN THIS COPY OF THE RECEIPT, PRINT THE DATE ON WHICH YOU RECEIVED THIS DISCLOSURE DOCUMENT AND KEEP IT FOR YOUR RECORDS.